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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX**

of Commission Implementing Decision on the financing of the annual action plan in favour of Tajikistan for 2021

**Action Document for Sustainable Energy Support Programme in Tajikistan**

**ANNUAL PLAN**

The document constitutes the annual programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23(2) of NDICI-Global Europe Regulation.

**1. SYNOPSIS**

**1.1. Action Summary Table**

|   |   |
|---|---|
| <b>1. Title</b>   | Sustainable Energy Support Programme in Tajikistan<br>CRIS number: 2021/043-211   |
| <b>CRIS/OPSYS business reference Basic Act</b>                  | Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)  |
| <b>2. Team Europe Initiative (TEI)</b>                          | Yes – Part of the Regional TEI for Central Asia on Water, Energy and Climate Change   |
| <b>3. Zone benefiting from the action</b>                       | The action shall be carried out in Central Asia, Republic of Tajikistan   |
| <b>4. Programming document</b>                                  | Multi-Annual Indicative Programme – EU Tajikistan 2021-2027   |
| <b>5. Link with relevant MIP(s) objectives/expected results</b> | <b>PA 1</b> ‘Inclusive, Green and Digital Economy’ Industry - <u>DAC code 321</u> : <b>Specific Objective 2.</b> Create a business environment conducive to the development of SMEs and innovation, focussing on selected sectors (digitalisation, agribusiness, tourism, creative industries);<br><b>PA3</b> ‘Natural resources management, efficiency and resilience’ - <u>Energy - DAC code 230</u> : <b>Specific Objective 5.</b> To increase energy efficiency, energy security and the use of renewable energy; |
| <b>PRIORITY AREAS AND SECTOR INFORMATION</b>                    |   |
| <b>6. Priority Area(s), sectors</b>                             | <b>PA 1</b> ‘Inclusive, Green and Digital Economy’ Indicative Sector: Industry ( <b>DAC code 321</b> ), <b>PA 3</b> ‘Natural resources management, efficiency and resilience’ Indicative Sector: Energy ( <b>DAC code 230</b> ) Indicative Sector: Water Supply and Sanitation ( <b>DAC code 140</b> )  |

|  |  |                                     |                                     |                                     |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>7. Sustainable Development Goals (SDGs)</b> | <b>Main SDG:</b> SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all<br><b>Other significant SDGs:</b> SDG 6 Ensure availability and sustainable management of water and sanitation for all, SDG 13 Take urgent action to combat climate change and its impacts, SDG 5 Gender Equality  |                                     |                                     |                                     |
| <b>8 a) DAC code(s)</b>                        | DAC code 321 – Industry 30%<br>DAC code 230 – Energy 70%   |                                     |                                     |                                     |
| <b>8 b) Main Delivery Channel@</b>             | Recipient Government – 12000<br>International NGO - 21000  |                                     |                                     |                                     |
| <b>9. Targets</b>                              | <input type="checkbox"/> Migration<br><input checked="" type="checkbox"/> Climate<br><input checked="" type="checkbox"/> Social inclusion and Human Development<br><input checked="" type="checkbox"/> Gender<br><input type="checkbox"/> Biodiversity<br><input type="checkbox"/> Education<br><input checked="" type="checkbox"/> Human Rights, Democracy and Governance |                                     |                                     |                                     |
| <b>10. Markers (from DAC form)</b>             | <b>General policy objective</b>  | <b>Not targeted</b>                 | <b>Significant objective</b>        | <b>Principal objective</b>          |
|  | Participation development/good governance  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|  | Aid to environment   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Gender equality and women’s and girl’s empowerment   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Trade development  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Reproductive, maternal, new-born and child health  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | Disaster Risk Reduction  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Inclusion of persons with Disabilities   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Nutrition  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | <b>RIO Convention markers</b>  | <b>Not targeted</b>                 | <b>Significant objective</b>        | <b>Principal objective</b>          |
|  | Biological diversity   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | Combat desertification   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Climate change mitigation  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|  | Climate change adaptation  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | <b>Policy objectives</b>   | <b>Not targeted</b>                 | <b>Significant objective</b>        | <b>Principal objective</b>          |
| <b>11. Internal markers and Tags:</b>          | Digitalisation   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | Tags: digital connectivity   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | digital governance   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | digital entrepreneurship   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | job creation   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | digital skills/literacy  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

|  |   |                                     |                                     |                                     |
|--|---|-------------------------------------|-------------------------------------|-------------------------------------|
|  | digital services  |                                     |                                     |                                     |
|  | Connectivity  |                                     |                                     |                                     |
|  | Tags: transport   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | people2people   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | energy  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|  | digital connectivity  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | Migration   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
|  | Reduction of Inequalities   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Covid-19  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <b>BUDGET INFORMATION</b>                |   |                                     |                                     |                                     |
| <b>12. Amounts concerned</b>             | Budget line: NDICI geographic pillar for Asia and the Pacific<br>Total Estimated cost: 15 000 000<br>Total amount of EU budget contribution: 15 000 000 |                                     |                                     |                                     |
| <b>MANAGEMENT AND IMPLEMENTATION</b>     |   |                                     |                                     |                                     |
| <b>13. Type of financing<sup>1</sup></b> | <b>Direct management</b> through:<br>- Procurement<br>- Grants  |                                     |                                     |                                     |

## 1.2. Summary of the Action

The National Development Strategy (NDS) of the Republic of Tajikistan covering 2016-2030 aims to improve the population's living standards based on sustainable economic development through energy security and efficient use of electricity, integrated management of water resources, productive employment and exit from connectivity limitations.

The Government of Tajikistan (GoT) plans to achieve the energy objectives through reduction of electricity consumption by means of energy efficiency (EE) measures and diversification of the energy sources, including use of renewable energy. An additional objective is to increase energy exports within the framework of an integrated regional grid.

The ongoing reform of the power sector of Tajikistan aims to create an open power market and facilitate power trade with the neighbouring countries both inside and outside the Central Asian region, primarily with Uzbekistan, Afghanistan and Pakistan. The National Electricity Company, Barki Tojik (BT) was split up into separate companies responsible for generation, transmission and distribution in the end of 2019. However, the re-allocation of assets among the newly created companies is still incomplete. This has in turn, delayed the introduction of targeted cost-reflective tariffs.

The impact of poor quality and unequal power supply has been particularly severe on the poorest population groups, mainly employed in agriculture and living in remote areas, affecting their food security and nutritional status and lowering their living standards. Women, who make up a substantial part of the agricultural workforce and take the lead role in household, energy, water, waste management and childcare, have borne the brunt of this. Especially, the shortage of water and sanitation puts a particular burden on women and girls under 15 years of age as the primary collectors of water and cleaners of the sanitation facilities in rural households.

Although they both come under the Ministry of Energy and Water Resources (MEWR), the power and water sectors do not collaborate effectively to create a workable Water-Energy-Food Nexus<sup>2</sup> approach in strategic planning as a means for power and water intensity reduction in the country's economy.

<sup>1</sup> Art. 27 NDICI

<sup>2</sup> Addressing the strong nexus between water, climate, energy and food is essential to achieve the objectives of the European Green Deal, which aims at making the EU's economy sustainable by turning climate and environmental challenges into opportunities across all policy areas

The promotion of EE and RE in the power sector is slow due to the lack of financing, caused mainly by low tariffs and low revenue collection, underdeveloped institutional capacity and the absence of support mechanisms, and last, but not least, a lack of awareness and knowledge in the industry, small and medium enterprises (SMEs) and the population in general.

This Action aims to address these issues in the framework of the MIP-EU-Tajikistan 2021-2027. It will contribute to its objectives, namely **PA 1 ‘Green, Digital and Inclusive Economy’** – Business and other Services, including Digital and Green Entrepreneurship, in particular **Specific Objective 2. *Create a business environment conducive to the development of MSMEs and innovation, in selected sectors, with a particular focus on green economy and digitalisation;*** **PA3 ‘Natural resources management, efficiency and resilience’** - Energy generation, renewable sources, in particular **Specific Objective 5. *To increase energy efficiency, security of Power Supply and Water Supply & Sanitation*** and **Specific Objective 6. *To improve access to drinking water supply and sanitation, particularly in rural areas, water productivity in irrigation and to achieve integrated water resources management.***

The Action will contribute to the achievement of these objectives by providing expert advice and training to the MEWR, with a view to supporting the creation of a transparent and fair electricity market, which will be attractive for the deployment of RE projects through private sector participation, and able to cope with the requirements of an efficient regional power market. This will in turn signal the creation of a strong Water-Energy-Food Nexus in Tajikistan through the establishment of efficient interaction and improved coordination between stakeholders in the energy and water sectors. Supporting activities will address the reduction of greenhouse gas emissions and improve climate change mitigation (due to more efficient use of energy), promotion of investments in EE and RE in housing and industry, sensitisation in favour of EE and RE measures, and ensuring fair and equal access for vulnerable groups and enhanced gender equality. The Action also aims to create the conditions for investments in EE and RE be funded through the EFSD+ regional envelope. This would in turn provide export opportunities for EU Green Tech companies in a barely explored market where the EU is seen as a prestigious and strategic partner.

