



Developing National Capacity of Turkmenistan through Improving Regulatory Environment towards Energy Efficient and Sustainable Building Sector (TEESB)

2025 Annual Project Progress Report



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Acronyms

AWP	Annual work plan
CIS	Commonwealth of Independent States
CO	Country Office
CTA	Chief Technical Adviser
EE	Energy Efficiency
ERs	Emissions Reductions
ESCO	Energy Service Company
GEF	GEF Global Environment Facility
GHG	Greenhouse gases
IFI	IFI International Financial Institution
INDC	Intended Nationally Determined Contributions
IRH	Istanbul Regional Hub (of UNDP)
kWh	Kilowatt-hour = 3,600 kilojoules (KJ) = 3.6 megajoules (MJ)
LED	Light-Emitting Diodes
LPAC	Local Project Appraisal Committee
M & E	M & E Monitoring & Evaluation
MAEP	Ministry of Agriculture and Environment Protection
MCA	Ministry of Construction and Architecture
MoE	Ministry of Energy
MoU	Memorandum of Understanding
MSW	Municipal Solid Waste

MTR	Mid-Term Review
MW	Megawatt
MWh	Megawatt Hour= 1,000 kWh
NDC	Nationally Determined Contributions
NGO	Non-governmental Organization
NIM	National Implementation Modality
PB	Project Board
PIF	Project Identification Form
PIR	Project Implementation Review
PM	Project Manager
PMU	Project Management Unit
PRF	Project Results Framework
ProDoc	Project Document
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States
RE	Renewable Energy
RFP	Request for Proposal
RTA	Regional Technical adviser
SESP	Social and Environmental Standards Procedure
ToR	Terms of Reference
TJ	Terajoule = 278 MWh
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

I. Executive Summary

The TEESB project, launched in the current reporting period, aims to support Turkmenistan's transition to a low-carbon building sector by enhancing regulatory frameworks and piloting energy-efficient and renewable-energy-based technologies in public and residential buildings. The five-year, USD 45 million initiative is implemented by the Ministry of Environmental Protection in partnership with UNDP, and supported by co-financing from the Ministries of Energy and Construction.

Project Objectives and Strategic Fit

TEESB's goal is to reduce GHG emissions by demonstrating nearly-zero energy buildings (NZEBs), strengthening national building standards, and embedding lifecycle cost-benefit thinking in public construction planning. The project aligns with Turkmenistan's Paris Agreement commitments and UNDP's strategic emphasis on climate resilience and sustainable urbanization.

Project Components

- Component 1: NZEB Demonstration – Construction of two pilot buildings (residential and public) in Ashgabat with advanced energy-saving measures, solar PV, thermal systems, and smart monitoring.
- Component 2: Policy Reform – Development of an NZEB building code and related institutional framework, including a national action plan and energy benchmarking system.
- Component 3: Capacity Building – Introduction of lifecycle cost assessment methods, development of academic and vocational training modules, and private sector engagement.
- Component 4: M&E – Compliance with UNDP-GEF M&E frameworks, including gender, safeguards, and grievance mechanisms.

Utilization status

The utilization rate stands at \$224,236.00 of the total of \$2,066,333, including \$ 99,829.77 utilized in the current reporting period.

II. Introduction / Background

Strategic Context

Turkmenistan is undergoing rapid urbanization and a boom in construction, leading to increased demand for energy. Existing buildings are energy-inefficient, and outdated regulatory frameworks hinder the adoption of NZEB principles. Recent revisions to building codes are a positive development, but effective implementation and capacity-building are required.

The population in Turkmenistan was estimated at 6.25 million. The country is in a steady shift toward greater urbanization with an ever-growing urban share (currently stands at 52.5%, or 3.167 million). The rapid expansion of the construction sector in the country for the last 10-15 years has led to increased environmental pressure and negative impact – resource consumption, waste, local air and water pollution, and greenhouse gas emissions (GHGs). The sources of these impacts are varied, including expanded housing sector, rising use of private motor vehicles, expansion of public lighting, and consumption of resources and generation of waste. Ashgabat's population increased from about 524,000 in the year 2000 to about 883,000 in 2022. Most of the country is covered by the sparsely populated Karakum Desert.

