
REGIONAL POWERS TO DECIDE FATE OF TAPI PIPELINE

- 05.03.2018

Eurasiareview, March 5, 2018

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As Turkmenistan, Afghanistan, Pakistan and India (TAPI) put their pipeline on the rails in the northern Afghan city of Herat on February 23, they raised the game-changing prospect of increasing economic connectivity and regional ties between Central and South Asia, realizing ambitious national and regional development goals to advance communications networks and improving the life chances of 3 billion people across those regions.

Earlier, on December 13, 2015, leaders of the four countries had laid the foundations of the ambitious \$10-billion pipeline project in the southern Turkmen town of Mary.

TAPI has a long way to go, although all four countries involved would benefit from the completed pipeline. The planned pipeline starts at Galknysh in Turkmenistan, which holds the one of the worlds largest gas reserves. Turkmenistan could earn huge revenues and reduce its economic dependence on its former overlord, Russia. China is already the largest buyer of its gas: more customers could be added to Turkmenistans list. War-torn, impoverished Afghanistan could earn \$500 million to \$1 billion annually. The pipeline could also give impetus to Pakistans economic development □ which has already advanced through the China-Pakistan-Economic Corridor □ a vital milestone on Chinas Belt and Road Initiative (BRI). TAPI would represent a rare show of cooperation between Pakistan and India and Pakistan and Afghanistan. All three countries would gain if the pipeline were to be completed by the intended date of December 2019 and deliver gas from energy-rich Turkmenistan to energy-starved South Asia.

Finance and insecurity have been the initial challenges to starting work on the TAPI project. So Turkmenistan has tried to get round this by establishing a company to finance the TAPI project and allocated US \$2 billion from its own resources to carry it out.

Each of the countries would have a five percent shareholding each and the remaining 85 percent stake would be held by Turkmenistan. The Asian Development Bank, which has acted as

Secretariat for the TAPI project, could cover some of its costs. The Galkynysh gas basin is being developed under a loan from the Chinese Development Bank, but much of the funding will be provided by private partners who have yet to be confirmed. Cost overruns could amount to more than \$4 to \$5 billion.

Insecurity is the main obstacle to the completion of the pipe. There can be no security unless Pakistan stops its extremist exports to Afghanistan and India. But that would in turn entail an end to the war in Afghanistan. Will Pakistan and the Taliban do that? And will other regional powers, including China and Russia, which have their own interests in seeing the pipeline take off, be able to persuade Pakistan and the Taliban to enter into peace parleys with President Ashraf Ghanis government in Kabul?

The envisaged supply route would pass through war-torn territory. From Turkmenistan it would enter Afghanistan, run across Helmand Province to reach Kandahar, the Taliban's birthplace and the scene of several battles between them and Afghan troops. From Kandahar the pipe would reach the north-western Pakistani town of Quetta in the troubled province of Baluchistan, where Pakistan is trying hard to suppress continuing separatist violence. After Quetta the line would move into Multan in Pakistan's southern Punjab, which is home to many anti-India militants. Those militants will not favor a venture for delivering gas to India. The pipeline would end in the Indian town of Fazilka which is situated on the Indo-Pakistan border. India hopes that the TAPI enterprise will create opportunities for employment in this strategically vital border area.

The provision of security to construction workers in Afghanistan and Pakistan □ almost a project in itself □ will also have to be financed. Again, that will hinge on whether Pakistan can be persuaded to steer the Taliban towards a cease-fire in Afghanistan. Kabul says it will raise a force to protect the building of TAPI. Meanwhile, the Taliban, which aim to overthrow the government in Kabul and want the US out of Afghanistan, said recently that they would ensure TAPI's security in areas under their control.

Pakistan must play a major role in ensuring security □ a prerequisite for development of the pipeline. Domestic extremists and anti-India militants with links to the Taliban are also challenging the Pakistani state. China and the U.S., which have considerable military and economic influence over Pakistan, could also apply pressure on the Pakistani military. Beijing wants to counter extremism □ as evidenced by its passage of anti-terrorism legislation in 2015 □ and is annoyed that Pakistani-trained extremists have found their way into China's northwestern Xinjiang province.

