



Pakistan: Gas Storage Development Systems

Project Name	Gas Storage Development Systems				
Project Number	55170-002				
Country	Pakistan				
Project Status	Approved				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 6886-PAK: Gas Storage Sector Development Systems</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 600,000.00</td> </tr> </table>	TA 6886-PAK: Gas Storage Sector Development Systems		Technical Assistance Special Fund	US\$ 600,000.00
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration				
Drivers of Change	Governance and capacity development Partnerships Private sector development				
Sector / Subsector	Energy - Energy sector development and institutional reform				
Gender Equity and Mainstreaming	Some gender elements				
Description	The knowledge and support technical assistance (TA) will (i) analyze and recommend gas storage modalities and options across Pakistan based on the safety, reliability, cost, and effect on amenities as prime considerations; (ii) propose a policy, legal, and regulatory framework to develop, operate, and maintain gas storage facilities following international best practice; and (iii) provide advisory services on a transaction model, financial structure, and development road map for the first gas storage facility in the country. The findings will assist the Government of Pakistan to design and approve optimal storage options (underground or overground) across multiple locations, a capital and ownership structure and road map for each option, and adjustments to the hydrocarbon legal and regulatory framework.				
Project Rationale and Linkage to Country/Regional Strategy	The TA supports the recommendation of the government's integrated energy plan to deregulate the gas value chain and encourage private sector participation. The government does not intend to offer any sovereign guarantees, capacity charges, or offtake commitments for future LNG terminals and storage; hence, operators would arrange their own buyers, as well as third-party access to pipeline capacity. The TA is linked to the operational priorities of ADB's Strategy 2030: (i) addressing remaining poverty and reducing inequalities by cutting energy poverty and lowering gas tariffs; (ii) accelerating progress in gender equality through access to year-round energy for rural areas for cleaner cooking and cottage industries; (iii) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability by reducing carbon footprints through the replacement of furnace oil and diesel-powered plants with gas-powered plants that are available year-round; (iv) strengthening governance and institutional capacity; and (v) fostering regional cooperation and integration through gas pipeline interconnections with neighboring countries (Turkmenistan and Iran), with options to store gas. The TA is aligned with ADB's energy policy, supporting the low-carbon transition, and TA outputs will include necessary due diligence to ensure compliance with the three conditions of ADB's Energy Policy for any subsequent ADB-assisted projects involving natural gas.				
Impact	Gas market equilibrium established.				
Project Outcome					
Description of Outcome	Gas supply chain strengthened, and strategic reserves requirements met.				
Progress Toward Outcome					
Implementation Progress					
Description of Project Outputs	Gas storage infrastructure across Pakistan based on safety, reliability, cost, and effect on amenities as primary considerations assessed. Legal, policy, and regulatory framework to build, operate, and maintain gas storage facilities developed. Transaction advisory services for an optimal project capital structure and road map for financial closure developed				
Status of Implementation Progress (Outputs, Activities, and Issues)					
Geographical Location	Nation-wide				
Summary of Environmental and Social Aspects					
Environmental Aspects					
Involuntary Resettlement					
Indigenous Peoples					
Stakeholder Communication, Participation, and Consultation					
During Project Design					
During Project Implementation					
Responsible ADB Officer	Aleem, Asad				

Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Energy Division, CWRD
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable	
Concept Clearance	05 Nov 2021
Fact Finding	04 Oct 2021 to 04 Oct 2021
MRM	-
Approval	17 Dec 2021
Last Review Mission	-
Last PDS Update	17 Dec 2021

TA 6886-PAK

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
600,000.00	0.00	0.00	0.00	0.00	0.00	600,000.00	-	0.00

Project Page	https://www.adb.org/projects/55170-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=55170-002
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