Turkmenistan possesses one of the world's largest reserves of natural gas and this is also the main export product of the country. The Trans-Asia pipeline to China opened in 2009, exporting some 30-35 bcm of gas to China annually. The East-West pipeline was completed in December 2015, with the intent of delivering up to 30 bcm of natural gas to the Caspian shore for eventual export through the Southern Corridor gas pipeline system. In 2021, production stood at 79.3 bcm (in 2020, 66 bcm) while consumption was 36.7 bcm (28 bcm in 2020) with exports of 42.6 bcm.

Turkmenistan's power is generated by ten plants, almost solely from natural gas, with 21.18 TWh. With production about 1.5 times consumption, the country is a net exporter to neighbouring countries (about 3.2 TWh). The installed capacity is about 7.4 GW (up by over 5% from 2019). Total production was 3,251 petajoules (PJ) in 2020 of which 67% was exported.

Due to the high reliance on fossil fuels for electricity generation, greenhouse gas (GHG) emissions from energy were 54.3 million tons of CO₂ (MtCO₂) in 2010, 70.9 MtCO₂ in 2016 and 94.3 MtCO₂ in 2021. The National Strategy on Climate Change the Government of Turkmenistan identifies the housing sector (along with other high GHG emitting sectors) as one of the priority areas for reducing GHG emissions that will help to achieve its commitments within the Paris Agreement.

TEESB's Goal

The overall goal of TEESB is to reduce greenhouse gas emissions by improving energy management, reducing energy consumption and introducing renewable energy (solar PV) in the buildings sector in Turkmenistan. The project will strengthen incentives and capacity to build Nearly-Zero Energy Buildings (NZEB) and develop the capacity of the involved other stakeholders to identify NZE options in the multi-family and public building stock, implement NZEB investments, improve highly-efficient design measures to institutes as well as major housing designers and developers, and replicate these measures through protocols (e.g. update building codes to encompass NZE features) and through mainstreaming NZEB into state construction and housing policies and programs.

Key Considerations

The main risks identified include regulatory adoption delays, co-financing uncertainties for scale-up, and procurement complexities. A detailed risk log and safeguards framework has been integrated into the project's governance. Engagement of key ministries has been strong, with proactive interest in policy reform and technical contributions.

III. 2025 Progress Review: Key Activities and Results

Section 1: Analysis of Theory of Change (ToC)

The main assumption of the ToC (that urban growth in Turkmenistan leads to increased resource use in the buildings sector and that energy consumption - in goes unaddressed - will lock-in the buildings sector as the 2nd-highest consumer of fossil-fuel energy leading to GHG emissions and low long-term environmental and economic sustainability) still holds as the buildings codes are still not in line with best global benchmarks (of nZEB or ZEB). This necessitates intensification of the activities under the aegis of the original assumptions, namely that - while citizens have to gain more equitable access to more affordable residential dwellings and while the construction of public or residential buildings cannot be halted – national policies have to take into account new ZEB technologies that are becoming economically viable with each passing year so that the next rounds of buildings construction was less wasteful and embrace economically realistic improvements (such as introduction of solar PV energy generation for water boilers, capture and reuse of rainwater for grey-water needs and heat pumps for central heating).

Section 2: Overall progress against outcomes

Key Inception Phase activities included

- recruitment of the PMU (three staff) (May-June 2025),
- stakeholder consultations (to ensure relevance of the Initial assumptions),
- Inception Workshop (held in April 2025),
- Project Board formation (June 2025),
- Project Board meetings (two meetings were held: in June and October of 2025), with construction design and feasibility analysis scheduled for completion in Q2 2026.

Section 3: Monitoring and Evaluation of activities.

The project is currently just out of the Inception Phase with over 50 meetings with stakeholders held following the Inception report across Ashgabat and Mary to identify the pilot land plots where construction of the two buildings (one residential and one administrative / public).