The objectives of the EU Green Deal<sup>3</sup> for converting the EU into a modern, resource-efficient and competitive economy are complemented by the leading role of the EU in international efforts to build inclusive and equitable partnerships to reduce global poverty and support sustainable development. Delivering these objectives involves climate and environment mainstreaming in a way that contributes to the Sustainable Development Goals (SDGs) and enabling partner countries to increase financing and investment for just transitions, phasing-out finance for fossil fuels, promoting gender equality and strengthening dialogue with civil society organisations (CSOs).

The action will contribute to the promotion of sustainable energy in Tajikistan and the achievement of SDG 7, as well as SDGs 6 and 13. The Action is aligned with the EU Green Deal of December 2019 and the new European Consensus for Development in terms of youth, gender equality, investment, good governance, democracy, the rule of law and human rights, and mobilising domestic resources. Moreover, this action contributes to the EU Gender Action Plan (GAP) III<sup>4</sup> thematic areas “promoting economic and social rights and empowering girls and women” and “addressing the challenges and harnessing the opportunities offered by the green transition” among others.

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[https://ec.europa.eu/info/news/understanding-climate-water-energy-food-nexus-and-streamlining-water-related-policies-2021-mar-19\\_en](https://ec.europa.eu/info/news/understanding-climate-water-energy-food-nexus-and-streamlining-water-related-policies-2021-mar-19_en)). However, the proposed Action looks into interdependencies between water and energy in Tajikistan, thus the food sustainability issues will be improved indirectly through more efficient consumption of water and power and as such, availability of more funds for food production and consumption.

<sup>3</sup> COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS The European Green Deal

<sup>4</sup> JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL EU GENDER ACTION PLAN (GAP) III –AN AMBITIOUS AGENDA FOR GENDER EQUALITY AND WOMEN’S EMPOWERMENT IN EU EXTERNAL ACTION

## 2. RATIONALE

### 2.1 Context

Tajikistan is a low-income<sup>5</sup>, mountainous land-locked Central Asia country with a territory of 141.4 thousand square kilometres<sup>6</sup>. It is constrained by increasing security concerns due to its common 1,300 km border with Afghanistan, where the political situation is rapidly deteriorating, and various conflicts in Fergana Valley appearing as a result of borders established during the Soviet era.

Tajikistan remains the poorest country in Central Asia<sup>7</sup> with 40% of the population living below the poverty line and one of the world's most remittance-dependent<sup>8</sup> (around 28.6% of GDP in 2019). While the country reduced its monetary poverty rate from 80% in the late nineties to around 27% today, it has been experiencing an economic crisis since 2014, resulting in falling living standards<sup>9</sup>.

The agriculture sector is the biggest employer in the country. The population of 9.475 million<sup>10</sup> is unevenly distributed with 73% living in the rural areas. An absolute majority of 88% of Tajikistan's farmers are small-scale family farms<sup>11</sup>. While it remains the greatest provider of employment, the agriculture sector only accounts for 20% of the country's gross domestic product (GDP) and about 30% of exports. High GDP growth since the 90s has largely been driven by mineral exports and has not translated into corresponding job creation to accommodate the rapid entry of young workers into the workforce, particularly into the private sector that remains very limited, with a correspondingly high proportion of migrant workers (mainly to Russia) and high household dependency on remittances (which supply about 35% of GDP). Slowdowns in the Russian and Chinese economies (exacerbated by COVID-19), low commodity prices, currency fluctuations and a fragile banking system impede sustainable growth. The NDS-2030, aims at improving the quality of life according to the goals of the country and its targeted SDGs. The NDS also aims to improve the population's living standards based on sustainable economic development, meaning energy security and efficient use of power, food security and access to good quality nutrition, productive employment and exit from connectivity limitations. The NDS underpins the direction towards "the elimination of unnecessary barriers for private sector development and investments, strengthening legislation in the area of complete protection of property rights, improving the quality of vocational education system".

Because less than 7% of the land area is arable and cotton is the predominant crop, Tajikistan imports approximately 70% of its food, while irrigation serves 85% of cultivated land and supports over 90% of the total crop production. At the same time, water is the main primary energy source in Tajikistan, with hydropower generation constituting 93% of the total power generation capacity of the country. A critical goal to be addressed through the water-energy nexus is to improve efficiency in the agriculture sector in an inclusive and sustainable manner, that benefits small farmers, while also ensuring the maximisation of potential renewable energy, including for export<sup>12</sup>, as a sector with better economic prospects.

The power sector of Tajikistan being the backbone of the country's economy, is facing a number of challenges. The most acute problems are obsolete generation, transmission and distribution capacities, which cannot be revamped or replaced due to a lack of financing caused by low electricity tariffs and poor revenue collection. According to the latest MEWR's assessment, both technical and commercial losses exceed 43% of the total energy production in some provinces, while revenue collection rate is less than 50%. These result in difficult financial situation of BT. Furthermore, BT accounts for over 80 % of the total State-Owned Enterprises' debt to the Ministry of Finance. Despite existing high levels of external debt (around 44.9% of GDP in 2020), the Government plans to finance infrastructure investments (including the very ambitious Roghun Hydropower Plant) which increases the risk of debt distress.

<sup>5</sup> Change of classification from 'Lower-Middle' to 'Low' in July 2018. Sources: <https://blogs.worldbank.org/opendata/new-country-classifications-income-level-2018-2019> &

<sup>6</sup> Tajikistan in figures, 2018, Statistical Office of Tajikistan <http://stat.wv.tj/publications/June2019/tajikistan-in-figures-2018.pdf>

<sup>7</sup> Lowest per capita GDP among the 15 former Soviet Republics.

<sup>8</sup> Official figures account for around 30%, but indications that it could be as much as 50% of GDP. Sources:

<sup>9</sup> Following the commodity price shock in 2014, and subsequent stagnation of the Russian economy, Tajikistan went through a cumulative 45% decline of both remittances and imports, which has been partially reverted, as of 2017, by rising energy prices (according to World Bank *Country Partnership Framework for the Republic of Tajikistan for the Period FY19-FY23*, April 2019)

<sup>10</sup> <https://www.imf.org/en/Countries/TJK>

<sup>11</sup> Tajikistan Small Family Farms Country Factsheet, FAO, 2018, <http://www.fao.org/3/i8348en/I8348EN.pdf>

<sup>12</sup> The ongoing Central Asia – South Asia (CASA-1000) electricity transmission project aims to establish an electricity trade involving the transfer of surplus hydropower available in Central Asia (approximately 1.3GW from Kyrgyzstan and Tajikistan) to electricity-deficient countries in South Asia (Pakistan 1 GW and Afghanistan 300 MW). The CASA-1000 project is financed by seven institutions (USD 1.17 billion) with a majority of financing provided by the World Bank Group (USD 526.5 million), Islamic Development Bank (IsDB, USD 155 million), European Bank for Reconstruction and Development (EBRD, USD 110 million), European Investment Bank (EIB, USD 180 million), Foreign, Commonwealth & Development Office (FCDO) of the UK Government, Afghanistan Reconstruction Trust Fund (ARTF, USD 40 million), and the US Government.

In terms of power sector development, the ambitious 10/10/10/10 concept of the NDS envisions by 2030 an increase of the installed capacity of the power system to 10 GW (of which 3.6GW would come from the Roghun Plant), and an annual export of 10 billion kWh of power to neighbouring countries. In line with these goals, the latest strategic goals of the public sector earmarked by MEWR for the next ten years include the construction of up to 700 MW of big scale solar power generating capacity. Finally, the Action Plan for Financial Recovery of BT announced in April 2019 by the Government includes the completion of BT's unbundling, the establishment of a full scope Electricity Regulatory Authority, and the achievement of a cost recovery tariff by 2025 through a number of tariff increases<sup>13</sup>.

