

Trans Adriatic Pipeline (TAP) - international -

Sectors: Pipeline Transportation of Natural Gas

Active

This profile is actively maintained

Send [feedback](#) on this profile

By: BankTrack and Counter Balance

Created on: [Feb 20 2017](#)

Last update: [Aug 25 2021](#)

Contact:

climate@banktrack.org

[Xavier Sol](#), Director, Counter Balance

[Project website](#)

Sector	Pipeline Transportation of Natural Gas, Oil and Gas Extraction
Location	
Status	Planning Design Agreement Construction Operation Closure Decommission
Website	http://www.tap-ag.com
	This project has been identified as an Equator Project

About Trans Adriatic Pipeline (TAP)

The Trans Adriatic Pipeline (TAP) project is the western extension of the [Southern Gas Corridor](#) (SGC). SGC is planned to export natural gas – initially 10 billion cubic metres per year – from the Shah Deniz II field in the Caspian Sea to western markets via the South Caucasus Pipeline extension (Azerbaijan to Georgia), on through the Trans-Anatolian pipeline (TANAP) stretching across Turkey, and then joining up with TAP at the border of Turkey and Greece. With estimated construction costs of EUR 5 billion, TAP is planned to run for [879 kilometres](#) in total across northern Greece (545 km), Albania (215 km), the Adriatic Sea (105 km), make landfall in Italy at a small, popular beach in San Foca, and conclude with a short pipeline section (8 km). A further 55 km pipeline is planned to connect TAP to the Italian gas network. The TAP company is promoting and constructing the project; its [current shareholding comprises](#) BP (20%), SOCAR (20%), Snam (20%), Fluxys (19%), Enagás (16%) and Axpo (5%).

Latest developments

Trans Adriatic Pipeline begins gas deliveries from Azerbaijan to Italy

[Dec 31 2020](#)

Trials start in Italy over controversial Trans Adriatic Pipeline

[Sep 10 2020](#)

What must happen

As a result of its harmful environmental, social and climate impacts, further construction and realisation of the TAP project would be a major setback both for the communities affected by the project and Europe's energy future, bearing in mind the resulting 'carbon lock-in' which the project would bring about. The wide range of impacts put the project's viability at risk. Financial institutions should be aware of all the rights violations and technical shortcomings on the ground in Albania, Greece and Italy – a Counter Balance and BankTrack analysis (published in February 2017) describes how the project is [failing to comply with the Equator Principles](#).

Although financial close has been completed, various problematic aspects of the project remain unresolved, including ongoing legal investigations and processes in Italy concerning alleged environmental violations. All potential financiers – both public development banks and commercial banks – should put on hold the disbursement of financing to the promoters of TAP until these problematic aspects are duly resolved.

Impacts

Social and human rights impacts

TAP's shortcomings in the pre-construction phase and now the construction phase are being resisted by a variety of communities, groups and local authorities. In **Albania** uncertainty and confusion has been created for many people whose lives, land and livelihoods are being jeopardised. Villages along the TAP route are dotted with scores of olive trees, orchards, pastures and fields providing subsistence for local inhabitants. Two fact-finding missions carried out in 2016 by NGOs ([July: 32 villages visited; August: 30+ villages visited](#)) identified extensive community discontent concerning involuntary resettlement, compensation for loss of land and property, damage to property and the engagement methods being used by TAP's Albanian contractor ABKons.

In **Greece**, as the pipeline routing is planned to cross highly fertile agricultural land in the north-east, farmers' groups have borne the brunt of what they say have been inappropriate consultation methods deployed by TAP, with instances of threats and malfeasance connected with land acquisition dating back to 2015 and still ongoing. Approximately 200 farmers are unwilling to settle terms with the company, and stand-offs between the company and farmers have resulted in police interventions, with farmers confronting TAP workers who have arrived on their land without permits or consent.

In **Italy**, around two hundred families, local fisheries and a burgeoning local tourism sector are directly affected by the project proposal. Trust between TAP AG and much of the affected community in Melendugno, as well as other stakeholders (i.e., local and regional authorities), has broken down – the company's efforts to start construction for the final leg of the project in Italy are currently stalled owing to local opposition and ongoing court cases.

The European Investment Bank (EIB), a financier of TAP, is conducting due diligence. Reflecting the level of public grievance over TAP, the [EIB has already received 13 complaints about TAP](#) from members of the public and groups in the three transit countries.