Section 4: Progress against each output

Project Output 1.1: Investment in nearly-zero energy (NZE) measure and information systems in public and multi-family residential pilot buildings is increased		
Output indicators	Targets	Progress against targets
Lifetime greenhouse gas emissions mitigated (tCO ₂ lifetime reduction – direct and indirect)	Baseline: no GHG reductions from nZEB-compliant building designs. AWP target: no annual target, mid-term target only End-of-project target: - Direct lifetime emission reductions of 86.91 ktCO₂ from 16,740 m³ of built space (two pilot buildings) - Indirect emission reductions of 760.51 ktCO₂	Reporting period: n/a Cumulative total: n/a
Project Output 1.2: Energy performance of NZEB pilot buildings is assessed and compared with reference buildings		
Output indicators	Targets	Progress against targets

Increased lifetime energy savings	Baseline: no savings from nZEB-compliant building designs. AWP target: no annual target. Mid-term target: 96,078,000 MJ saved in two pilot buildings. End-of-project target: - Installed RE capacity of 2.1 MW - Energy savings of 438,947 MWh over 20 years	Reporting period: n/a Cumulative total: n/a
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Project Output 1.3: Public investment strategy for NZEB-type high-rise construction (submitted for adoption before the end of the Project) is prepared for adoption at the national level

Output indicators	Targets	Progress against targets
A roadmap for building code revision to mandate more energy-efficient building design is developed	Baseline: No roadmap for updating and institutionalisation of building code analysis, design and MVE (monitoring, verification and enforcement) AWP target: no annual target. End-of-project target: One roadmap presented.	Reporting period: The output hinges on the success of pilot projects. Progress to be assessed in 2026 following the selection of pilot construction sites. Cumulative total: n/a.

Project Output 2.1: White papers prepared on the real cost of fossil fuel subsidies to the public budget and on cost-effective means of reducing energy consumption in the building sector

Output indicators	Targets	Progress against targets
2.1.1 White paper on the real cost of fossil fuel subsidies to the public budget and national economy. 2.1.2 White paper on the costs-benefits and impacts of NZEB technologies to reducing energy consumption or substitute fossil fuels in the residential and public building sector 2.1.3 An Assessment Report on potential of improving energy efficiency in existing buildings	Baseline: No analytic materials exist. AWP target: no annual target, papers to be ready by mid-term review point.	Reporting period: Stakeholder meetings held to establish sources of information for collection of data for the analytic materials.

Project Output 2.2: NZEB-compatible design criteria developed for buildings and current building codes updated

Output indicators	Targets	Progress against targets
2.2.1 Compilation report on NZEB-type of building codes development and best NZEB practices in EU and CIS states	Baseline: no baseline nZEB building codes exist AWP target: no target End of project target: - 5 draft building codes prepared	Reporting period: Stakeholder meetings held to establish sources of information for collection of data for the analytic materials.

2.2.2 Definition of benchmarks for categories of buildings per climatic zone and updated energy passports		
2.2.3 Development and presentation of NZEB codes to Ministry of Construction and Architecture		
Project Output 2.3: National NZEB plan for Government consideration		
Output indicators	Targets	Progress against targets
2.3.1 Support for setting up a MRV unit as part of a dedicated organizational structure of the Ministry of Construction and Architecture	Baseline: No MRV unit exists. AWP target: No target exists.	Reporting period: Stakeholder meetings held to establish ministries interested in staffing the unit.
2.3.2 National action plan for the introduction of new NZEB-type building codes	End-of-project target: A national action plan for the introduction of new NZEB-type building codes to be presented.	
Project Output 3.1: Introduction of life-cycle-cost assessment methodologies		
Output indicators	Targets	Progress against targets
3.1A Report on applying lifecycle cost assessment (LCC) and methodologies in public budget and procurement	Baseline: no LCC assessment methodologies in the public sector exist.	Reporting period: Stakeholder meetings held to establish steps required to introduce changes to procurement rules.
3.1B Paper on embodied emissions	AWP target: no annual targets.	
3.1C Seminar/workshop with presentation of results	End-of-project target: a seminar presenting results of the LCC report.	
Project Output 3.2: Increased capacity and knowledge of government officials and other stakeholders on NZEB construction planning, assessments, monitoring and evaluation		
Output indicators	Targets	Progress against targets
3.2.1 A stakeholder needs assessment conducted for capacity development program content related to NZEB	Baseline: no gap analysis for stakeholder needs exists.	Reporting period: Stakeholder meetings held to establish training needs and knowledge gaps.
3.2.2 Capacity of central and local government officials, and administrations to conduct feasibility studies and to properly budget for compliant new buildings strengthened, knowledge-base of construction companies and subcontractors expanded via dedicated trainings.	AWP target: no annual targets.	Materials for one training prepared and disseminated to a major educational institution (Power Engineering Institute in the city of Mary).
3.2.3 Trainings held for architects, engineers and students in the fields of architecture and engineering trained on NZEB, in particular, integration of	Mid-term target: 1,114 beneficiaries (120 pilot building occupants and 654 workers directly benefitting from new technologies; 340 stakeholders went through capacity building improvement). End-of-project target: - decision-making capacity and knowledge base of at least 620 stakeholders is improved, - at least 7,810 building users / owners (3,671 of whom being women) directly benefit from energy savings.	

