

Georgia: Mixed Feelings About Pipeline

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The Georgian government welcomes Baku-Tbilisi-Ceyhan project - environmentalists are less happy.

For the heads of state and dignitaries attending the ceremony in the Azerbaijani capital Baku, the official opening of the Baku-Tbilisi-Ceyhan pipeline is the dawn of a new era. But for many observers in Georgia - one of three countries the pipeline will cross - it is just one installment in a long, and in some cases controversial, history.

Mikheil Saakashvili, the Georgian president, attended the May 25 event with his wife Sandra Roelofs, underlining his government's continued support for the pipeline, which originates in the Azerbaijani waters of the Caspian, and snakes west across Azerbaijan and Georgia before turning south to cross Turkey.

Georgia stands to earn on average some 50 million US dollars a year in transit fees - or less than five per cent of its annual budget - from the pipeline.

Though this is small beer in comparison with the billions that neighboring Azerbaijan expects to reap from the transport and sale of oil, the money will still provide a needed boost to Georgia's cash-strapped economy.

But for many observers the main reason for the Georgian government's unwavering support for the project is not financial, but strategic. The pipeline is one of a number of factors that should guarantee the West's continued interest in the country's political independence from Russia.

Officials hope that support for the pipeline will be looked on favourably in the corridors of power in Washington, where BTC has long been a foreign policy priority. And BTC, along with the forthcoming South Caucasus gas pipeline, will help decrease Georgia's dependence on Moscow.

President Saakashvili said at the BTC opening ceremony that Georgia was "proud to be a transit country in this unprecedented project. For centuries, Georgia has stood at the crossroads of great empires, at a place where Europe, Asia and the Middle East meet. All too often in our history we have been the subject of unwanted attention from these great empires, but those days are over. Now, Georgia and our region are getting a very different kind of attention".

But others wonder whether the project is entirely beneficial for Georgia.

During the two years of construction, communities near or along the pipeline route staged many demonstrations, claiming they had not received sufficient compensation for affected land - and complaining that their roads, water pipes and irrigation systems had been damaged.

The protests varied from peaceful gatherings in front of local administration buildings to blocking access roads to the pipeline construction site. In August, last year 70 residents of the Tabatskuri village sealed off a road, threw stones and injured several policemen who had arrived to restore order.

The pipeline consortium provided funds to the communities in question - some 18 million dollars, according to Wref Digings, general manager of BP-Georgia.

But for others, the main issue remains the question of the pipeline's environmental safety, especially within the Borzhomi valley, a national park and the source of the eponymously-named local mineral water, one of the former Soviet Union's oldest and best-known brands. This segment, which accounts for less than a tenth of the pipeline's 245 km in Georgia, became the focus of an international tug-of-war over the last few years, pitting BP and its partners on one side, and environmental groups and some parts of the Georgian government on the other.

Environmental groups both in and outside Georgia said the pipeline was not sufficiently protected and could irreparably damage the Borzhomi area, should there be a leak or explosion.

BP officials for their part said that they had no alternative than to build through Borzhomi, and that the consortium has invested millions into assuring there would be no accident on the pipeline. BTC runs several km from the actual springs, which are deep underground.

The issue came to a head in August last year, when the oil companies, at the request of the country's environmental ministry, suspended all work on the Georgian section of the pipeline.

"British Petroleum must make every possible effort to ensure ecological safety of the Borzhomi valley. The company tried to complain about us in Washington, seeking to bring us under pressure and make us agree to the resumption of construction. But they are not going to get anything," said President Saakashvili at the time.

Negotiations dragged on for nearly one month. In the end, the pipeline consortium signed two documents and an additional protocol, providing for 6 million dollars' worth of security equipment and assistance, as well as an additional one million dollars annually to maintain the pipeline's safety systems.

The consortium pledged a further 40 million dollars for social and economic projects, to be paid in tranches until 2010. (The consortium has already dispensed the first two tranches of nine and 11 million dollars.)

But some, even at this late stage with construction finished and oil entering the line, are still concerned about the project. Giga Gigauri, a representative of a group of NGOs and academics who campaigned in the past for it to be rerouted, told IWPR that "it is essential to permanently monitor the state of the oil pipeline, with NGOs and local specialists taking part in the effort".

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