The low institutional capacity of the recently unbundled State Electricity Company BT, and the low level of attractiveness of the existing legal and regulatory framework for private investments are key barriers that need to be lifted for creating the necessary conditions to achieve a significant level of openness for trade in services and investment in the Tajikistan power market. The MEWR estimates that the power demand growth for the next ten years will average 6-7% per year, leading to almost doubling the current power consumption in ten years. The limited and inefficient provision of power causes severe challenges for socio-economic development. The reconnection of the previously existing Central Asian (CA) power system and consequent power exchange between CA countries will be beneficial in terms of improved security of power supply. This will also enhance agricultural productivity at a regional level, a key sector for the 5 republics. The ADB and USAID both have ongoing projects aimed at setting up a regional energy market in Central Asia<sup>14</sup>. Synergies with ADB's Central Asia Regional Economic Cooperation Program (CAREC) and USAID's Central Asia Regional Electricity Market (CAREM) are to be sought, at the same time as the EU explores possible collaboration with USAID regarding the EU's new programme 'EU Support to Sustainable Energy Connectivity in Central Asia'.

Once established, cooperation in the sector and connection of the power systems in the region will result in improved sustainability of energy supply in the wider region, including Afghanistan and Pakistan. Thus, the sector has a high political charge as it offers the best export opportunity to Tajikistan and a bigger role at regional level. **The highest levels of government are closely following the sector. The energy sector is indeed seen as strategic by the GoT, especially through the Energy-Water-Food security nexus perspective.** The Dushanbe Conference on Water, framed in the UN Water Decade, is set to give this action the political momentum needed.

The EU provides substantial support to increasing the reliability of the power systems, the development of the regional power trading in Central Asia, to strengthening resilience against the adverse effects of climate change. The regional dimension of the proposed action is also clear in issues related to climate change mitigation, i.e., energy saving and efficient use of water and energy, including use of RE technology for the modernisation of the irrigation systems (solar water pumps). This makes this action relevant to be included under the umbrella of the proposed CA regional TEI on Water, energy and climate change.

This programme will allow the EU Delegation to **gain political leverage in a key sector for the country's politics and economy, and steer the European Financial Institutions investments.** From a regional perspective, sound natural resource management and climate change impact mitigation are of high interest for the active member states in the region. Tajikistan has hardly begun to exploit other resources with a high potential, such as **solar energy**. The deployment of large-scale photovoltaic solar farms in Tajikistan, in conjunction with the replacement of traditional water pumps with solar water pumps, will significantly reduce the hydropower consumption for irrigation in wet periods, thus increasing the available hydropower capacity in dry periods, and thus compensating the existing deficit of power capacity.

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<sup>13</sup> Tajikistan Energy Efficiency Framework, EBRD, 2020

<sup>14</sup> Since 2015, the Asian Development Bank (ADB) is helping Tajikistan introduce a wholesale metering and billing system for BT under a USD 54 million Subsidiary Loan Agreement amended in February 2021 to the Equity Contribution Agreement. In December 2020, ADB has approved a USD 105 million grant to accelerate the implementation of ongoing reforms and improve the financial sustainability of the power sector in Tajikistan<sup>14</sup>. The total cost of the programme is USD 145 million, with the Government of Tajikistan providing USD 15 million, and EBRD providing a USD 25 million loan. The program is expected to be completed in 2026. The **Power Sector Development Programme** includes, among others restructuring of the utility's excessive liabilities, the establishment of a regulator, the adoption of a tariff methodology, and the establishment of a new centralised cash control system among unbundled entities. As a part of reforms and institutional capacity building, a newly established power distribution company will be given a five-year management contract (currently under negotiation).

USAID financed project Power the Future (PtF) has been providing intensive technical assistance to prepare Tajikistan's first new edition of the Electrical Installation Rules (PUE) since 1986. PtF Activity is accelerating Central Asia's transition to cost-effective, low emission, energy-secure, and climate resilient economies through increasing the deployment of renewable energy and energy efficiency in all five Central Asian countries. PtF helps CA countries to create an economically viable Central Asia Regional Electricity Market (CAREM). INTPA discusses with USAID collaboration in the field.

## 2.2 Problem Analysis

### Short problem analysis:

The most acute issues in the power sector include **ageing infrastructure, under-investment, monopolisation, mismanagement, high losses, difficulties in revenue collection and below-cost tariffs**. According to MEWR, the legal and regulatory framework of the power sector is insufficient to achieve the necessary changes for facilitating a sustainable and green transition of the economy of Tajikistan.

Up to 80% of Tajikistan's agricultural production requires irrigation. There are more than 200,000 water pumps in the country, consuming about 24% of the total power consumed on a yearly basis in Tajikistan. At the same time, losses in the power system are estimated at 40% due to low collection rate especially in rural areas where power fee is incorporated into irrigation fee (only 60% of which are collected). Furthermore, according to the MEWR, there are about 85,000 of unregistered non-residential power consumers.

The climate change acceleration in Tajikistan, resulting in gradual reduction of available water resources (while water is the main and, practically, only source of primary energy in the country), implies the necessity to make an efficient use of both energy and water. Thus, the Water-Energy-Food Nexus approach appears to be the most appropriate one to be applied for strategic planning in the energy and water sectors. However, despite being under the responsibility of MEWR, there is no adequate cross-sectoral collaboration between the power and water sectors. The lack of communication and coordination mechanisms between both services prevents from establishing full cooperation and adoption of efficient and effective joint public policies for power and water sectors.

The private sector participation in Tajikistan, and in particular in the power sector, is underdeveloped with only few Public-Private Partnership projects. The absence of the private sector is partially explained by the lack of an attractive legal and regulatory framework for investment, but also by the lack of knowledge and supporting framework.

The COVID-19 implications on Tajikistan have more extensively highlighted the food security problem stemming from the fact that Tajikistan is a net food importer. There is an urgent need to increase labour efficiency in agriculture and to create new working places in all sectors of economy.

Finally, the majority of women are involved in subsistence farming, with very low income. In addition to the gender equality issues in the agriculture sector, the energy sector also demonstrates very low involvement of women in the technology or decision-making process. It also shows a complete absence of understanding of the role of energy in everyday life of women and groups that are living in vulnerable situations (including persons with disabilities, people living in poverty, female-headed households and people living in remote areas).

### Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The key stakeholder and the main duty-bearer in the Action is the **MEWR**. It is the central government authority responsible for the development and implementation of policies, both in the energy and water sectors. Until now, the MEWR fulfils regulatory functions in the area of fuel, energy and water although the **Electricity Regulator (a Division of Antimonopoly Committee)** was created in 2019 and is expected to ultimately evolve into a full-scope independent Electricity Regulatory Authority in the coming years.

The newly created public entities **BT (generation), Shabakahoi Intiqoli Barq OJSC (SIB –Power Transmission Network Co.) and Shabakahoi Taqsimoti Barq OJSC (STB - Power Distribution Network Co.)** have not finalised the process of splitting up into separate companies, as the separation of assets and accounts is incomplete, delaying the development of the new cost-reflective tariffs. All three BT operators, along with the Electricity Regulator and the **Transmission System Operator (Division of SIB)**, need to improve their operating capacities under an open power market mode and efficiency in promoting sustainable energy.

**Thus, MEWR, BT operators and the Electricity Regulator are the main beneficiaries of the proposed Action.**

Stakeholders, rights-holders of the action benefiting from the improvement of the enabling business environment (more efficient, transparent and fair electricity market) and the implementation of EE and RE measures at the end-user side (demand side management) are **SMEs and CSOs active in the energy and water sector** and climate change. It also includes women's organisations and organisations representing rights of women, youth, and persons living in vulnerable situations such as persons with disabilities, **as well as the population in general**.

## 3. DESCRIPTION OF THE ACTION

### 3.1 Objectives and Expected Outputs

**The Overall Objective (Impact)** of this action is to secure reliable green and affordable power, and facilitate the regional integration of the power sector building on the EU approach to climate-resilient, risk-informed and sustainable development.

**The Specific Objective(s) (Outcomes)** of this action are:

- **Specific Objective 1** – An enhanced Governance of the Energy Sector and its medium- and long-term gender-responsive development vision is established for the Green Transition of the Power Sector in Tajikistan.
- **Specific Objective 2** – Improved Legal and Regulatory frameworks for the establishment of a transparent, effective, competitive power market in Tajikistan.
- **Specific Objective 3** – Improved Generation-Transmission-Distribution Operators’ regulatory compliance of organisational structures, sustainability of operations and cost-reflectiveness.
- **Specific Objective 4** – An effective enabling environment for EE and RE projects is created for population, housing and industry.

The Action also aims to create the conditions for investments in EE and RE that will be funded through regional allotment to EFSD+.

