

CENTRAL ASIA



Tajikistan

GDP: **\$8.5bn**

Five-year economic growth rate: **11%**

Population: **8.2m**

Total clean energy investments, 2006-2013: **\$13.5m**

Installed power capacity: **5.2GW**

Renewable share: **1.4%**

Total clean energy generation: **246.4GWh**

Top energy authority:

Ministry of Energy and Industry

**OVERALL RANKING
2014**

53

**OVERALL SCORE
2014**

0.48

★Dushanbe

PARAMETER	RANKING	SCORE
I. Enabling Framework	52	0.45
II. Clean Energy Investment & Climate Financing	50	0.22
III. Low-Carbon Business & Clean Energy Value Chains	48	0.76
IV. Greenhouse Gas Management Activities	39	0.80

SUMMARY

Tajikistan scored 0.48 to finish 53rd on *Climatescope* 2014, performing the best on Greenhouse Gas Management Parameter IV.

Tajikistan's state-owned Bargi Tojik – a vertically-integrated utility and power distributor that serves 99% of the grid-connected consumers in the country – dominates the power sector. Bargi Tojik's poor financial health, compounded by low tariffs and high distribution and transmission losses, leads to winter power shortages when its large hydro plants run at lower capacity. In

2012, the World Bank estimated that average weighted tariffs were 27% below Bargi Tojik's cost of supply.

Tajikistan is just starting its support of clean energy. In June 2013, the Asian Development Bank approved a USD 10m grant to Tajikistan for household 'smart energy' systems. The Ministry of Finance will manage the grant, through a project management unit for channelling the funds to micro-finance institutions (MFIs) which then disburse funds to end users.

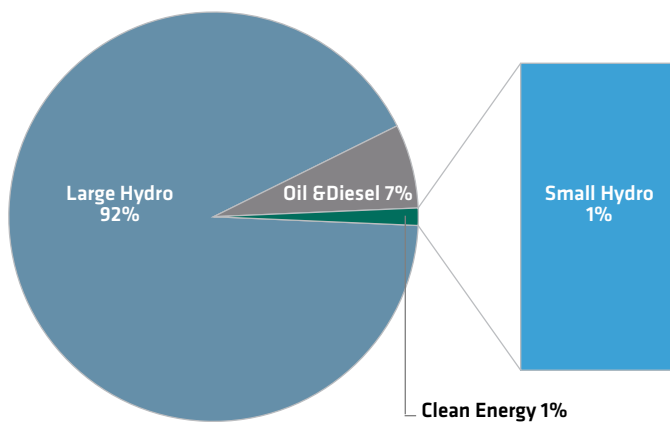
For further information, access www.global-climatescope.org/tajikistan

PARAMETERS AT A GLANCE

Tajikistan’s performance on Enabling Framework Parameter I is among the very lowest thanks to its monopolistic market structure. There is only one other power utility besides Bargi Tojik, but Pamir Energy has just 43MW capacity and serves 28,600 customers. Tajikistan’s two independent power producers have between them almost 800MW of generation capacity, and provide crucial electricity during winter – but generation is often disrupted because of delayed payments from Bargi Tojik.

INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

5.2GW total installed capacity



Source: Bloomberg New Energy Finance.

Tajikistan has abundant clean energy resources, but has seen relatively little deployment to date resulting in a low score on Clean Energy Investment Parameter II. Between 2006 and 2013, \$13.52m was invested in small hydro, which contributes 0.68% of the total generation of 36TWh. There has been no investment in any other sources of renewable energy to date.

KEY POLICIES

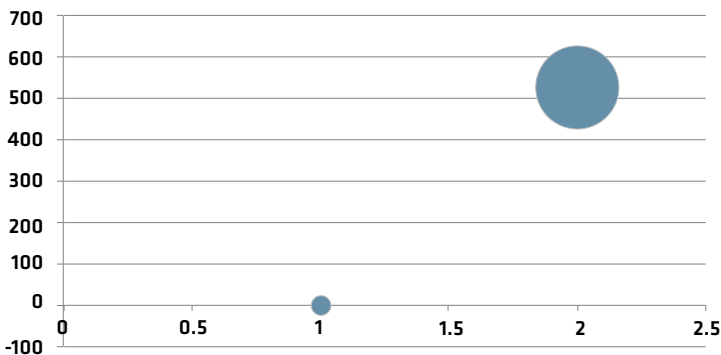
Debt-Equity Mechanism	The Asian Development Bank granted \$10m to promote green energy solutions in households. The financing is to be channeled via microfinance institutions.
Energy Targets	The government is targeting 100MW of small hydro by 2020 and 20% of electricity generation from renewables by 2030.

Source: Bloomberg New Energy Finance Policy Library

Tajikistan has relatively thin value chains for clean energy, leading to its low score on Low-Carbon Business Parameter III. It has project developers, operations and maintenance service providers and engineering companies for small hydro but there is no manufacturing capacity or service providers for other renewable technology. Ancillary services like consulting, and education & training companies are also focussed on small hydro only. The country also scored poorly on the financing indicators in the index. While banks do exist, they offer very high interest rates (often above 23%), far too high for viable project financing.

The country’s best, but still low, performance was on Greenhouse Gas Management Parameter IV. As a non-annex 1 country, Tajikistan has no national emissions cap or emissions reduction target. It also lacks a domestic cap-and-trade mechanism, crediting mechanism or emissions trading system. But it does score relatively better due to capacity-building institutions on related capacity-building indicators, most of which are non-governmental organizations.

HYDROPOWER GENERATION AND POTENTIAL (TWh)



Source: Ministry of Foreign Affairs of the Republic of Tajikistan <http://mfa.tj/en/energy-sector/the-energy-sector-of-rt.html>