



Regional: TAPI Gas Pipeline Project (Phase 1)

Project Name	TAPI Gas Pipeline Project (Phase 1)	
Project Number	52167-001	
Country	RegionalAfghanistanIndiaPakistanTurkmenistan	
Project Status	Proposed	
Project Type / Modality of Assistance	Grant Loan Private Sector Loan	
Source of Funding / Amount	GU: Turkmenistan-Afghanistan-Pakistan-India (TAPI) Natural Gas Pipeline Project	
	Ordinary capital resources	US\$ 500.00 million
	Grant: Turkmenistan-Afghanistan-Pakistan-India (TAPI) Natural Gas Pipeline Project	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 100.00 million
	Loan: Turkmenistan-Afghanistan-Pakistan-India (TAPI) Natural Gas Pipeline Project	
	Ordinary capital resources	US\$ 300.00 million
	Ordinary capital resources	US\$ 100.00 million
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Partnerships Private sector development	
Sector / Subsector	Energy - Oil and gas transmission and distribution	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>The Governments of Turkmenistan, Afghanistan, and Pakistan have each requested Asian Development Bank (ADB) financing for Phase 1 (the Project) of the TAPI gas pipeline (the TAPI Pipeline). The TAPI Pipeline extends for approximately 1,600 kilometers (km), from the Turkmenistan-Afghanistan border to the Pakistan-India border. At full capacity, the TAPI Pipeline can transport up to 33 billion cubic meters (bcm) of natural gas per year from Turkmenistan to Afghanistan, Pakistan, and India over a commercial operations period of 30 years. The Project comprises the procurement and installation of pipeline and related facilities (without compressor stations) over the entire 1,600 km length within Afghanistan and Pakistan. In parallel with the Project, (i) State Concern <> will implement with its own resources (including financing from the Islamic Development Bank) the following facilities within Turkmenistan: development of a dedicated portion of the Galkynysh gas field, installation of approximately 200 km of pipeline to the Turkmenistan-Afghanistan border, and construction of one or more compressor stations in Turkmenistan; and (ii) GAIL (India) Limited will implement with its own resources the installation of approximately 10 km of pipeline from its gas network terminus at Fazilka to the Pakistan-India border. With all these facilities, the Project can transport approximately 10 bcm of gas per year.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Once operational, the TAPI Pipeline will allow Turkmenistan to diversify and expand its gas export markets to the southeast, into Afghanistan, Pakistan, and India. The Central Asia Regional Economic Cooperation (CAREC) Program's Strategy for Regional Cooperation in the Energy Sector has identified the TAPI Pipeline as one of the main links in the inter-energy relationship among CAREC countries. Overall, the TAPI Pipeline will have transformational impact on regional cooperation and will also support other initiatives aimed at increasing growth and economic stability in the region. The Project is aligned with the development strategies of Turkmenistan, Afghanistan, Pakistan and India (TAPI), as reflected in their respective Country Partnership Strategies, and is also consistent with the objectives of ADB's Strategy 2030.</p>	
Impact	<p>Improved fiscal position of TKM, AFG and PAK Regional integration through gas exports from TKM to AFG, PAK and IND Jobs created in AFG and PAK</p>	
Outcome	Regional gas market is expanded	
Outputs	<p>TAPI Pipeline in AFG and PAK (1,600 km) completed TAPI Pipeline commissioned and operating Improved access to solar power in selected districts of Multan and Quetta in Pakistan, and Kandahar in Afghanistan</p>	
Geographical Location	Afghanistan - Nation-wide; India - Nation-wide; Pakistan - Nation-wide; Turkmenistan - Nation-wide	
Safeguard Categories		
Environment		A
Involuntary Resettlement		A
Indigenous Peoples		C
Summary of Environmental and Social Aspects		
Environmental Aspects	The project is classified as A' for environment due to significant land uptake, transboundary nature and crossing of key waterways and areas with high biodiversity value considered as critical habitat. Other impacts related with dust / air emissions, noise generation, occupational and community health and safety are also envisaged during project construction and operation phases.	
Involuntary Resettlement	Based on information provided by TPCL and its consultants, the project is classified as category A for involuntary resettlement (IR) impacts (due to significant land take, and consequent probable impacts on livelihoods).	

Indigenous Peoples Turkmenistan is an ethnically homogeneous state with Turkmens comprising 85% of the population. The provinces in Afghanistan where the pipeline crosses are mainly comprised of Pashtuns. Other major ethnic groups that include Tajik, Hazara, Uzbek and Baloch may also be present in the project area. The two provinces in Pakistan where the pipeline crosses are inhabited by Pashtuns and Baloch. None of these major groups and other ethnic groups along the corridor have been identified as indigenous peoples as defined by the Safeguard Policy Statement (SPS). At this stage, the project is classified as category C for impacts on indigenous peoples (IP).

Stakeholder Communication, Participation, and Consultation

During Project Design The main stakeholders of the project would include local residents who will benefit from improved energy supply, central and local governments specifically in the energy sector in the 4 countries, civil society organizations, and the people to be affected by civil works, specifically in the communities surrounding the planned pipeline in Afghanistan and Pakistan. The potential primary beneficiaries of the project are citizens who will benefit from improved and reliable energy access, as well as the people in Turkmenistan who will benefit from increased revenues from gas exports. The affected groups and individuals will be consulted through focus group discussions and consultation meetings during project design.

During Project Implementation

Business Opportunities

Consulting Services TPCL will be responsible for all project implementation activities, including procurement and award and management of all supply, works, consulting services, and other contracts, as well as ensuring the safeguard requirements of the governments and financing agencies are complied with. A project agreement will be executed between ADB and TPCL (and possibly TVEB if required for PCG transaction purposes) under which TPCL will assume direct obligations to ADB to implement the project. The financing agreements between ADB and Turkmenistan, Afghanistan, and Pakistan, respectively, will include provisions requiring that their respective state owned gas entities (footnote 5), exercise their powers as (indirect) shareholders of TPCL, to ensure that TPCL: (i) implements the project in accordance with the project documentation (including financing agreements, project agreement, and safeguards documents); and (ii) undertakes any other actions required to facilitate project completion (including provision of approvals for project procurement and performing project oversight and monitoring).

Procurement ADB will conduct due diligence on the procurement process, evaluation criteria, and the evaluations to ensure that procurement of the goods and services eligible for ADB financing has been undertaken in a manner consistent with ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time), including ADB's Core Procurement Principles.

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Timetable

Concept Clearance 18 May 2020

Fact Finding 02 Nov 2020 to 16 Nov 2020

MRM 15 Feb 2021

Approval -

Last Review Mission -

Last PDS Update 29 May 2020

Project Page <https://www.adb.org/projects/52167-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=52167-001>

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