

SBF Project Implementation Monitoring Report

Azerbaijan: Trans-Anatolian Natural Gas Pipeline (TANAP)

1. Project Information

Project Name:	Trans-Anatolian Natural Gas Pipeline	Project No:	000011
Region/Country:	Western/Azerbaijan	Sector(s):	Energy
Year of Approval:	FY 2017	Financing Type:	SBF Loan
Financing Instrument:	Loan	Co-financier(s):	IBRD
Project Team Leader:	Hari Bhaskar	Implementing Agency:	TANAP Natural Gas Transmission Company
Field Visits	April 2017 Sep. 2017 April 2018 Oct 2018 Feb 2019 (World Bank) Sep 2019 (planned)		

2. Project Objective

To (a) integrate Azerbaijan with regional and European energy markets by strengthening its connectivity and transit role; and (b) to improve the energy supply security of Turkey and South Eastern Europe.

3. Key Dates

Loan Approval:	December 21, 2016	Loan Signing:	January 26, 2017
Effectiveness:	February 20, 2017	Restructuring (if any):	n/a
Orig. Closing:	July 31, 2021	Rev. Closing (if any):	n/a

4. Disbursement Summary

Approved Commitment:	USD600 million	Rev. Commitment (if any):	n/a
Total Disbursed Amount:	USD600 million	Most recent disbursement: (amount and date)	USD8.7 million June 2018
Undisbursed Balance:	-	Disbursement Ratio:	100%

5. Project Implementation Status

The project consists of two phases; Phase 0 includes construction and commissioning activities to deliver 6 billion cubic meter (bcm) of gas per annum to Turkey while Phase 1 will deliver 10 bcm per annum to Europe.

Phase 0 has been commissioned and the first gas flow to Turkey has started at the end of Q2 2018.

Phase 1 activities are close to completion with the testing and commissioning activities ongoing to deliver gas to Europe by early 2020. The project is on track.

Components	Physical Progress	Safeguards Compliance	Procurement	Financial Management
Component 1: Gas to Eskisihir, Turkey Phase 0 (USD435 million)	100%	In compliance	completed	In compliance
Component 2: Gas to Europe, Phase 1 (USD165 million)	99%	In compliance	completed	In compliance

6. Status of the Grievance Redress Mechanism (GRM)

GRM is active and it was verified during the last mission that around 93% of the registered grievances have been closed. Most grievances are about damages to roads, crops, irrigation pipes and so on. Around 3% of the grievances are open for more than 30% days and is being attended to on priority. Both AIIB and the World Bank receive monthly operational performance report from TANAP that includes status of GRM.

7. Results Monitoring

Project Objective Indicators	Baseline (2016)	2017		2018		2019		2020		2021 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Indicator #1: Diversifying Azerbaijan's Gas Export Markets (bcm/annum)	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	n/a
Indicator #2: Improving the Security of Turkey's Energy Supply (bcm/annum)	0	n/a	n/a	1.0	1.0	2.5	n/a	2.5	n/a	4.5	n/a
Indicator #3: Improving the Security of South East Europe's Energy Supply (bcm/annum)	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	n/a
Intermediate Result Indicators	Baseline (2016)	2017		2018		2019		2020		2021 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Indicator #1: Availability of TANAP for Gas Supply to Turkey (bcm/annum)	0	n/a	n/a	5.4	5.4	5.4	n/a	5.4	n/a	5.4	n/a
Indicator #2: Turkish Gas Consumers benefitting from gas supply (million)	11	12	12	13	13	14	n/a	15	n/a	15	n/a
Indicator #3: Registered grievances addressed within the stipulated time frame (%)	91%	90%	95%	91%	95%	92%	n/a	93%	n/a	93%	n/a
Indicator #4: Number of community consultations held as of the total number of communities along the actively worked sections of the pipeline (%)	100%	100 %	100 %	100 %	100 %	100 %	n/a	100 %	n/a	100 %	n/a
Indicator #5: Number of community consultations held for women as of the total number of communities along the actively worked sections of the pipeline (and % of consultations held separately for women)	18%	30%	30%	35%	35%	40%	n/a	40%	n/a	40%	n/a
Indicator #6: Progress in registration of affected private land parcels (Number and %)	6,072 (32%)	11,267 (60 %)	11,300 (60 %)	16,900 (90 %)	17,463 (93%)	18,590 (99 %)	n/a	18,778 (100 %)	n/a	18,778 (100 %)	n/a
Indicator #7:	5%	5%	5%	5%	5%	5%	n/a	5%	n/a	5%	n/a

Share of women employed by construction constructors out of total employee number											
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