

## SBF Project Implementation Monitoring Report

### Azerbaijan: Trans-Anatolian Natural Gas Pipeline (TANAP)

#### 1. Project Information

Project ID:	000011	Investment Number:	L0011A
Member:	Azerbaijan	Region:	Western Asia
Sector:	Energy	Sub-sector:	Gas
Financing Type:	<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Guarantee	Co-financier(s):	IBRD
Borrower:	Southern Gas Corridor Joint Stock Company		
Implementing Agency:	TANAP Natural Gas Transmission Company		
Project Team Leader:	Hari Bhaskar		
Site Visits:	April 2017   Sep. 2017   April 2018   Oct 2018   Feb 2019 (World Bank)   Sep 2019  Feb 2020 (planned)		

#### 2. Project Summary and Objectives

The objectives of the project are 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.

The project is co-financed with IBRD with both AIIB and IBRD contributing USD 600 million each.

#### 3. Key Dates

Approved:	December 21, 2016	Signed:	January 26, 2017
Effective:	February 20, 2017	Restructured (if any):	n/a
Orig. Closing:	July 31, 2021	Rev. Closing (if any):	n/a

#### 4. Disbursement Summary (USD million)

a) Committed:	600	b) Cancelled (if any):	-
c) Disbursed:	600	d) Most recent disbursement: (amount /date)	8.7 / June 2018
e) Undisbursed:	-	f) Disbursement Ratio (%) <sup>1</sup> :	100

#### 5. Project Implementation Update

<sup>1</sup> Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e.,  $f = c / (a - b)$

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 have been commissioned with final adjustments to deliver gas to Europe ongoing. The project is on track.

Components	Physical Progress	Environmental & Social 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)	99.9%	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
<b>Indicator #1:</b> 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
<b>Indicator #2:</b> 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
<b>Indicator #3:</b> 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
<b>Indicator #1:</b> 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
<b>Indicator #2:</b> Turkish Gas Consumers benefitting from gas supply (million)	11	12	12	13	13	14	n/a	15	n/a	15	n/a

<b>Indicator #3:</b> Registered grievances addressed within the stipulated time frame (%)	91%	90%	95%	91%	95%	92%	n/a	93%	n/a	93%	n/a
<b>Indicator #4:</b> 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
<b>Indicator #5:</b> 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
<b>Indicator #6:</b> 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
<b>Indicator #7:</b> Share of women employed by construction constructors out of total employee number	5%	5%	5%	5%	5%	5%	n/a	5%	n/a	5%	n/a

**Remarks:**

Actual indicator performance for 2019 will be available in Q2, 2020.