Environmental and climate impacts

Individual environmental and social impact assessments (ESIAs) were prepared for each of the three TAP transit countries. In **Albania**, the ESIA was approved by the Ministry of Environment, Forests and Water Administration in April 2013, followed by official granting of the Environmental Permit.

In **Greece**, the Ministry of Environment, Energy and Climate Change formally approved the TAP ESIA in September 2014, though legal challenges (ongoing) to the approval have been lodged at Greece's Supreme Court. At issue is the routing of the pipeline section Kavala-Serres-Thessaloniki, 113 kilometres in length, which would disrupt fertile agricultural land and present threats to various villages, and the location of a compressor station close to a number of villages and settlements. Major concerns relate to the pipeline's integrity in the acutely flood-prone region of Tenagi in Kavala, and TAP AG's unwillingness to consider [suggested alternative locations for its compressor station in the seismic Serres plain](#).

In **Italy**, the ESIA approval process has been – and remains – highly contested. In September 2014, Italy's Environment ministry approved the TAP ESIA, yet in so doing also attached 58 mandatory provisions for TAP to fulfil before the beginning of the project's construction. TAP AG is understood to have so far provided documentation which allows it to fulfil **only three of these mandatory provisions** and – alarmingly – is said to be seeking final authorisation to proceed with construction on the basis of fulfilling the missing provisions only *during* its implementation of the project. The company's plans to transplant sensitive olive trees continue to be disputed and TAP opponents contend that the mitigation of environmental impacts from drilling work (offshore and onshore)

remains uncertain owing to missing assessments on impacts to the seabed and independent studies on species impact.

Governance

Applicable norms and standards

Equator Principles

European Bank for Reconstruction and Development Environmental and Social Policy 2014

IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement

Brief history

Following years of preparatory work dating back to 2003 as well as many protracted negotiations and discussions over the routing and the ownership of the Southern Gas Corridor, TAP construction formally started in May 2016. The TAP company is working to a timetable which foresees [TAP operations commencing in 2020](#), although work on the project's Italian section is stalled and behind schedule due to opposition from both residents in the town of Melendugno and local and regional authorities. Construction work is moving forward both in Albania, where there is widespread dissatisfaction among stakeholders owing to a flawed compensation and land acquisition process conducted by the TAP company, and in Greece, despite protests and resistance from communities and farmers in the north-east of the country related to the pipeline's routing through both highly fertile agricultural land and seismic areas close to residences.

In December 2018 the project [completed financial close](#), securing EUR 3.9 billion in financing. This was provided by a group of 17 commercial banks, alongside the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB).

Timeline

Trans Adriatic Pipeline begins gas deliveries from Azerbaijan to Italy

Dec 31 2020

The Trans Adriatic Pipeline [began delivering](#) first gas from Azerbaijan to Italy on Dec. 30, with 3 million cu m of technical gas supplied into the line that day, according to data from Italy's transmission system operator Snam, adding that nominations are set to rise to 10 million cu m for Dec. 31. In its current form, TAP is set to deliver 8 Bcm/year of gas into Italy, 1 Bcm/year to Greece and 1 Bcm/year to Bulgaria.

Trials start in Italy over controversial Trans Adriatic Pipeline

Sep 10 2020

On Friday 11th September [two trials](#) started in Italy concerning, on the one hand, the local opponents to the controversial Trans Adriatic Pipeline (TAP) and, on the other hand, the company promoting the project. In one of the trials, TAP AG together with its managers in charge of the construction of the pipeline will be accused of causing environmental disasters. In the other trial, 92 people who have peacefully resisted the construction of the pipeline, if found guilty, could have to pay fines of up to EUR 240,000 and legal fees of up to EUR 70,000.

TAP completes offshore section

Jun 10 2020

TAP AG has [successfully completed](#) the 105km long offshore section of the pipeline across the Adriatic Sea. This milestone includes several deliverables, such as the offshore installation of 36-inch pipes by Castoro Sei, Saipem's semi-submersible pipelaying vessel, the above-water-tie-in with the onshore infrastructure in Albanian waters, as well as hydrotesting the asset to ensure it is safe and ready for operations.

TAP begins testing process

May 25 2020

TAP has begun to import natural gas in the last section of the pipeline in [Greece](#), in the 4km section between the [Greek-Albanian border](#), and up to the TAP metering station in Bilisht, Albania. This is part of the test operation of the project. The test operation process inspects the safety of the infrastructure according to national and international standards. Following the commission of the first section, gas will continue to be introduced into other pipeline sections in Albania and beyond in the coming weeks and months.

