



PRINCIPALS IN TAJIKISTAN

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This press release is issued by the Principals' Group in Tajikistan – a coordination body of Ambassadors and representatives of donors and International Financial Institutions who participate in regular coordination meetings with a rotating chairperson on topics of national interest. Those represented by this joint press release include AKDN, ADB, Canada, China, EBRD, EC, France, Germany, India, Japan, Kazakhstan, OSCE, Russia, Sweden, Switzerland, Turkey, UK, UN, World Bank and USA. The current chairman of the Principals' Group is Fernand Pillonel, EBRD.

PRESS RELEASE

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Hydropower in Tajikistan¹

In a preview of the Central Asia/ South Asia Electricity Trade Conference to be held in Dushanbe on 26-28 October, the Principals' Group discussed the importance of hydropower for Tajikistan's future development on 12 October. Presentations and comments from Barki Tojik, the Ministry of Energy, AES, Aga Khan Development Network, RusAI and the Asian Development Bank stressed the opportunities and challenges of building an advanced hydroelectric infrastructure inside Tajikistan and transmitting electricity to neighboring countries in the region. The Principals agreed that Tajikistan's long-term economic stability will only be secured once it has a strong hydropower infrastructure and reliable electricity trading partners in neighboring countries.

The upcoming conference, the Principals were informed, will be the third in a series of regional conferences on hydropower which unites energy experts from governments in Central and South Asia. The Principals stand ready to assist the conference's participants in their ongoing efforts to establish a framework to develop a regional power transmission corridor linking Central and South Asia.

At the 12 October meeting, the First Deputy of Barki Tojik, Mr. Alexei Silantiev, provided an overview of ongoing hydropower supply and electrical transmission work in Tajikistan, and stressed the importance of continuing to develop untapped natural resources. Experts estimate that hydroelectric facilities could be constructed in up to 42 locations around the country, vastly expanding the amount of electricity Tajikistan could export. Mr. Silantiev underscored that companies from around the world – including from Russia, China, Iran, Germany, the United States and elsewhere – have expressed strong interest in and/or are now providing foreign investment in the construction and transmission of electricity

As other presenters showed, the Tajikistan government's investments are being augmented by financial and technical assistance from a range of bilateral and particularly multilateral donors, including the Asian Development Bank, World Bank, European Bank for Reconstruction and Development, the OPEC fund, Switzerland, the United States, Russia, and China.

Mr. Zaman Velji from AKDN discussed the Pamir Energy Company's successful experience with Public Private Partnerships in Badakhshan – although obstacles still remain in terms of efficiency and cost recovery mechanisms. Mr. Velji also shared information about the proposed Sanobad HPP project,

¹ The presentation held on Hydropower in Tajikistan during the Principals' Group Meeting on 12 October can be found at:
http://www.untj.org/principals/minutes/Future_prospect_of_hydro-power_engineering_in_Tajikistan.pdf;
http://www.untj.org/principals/minutes/Presentation-AKDN_Hydropower-Public_Private_Partnerships.ppt;
http://www.untj.org/principals/minutes/Presentation-AES_Hydropower-Transmission-Construction_Plans.ppt;
http://www.untj.org/principals/minutes/Presentation-ADB_Hydropower-Transmission.ppt

which when combined with transmission initiatives such as the Sheghnan Transmission Line pilot project, could provide electricity exports to Badakhshan province in Afghanistan and northeastern Pakistan.

Continuing on the topic of electricity transmission, the AES representative in Tajikistan, Mr. Dilshod Ismatulloev, and an ADB electricity expert, Mr. Ruslan Sadikov outlined plans to transmit electricity from Sangtuda HPP-1 to Afghanistan (2008-2010) and AES' plans to transmit electricity from Kyrgyzstan and Kazakhstan to Pakistan (2010-2012). Mr. Ismatulloev also outlined AES' long-term plans to construct one or more new hydropower stations in Tajikistan after 2012. ADB's investments – complemented by IDB, OPEC Fund and Government contributions – will also include the rehabilitation of the Khatlon hydropower plants in Golovnaya and Baipaza.

The Principals' Group was also informed that the RAO UES work on the Sangtuda HPP-1 has been progressing fairly smoothly and should be providing electricity for domestic and international markets by 2009. Similarly, RusAl informed the Principals that negotiations with the Government about the height of the Rogun dam are ongoing, but that they hoped to have the issue resolved in the near future.

The meeting stressed the ongoing importance of foreign investment to assist Tajikistan in developing the hydropower industry and transmission for domestic consumption and increasing government revenues through the sale of electricity. In order to continue attracting investments in the hydroelectric industry, the Tajikistan government will need to continue striving towards assuring transparency, the rule-of-law and protection of investments. We believe that the government has embarked on a wise path to link power supply from Tajikistan and other parts of Central and South Asia. This should provide ongoing benefits to the people of Tajikistan, and the international community remains committed to continue assisting in making these plans a reality.