**The Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

**Output 1.1** contributing to Specific Objective 1

Enhanced organisational, policy development and implementation capacity of MEWR.

**Output 1.2** contributing to Specific Objective 1

Enhanced inter-ministerial external communication and coordination.

**Output 1.3** contributing to Specific Objective 1

The Green Transition Policy and Planning frameworks are revised/developed.

**Output 2.1** contributing to Specific Objective 2

Developed policies for setting-up an independent Electricity Regulatory Authority in charge of developing and applying power market economic and technical regulations.

**Output 3.1** contributing to Specific Objective 3

Enhanced organisational and financial capacity of Generation-Transmission-Distribution Operators.

**Output 4.1** contributing to Outcome 4 (Specific Objective 4)

Awareness of and capacities on EE and RE new appropriate technologies are increased among SMEs and general population.

**Output 4.2** contributing to Outcome 4 (Specific Objective 4)

Rules and procedures for demand side management measures implementation are clarified.

### 3.2 Indicative Activities

#### 1. Technical Assistance Package

- **Specific Objective 1** – *An enhanced Governance of the Energy Sector and its medium- and long-term gender-responsive development vision is established for the Green Transition of the Power Sector in Tajikistan.*

**Activities related to Output 1.1:**

- Establish sound Strategic Planning processes, rules and procedures led by MEWR, considering an Energy-Water-Food Security Nexus approach.

#### **Activities related to Output 1.2:**

- Support for normalisation and coordination of the inter-ministerial relations and external communication (rules and procedures).
- Increase awareness on relation between deployment of new energy technologies and system's water intensity, securing acceptable quality and quantity of water to all users and ecological protection.
- Support creation of a Water-Energy-Food Nexus Working Group in MEWR to increase cohesion among energy and water-irrigation policies-strategies-programmes and strengthen outreach to other agencies ( Agency for Land Reclamation and Irrigation and Associations of Water Users) and other stakeholders.

#### **Activities related to Output 1.3**

- Support the review/development of the country's Vision for the Energy Sector, introducing the Energy-Water Nexus approach into national Energy Policies, national Strategies and Strategic Plans.
- Support creation of gender equitable and accessible mechanism for public consultations of water-energy related issues.
- Increase the understanding of gender equality issues and promote equitable community participation by women and men in RE and EE schemes.

### ***Outcome 2 – Improved Legal and Regulatory frameworks for the establishment of a transparent, effective and competitive power market in Tajikistan.***

#### **Activities related to Output 2.1:**

- Technical assistance for laying out a foundation for creating ultimately an Independent Electricity Regulatory Authority in Tajikistan, establishing the medium- and long-term targeted organisation and structure of the power subsector, and update the roadmap for reforms implementation.
- Technical assistance for licensing Generation-Transmission-Distribution Operators, enhancing the technical, economic and financial regulations, reviewing the tariff methodology and the gradual tariff increase to achieve cost-reflective tariff by 2025 (as per the current Strategy of the GoT), considering market pricing when feasible.
- Support for the revision and completion of the national Transmission and Distribution Grid Codes.

### ***Outcome 3 – Enhanced organisational and financial capacity of the Generation-Transmission-Distribution Operators.***

#### **Activities related to Output 3.1:**

- Improve/complete the organisation, structure, accounting separation, operational rules and procedures, and staffing of the Generation Company (BT) -Transmission Company (SIB) -Distribution Company (STB).
- Technical assistance for establishing independent and effective cost-based allocation budgets, and integrated management information systems (MIS) with independent procurement rules and procedures (including auctions), for each Operator of the power subsector.
- Capacity building and Twinning Operation to improve the management, operation and maintenance rules and procedures of the Transmission Company (SIB) and Distribution Company (STB).
- Support for the assessment of resources of the National Control Centre (System Operator) in view to identify the necessary modernisation/upgrade requirements for efficient monitoring and control of the transmission facilities (SCADA – Telecontrol) to facilitate Tajikistan's integration in the Central Asia Power Market.

## **2. Energy Efficiency and Renewable Energy Measures in Housing and Industry**

### ***Outcome 4 – An effective enabling environment for EE and RE projects is created for population, housing and industry.***

#### **Activities related to Output 4.1:**

- Identify Partners knowledgeable in energy audits, RE and EE technologies and select the ones able to act as Implementation Agencies for the promotion and support of DSM (Demand Side Management) measures (to be financed from the grant component of the Action).
- Develop targeted plans for awareness increase to promote EE and RE technologies (SMEs, general population, youth, women and vulnerable groups).
- Organise targeted training on EE and RE technologies, projects preparation, development and application support for funding.
- Technical support to the implementing agencies for the development of appropriate mechanisms for the promotion of EE and RE projects (credit support related to business).

**Activities related to Output 4.2:**

- Supervise and monitor the development of Pilot EE and RE Projects in housing and industry.
- Support equal participation of women in access to new technological solutions and access to credit.
- Analyse lessons learnt on the different steps: EE and RE projects identification, development and implementation for proposing necessary changes in existing legal and regulation acts.

The commitment of the EU’s contribution to the Team Europe Initiatives foreseen under this annual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners’ meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

The environmental and climate change impact of the smooth green transition of the power market in the region and the support to RE and EE in Tajikistan will be positive as it will promote reduction of greenhouse gas emissions and the efficient use of natural resources, through increased energy efficiency and further use of renewable energy sources. With this, the action will contribute to the reduction of local, national and regional pollution, and greenhouse gas emissions that are responsible for Climate Change. There are also indirect effects (or positive externalities) of energy efficiency and renewable energy technologies that improve the safety, affordability, accessibility, health, and lessen morbidity and mortality by providing appropriate energy solutions to support off-grid developments (e.g., remote areas). It is assumed that gender effects of the proposed Action are significant as gender equality is an important and deliberate objective, but not the principal reason for undertaking the action.

#### Environmental Protection & Climate Change

**Outcomes of the EIA (Environmental Impact Assessment) screening**

The EIA (Environment Impact Assessment) screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design)

**Outcome of the CRA (Climate Risk Assessment) screening**

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment)

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**Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the Action will reflect gender balance in all activities and ensure equal access to decent work opportunities, female participation in training and capacity building and encouraging participation of women in all activities (through at least 30% of female trainees in training workshops/courses). It will also support women’s meaningful participation in planning gender-responsive solutions and decision-making in the sector.

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**Human Rights**

This Action will support the right to decent work and the right to social security. Human rights-based approach and its key principles (participation, non-discrimination, accountability and transparency) will be integrated throughout the action. Particular focus will be given to inclusive policies targeting women and persons living in vulnerable situations such as persons with disabilities, people living in poverty and in remote areas.

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**Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the needs of vulnerable groups in terms of access to information and knowledge on EE and RES technologies will be taken into consideration in the planning of activities of the Action (i.e. ensuring that infrastructure is fully barrier free and accessible to persons with disabilities). Sustainable and affordable energy for all will be supported through promotion and implementation of the appropriate EE and RE measures.

#### Democracy

The academic research reveals that when promoting sustainable development, the existing mechanisms for individual expression and participation should be used<sup>15</sup>. Thus, the project will build its impact on the increasing capacity of the existing actors in the power sector, while facilitating the involvement of the civil society and private initiatives.

#### Conflict sensitivity, peace and resilience

Increase in population growth leading to growth in water, energy, and food demands can enhance potential of conflict over water, especially on transboundary water resources. Through promotion of the Energy-Water-Food Security Nexus, the Action will provide an input into resolving resources insecurity, owing to weak planning or wrong management strategies mainly in power, but also in the water sector.

#### Disaster Risk Reduction

The objective of the Action to establish smoothly operating green power market and support to RE and EE in Tajikistan will have a beneficial impact on the environment and reduction of green-house gas emissions, thus acting as a climate change mitigation measure. The indirect externality of the Action will be the improvement of power connectivity in the CA region.

