



TAJIKISTAN

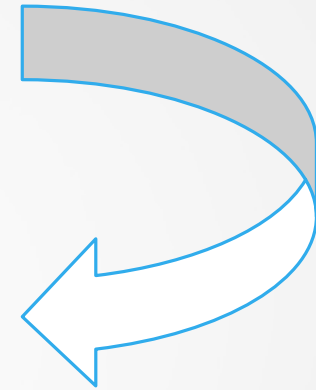
COUNTRY REPORT-ENERGY SECTOR DEVELOPMENT OVERVIEW

KHOLMUHAMADZODA SORBON
Head of energy Department, Ministry of Energy
and Water Resources Republic of Tajikistan

TAJKISTAN STRATEGIC GOALS AND PRIOROTIES



**TAJKISTAN NATIONAL DEVELOPMENT
STRATEGY UP TO 2030**



ENERGY SECURITY



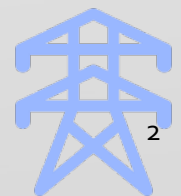
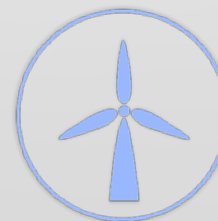
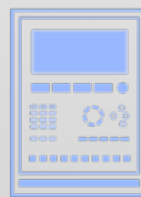
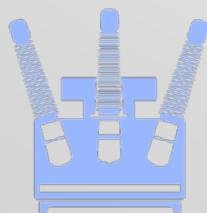
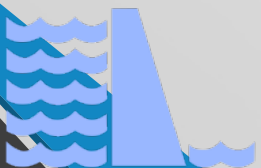
EXIT FROM THE COMMUNICATION DEADLOCK



