



Regional: Preparing the TAPI Gas Pipeline Project (Phase 1)

Project Name	Preparing the TAPI Gas Pipeline Project (Phase 1)	
Project Number	52167-002	
Country / Economy	Regional Afghanistan Pakistan Turkmenistan	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 9992-REG: TAPI Gas Pipeline Project (Phase 1) Technical Assistance Special Fund US\$ 750,000.00	
Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP6: Strengthening governance and institutional capacity OP7: Fostering regional cooperation and integration	
Sector / Subsector	Energy / Oil and gas transmission and distribution	
Gender	Some gender elements	
Description	The TAPI pipeline has been under discussion for more than 20 years. In 2013, the governments of Afghanistan, India, Pakistan and Turkmenistan directed their respective state gas entities (hereinafter collectively referred to as the TAPI Sponsors) to develop, and invest in, the TAPI pipeline. The TAPI Sponsors became the founding shareholders of the TAPI Pipeline Company Limited (TPCL) incorporated in the Isle of Man (United Kingdom) in 2014 and holding its main office in Dubai (United Arab Emirates) since 2016. TPCL mandate is to develop, own, and operate the TAPI pipeline.	
Project Rationale and Linkage to Country/Regional Strategy	<p>The governments of Afghanistan, Pakistan and Turkmenistan have each requested the Asian Development Bank (ADB) financing support for phase 1 of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline (the project) . In addition, the Government of Turkmenistan has requested ADB to provide a partial credit guarantee (PCG) in support to the project. The pipeline will extend approximately 1,600 kilometers (km), from the Turkmenistan-Afghanistan border to the Pakistan-India border. At full design capacity, the 56-inch 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.</p> <p>Suboptimal regional gas and energy trade markets contribute to limited economic growth, increased poverty (possibly leading to social unrest) and exacerbated greenhouse gas emissions in the TAPI region. The project will considerably help improve regional energy trade, as it will build and support requisite natural gas supply and transportation capacity across the TAPI countries. Its realization will additionally help address several issues causing the suboptimal regional gas market by improving cross-border cooperation among multiple stakeholders, resolving some of the security issues in Afghanistan and Pakistan, as well as improving institutional capacity to implement complex projects. It will also attract and catalyze investments and financing that would otherwise be unavailable and, ultimately, help boost regional economic growth.</p> <p>The project comprises the design, procurement, installation and operation of the pipeline and related facilities (without compressor stations in phase 1) within Afghanistan and Pakistan. Concurrently, State Concern <> (Turkmengaz) makes use of its own resources (including financing secured from the Islamic Development Bank) to implement within Turkmenistan: (i) the appropriation of a dedicated portion of the Galkynysh gas field; (ii) the installation of approximately 200 km of upstream pipeline connecting the Galkynysh gas field with the project at the Turkmenistan-Afghanistan border; and (iii) the construction of one or more compressor stations. Similarly, GAIL (India) Limited (GAIL) will use its resources to implement within India the installation of approximately 10 km of downstream pipeline connecting the project at the Pakistan-India border with the existing GAIL gas network terminus in Fazilka. Once phase 1 is completed, the project is expected to transmit annually about one third (i.e. 11 bcm of gas) of the TAPI pipeline design capacity.</p> <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 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 a 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 Strategy 2030.</p> <p>Although the project was included in the 2020-2022 Country Operations Business Plans for Turkmenistan, Afghanistan and Pakistan, ADB has paused all TAPI project due diligence and processing activities (until further notice) due to the developments in Afghanistan since mid-2021. Consequently, the project has been removed from ADB's 2022 (Standby) work program and included in the 2023 work program. If/when ADB determines that project activities can be resumed, it is expected that it would take at least one additional year to bring the project back on track and prepare it for ADB board consideration from the moment when such determination is made.</p>	
Impact		
Project Outcome		
Description of Outcome		
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs		
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Afghanistan - Nation-wide; Pakistan - Nation-wide; Turkmenistan - 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	Jaer, Martin
Responsible ADB Department	Sectors Group
Responsible ADB Division	Energy Sector Office (SG-ENE)
Executing Agencies	<u>Asian Development Bank</u>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	18 May 2020
Last Review Mission	-
Last PDS Update	30 May 2022

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
18 May 2020	-	18 May 2020	30 Apr 2022	31 Oct 2023	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
750,000.00	0.00	0.00	0.00	0.00	1,400,000.00	2,150,000.00	15 Sep 2023	0.00

Project Page	https://www.adb.org/projects/52167-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52167-002
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