#### Other considerations if relevant

N/A

### 3.4 Risks and Lessons Learnt

| Category                         | Risks   | Likelihood (High/Medium/Low) | Impact (High/Medium/Low) | Mitigating measures  |
|----------------------------------|---|------------------------------|--------------------------|--|
| 2 Planning Processes and Systems | Risk 1: Legacy of the previous balance of power in the energy and water sector as well as lack of communication between energy and water actors may hinder the adoption of the water-energy-food security nexus approach. | <b>H</b>                     | <b>H</b>                 | <b>Training and sensitisation</b> of stakeholders' personnel, demonstration of the benefits of the nexus approach and involvement of all affected parties in the development of new modes of communication.  |
| 2 Planning Processes and Systems | Risk 2: Lack of political commitment to market-oriented operations of the power sector leading to the underfunding of the sector, and lack of maintenance and new investments in both RE and EE.                          | <b>M</b>                     | <b>M</b>                 | Support best-practice legislations/regulations/pricing methodologies/direct subsidisation schemes targeting vulnerable households, and utilise an array of soft measures – e.g., meetings, workshops and seminars to provide rationale cases for further market orientation and development. |
| 3 People and the organisation    | Risk 3: Low absorption capacity of the stakeholders' personnel preventing them from full engagement with and participation in the Activities.   | <b>M</b>                     | <b>M</b>                 | Careful planning of the Activities and continuous communication with the management of stakeholders.   |

<sup>15</sup> The "Necessity" of Democracy for Sustainable Development: A Comparison between the USA and Cuba, Marcus Rand, 2014, Development and International Cooperation Programme, University of Jyväskylä in Finland  
<https://academiccommons.columbia.edu › downloads>

|                                  |   |   |   |  |
|----------------------------------|---|---|---|--|
| 2 Planning Processes and Systems | Risk 4: Low interest EE and RE measures among the wider population associated with unaffordability for low-income segments. | M | M | Carefully planned awareness campaigns and targeted information. Support in the development of small-scale bankable feasibility studies. Selection and promotion of appropriate technological solutions.  |
| 2 Planning Processes and Systems | Risk 5: Lack of knowledge in EE and RE measures among SMEs leading to low interest in the proposed EE and RE Facility.      | M | M | Dissemination of targeted information and training   |
| 3 People and the organisation    | Risk 6: Human rights violations along the supply chain and risk of corruption   | M | M | <p>An explicit commitment for all actors in the supply chain to abide by the UN Guiding Principles on Business and Human Rights, in particular regarding provisions ensuring adequate complaints/grievance accountability mechanisms to effectively investigate and adjudicate any potential wrongdoing or complaint.</p> <p>Assessment of decent working policy and conditions for existing and new jobs (including to ensure women's equal career opportunities for example to training, and consider working hours, child-care etc.).</p> |

**Lessons Learnt:**

- The need to secure the sustainability of the proposed Action before support ends. The Action will maximise knowledge transfer and on-the-job training, taking advantage of the enhanced recruiting capacity of the public companies created through the unbundling of the public utility BT.
- Therefore, priority activities set for the project should match to what is needed at the time and be politically owned by the beneficiaries. This also makes policy dialogue more efficient and result-oriented, providing hands-on assistance and continuous dialogue as much as possible.
- Although several strategies and action plans on EE & RE have been developed in the past, they have rarely been implemented, due to the fact that those documents were elaborated mainly by donors and energy authorities, and thus did not consider all aspects (e.g., economic, environmental, social, etc.) and the interests of all stakeholders involved. Therefore, establishing inter-institutional working groups, which provided a broad platform for discussion to all the stakeholders involved, is of crucial importance.

### 3.5 The Intervention Logic

The underlying intervention logic for this action is that *IF* the MEWR establishes sound strategic planning, clear rules and procedures for an intersectoral water/energy/food security integrated management, coordinates energy and water irrigation policies/strategies and related stakeholders, and develops the country's vision for the Energy Sector *AND* political commitment is ensured *AND* lack of ownership is overcome through education and trainings for stakeholders, personnel and management staff, *THEN* an enhanced organisation is achieved and the Strategic Objective of for a better Governance and vision for the Energy sector toward a green and gender-responsive transition will be attained.

*IF* technical assistance is provided for establishing an Independent Electricity Regulatory Authority, reviewing tariff methodology and cost-reflective tariffs implemented (by 2025), *IF* support is provided for the revision/completion of the National Transmission and Distribution Grid Codes *AND* the political commitment is ensured *AND* the regional dimension of the power sector is understood and implemented by national/regional power market actors, *THEN* a regulatory framework for a transparent, effective and competitive power market is established.

*IF* technical assistance is provided to improve the organisation, structure, rules (including commitment to human and labour rights protection) and staffing of the Generation/Transmission/Distribution companies, *IF* an independent, effective cost-based allocation budget and integrated management information system is established for each Operator of the power subsectors, *IF* capacity building and twinning operations is set up to improve management, operation and maintenance of the Transmission and Distribution companies, *IF* support is provided to the National Control Centre (System Operator) in order to identify the necessary requirements to facilitate Tajikistan's integration in the Central Asia Power Market, *THEN* the organisational and financial capacity of the Generation/Transmission/Distribution Operators is enhanced and ultimately an improved Generation/Transmission/ Distribution Operators' regulatory compliance of organisational structures, sustainability and cost reflectiveness is set up.

*IF* knowledgeable partners in energy audits/RE and EE technologies are identified and selected as Implementation Agencies for the promotion of Demand Side Management measures, and technical support is provided to the Implementing Agencies for developing appropriate promotion mechanisms for RE/EE projects, *AND* the legal, regulatory and institutional framework is supportive for the implementation of EE/RE measures, *THEN* awareness of and capacities on EE and RE new technologies increases among SMEs and general population rules and procedures for demand side management measures implementation is clarified.

*IF* the promotion of innovative financing mechanisms for EE/RE projects including dedicated loan structures, technical assistance to local banks and support to small-scale bankable feasibility studies are set up, *THEN* an effective enabling environment for EE/RE projects is created for population, industries and housing.

The Action's overall objective is to contribute to the promotion of **Sustainable Energy** in Tajikistan. The action will act simultaneously on the improvement of the enabling business environment (which would lead to a more efficient, transparent and fairer electricity market), and the implementation of EE and RE measures at the end-user side (Demand Side Management). With this, the Action intends to address regulatory constraints to the business environment and create the institutional conditions for the implementation of a number of public and private investments in the sector of Sustainable Energy to be financed via regional funds within EFSD + allocations.

### 3.6 Logical Framework Matrix

| Results | Results chain:<br><br>Main expected results<br>(maximum 10)   | Indicators:<br><br>(at least one indicator per<br>expected result)  | Baselines<br><br>(Start of the action)  | Targets<br><br>(Three years after start of<br>the action)   | Sources of data   | Assumptions  |
|---------|---|---|---|---|---|--|
| Impact  | Secure reliable green and affordable power and facilitate the regional integration of the power sector, in line with EU approach to climate-resilient, risk-informed and sustainable development. | <ol style="list-style-type: none"> <li>1. Number of official documents on market rules that govern the national power market and follow transparency standards</li> <li>2. Electric power losses in transmission and distribution (% of output) (World Bank)</li> <li>3. Reliability of power supply</li> <li>4. Number of projects on electricity production from renewable sources, excluding hydroelectric</li> <li>5. Percentage of power saving by households and Industry due to implemented measures</li> <li>6. Strategies and agreements on climate mitigation, adaptation, disaster risk reduction and sustainable management of natural resources and biodiversity are more gender-responsive, at local, national, regional and international level (GAP III)</li> </ol> | <ol style="list-style-type: none"> <li>1. None (2021)</li> <li>2. Losses in power system of 40% (2021)</li> <li>3. Frequent power cuts(2021)</li> <li>4. One (1) RE project; (0) solar (2021)</li> <li>5. None (2021)</li> <li>6. Not gender responsive (2021)</li> </ol> | <ol style="list-style-type: none"> <li>1. Power market rules established – 5 documents approved (2025)</li> <li>2. Losses in power system of 20% (2025)</li> <li>3. Power cuts happen only in emergency cases</li> <li>4. At least 25 RE projects; at least 5 MWh per year each (2025)</li> <li>5. At least 10% of power saved due to implemented measures (2025)</li> <li>6. At least 80% of strategies on climate mitigation supported by this action are gender responsive (2025)</li> </ol> | <ol style="list-style-type: none"> <li>1. Baseline and end line study conducted and budgeted by the EU-funded intervention</li> <li>2. MEWR and other market operators’ reports</li> <li>3. MEWR and other market operators’ reports</li> <li>4. Stakeholders reports</li> <li>5. Stakeholders reports</li> <li>6. Project Reports</li> </ol> | Not applicable   |
| SO 1    | 1. An enhanced Governance of the Energy Sector and its medium- and long-term gender-responsive development  | 1.1 Status of adoption of GoT Vision for the Power Sector   | 1.1 Vision not well defined (2021)  | 1.1 Vision well defined   | 1.1 Revised legislation and secondary regulations   | Lack of communication and coordination between power and water actors is overcome through education of |