renewable energy and passive solar design.		
3.2.4 General knowledge about nZEB disseminated via all accessible information dissemination channels.		

Key Activities:

The project had the founding document of the project was signed in the end of February 2025. In the end of April the Project team was strengthened by three staffers: a Project Manager (Batyrballyyev), a Project Specialist (Atamuhamed Saryev), and the Project Assistant (Viktoria Saygusheva).

In June 2025, the Project agreed Project Board membership and held on the 18th June the first Board meeting. The Board agreed to launch activities with no major changes to the activities in the ProDoc.

Initial stakeholder consultations were held in August and September. These indicated that construction of buildings at pilot site had progressed further than the ProDoc envisioned - no buildings being constructed on several pilot sites initially proposed by Hyakimlik (Municipality) of Ashgabat are at the stage that allows changes to the building technologies. This necessitated a search for a new pilot site. Such a site is most likely going to be outside of Ashgabat. The next largest city that is closest to Ashgabat is Mary.

A review of available pilot construction sites and their status was done in October 2025 in Mary. The review indicated that there are some construction sites where current progress allows for design interventions (installation of RE equipment, some building envelope interventions). These findings necessitated a decision by the Project Board. An extra Meeting of the Project Board was held on 23rd October 2025 to discuss the change of the pilot site location from Ashgabat to Mary (relative to the ProDoc plan). As the result the Project Board on this extra Meeting approved of the proposed change of the pilot site location.

In November and December, the project team moved on to discussions with stakeholders on a variety of issues:

1. Preparing a bundle of presentation materials and an expert panel for the initial stakeholder training (held at the State Energy institute of Turkmenistan in Mary).
2. Meeting property developers in Mary to establish the exact location of the pilot site.
3. Meeting with the Ministry of Construction to establish the scope of information available to prepare a white paper on life-cycle-costing in the construction sector as well as to discuss gaps to fill to set up a MRV unit as part of a dedicated organizational structure of the Ministry of Construction and Architecture for monitoring of future updates to building codes.
4. Meeting with the Ministry of Energy to establish sources of information for collection of data for the such materials as a white paper on the real cost of fossil fuel subsidies to the public budget and national economy and on definition of benchmarks for categories of buildings per climatic zone and updated energy passports.

The team also prepared an updated budget to ensure the availability of funds for a dedicated ICTA for the initial years of project activities.

Section 5: Cross-Cutting Integration

In the area of Gender Equality and Women's Empowerment, the project continued to focus on gender equity. Among participants of the first stakeholder training (to be held in Mary in December), women comprise over 40%.

IV. Partnerships and Sustainability

Partnerships

The project successfully partners with non-state (private-sector-led) firms that carry out design of new buildings and energy savings technologies.

V. Update on risks and mitigation measures

This is first Annual Report by the project and it's already clear that the mid-term review target of 2026 as set out in the ProDoc (it was based on the assumption of the Project being operationalized in early 2024) assumed has to be moved by one year (to mid-2027) to allow for 2.5 years of full project implementation before the Mid-Term Report point.

The project is successfully managed a risk of the pilot buildings not being available by transitioning to the closest (to Ashgabat) and largest city in the country – Mary.

VI. Key Challenges, Lessons Learned and Recommendations

During the project's initial implementation, it was discovered that approval of pilot buildings in Ashgabat was slow, and it was ultimately proposed to locate the pilot houses in Mary. Approval for changes to the project required consultations with the RTA and the UNDP-GEF Office, but was ultimately supported by them. An extra Project Board Meeting was also held to change the location, at which the new proposals were approved.