Over the last few years China – like the U.S. – has engaged in peace talks with the Afghan Taliban – to no avail. China's regional ambitions come into play. China has strong economic interests in Central Asia. The region's progress is of crucial importance to the success of China's Silk Road project, and Central Asian countries would be thankful to China for curbing Pakistan-based extremists. For China stability is essential for the success of CPEC. China has been secretly holding talks with Baloch militants in Pakistan for more than five years.

The success of TAPI will also strengthen CPEC – and with it, China's clout in South Asia and the Middle East. CPEC has already presented China with a strategic vantage point in the southern Pakistani port of Gwadar. From Gwadar, China will gain easier access to Persian Gulf oil while simultaneously countering India's growing naval presence in the Indian Ocean. The disturbing implication is that CPEC will add to China's strategic weight in South Asia, threatening India's interests, even as India and Pakistan try to collaborate on TAPI. China is also reportedly building a second base in Jiwani, a town and commercial port that is located near the Pakistani border with Iran, along the Gulf of Oman in the Gwadar District of Balochistan. Together with Gwadar, which is located 80 kilometres to the east, Jiwani is expected to become a major commercial centre.

China has a stake in promoting peace in Afghanistan and stability of Pakistan. Having invested \$ 50 billion in the CPEC, it would want peace in South Asia. Its own workers have been attacked on CPEC's turf. If China could coax or cajole Pakistan into bringing the Taliban to the peace table, it could stabilize Afghanistan and South Asia through a mix of diplomacy and military pressure – clearing the way for completion of the TAPI pipeline and towards greater regional cooperation.

Russia finds common ground with China in opposing the US. And like China, Russia has an interest in enhancing security across Afghanistan and Pakistan. Under pressure from European and American economic sanctions, Russia wants new South Asian customers to buy its natural gas and is planning the construction of a pipeline to carry natural gas across Pakistan, and also one to develop Siberian gas fields jointly with India. Pakistani Prime Minister Shahid Khaqan Abbasi reportedly discussed the gas pipeline plan with Russian officials on the sidelines of the Shanghai Cooperation Organization heads of government meeting in Sochi, Russia, in December 2017 . If China and Russia could steer Pakistan and the Taliban towards peacemaking in Afghanistan they could secure their own regional security and economic interests. So their own international stature would rise – in contrast to that of the US, which has so far failed to defeat the Taliban or to persuade Pakistan and the Taliban to cease fire.

Over the last few years, China, Russia and the US have all held their own talks with the Taliban. To no avail. Last month President Ashraf Ghani offered unconditional peace to the Taliban – who have yet to respond to his offer.

Whether attempts to persuade Pakistan to encourage the Taliban to negotiate will succeed is a big question. At a time when the Trump administration has suspended \$2 billion in security aid to

Pakistan on the grounds that Islamabad is not doing enough to end terrorist training and sanctuaries, U.S.-Pakistan relations have nosedived. At the same time the US has stepped up its military assistance to Afghanistan, notably through a sharp increase in air strikes, with the aim of breaking a stalemate with the insurgents and forcing them to the negotiating table.

In the circumstances, China has been very supportive of Islamabad through its crisis with Washington, and Beijings direct dialogue with militants could be of help to Pakistan.

Meanwhile, India and Pakistan will have to sort out their hostility over Kashmir if the TAPI line is to go ahead. The disputed Indo-Pakistani border explains Pakistans refusal to allow India transit facilities to Afghanistan. That raises doubts about whether they can overcome their differences with a view to collaborating on TAPI. Will Pakistan stop exporting extremists to both Afghanistan and India so that the pipeline can develop in a way that suits India?

More generally political differences and conflict, not economic closeness, still define the ties between Afghanistan and Pakistan and between India and Pakistan. Only if the tensions ease between them will Turkmenistans effort to deliver gas to South Asia through the TAPI pipeline be transformed into an achievement. But unless Pakistan and the Taliban realize that there can be no economic gain without a dramatic breakthrough on security, it could be many years, perhaps decades, before the first gas from Turkmenistan arrives in Afghanistan – let alone Pakistan or India.

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