| Results | Results chain:<br><br>Main expected results<br>(maximum 10)   | Indicators:<br><br>(at least one indicator per<br>expected result)   | Baselines<br><br>(Start of the action)  | Targets<br><br>(Three years after start of<br>the action)   | Sources of data   | Assumptions   |
|---------|---|--|---|---|---|---|
|         | vision is established for the Green Transition of the Power Sector in Tajikistan.   | <p>1.2 Status of development of National Strategies (RE-EE), Action Plans and Roadmaps</p> <p>1.3 Extent of integration of the Water-Energy-Food Nexus approach in strategic planning</p> <p>1.4 Level of integration of Gender and vulnerable groups equity dimension in energy policy debate</p>   | <p>1.2 Not developed (2021)</p> <p>1.3 Not used in strategic planning to a satisfactory level (2021)</p> <p>1.4 Not integrated (2021)</p>   | <p>1.2 National Strategies (RE-EE), Action Plans and Roadmaps are developed</p> <p>1.3 Water-Energy-Food Nexus approach is used in strategic planning of energy sector of Tajikistan</p> <p>1.4 Gender and vulnerable equity policy is incorporated in energy policy debate</p>   | <p>1.2 Announcement by State Legislature</p> <p>1.3 MEWR reports</p> <p>1.4 MEWR reports, Regional reports/studies</p>                                    | stakeholders' personnel, demonstration of benefits of the nexus approach and involvement of all affected parties in development of new modes of communication                         |
| SO 2    | 2. Improved Legal and Regulatory frameworks for the establishment of a transparent, effective and competitive power market in Tajikistan. | <p>2.1 Status of the roadmap for cost reflective tariff setting in power sector</p> <p>2.2 Status of a licensing procedure in generation, transmission and distribution clear and open to all eligible customers</p> <p>2.3 Status of internal market operation's connection with neighbouring countries</p> <p>2.4 Extent to which proposed for adoption climate change adaptation and mitigation policies, and environmental protection strategies and plans (including energy</p> | <p>2.1 The roadmap for cost reflective tariff setting in power sector is under implementation (2021)</p> <p>2.2 The operation of independent power producers is governed by bilateral agreements (2021)</p> <p>2.3 Power exchange with CA countries is governed by bilateral procedures (2021)</p> <p>2.4 None (2021)</p> | <p>2.1 The roadmap for cost reflective tariff setting is developed and approved for implementation</p> <p>2.2 A licensing procedure in generation, transmission and distribution clear and open to all eligible customers is adopted</p> <p>2.3 Revised National transmission and Distribution Codes set the framework for in-country capacity allocation, congestion and balancing rules and methods for the calculation of interconnection capacity</p> <p>2.4 At least 80% of the proposed policies on climate mitigation and energy policies supported by this action are based on a gender analysis (2025)</p> | <p>2.1 Announcement by State Legislature</p> <p>2.2 MEWR reports and roadmaps</p> <p>2.3 Regional reports/studies</p> <p>2.4 Regional Reports/studies</p> | Regional dimension of the power sector operation under the Water-Energy-Food Nexus is becoming understood and implemented by power market actors both in Tajikistan and in the region |

| Results   | Results chain:<br><br>Main expected results<br>(maximum 10)   | Indicators:<br><br>(at least one indicator per<br>expected result)   | Baselines<br><br>(Start of the action)   | Targets<br><br>(Three years after start of<br>the action)  | Sources of data  | Assumptions  |
|---|---|--|--|--|--|--|
|   |   | policies/strategies) are based on a gender analysis of risk, need, demand, barriers, and supply (GAP III)  |  |  |  |  |
| SO 3  | 3. Improved Generation-Transmission-Distribution Operators' regulatory compliance of organisational structures, sustainability of operations and cost-reflectiveness. | 3.1 Quality level of the Generation-Transmission-Distribution Services<br><br>3.2 Level of financial soundness of Market Operators<br><br>3.3 Status of establishment of clear power fees collection mechanism that is coordinated with the irrigation fees collection | 3.1 Power quality parameters are not up to standards (2021)<br><br>3.2 Debt allocation between recently created market operators is not finalised (2021)<br><br>3.3 Power and irrigation fees are collected by ALRI (2021) | 3.1 Deviation of power quality parameters from standards is clearly documented and relevant measures are planned<br><br>3.2 Clear accounting and assets separation of the Market Operators is achieved<br><br>3.3 Collection of power and irrigation fees is developed and sent for approval | 3.1 Reports of MEWR, and transmission and distribution companies<br><br>3.2 Reports of MEWR, and transmission and distribution companies<br><br>3.3 Reports of MEWR, and transmission and distribution companies               |  |
| SO 4  | 4. An effective enabling environment for EE and RE projects is created for population, industry and housing.  | 4.1 Number of effectively deployed Renewable Energy projects in the country with participation of the private sector, supported by this action<br><br>4.2 Amount of avoided GHGs emissions<br><br>4.3 Level of regulatory support of EE and RE projects                | 4.1 None (2021)<br><br>4.2 None (2021)<br><br>4.3 Recommendations not prepared (2021)  | 4.1 At least (100) small scale EE and RE projects (15 photovoltaic, 10 other RE, 15 heat pumps, 20 building insulation, 50 clean cooking)<br><br>4.2 (76,32) tonnes CO2 eq. per year<br><br>4.3 Lessons learned are analysed and recommendations for at least 5 regulations are prepared     | 4.1 Stakeholders' reports, Quarterly Project Progress and Monitoring Reports<br><br>4.2 Quarterly Project Progress and Monitoring Reports, Stakeholders' reports,<br><br>4.3 Quarterly Project Progress and Monitoring Reports | Promotion of innovative financing mechanisms for EE and RE projects, including dedicated loan structures and technical assistance to local banks and support in the development of small-scale bankable feasibility studies results in interest of private investors in EE and RE projects in Tajikistan |
| <b>1. Technical Assistance Package – Foreseen Amount: €10 million</b> |   |  |  |  |  |  |
| Output 1.1  | 1.1 Enhanced organisational, policy development and   | 1.1.1 Regularity of published reports by MEWR  | 1.1.1 Reports are not published regularly (2021)   | 1.1.1 Reports are regularly published  | 1.1.1 Web site MEWR  | The ownership of changes is secured by education of  |

| Results                               | Results chain:<br><br>Main expected results<br>(maximum 10)  | Indicators:<br><br>(at least one indicator per<br>expected result)   | Baselines<br><br>(Start of the action)  | Targets<br><br>(Three years after start of<br>the action)   | Sources of data  | Assumptions   |
|---------------------------------------|--|--|---|---|--|---|
| related to<br>Outcome 1               | implementation capacity of<br>MEWR.  | 1.1.2 Number of planning events<br>in the framework of the Water-<br>Energy-Food Security approach<br>organised with EU assistance   | 1.1.2 None (2021)   | 1.1.2 Five (5) high level events  | 1.1.2 MEWR reports and<br>roadmaps   | stakeholders' personnel,<br>demonstration of benefits of<br>the nexus approach and<br>involvement of all affected<br>parties in the development of<br>new modes of<br>communication   |
| Output 1.2<br>related to<br>Outcome 1 | <b>1.2</b> Enhanced inter-ministerial<br>external communication and<br>coordination.   | 1.2.1 Number of participants in<br>events for exchange of<br>experience and knowledge in<br>inter-ministerial cooperation for<br>planning in the energy sector,<br>disaggregated by sex<br><br>1.2.2 Status of the statute of the<br>Water-Energy-Food Nexus<br>Working Group in MEWR<br>prepared with support of the EU-<br>funded intervention | 1.2.1 None (2021)<br><br>1.2.2 The Statute of the Water-<br>Energy-Food Nexus Working<br>Group in MEWR is not approved<br>(2021)  | 1.2.1 (200) participants out of<br>which 30% are women<br><br>1.2.2. The Statute of the Water-<br>Energy-Food Nexus Working<br>Group in MEWR is submitted for<br>approval   | 1.2.1 Quarterly Project<br>Progress and Monitoring<br>Reports<br><br>1.2.2 Quarterly Project<br>Progress and Monitoring<br>Reports     |   |
| Output 1.3<br>related to<br>Outcome 1 | <b>1.3</b> The Green Transition Policy<br>and Planning frameworks are<br>revised/developed.  | 1.3.1 Number of National<br>Strategies (RE-EE), Action Plans<br>and Roadmaps developed with<br>support of the EU-funded<br>intervention<br><br>1.3.2 Number of training<br>seminars on gender equitable and<br>accessible mechanism for public<br>consultations of water-energy<br>related issues  | 1.3.1 None (2021)<br><br>1.3.2 None (2021)  | 1.3.1 (5) documents - National<br>Strategies (RE-EE), Action Plans<br>and Roadmaps are developed and<br>submitted for adoption<br><br>1.3.2 (10) training seminars on<br>gender equitable and accessible<br>mechanism for public<br>consultations of water-energy<br>related issues are organised | 1.3.1 Announcement by State<br>Legislature<br><br>1.3.2 Quarterly Project<br>Progress and Monitoring<br>Reports                        |   |
| Output 2<br>related to<br>Outcome 2   | <b>2.1</b> Developed policies for<br>setting-up an independent<br>Electricity Regulatory<br>Authority in charge of<br>developing and applying the<br>power market economic and<br>technical regulations. | 2.1.1 Level of development of<br>targeted organisation and<br>structure (design) of the national<br>power market, with support of<br>the EU-funded intervention<br><br>2.1.2 Level of development of<br>the legal and regulatory<br>framework to turn Electricity<br>Regulatory Unit into an<br>independent authority, with                      | 2.1.1 Design of the national<br>electricity market is not adopted<br>(2021)<br><br>2.1.2 Under existing legal and<br>regulatory framework ERU<br>operates under the control of the<br>Anti-Monopoly Agency (2021) | 2.1.1 Design of the national<br>electricity market is adopted<br><br>2.1.2 Legal and regulatory<br>framework documents for<br>independent operation of ERU are<br>developed   | 2.1.1 Quarterly Project<br>Progress Reports<br><br>2.1.2 Quarterly Project<br>Progress Reports<br>Announcement by State<br>Legislature | Ensured political<br>commitment supported by<br>best-practice legislations /<br>regulations / pricing<br>methodologies / direct<br>subsidisation schemes<br>targeting vulnerable<br>households, and utilising<br>an array of soft measures –<br>e.g., meetings, workshops |