VII. Financial Summary¹

Table 1: Overview of available resources for the project duration

<i>Donor</i>	<i>Opening Balance</i>	<i>Contribution Received</i>	<i>Available Resources</i>
GEF	2,066,333	224,236.00	1,842,097
TRAC-00012	50,000.00	20, 500.00	29,500.00
Total	2,116.333	244,736.00	1,871.597

¹ Disclaimer 1: Data contained in this financial report section is an extract of UNDP financial records. All financial provided above is provisional. Certified financial statements will be provided on 30 June of the following year.

Table 2: Overview of allocation and utilization per output (эта таблица заполняется на основе обновлённого AWP, в ней надо ставить укрупнённые цифры по outputам).

Output	GEF		Track-00012		Total Budget	Total Utilization
	Budget	Utilization	Budget	Utilization		
Output 1: <i>Investment in nearly-zero energy (NZE) option in public and multi-family residential pilot buildings with EMIS installed and tested;</i> <i>Energy performance of NZEB pilot buildings is assessed and compared with reference buildings;</i> <i>Public investment strategy for NZEB-type high-rise construction (submitted for adoption before the end of the Project) is prepared for adoption at the national level.</i>	106,308	11,900.53			106,308	11,900.53
Output 2: <i>White papers prepared on the real cost of fossil fuel subsidies to the public budget and on cost-effective means of reducing energy consumption in the building sector;</i> <i>NZEB-compatible design criteria developed for buildings and current building codes updated;</i> <i>National NZEB plan for Government consideration.</i>	45,466	9,249.14			45,466	9,249.14
Output 3 <i>Introduction of life-cycle-cost assessment methodologies;</i> <i>Increased capacity and knowledge of government officials and other stakeholders on NZEB construction planning, assessments, monitoring and evaluation.</i>	50,183	6,647.9			50,183	6,647.9
Output 4 <i>Monitoring and Evaluation (M&E)</i>	3,500	0			3,500	0

Output 5 <i>Project management</i>	18,779	52,031.72	20,500	20,500	39,279	72,531.72
Total	224,236	79,829.29	20,500	20,500	244,736	100,329.29

VIII. Annexes

Annex I: Progress Review: detailed matrix of activities and results

Output 1.1: Investment in nearly-zero energy (NZE) option in public and multi-family residential pilot buildings with EMIS installed and tested	Indicators	Baseline	Annual target	Progress / Milestone
The project will invest funds in the NZEB-type design and construction of two pilot buildings with a total footage of 16,740 m² (of which 11,852 m² of occupied space with a) improved energy performance of the building envelope (e.g., high-efficiency and thicker insulation materials in walls, floors and basement, and triple-glazed windows), b) addition of renewable energy generation (via piloting installation solar PV roof-top panels and solar thermal added to the boiler system for pre-heating and hot water use), and c) other green features, such as grey water recycling and use. Budget: USD 35,436 Expenditure to date: 31.12.2025	GHG reductions from nZEB-compliant building designs. End-of-project target: • Direct lifetime emission reductions of 86.91 ktCO₂ from 16,740 m³ of built space (two pilot buildings) • Indirect emission reductions of 760.51 ktCO₂	No GHG reductions from nZEB-compliant building designs	no annual target, mid-term target only	n/a
Activities	Results			
1.1 Identification of sites and pilot buildings	Ongoing: Meetings held with mayoral offices of Ashgabat, Mary, Ministry of Construction, Ministry of Energy, National Union of Entrepreneurs.			
1.2 Feasibility analysis and detailed design of pilot project interventions	Not started			
1.3 Installation of NZEB options (as part of the construction of the new building)	Not started			
Output 1.2: Energy performance of NZEB pilot buildings assessed and compared with reference buildings	Indicators	Baseline	Annual target	Progress / target