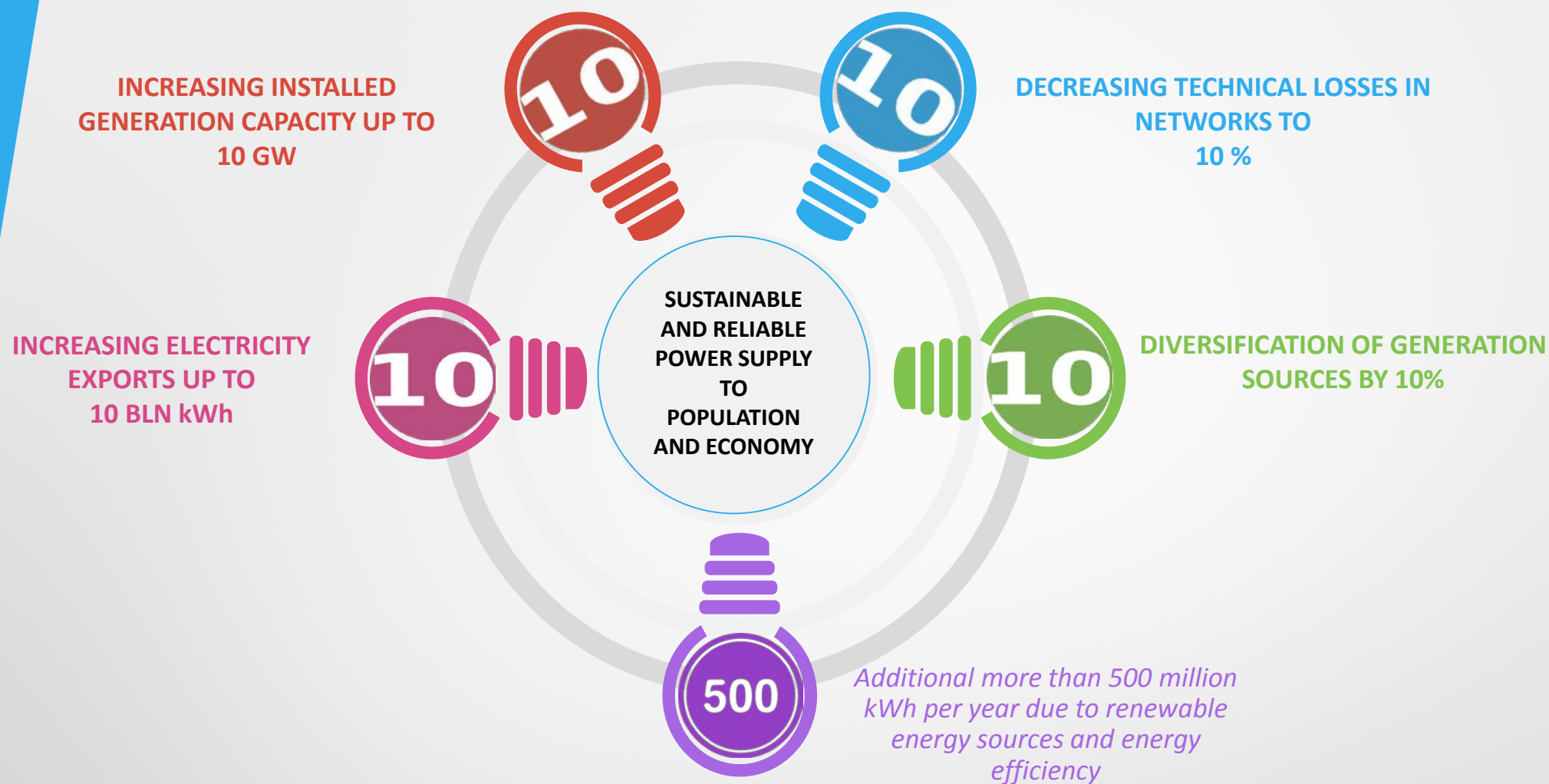
FOOD SECURITY



EXPANSION OF PRODUCTIVE EMPLOYMENT



LONG-TERM SECTOR DEVELOPMENT STRATEGY UP TO 2030



KEY DEVELOPMENT INDICATORS

Tajikistan National Development Strategy up to 2030 in the Energy Section identifies the key development indicators as follows **10/10/10/10-500**, which means increasing the installed generation capacity up to 10 GW, reducing technical and commercial losses in networks to 10%, increasing electricity exports up to 10 billion kWh per year, diversification of generation sources by 10% and additional more than 500 million kWh per year due to renewable energy sources and the use of energy-efficient technologies.

DEVELOPMENT PARTNERS



THE WORLD BANK



European Bank
for Reconstruction and Development



Kuwait Fund
For Arab Economic Development



USAID
FROM THE AMERICAN PEOPLE



Department
for International
Development



Korea International
Cooperation Agency

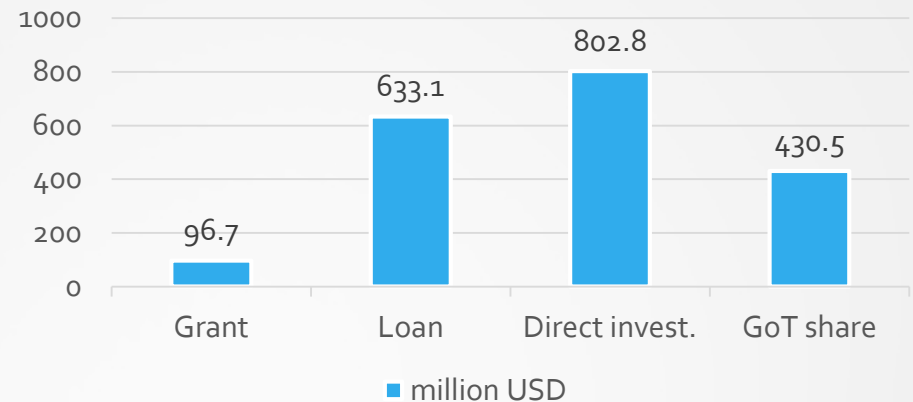
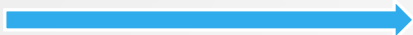


Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

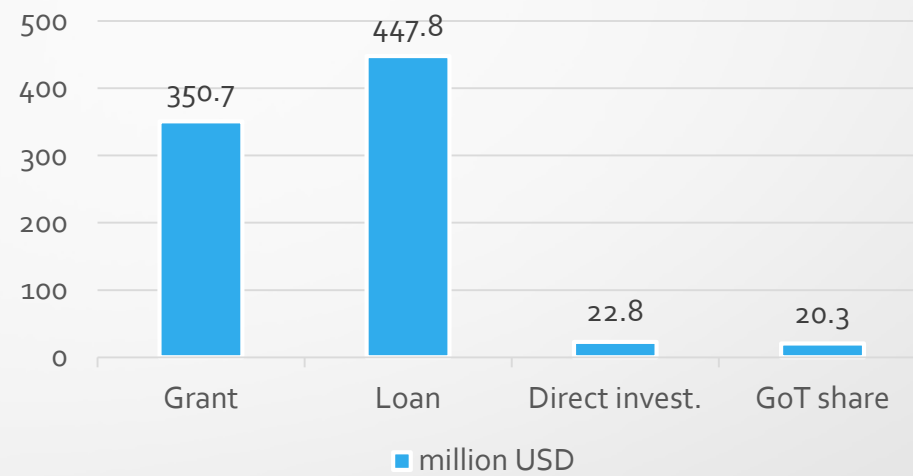
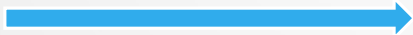


PROJECTS IN THE SECTOR

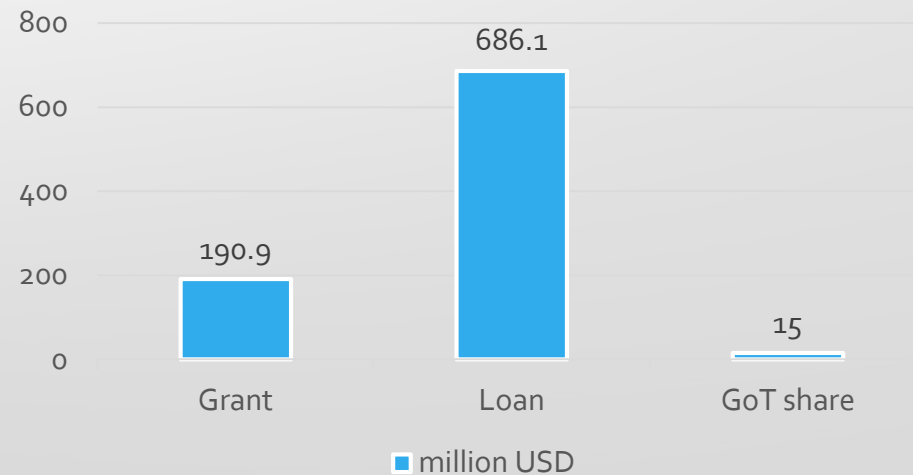
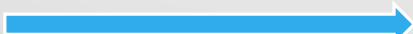
20 completed projects
\$ 1.9 billion



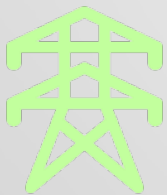
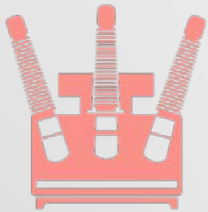
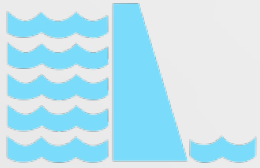
10 projects in progress
\$ 841.6 million