| Results                       | Results chain:<br><br>Main expected results<br>(maximum 10)  | Indicators:<br><br>(at least one indicator per<br>expected result)  | Baselines<br><br>(Start of the action)   | Targets<br><br>(Three years after start of<br>the action)   | Sources of data  | Assumptions  |
|-------------------------------|--|---|--|---|--|--|
|                               |  | <p>support of the EU-funded intervention</p> <p>2.1.3 Status of review and development of cost-reflective tariffs methodology, with support of the EU-funded intervention</p> <p>2.1.4 Status of revision of national Transmission and Distribution Grid Codes, with support of the EU-funded intervention</p> <p>2.1.5 Status of streamlining of the Generation-Transmission-Distribution Operators licences</p>   | <p>2.1.3 Tariffs are not cost reflective (2021)</p> <p>2.1.4 Grid Codes outdated (2021)</p> <p>2.1.5 Generation-Transmission-Distribution Operators licences are not fully supportive of open electricity market operation (2021)</p>                      | <p>2.1.3 Cost-reflective tariffs methodology is reviewed/ developed and submitted for approval</p> <p>2.1.4 Updated Grid Codes are submitted for approval</p> <p>2.1.5 Generation-Transmission-Distribution Operators licences are reviewed and submitted for approval</p>  | <p>2.1.3 Quarterly Project Progress Reports</p> <p>2.1.4 Quarterly Project Progress Reports</p> <p>2.1.5 Quarterly Project Progress Reports</p>                  | <p>seminars to provide rationale cases for further market orientation and development.</p> |
| Output 3 related to Outcome 3 | <b>3.1</b> Enhanced organisational and financial capacity of the Generation-Transmission-Distribution Operators. | <p>3.1.1 Status of revision of organisation, structure, accounting separation, operational rules and procedures of the Generation Company (BT)-Transmission Company (SIB)-Distribution Company (STB), with support of the EU-funded intervention</p> <p>3.1.2 Status of creation of integrated management information systems (MIS) with independent procurement rules and procedures, for each Operator of the power subsector, with support of the EU-funded intervention</p> <p>3.1.3 Number of the National Power Control Centre (NPCC) and STB personnel trained in management, operation and maintenance rules and procedures under open market</p> | <p>3.1.1 BT, SIB, STB albeit separated administratively, have not separated assets (2021)</p> <p>3.1.2 MIS with independent procurement rules and procedures, for each Operator of the power subsector are not created (2021)</p> <p>3.1.3 None (2021)</p> | <p>3.1.1 Organisation, structure, accounting separation, operational rules and procedures of the BT, SIB, STB developed and submitted for approval</p> <p>3.1.2 MIS with independent procurement rules and procedures, for each Operator of the power subsector are created</p> <p>3.1.3 (40) SIB and STB personnel are trained in management, operation and maintenance rules and procedures under open market</p> | <p>3.1.1 Quarterly Project Progress Reports</p> <p>3.1.2 Quarterly Project Progress Reports</p> <p>3.1.3 Quarterly Project Progress &amp; Monitoring Reports</p> |  |

| Results  | Results chain:<br><br>Main expected results<br>(maximum 10)   | Indicators:<br><br>(at least one indicator per<br>expected result)  | Baselines<br><br>(Start of the action)  | Targets<br><br>(Three years after start of<br>the action)  | Sources of data  | Assumptions  |
|--|---|---|---|--|--|--|
|  |   | <p>3.1.4 Level of modernisation of transmission facilities, in particular SCADA system with the EU funded intervention</p> <p>3.1.5 % of women and men workers in each stage of the value chain of a product related to green technologies or the circular economy, disaggregated at least by sex (GAP III)</p>   | <p>3.1.4 NPCC SCADA system is incomplete (2021)</p> <p>3.1.5 Data for the three public entities resulting from the unbundling of Barki Tajik not disaggregated (2021)</p>   | <p>3.1.4. NPCC SCADA system is complete and adequate for market operation</p> <p>3.1.5 50% of women in the staff of the three public entities resulting from the unbundling of Barki Tajik - BT (generation), Shabakahoi Intiqoli Barq OJSC (SIB –Power Transmission Network Co.) and Shabakahoi Taqsimoti Barq OJSC (STB - Power Distribution Network Co.)</p>                | <p>3.1.4 Quarterly Project Progress &amp; Monitoring Reports</p> <p>3.1.5 Quarterly Project Progress &amp; Monitoring Reports</p>  |  |
| <b>2 – Energy Efficiency and Renewable Energy Measures in Housing and Industry</b> |   |   |   |  |  |  |
| Output 4.1 related to Outcome 4  | <b>4.1</b> Awareness of and capacities on EE and RE new appropriate technologies are increased among SMEs and general population. | <p>4.1.1 Operational status of Selected Partner of Micro finance institutions as an EE and/or RE Implementation Agency with support of the EU-funded intervention</p> <p>4.1.2 Number of SMEs, entrepreneurs and general population with Improved awareness in EE - RE technologies with support of the EU-funded intervention</p> <p>4.1.3 Number of women with increased training, financial resources, technology or other resources for sustainable and safe food production, sustainable energy, sustainable transport, and clean water sources, for family consumption or for productive uses (GAP III)</p> | <p>4.1.1 Tentative partners provide financing for EE and RE small scale projects, but do not operate as Micro finance institutions/Implementation Agencies (2021)</p> <p>4.1.2 None (2021)</p> <p>4.1.3 None (2021)</p> | <p>4.1.1 Selected Partner operates as a Micro finance institution and /or as an EE and RE Implementation Agency</p> <p>4.1.2 (3000) persons visited the dedicated website, (30) events organised, and (1000) persons visited (at least 30% youth, 50% women, 10% disabled persons)</p> <p>4.1.3 (300) women with increased training and technology for sustainable energy.</p> | <p>4.1.1 Quarterly Project Progress &amp; Monitoring Reports</p> <p>4.1.2 Quarterly Project Progress &amp; Monitoring Reports</p> <p>4.1.3 Quarterly Project Progress &amp; Monitoring Reports</p> | Legal, regulatory and institutional framework is supportive for implementation of EE and RE measures |

| Results                               | Results chain:<br><br>Main expected results<br>(maximum 10)                                | Indicators:<br><br>(at least one indicator per<br>expected result)   | Baselines<br><br>(Start of the action)  | Targets<br><br>(Three years after start of<br>the action)  | Sources of data   | Assumptions   |
|---------------------------------------|--|--|---|--|---|---|
| Output 4.2<br>related to<br>Outcome 4 | 4.2 Rules and procedures for demand side management measures implementation are clarified. | 4.2.1 Number of EE and RE projects in industry and housing identified and promoted by the action<br><br>4.2.2 Number of inclusive and gender equitable EE or RE projects supported by the action<br><br>4.2.3 Status of lessons learnt from EE and RE projects are summarised and regulations for implementation of EE and RE projects are developed | 4.2.1 None (2021)<br><br>4.2.2 None (2021)<br><br>4.2.3 Lessons learnt from EE and RE projects are not summarised and proposals for regulation improvement are not developed (2021) | 4.2.1 At least (50) small scale EE and RE projects are implemented<br><br>4.2.2 At least (50) people supported in development of EE or RE projects (at least 30% youth, 50% women, 10% disabled persons)<br><br>4.2.3 Lessons learnt from EE and RE projects are summarised and proposals for regulation improvement are developed | 4.2.1 Quarterly Project Progress & Monitoring Reports<br><br>4.2.2 Quarterly Project Progress & Monitoring Reports<br><br>4.2.3 Quarterly Project Progress & Monitoring Reports | Targeted promotion EE and RE solutions and selection of appropriate technologies mitigate low interest in EE and RE implementation due to low income of the population in the proposed EE and RE measures |

## 4. IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Tajikistan.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in [section 3](#) will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of the adoption by the European Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>16</sup>.