Activities include the monitoring and evaluation of building performance (consumption of heat, gas, water and power) to estimate the building energy savings. Two case studies will be prepared: one for a residential building and one for a pilot office building. The case studies will cover technical aspects of the NZEB interventions and energy savings and compare them with the results of similar NZEB implementations in other countries. Budget: USD 35,000 Expenditure to date: 31.12.2025	Increased lifetime energy savings. Mid-term target: 96,078,000 MJ saved in two pilot buildings. End-of-project target: - Installed RE capacity of 2.1 MW - Energy savings of 438,947 MWh over 20 years	no savings from nZEB-compliant building designs.	No annual target	n/a
Activities	Results			
1.2.1 Energy performance measurements in pilot and reference buildings 1.2.2 Case studies and information dissemination	Not started			
Output 1.3: Public investment strategy for new NZEB-type of building construction	Indicators	Baseline	Annual target	Progress / Milestone
Assistance to the Government to develop a suitable NZEB public investment strategy. The program preparation process will feature new procedures, such as feasibility studies justifying longer pay-back horizons by taking into account all building life-cycle costs including energy costs and the techno-economic assessment of NZEB options. Based on these assessments, as well as the results of the NZEB pilots (monitored and documented energy and monetary savings and GHG reduction), an assessment will be carried out on the viability and inclusion of NZEB options in building design for replication. Budget: USD 35,872 Expenditure to date: 31.12.2025	A roadmap for building code revision to mandate more energy-efficient building design is developed End-of-project target: - One roadmap developed and presented.	No roadmap for updating and institutionalisation of building code analysis, design and MVE (monitoring, verification and enforcement)	no annual target	n/a
Activities	Results			
1.3.1 Development of guidelines (for IT and NZEB options and applications, following proposed NZEB code updates) for the design of a range of residential apartment and office buildings	Not started Not started			

1.3.2 Development, review and submission for endorsement of a NZEB investment strategy by relevant Ministries				
Output 2.1: White papers prepared on the real cost of fossil fuel subsidies to the public budget and on cost-effective means of reducing energy consumption in the building sector	Indicators	Baseline	Annual target	Progress / Milestone
The project will produce two white papers for the Government of Turkmenistan. One white paper will include an assessment of the costs of current policies to the national budget and economy (including impact on GDP growth) with a list of alternatives to repurpose direct cash subsidies to residents and other means of reducing the impact of phased-out fuel subsidies. The second White Paper will detail the results of similar policy steps across the globe and present conclusions and a step-by-step guide, including draft regulations to effectuate a transition to a zero-subsidy regime for fossil fuels and for more cost-effective electricity tariffs. Budget: USD 15,466 Expenditure to date: 31.12.2025	Analytic materials exist.	No analytic materials exist.	No annual target, papers to be ready by mid-term review point.	Stakeholder meetings held to establish sources of information for collection of data for the analytic materials.
Activities	Results			
2.1.1 White paper on the real cost of fossil fuel subsidies to the public budget and national economy 2.1.2 White paper on the costs-benefits and impacts of NZEB technologies to reducing energy consumption or substitute fossil fuels in the residential and public building sector 2.1.3 Assessment of the potential of improving energy efficiency in existing buildings	Not started			
Output 2.2: NZEB-compatible design criteria developed for buildings and current building codes updated	Indicators	Baseline	Annual target	Progress / target
The Project will produce the packages of relevant normative documentation (construction standards, amendments to laws and bylaws) to transpose the tested technologies in both the regulations concerning the modernization of existing buildings and improving climate footprint and resilience of new buildings. The Project will assist the Government in the adoption of state-of-the-art energy-efficiency design requirements (aiming at the level achieved by NZEB norms) for new residential buildings aimed to achieve significant construction and lifecycle cost reductions. For this, the project will support the development of those new design criteria and standards. Budget: USD 15,000 Expenditure to date: 31.12.2025	End of project target: - 5 draft building codes prepared	No baseline nZEB building codes exist	no target	n/a

Activities		Results			
2.2.1 Compilation report on NZEB-type of building codes development and best NZEB practices in EU and CIS states 2.2.2 Definition of benchmarks for categories of buildings per climatic zone and updated energy passports 2.2.3 Development and presentation of NZEB codes to Ministry of Construction and Architecture		Not started			
Output 2.3: National NZEB plan for Government consideration		Indicators	Baseline	Annual target	Progress / Milestone
The Project will further assist the Government to set up an institutional mechanism to revise and update building energy performance standards regularly in line with regional and international best practices. The Project will design a 'national action plan' for the introduction of the NZEB-type new building codes. Budget: USD 15,000 Expenditure to date: 31.12.2025		A national action plan for the introduction of new NZEB-type building codes is be presented by the end of the project.	No MRV unit exists.	No target exists.	n/a
Activities		Results			
2.3.1 Support for setting up a MRV unit as part of a dedicated organizational structure of the Ministry of Construction and Architecture 2.3.2 National action plan for the introduction of new NZEB-type building codes		Not started			
Output 3.1: Introduction of life-cycle-cost assessment methodologies		Indicators	Baseline	Annual target	Progress / target
This Output will be equipping the Government with accessible life-cycle-costing methodologies and case studies, documenting new experiences and lessons learned into targeted messages disseminated to relevant divisions of the Ministry of Construction and Architecture. Budget: USD 20,000 Expenditure to date: 31.12.2025		A seminar presenting results of the LCC report held and was well-attended.	No LCC assessment methodologies in the public sector exist.	No annual targets.	n/a
Activities		Results			
3.1.1 Life-cycle-cost assessment methodologies are introduced within the budget planning procedures of the relevant governmental organizations 3.1.2 Embodied emissions assessment		Not started			

