print: Afghanistan: the pipeline factor. Multibillion dollar TAPI project would bring oil an... Page 1 of 3

Axis of Logic

Finding Clarity in the 21st Century Mediaplex

World News

Afghanistan: the pipeline factor. Multibillion dollar TAPI project would bring oil and gas from Turkmenistan.

Bu John Foster Canadian Centre for Policy Alternatives (CCPA) via Straight Goods Thursday, Nov 25, 2010

Of the many possible reasons for Canada to stay in Afghanistan — ending terrorism, liberating women, educating girls, spreading democracy, keeping NATO from failing — one dynamic is rarely discussed. The TAPI pipeline project has long been the elephant in the closet, quietly supported by Western powers. Countries expect to sign formal agreements in December, with construction to be completed by 2014 — a magic date for Ottawa too. The pipeline deserves attention, as it is likely to be a target fo insurgents and a reason for ongoing military occupation.

Turkmenistan has the world's fourth largest reserves of natural gas.

The planned pipeline project

The long-planned pipeline, named TAPI after the initials of the four participating countries (Turkmenistan, Afghanistan, Pakistan, India), is the same pipeline the US company Unocal wanted to build in the 1990s. The TAPI countries have held eleven high-level planning meetings during the past eight years, the most recent in September 2010. The 1,680km pipeline would follow the ancient trading route from Central to South Asia, extending from a gas field in Turkmenistan along the highway through Herat, Helmand and Kandahar in Afghanistan, to Quetta and Multan in Pakistan, and on to Fazilka in India.

Proposed TAPI Gas Pipeline



Support for the pipeline project
The US is pushing hard for that pipeline. It's part of their geopolitical strategy in Central Asia. The pipeline was discussed in high-level donor meetings in 2006 and 2010 and is included in Afghanistan's 2008 National Development Strategy.

Western countries are supportive, though they avoid mentioning the pipeline publicly. G8 Foreign Ministers endorsed the project this year at Gatineau, Quebec. What they approved was a new initiative to facilitate joint infrastructure projects identified by Afghanistan and Pakistan. One of these print: Afghanistan: the pipeline factor. Multibillion dollar TAPI project would bring oil an... Page 2 of 3

projects is the TAPI pipeline.

The TAPI sponsor is the Asian Development Bank, an international financial institution based in Manila. Its members include several countries with troops in Afghanistan — including the United States, Britain Canada, France, Germany, Italy and Norway. Any Bank financing requires the approval of member countries. And a project as sensitive as this must have the prior blessing of the United States and Japan (the two major shareholders). The capital cost was estimated at US\$7.6 billion in an updated feasibility study financed by the Bank.

To Turkmenistan, the pipeline offers new markets for its huge gas resources. To Pakistan and India, it offers energy they desperately need. For Afghanistan, the pipeline could be its largest development project. Transit revenue could help pay for schools, teachers and infrastructure. According to the National Development Strategy, Afghanistan plans more than 1,000 industrial units along the pipeline route to spur development and provide jobs.

The Big Picture behind US support

Let's take a close look at the geopolitics of the region. Afghanistan occupies a strategic piece of real estate. It shares a long border with Iran, a nation having the world's second largest reserves of gas and third largest of oil. Turkmenistan, another country on Afghanistan's border, has the world's fourth largest reserves of natural gas. George Krol, US Deputy Secretary of State, told Congress last year tha a <u>US priority</u> in Central Asia is "to increase development and diversification of the region's energy resources and supply routes."

Geopolitics and energy are central in US strategic thinking. The Middle East, where most of the world's oil is located, is of predominant concern. In the Carter Doctrine of 1980, the US affirmed it will use military force, if necessary, to defend its national interests in the region. The Middle East, Turkmenistal and Afghanistan all fall within the military umbrella of US Central Command. US bases in the Middle East and Afghanistan provide a bridgehead close to the energy resources of the region. For the US, the game is about power in the region and the wealth of energy resources.

Pipelines — geopolitically important

Pipelines are more than commercial ventures. They are geopolitically important because they connect trading partners and influence the regional balance of power. Turkmenistan's natural gas can only get to market through pipelines. The Russians have a pipeline north to connect with a network serving Europe. The Chinese recently completed a pipeline east, to connect with their network and go all the way to Shanghai.

The US and European Union are moving to gain access or control. Former US National Security Advisor Zbigniew Brzezinski dubbed such geopolitical jockeying <u>The Grand Chessboard</u>. In 1997, he wrote: "For America, the chief geopolitical prize is Eurasia... An enormous concentration of natural gas and oil reserves is located in the region." Brzezinski is currently an adviser to President Obama.

