Pakistan: Engro Fast-Track Liquefied Natural Gas Regasification Project

| Project Name | Engro Fast-Track Liquefied Natural Gas Regasification Project | |
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| Project Number | 48307-001 | |
| | ENGRO ELENGY TERMINAL PVT LIMITED | |
| Borrower/Company | | |
| Country | Pakistan | |
| Location | | |
| Approval Number | 7443/3247 | |
| Type or Modality of Assistance | 7443LoanUSD 30.00 millionCommitted | |
| Strategic Agendas | Environmentally sustainable growth Inclusive economic growth | |
| Drivers of Change | Partnerships Private sector development | |
| Sector / Subsector | Energy - Conventional energy generation | |
| Gender Equity and Mainstreaming | No gender elements | |
| Responsible ADB Department | Private Sector Operations Department | |
| Responsible ADB Division | Portfolio Management Division, PSOD | |
| Responsible ADB Officer | Gulshan, Karan Raj | |
| Project Sponsor(s) | ENGRO CORPORATION | |
| Description | The project involves construction and operation of a fast track LNG regasification facility located at Port Qasim, Karachi. Project components include construction of a jetty and associated facilities, a 24-km high pressure gas pipeline, and lease of a Floating Storage and Regasification Unit (FSRU); the project location is alongside the existing Engro-Vopak LPG terminal. | |
| Objectives and Scope | The project will play a part in satisfying the growing domestic demand for hydrocarbons, and hence will help reduce the unmet energy demand in Pakistan. It's anticipated that the project will contribute to national energy security priorities and strengthening of the country's natural gas infrastructure. Therefore the project will further enhance the country's energy security by diversifying the energy base in an environmentally sustainable manner through import of a cleaner fuel. | |
| Linkage to Country/Regional Strategy | The project is consistent with ADB's Strategy 2020 in relation to environmentally sustainable growth, investment in infrastructure, and private sector development. The project is aligned with Pakistan's Country Operations Business Plan (2014-16) specifically with regard to emphasis on expansion of energy access, environmental sustainability and catalyzing private sector investment. The project is fully consistent with the ADB Energy Policy (2009), under which support for energy sector investment for inclusive growth has been identified as a key priority. | |

Safeguard Categories

| Environment | А |
|--------------------------|---|
| Involuntary Resettlement | С |
| Indigenous Peoples | С |

Summary of Environmental and Social Aspects

| Environmental Aspects | A comprehensive environmental and social due diligence will identify any existing or potential environmental and social impact, and then the final environmental and social categories will be proposed. The Project will have to comply with all national regulatory requirements related to environmental and social protection in Pakistan. An Environmental and Social Impact Assessment has been developed to comply with country requirements. In addition, audits have been undertaken of the existing project facilities. If ADB assistance is ultimately involved, the Project has to comply with all of ADB's environmental and social safeguard policies. |
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| Involuntary Resettlement | The project will involve the construction and operation of a Liquefied Natural Gas (LNG) terminal in Port Qasim including a 24 kilometer branch pipepline to transport regasified LNG. About 21 kilometers of the pipeline is located within the PQA. No physical or economic displacement is expected to be caused by the project. This will be confirmed during the social due diligence including other social issues. |
| Indigenous Peoples | The project will be located in Port Qasim in Karachi, the second busiest port in Pakistan which is remote from populated areas. No Indigenous Peoples will be affected by the project. |
| Stakeholder Communication, Participation, and Consultation | Based on an extensive public outreach program, including public meetings, public hearings, and individual and group consultations, different stakeholders including the local communities are well informed of the project, its likely impacts and essential mitigation measures to ensure that these impacts are reduced or mitigated. A Community Engagement Management Plan was prepared outlining a range of consultation and community engagement activities during construction and operation phases of the project. |

Timetable for assistance design, processing and implementation

| | 4 |
|-------------------------------------|----|
| Due Diligence 04 Sep 20 | 14 |
| Credit Committee Meeting 12 Jan 201 | 15 |
| Approval 24 Feb 20 | 15 |
| Last PDS Update 04 Sep 20 | 14 |

| Project Page | https://www.adb.org/projects/48307-001/main |
|-------------------------|---|
| Request for Information | http://www.adb.org/forms/request-information-form?subject=48307-001 |
| Date Generated | 06 July 2017 |

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