Output 3.2: Increased capacity and knowledge of government officials and other stakeholders on NZEB construction planning, assessments, monitoring and evaluation	Indicators	Baseline	Annual target	Progress / target
This Output will specifically address the government's capacity to assess building projects in the area of new construction and energy efficiency, i.e. to conduct a capacity assessment of relevant practitioners, including technical personnel working with building developers, contractors, EE technology suppliers, staff of ministries and government agencies, energy auditors as well as local technical individuals (engineers, building designers, architects, etc). Based on the needs assessment, training packages will be designed for practitioners. Budget: USD 30,183 Expenditure to date: 31.12.2025	Mid-term indicator: 1,114 beneficiaries (120pilot building occupants and 654 workers directly benefitting from new technologies; 340 stakeholders went through capacity building improvement). End-of-project indicator: - decision-making capacity and knowledge base of at least 620 stakeholders is improved, - at least 7,810 building users / owners (3,671 of whom being women) directly benefit from energy savings.	No gap analysis for stakeholder needs exists.	No annual targets	n/a
Activities	Results			
3.2.1 Conduct need assessment and design of capacity development programs on NZEB 3.2.2 Capacity strengthening of central and local government officials, and administrations to conduct feasibility studies and to properly budget for compliant new buildings 3.2.3 International exchange of knowledge and experiences 3.2.4 Knowledge enhancement of construction companies and subcontractors that are providing materiel and equipment 3.2.5 Training of architects, engineers and students in the fields of architecture and engineering trained on NZEB, in particular, integration of renewable energy and passive solar design				

3.2.6 General knowledge management and information dissemination	Knowledge dissemination initiated (see Annex V for a list of publications)			
Output 4: Monitoring, Evaluation, and Knowledge Management	Indicators	Baseline	Annual target	Progress / target
This Component will ensure compliance with all mandatory monitoring and reporting requirements of the GEF. Budget: USD 3,500 Expenditure to date: 31.12.2025	Implementation of the Action Plan for the implementation of the recommendations of the mid-term project evaluation	Action Plan exists	Annual Progress Reports prepared and accepted, Annual Work Plans are kept up to date.	<u>Progress:</u> Preration of Terms of Reference for hiring of an International Chief Technical Advisor. <u>Target:</u> Hiring the advisor by Jan 1, 2027.
Activities	Results			
4.1 Mandatory monitoring, reporting and evaluation.	n/a			
Output 5: Project management	Indicators	Baseline	Annual target	Progress / target
Project service Budget: USD18,799 Expenditure to date: 31.12.2025	Project service exists	Project service exists	Project service is effective	<u>Progress:</u> Service contracts are signed, communications are paid for, office expenditures done, rental costs are is paid. <u>Target:</u> Project team to be finalized.
Activities	Results			

Project management activities	Staff contracts with three officers (Project manager, Project Manager, Project Assistant) are signed, communications are paid for, office expenditures are made, office rental is paid on time.
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Annex II: Updated Risk Log

(Refer to project risk log and include it here to show any updates and mitigation measures)

The Risk Log is in project ProDoc and not changed.

Annex III: Annual Work Plan for (for 2026)

The AWP for 2026 is under development.

Annex IV: Assets List.

N/a

Annex V: Knowledge Generation

The project organizes media coverage on a regular basis.

The videos of upcoming webinars will be kept on the premises of the universities and schools as well as with speakers presentations.

Below is a list of sample events and presentations that the project team conducted in the reporting period.

- 1.
- 2.