5 projects at tendering or preparation stage
\$ 892.0 million



SIGNIFICANT DEVELOPMENTS IN THE SECTOR



1320 MW

NEW CAPACITY

3 units

NEW 500 kV SUBSTATIONS

8 units

NEW 220 kV SUBSTATIONS

263.8 km

NEW 500 kV LINES

675.8 km

NEW 220 kV LINES

PPP PROJECTS



PAMIR ENERGY

The project is being implemented under the concession agreement with Pamir Energy. According to this agreement, the Government of Tajikistan transferred its energy assets in Gorno Badakhshan Autonomous Oblast to a concession for a period of 25 years. According to UNECE in 2016 the project was one of the top ten PPP projects. This year Pamir Energy was one of the candidates for "Ashden Awards" for the most valuable achievements in the energy sector in the nomination "Improving access to energy".



SANGTUDA-1 HPP (670 MW)

Sangtuda-1 HPP is a joint venture of the Republic of Tajikistan and the Russian Federation, formed on 16 February 2005 to complete the construction and subsequent operation of hydropower plant on the Vakhsh River in Tajikistan. Russian companies' share in the authorized capital of Sangtuda-1 HPP is 75% minus 1 share, the share of Tajikistan is 25% plus 1 share. To date, the station provides up to 11% of the total power generation in Tajikistan.



SANGTUDA-2 HPP (220 MW)

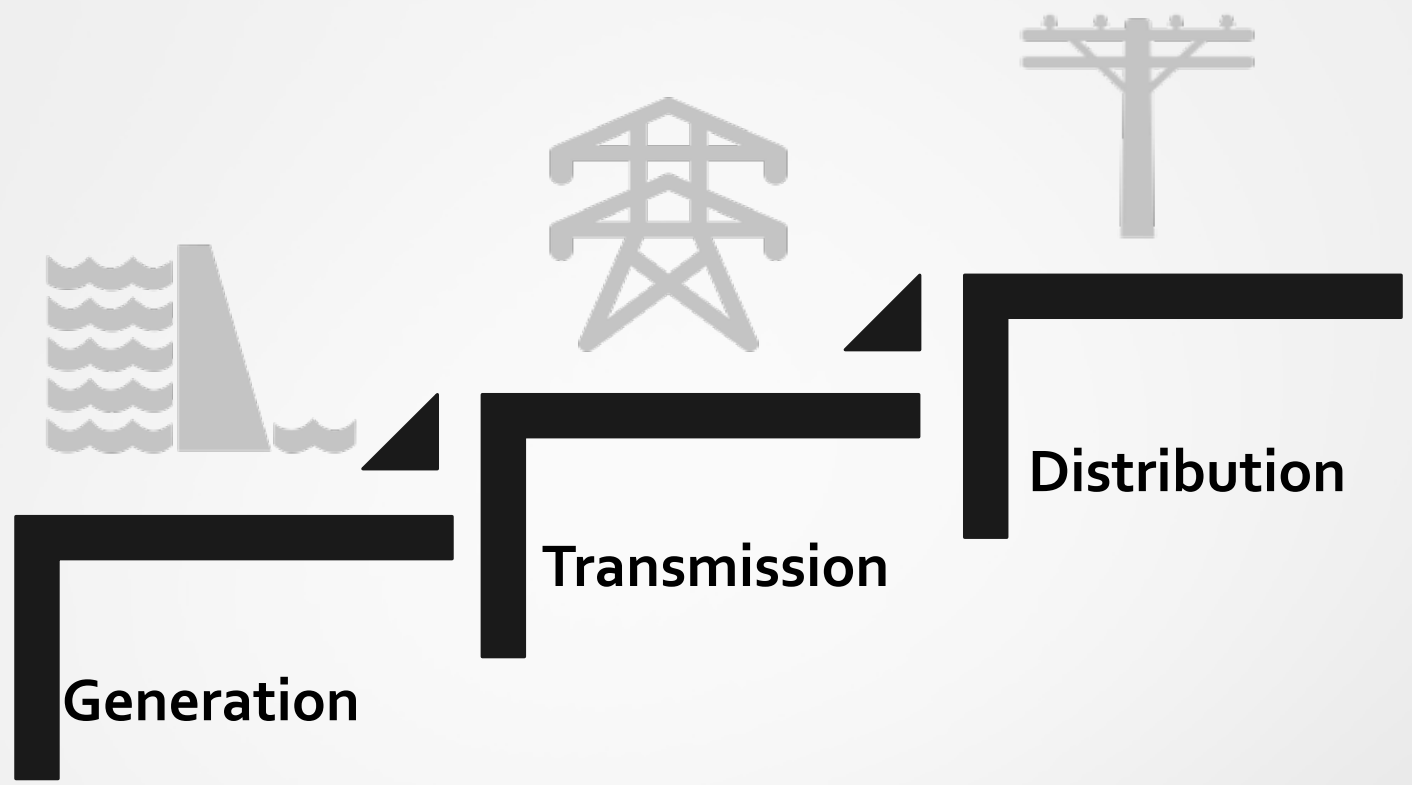
Construction of the Sangtuda-2 HPP officially started in 2006. For the construction of the facility, the Iranian company Sangob allocated \$ 318.9 million, the share of Tajikistan was \$ 40 million. The HPP was commissioned in September 2014. Sangtuda-2 HPP can generate up to 1 billion kWh per year. After putting into operation Sangtuda-2 HPP will be considered the property of the Iranian company for 12.5 years, after that it will become the property of Tajikistan.