TAP project over 95% completed

May 14 2020

As of [April 2020](#), the Trans Adriatic Pipeline (TAP) was 95.1% completed, according to the [TAP AG Consortium](#).

"TAP is currently moving further into the project construction phase. Every day hundreds of meters of TAP's Right of Way (ROW) are cleared, strung, welded, lowered into the trenches and backfilled, in line with the project construction steps and schedule. At the end of April 2020, the TAP project was 95.1 percent completed," said the consortium.

TAP to start filling Albanian and Italian sections with gas soon

Mar 16 2020

The first gas will be [introduced into the Albanian and Italian sections](#) of the Trans Adriatic Pipeline (TAP) in the coming weeks. The TAP Head of External Affairs noted that the commissioning phase is due to be completed in time for TAP to transport first gas in 2020.

Trans Adriatic Pipeline project reaches financial closure

Jan 11 2019

In December 2018 the Trans Adriatic Pipeline project reached financial closure, securing EUR 3.9 billion in project finance. The financing is provided by a group of 17 commercial banks, alongside the EBRD and the European Investment Bank (EIB). Part of the financing is covered by the export credit agencies - bpifrance, Euler Hermes and Sace ([EIB press release](#)).

More clashes and continuing tension over olive trees in Puglia, Italy

Aug 16 2017

On July 4 this year, between 1am and 7am, approximately 400 police moved in to block every road in and out of the small tourist town of Melendugno in Puglia – this was done to enable TAP contractors to move 47 uprooted olive trees.

Local villagers who have been resisting TAP's uprooting of ancient olive trees to make way for the pipeline route experienced what they say was the most heavy-handed police violence since the beginning of their resistance efforts in March this year – Melendugno's vice-mayor was among those physically beaten by police. An authorisation document signed by the TAP company included a commitment not to carry out TAP-related work during the tourism season and until the end of September. A short video clip containing testimonies about what took place on the night of July 4, including from the deputy mayor of Melendugno Simone Dima, is available [here](#).

This is a further example of the company's bad faith in Italy as it brazenly attempts to stick to its schedule, and it has provoked yet further tensions with the local community, who are now anticipating an escalation of police involvement in late September. Four more formal complaints – in addition to those noted already in the [Counter Balance and BankTrack analysis](#) published in February – have been lodged about the implementation of the TAP project at the European Investment Bank by complainants in Italy.

Major Italian media investigation reveals TAP linkages to politically exposed persons and offshore vehicles

Aug 16 2017

An investigation published on 20 April 2017 by L'Espresso, Italy's top weekly publication, uncovered the web of companies and shareholders linked to both the TAP and TANAP projects.

'The pipeline of the three regimes' investigation uncovered a web of connections to the regimes of President Erdogan in Turkey and of President Aliyev in Azerbaijan, including via family members and politically exposed persons. The investigation – available [here in English translation](#) – also establishes connections to offshore vehicles that were first identified as part of the Panama Papers.

Civil society organisations have brought these matters to the attention of the European Investment Bank. Private banks which may be considering involvement in TAP are advised, in this murky context, to carry out reinforced due diligence ahead of any decision on TAP financing – in order to avoid supporting a project whose real beneficiaries may be politically exposed persons directly linked to autocratic regimes and companies registered in offshore jurisdictions.

Tensions increasing in Greece, where residents' demands are going unheard

Aug 16 2017

In Greece, the Farmers' Association in Kavala filed a complaint to the European Investment Bank in August 2015 – to date this complaint has not been heard. EIB staff visited Kavala in October 2016, however they failed to address the issues in question which had been raised by the Farmers' Association nor did they facilitate any kind of solution with the Greek government and the TAP consortium.

Currently there is 10 kilometres of land where construction is blocked because the land owners have not been informed or consulted during the environmental impact assessment or at any stage thereafter, and have pressed charges against the company for violation of private property and damage. In the Greek context of economic and financial crisis, where agriculture remains one of the very few sectors which allows people to earn a living, the farmers' demands are more than reasonable and should be heard. Moreover, the range of security and health issues which have been raised by many other voices opposing the project, as well as the project's economic underpinnings (the Greek state could be asked to provide a public guarantee for any public or private loans agreed for TAP) are an extra concern in Greece. In July, a further issue concerning the TAP project's use of water has emerged, in the context of the water crisis which Greek agriculture is currently facing.