Iran figures in US support for TAPI

Iran has offered an alternative to TAPI — a pipeline to supply Iranian gas to Pakistan and India. After protracted negotiations, Iran and Pakistan signed a <u>formal agreement</u> in June 2010. India withdrew from negotiations in 2009 after signing a nuclear deal with the United States, but has kept open the option of rejoining.

Pakistan faces a severe energy crisis and wants to <u>fast-track</u> cross-border pipelines — both the Iran-Pakistan and TAPI projects. The United States has been pressuring Pakistan to abandon the Iran-Pakistan project.

Assistant Secretary of State <u>Robert Blake</u>advised Pakistan in April to seek alternatives to doing business with Iran; and US Special Envoy <u>Richard Holbrooke</u>advised Pakistan in June to wait for new US legislation imposing sanctions on Iranian energy. Nonetheless Pakistan appears to be going ahead.

Recent developments

Activities in recent months suggest an eagerness to expedite the TAPI project. In August, the US Special Envoy for Eurasian Energy, <u>Richard Morningstar</u>, met the <u>President of Turkmenistan</u> for talks or gas exports and the TAPI pipeline. In September, the President of Turkmenistan addressed the UN General Assembly and called for implementation of the pipeline. The same day, TAPI energy ministers <u>initialed agreements</u>.

In November, technical meetings addressed issues of pipeline security, gas price and transit fee. In December, Presidents of the four countries are scheduled to sign formal agreements. After that, bids will be invited for a global energy company to run the project. The aim is to complete the pipeline by

print:Afghanistan: the pipeline factor. Multibillion dollar TAPI project would bring oil an... Page 3 of 3

2014.

So far, energy companies have been quiet but, once the enabling environment is ready, they will surface. Some are already talking publicly. In September, the chairman of the Italian oil company ENI said his company is a "natural candidate" for the project. In October, Russia's Deputy Prime Minister Sechin said Gazprom was willing to sink money into the "rather risky" TAPI project.

TAPI affects Canada

Implementation of TAPI could be a security nightmare for years to come. Afghanistan is a complex country. With its mix of ethnic groups, long-standing tribal traditions, and history of minimal governance, military solutions remain elusive. Political solutions are required. Construction without the support of stakeholders along the route is risky.

Can Afghan security forces protect the route during construction and afterwards? Will Kabul call on NATO for help?

Peter MacKayand NATO officials have indicated they would consider a request to protect pipelines, if asked. Pipelines last 50 years or more. Would NATO stay that long? The US is building several large military bases, suggesting it plans to stay for years. At the 2010 NATO Summit in Lisbon, the Afghan government undertook to act as "an enduring partner to NATO" — opening the door to NATO staying indefinitely beyond 2014. Prime Minister Harper recently announced that Canadians will stay until 2014 for training of Afghan security forces. Who will be trained? Afghanistan is tribal. The south is Pashtun country, and most of the Taliban are Pashtun.

The Afghan National Army (ANA) is heavily northern — hardly surprising, as the US supported the Northern Alliance (Tajik, Uzbek, Hazara) in the 2001 invasion. In 2009, about 70 percent of senior ANA officers were Tajik. Few ANA soldiers come from the south. In training the ANA, are Canadians simply supporting one side in a civil war?

Energy has become a major issue at NATO. US strategic thinking is to get other NATO countries involved in energy security. It seeks to make NATO an international force that could intervene anywhere in the world as an auxiliary to the US military.

There are US proposals, for example, to get NATO countries involved in guarding pipelines and sea lanes. The militarization of energy has consequences for Canada. It includes larger military budgets an fewer tax dollars for health care and other needs at home. There are consequences for Canadian sovereignty too. Will foreign policy decisions become simply: "Ready, Aye Ready"?

Conclusion

Afghanistan is a key piece of the Asian chessboard — in a game that is real and ongoing. US geopolitical strategy is well documented. TAPI is part of it, and construction may begin before peace is achieved. Although Canadian leaders avoid discussing the pipeline, NATO protection of it remains a rea possibility. Without public debate, Canada is being drawn towards even more military conflicts around the world through NATO.

Canadians need to ask every Member of Parliament: Are troops staying in Afghanistan to protect a pipeline route?

John Foster is an energy economist and author of "A Pipeline Through A Troubled Land – Afghanistan, Canada, and the New Great Energy Game" – published by the CCPA (available online below).

Source: Canadian Centre for Policy Alternatives (CCPA) via Straight Goods

....