

CENTRAL ASIA



Tajikistan

GDP: **\$9.2bn**

Five-year economic growth rate: **10.4%**

Population: **8.4m**

Total clean energy investments, 2009-2014: **\$13.6m**

Installed power capacity: **5.4GW**

Renewable share: **1.4%**

Total clean energy generation: **442.0GWh**

Top energy authority:

Ministry of Energy and Industry

OVERALL RANKING

2014

2015

OVERALL SCORE

2015

53

46

0.62

PARAMETER	RANKING	SCORE
I. Enabling Framework	41	0.86
II. Clean Energy Investment & Climate Financing	52	0.14
III. Low-Carbon Business & Clean Energy Value Chains	46	0.76
IV. Greenhouse Gas Management Activities	39	0.80

SCORE SUMMARY

Tajikistan scored 0.62 in *Climatescope* 2015, placing it 46th on the list of countries overall. The country's ranking rose seven places on the list from 2014, thanks largely to strong improvement of its score on Enabling Framework Parameter I in general and on the Growth Rate of Installed Capacity Indicator, in particular.

On Enabling Framework Parameter I, Tajikistan scored 0.86 thanks to a particularly good performance on the Growth Rate of Installed Capacity Indicator, the Growth Rate of Electricity Generation Indicator and the Clean Energy Rural Electrification Indicator. The country saw a jump in investment that helped drive this change.

On Clean Energy Investment and Climate Financing Parameter II, the country scored 0.14. Its score fell primarily due to a decline in its score on the Green Micro Finance Indicator.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, Tajikistan's score was unchanged at 0.76.

On Greenhouse Gas Management Activities Parameter IV, Tajikistan scored just 0.80 because of lack of effective emissions reduction policies and voluntary corporate activities in this domain.

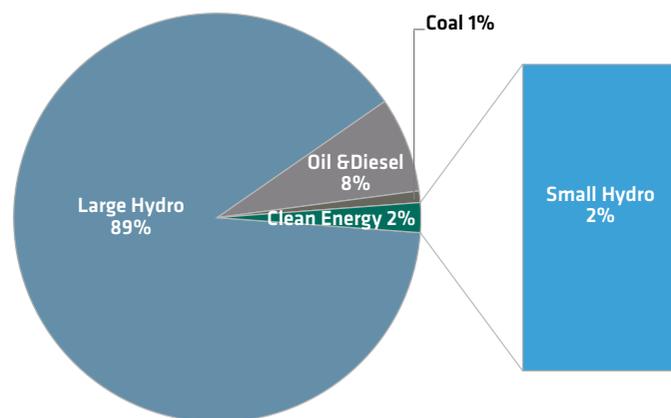
For further information, access www.global-climatescope.org/en/country/tajikistan

OVERVIEW

Tajikistan is a landlocked country in central Asia known for its mountainous terrain and origin of many rivers flowing across the region. The country has very high potential for hydro power, which already supplies an estimated 98% of its total electricity, with tiny shares held by oil and coal.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

5.4GW total installed capacity



Source: Bloomberg New Energy Finance.

Barqi Tojik (BT) is Tajikistan's vertically integrated utility that delivers electricity to almost all grid-connected consumers. Highly subsidized residential tariffs, high transmission and distribution losses and low collection rates have weakened BT's financial health. It is exploring the feasibility of restructuring into separate entities. The Tajik government is also exploring options to set up public private partnership projects to operate in power generation, transmission and distribution sectors. Pamir Energy is the first such example and other options are being developed with support from international organizations including DFID.

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.
Tax Incentives	All power projects get a two-to-five year profit tax holiday depending on the level of investment. All projects are also exempt from VAT and customs duty on equipment.

Source: Bloomberg New Energy Finance Policy Library

Tajikistan receives good sunshine but the cost of generating solar is far higher than the residential tariffs. The country has a lengthy system for permitting renewable energy projects which sometimes leads to ad-hoc changes in the requirements. Reforms are underway to simplify the process. Although the industrial tariffs are not as subsidized as the residential tariffs, all new projects wanting to sell power to the end-users and not to the BT, require government approval.

Tajikistan offers several tax incentives to promote renewable energy. In June 2013, as a part of the World Bank's Sustainable Energy for All initiative, Tajikistan set a renewable energy generation target of 20% by 2030. This included a target to add 70MW of small hydro during 2012–2016 and 100MW by 2020.

In January 2014, Asian Development Bank approved a \$10m project to offer \$8.8m in credit lines to various microfinance institutions (MFI). This will allow MFIs to provide credit, at competitive rates, for solar home solutions, energy efficient cookstoves and heat exchangers and home insulation.