Oil price and Russian pressure put Azerbaijan's strategic gas project at risk – Chatham House

Aug 16 2017

A [recent assessment](#) (19 July 2017) from an associate of The Royal Institute of International Affairs/Chatham House in London points to the "faltering finances" of the Southern Gas Corridor as a whole and questions the financial credibility of the Corridor's component parts (TAP and TANAP) given the acute economic downturn currently being experienced by Azerbaijan.

Financiers

In December 2018 the project reached [financial close](#), securing EUR 3.9 billion in project finance as follows:

- European Investment Bank: EUR 700 million
- European Bank for Reconstruction and Development: EUR 500 million (A-loan)
- European Bank for Reconstruction and Development: EUR 500 million funded by commercial banks (B-loan)
- Export Credit Agencies:
 - Bpifrance Facility: EUR 450 million
 - Euler Hermes Facility: EUR 280 million
 - SACE Facility: EUR 700 million
- Commercial term loan: EUR 635 million directly provided by commercial banks without any ECA or multilateral involvement.

See below for the financial institutions involved.

Banks

BNP Paribas France [profile](#)[Details](#) ▼

Debt – project finance EUR 635 million December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan
source: EIB press release
[link](#)

Debt – project finance EUR 500 million December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan
source: EIB press release
[link](#)

Bank of China China [profile](#)[Details](#) ▼

Debt – project finance EUR 635 million December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan
source: EIB press release
[link](#)

Debt – project finance EUR 500 million December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan
source: EIB press release
[link](#)

Caixabank Spain [profile](#)[Details](#) ▼

Debt – project finance EUR 635 million December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan
source: EIB press release
[link](#)

Debt – project finance EUR 500 million December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan
source: EIB press release
[link](#)

Crédit Agricole CIB[Details](#) ▼

Debt – project finance EUR 635 million December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan
source: EIB press release
[link](#)

Debt – project finance EUR 500 million December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan
source: EIB press release
[link](#)

ING Netherlands [profile](#)[Details](#) ▼

Debt – project finance EUR 635 million December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan
source: EIB press release
[link](#)

Debt – project finance EUR 500 million December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan
source: EIB press release
[link](#)

Intesa Sanpaolo Italy [profile](#)[Details](#) ▼

Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		
Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		
Korea Development Bank South Korea profile		Details ▼
Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		
Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		
Mitsubishi UFJ Financial Group (MUFG) Japan profile		Details ▼
Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		
Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		
Mizuho Japan profile		Details ▼
Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		
Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		
Natixis France profile		Details ▼
Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		
Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		
Siemens Financial Services		Details ▼

Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		

Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		

Société Générale France [profile](#)

[Details](#) ▼

Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		

Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		

Advisor		March 2013 - December 2018
Société Générale was appointed as the TAP project's financial advisor in March 2013 <i>source:</i> EIB press release link		

Standard Chartered United Kingdom [profile](#)

[Details](#) ▼

Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		

Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		

Sumitomo Mitsui Banking Corporation (SMBC) Japan [profile](#)

[Details](#) ▼

Debt – project finance	EUR 500 million	June 2018 - December 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		

Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		

UBI Banca

[Details](#) ▼

Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 million commercial banks loan <i>source:</i> EIB press release link		

Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		

UniCredit Group Italy [profile](#)

[Details ▼](#)

Debt – project finance	EUR 635 million	December 2018 - June 2034
Co-financed EUR 635 commercial banks loan <i>source:</i> EIB press release link		

Debt – project finance	EUR 500 million	December 2018 - June 2034
Co-financed EUR 500 million EBRD B-loan <i>source:</i> EIB press release link		

Export credit agencies

Euler Hermes Kreditversicherungs-AG (Hermes)

[Details ▼](#)

Debt – project finance	EUR 280 million	December 2018 - June 2034
<i>source:</i> EIB press release link		

Italian Export Credit Agency (SACE)

[Details ▼](#)

Debt – project finance	EUR 700 million	December 2018 - June 2034
<i>source:</i> EIB press release link		

Multilateral development banks

European Bank for Reconstruction and Development (EBRD)

[Details ▼](#)

Debt – project finance	EUR 500 million	December 2018 - June 2034
<i>source:</i> EIB press release link		

European Investment Bank

[Details ▼](#)

Debt – project finance	EUR 700 million	December 2018 - June 2034
EIB Direct Facility guaranteed by the European Fund for Strategic Investments <i>source:</i> EIB press release link		

National development banks

BPIfrance

[Details ▼](#)

Debt – project finance	EUR 450 million	December 2018 - June 2034
<i>source:</i> EIB press release link		

Related companies

Project sponsor

Trans Adriatic Pipeline (TAP) AG - international -