#### 4.3.1 Direct Management (Grants)

##### Grants: (direct management)

##### (a) Purpose of the grant

Grants will be used for the achievement of Specific Outcome 4: *An effective enabling environment for EE and RE projects is created for population, housing and industry.*

##### (b) Type of applicants targeted

The type of applicants targeted are international organisations, EU Member State agencies, foundations, CSOs or NGOs active in the field of rural development and with knowledge of socio-economic and cultural aspects of the rural population. Their place of establishment should be Tajikistan or, in case of an international entity, should have local presence and track record.

#### 4.3.2 Direct Management (Procurement)

The EU will provide technical assistance to the Tajik energy authorities to support policy development, implementation and sustainability as well as strengthen multi-sectoral coordination and collaboration.

**A technical assistance (TA) is foreseen** for Specific Objectives 1, 2 and 3. It will be implemented through direct management as TA (procurement). The TA will focus on capacity building of the beneficiary ministry and relevant agencies to improve policy development and service delivery. The TA will work on developing the skills, knowledge and competencies of these institutions to implement reforms in the policy areas of this programme in a sustainable long-term perspective. It will support the Ministry of Energy and Water Resources on the costing of the sector policies and action plans as well as their M&E capacity. It will also support local authorities and state owned energy providers in modernising service delivery in in specific new areas and themes which require attention as per the programme objectives.

#### 4.3.3 Changes from direct to indirect management mode due to exceptional circumstances

For Output 4, the preferred implementation modality is Direct Management (grant) as explained in section 4.3.1. Where this modality cannot be implemented due to circumstances outside of the Commission's control, the preferred modality would be Indirect Management with a Member State Organisation or international organisation.

This entity will be selected by the Commission's services using the following criteria: Experience in management of rural development in close communication and exchanges with local communities at grass-root level; thorough understanding of the regional socio-economic and cultural related context and its particularities; energy efficiency/renewable energy, private sector development and experience with design of financing mechanisms or credit scheme; communication and educational campaigning.

The implementation by this entity entails measures to increase awareness and capacities on EE and RE new appropriate Technology in the country; and pilot DSM.

<sup>16</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

#### 4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions:

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5 Indicative Budget

| Indicative Budget components   | EU contribution<br>(amount in EUR) |
|--|------------------------------------|
| <b>Implementation modalities</b> – cf. section 4.3   |                                    |
| Procurement (direct management) – cf. section 4.3.2  |                                    |
| <p><b>Specific Objective 1</b> – An enhanced Governance of the Energy Sector and its medium- and long-term gender-responsive development vision is established for the Green Transition of the Power Sector in Tajikistan.</p> <p><b>Specific Objective 2</b> – Improved Legal and Regulatory frameworks for the establishment of a transparent, effective, and competitive power market in Tajikistan.</p> <p><b>Specific Objective 3</b> – Enhanced organisational and financial capacity of the Generation-Transmission-Distribution Operators<br/>Composed of:</p> | 10 100 000                         |
| Grants (direct management) – cf. section 4.3.1   |                                    |
| <p><b>Specific Objective 4</b> - An effective enabling environment for EE and RE projects is created for population, housing and industry. Composed of:</p>  | 4 500 000                          |
|  |                                    |
| <b>Grants</b> – total envelope under section 4.3.1   | 4 500 000                          |
| <b>Procurement</b> – total envelope under section 4.3.2  | 10 100 000                         |
| <b>Evaluation</b> – cf. section 5.2  | 400 000                            |
| <b>Audit</b> – cf. section 5.3   |                                    |
| <b>Totals</b>  | 15 000 000                         |

#### 4.6 Organisational Set-up and Responsibilities

The EU Delegation will pay specific attention to the overall progress in achieving the objectives of the action fostering cooperation and synergies between the entities implementing its two components. It will be a contractual requirement for each entity in charge of implementation to ensure and demonstrate this cooperation.

The EU Delegation will maintain the overall coordination and management of the Action and be in charge for the interaction with the government. It will, in particular, ensure strong links between this Action and other EU and donor funded projects in related fields.

A Programme-wide Steering Committee (SC) will be formed in order to monitor achievements and takes strategic decisions. It will be convened to meet on a bi-annual basis. Participants would include relevant governmental authorities, agencies and bodies, implementing partners, main beneficiaries and the EU.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the European Commission will participate in the governance structures set up for governing the implementation of the action.

Gender equality, human rights and human rights-based approach expertise will be ensured during the implementation of the Action as possible. They will also be integrated in relevant technical assistance and capacity building activities and documents (i.e. ToRs etc) as minimum requirements of expertise.

## 5. PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The European Commission may undertake additional project monitoring visits, both through its own staff and through independent consultants recruited directly by the EC for independent monitoring reviews (or recruited by the responsible agent contracted by the EC for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The action implementing partners are responsible for the monitoring and reporting of their respective projects including data collection when necessary. Surveys, databases and other data collection processes produced or collected by other organisations, Governmental or non-governmental institutions, will be used to monitor, measure the progress, analyse, triangulate and report on data relevant to the objectives of this action and to the achievement of its results.

Any monitoring and evaluation will be gender-sensitive, assess gender equality results and implementation of rights-based approach working method principles (participation, non-discrimination, accountability and transparency) in terms of implementation of the project and project outcomes. Monitoring and evaluation will be based on indicators that are disaggregated by a minimum sex and age and even further (including disability, location urban/rural, group etc.) when applicable. Key stakeholders will be involved in the monitoring process.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The project Impact Indicator 1 - "Level of fairness and transparency of market rules that govern the national power market" requires baseline and end line studies conducted and budgeted by the EU-funded intervention, namely AAP2021.

The former is to be implemented in the beginning of the Action, and the latter is to be implemented in the end of the Action (which will have a duration of three years).

The responsibility for these studies will remain with the implementing partner.

It is expected that the Action stakeholders will provide all necessary information.

The surveys will be budgeted and financed from the MIP 2021-2027 funds allocated for the Action 2021.

### 5.2 Evaluation

Having regard to the nature of the action, mid-term evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for problem solving and learning purposes, in particular with respect of possible reorientations of the action during its implementation.

A final or ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 6 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Other evaluation services may be contracted under a framework contract.

### **5.3 Audit and Verifications**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the EC may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

It is foreseen that audit services may be contracted under a framework contract.

## 6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## APPENDIX 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the European Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entity’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of ‘Group of actions’ level, add references to the present action and other action concerning the same Primary Intervention.

In the case of ‘Contract level’, add the reference to the corresponding budgetary items in point 4.6, Indicative Budget.

|   |                      |  |
|---|----------------------|--|
| <b>Option 1: Action level</b>           |                      |  |
| <input checked="" type="checkbox"/>     | Single action        | Present action: all contracts in the present action  |
| <b>Option 2: Group of actions level</b> |                      |  |
| <input type="checkbox"/>                | Group of actions     | Actions reference (CRIS#/OPSYS#):<br><Present action><br><Other action>  |
| <b>Option 3: Contract level</b>         |                      |  |
| <input type="checkbox"/>                | Single Contract 1    | <foreseen individual legal commitment (or contract)>   |
| <input type="checkbox"/>                | Single Contract 2    | <foreseen individual legal commitment (or contract)>   |
| <input type="checkbox"/>                | Single Contract 3    | <foreseen individual legal commitment (or contract)>   |
|   | (...)                |  |
| <input type="checkbox"/>                | Group of contracts 1 | <foreseen individual legal commitment (or contract) 1><br><foreseen individual legal commitment (or contract) 2><br><foreseen individual legal commitment (or contract) #> |