POWER SUPPLY TO THE FREE ECONOMIC ZONE OF DANGARA

On 22 December 2016, a PPP agreement was signed between the Ministry of Energy and Water Resources of Tajikistan and Shaanxi Coal Chemical Industry company (People's Republic of China) for the construction and operation of 220 kV transmission lines and a substation for power supply to the subjects of the Free Economic Zone of Dangara by the "BOT" method. The total amount of the contract was \$ 22.8 million for a period of 8 years.

SECTOR REFORM PROGRAMME



Restructuring of the National Power Company by the end of 2018

Adaptation of International Financial Reporting Standards

Boundaries of accountability and other property issues prepared

Creation of two companies (transmission and distribution)

The process of writing off physical and obsolete funds is established


Use of modern Tariff Methodology

Development of Grid Code

Management staff of to be created units appointed and staff approved

Main assets were partially revalued

ACTIONS TAKEN FOR THE POWER COMPANY FINANCIAL RECOVERY



Only during the last 3 years initiated the privatization and transfer to the balance of other state bodies of auxiliary assets in the amount of 76.5 million somoni were initiated, (still ongoing)




Improving the management of monetary and technical assets (the Supervisory Board under the chairmanship of the Prime Minister)




Increasing the level of collection and solvency of independent producers of electricity



Tariffs annual increase



Conversion of loans to grants in the framework of sub-loan agreements transferred to the Ministry of Finance that are relent to BT and converting loan to mirror conditions in sub-loan agreements



Adoption of the resolution on tariff concept

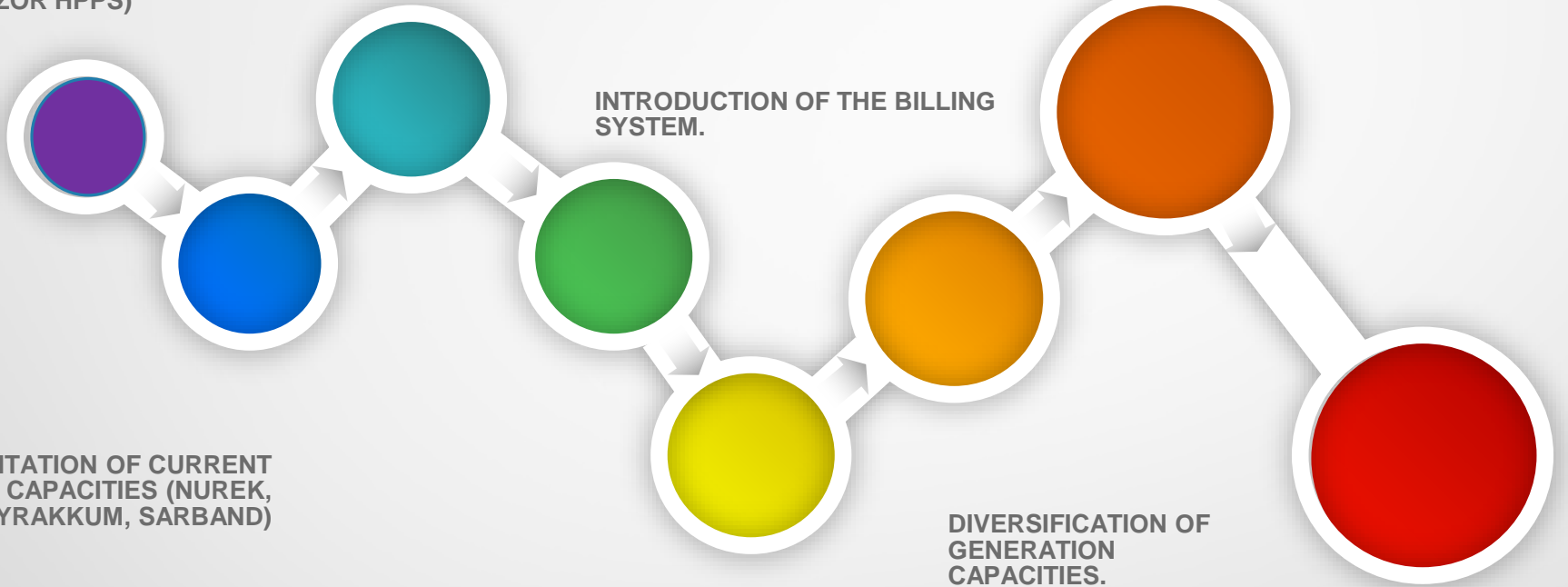


CURRENT ACTIVITIES

CONSTRUCTION OF NEW
GENERATION
CAPACITIES (ROGUN AND
SEBZOR HPPS)

EXPANSION OF REGIONAL
ELECTRICITY TRADE (CASA 1000).

SECTOR REFORM.



REHABILITATION OF CURRENT
GENERATION CAPACITIES (NUREK,
KAYRAKKUM, SARBAND)

ELECTRIFICATION OF REMOTE
DISTRICTS.

ACTIONS FOR THE POWER
COMPANY FINANCIAL
RECOVERY.

PROJECTS WITH PRE-FEASIBILITY STUDIES



BILLING SYSTEM

Bohtar city and South Electrical Networks



BILLING SYSTEM

Tursunzade city



BILLING SYSTEM

Kulob city and Kulob Electrical Networks



BILLING SYSTEM

Rasht district



BILLING SYSTEM

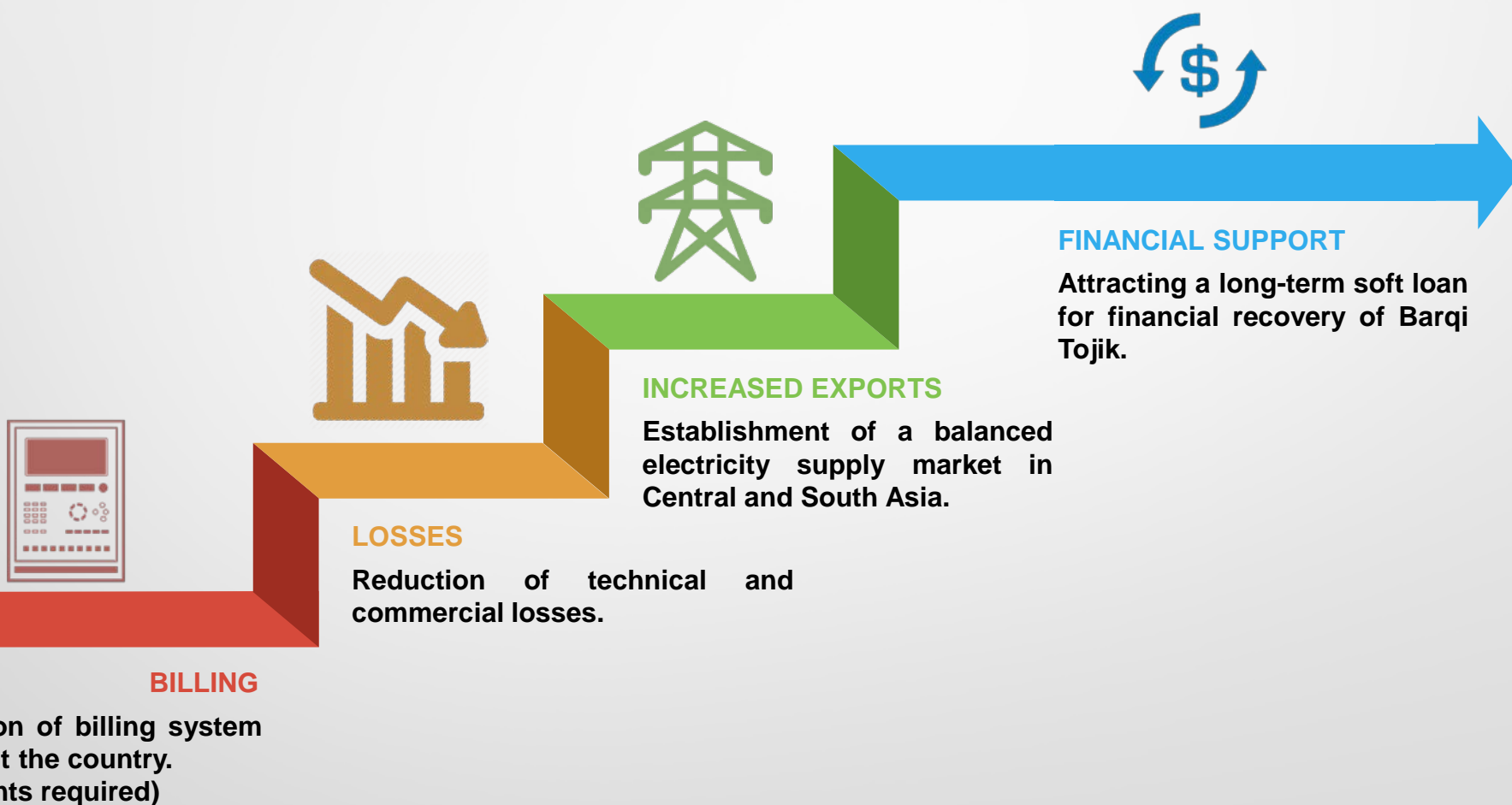
Regions of Republican Subordination



BILLING SYSTEM

Dushanbe city, Penjikent, Istaravshan, Isfara, Kanibadam, Buston and Dangara (at the completion stage)

SECTOR DEVELOPMENT TOOLS (1/2)



SECTOR DEVELOPMENT TOOLS (2/2)



SECTOR COMMERCIALISATION

Establishment of a regulator
and introduction of a new
Tariff Methodology.



MANAGEMENT

Financial and technical management
based on international best practice.



EXPECTED OUTCOME

It is expected that after the implementation of these steps and the completion of the reform, the condition for the functioning of market mechanisms, a competitive environment, and, in general, the financial and technical stability of the energy holding will be ensured.

**THANK YOU FOR YOUR
ATTENTION !!!**