

Final Project Review Report

Project title: Addressing the climate crisis and human security through NDC planning and implementation.

Project ID: 01004035

Award ID: 1381325

Implementing partner: UNDP, Ministry of Economy and Finance of the Republic of Uzbekistan

Period covered in this report: March 2025 - March 2026

Date of the last Annual Report: N/A

Date of the last Project Board meeting: N/A

Project Performance

1. Please state the expected Output of the Project, set indicators and corresponding CPD Outcome (as per the project document/AWP):

The expected output of the JSB project corresponds with the following CPD outcomes.

CPD Outcome 2025, UNDCF Outcome 5/CPD Outcome 4: By 2025, the most at risk regions and communities of Uzbekistan are more resilient to climate change and disasters, and benefit from increasingly sustainable and gender-sensitive efficient management of natural resources and infrastructure, robust climate action, inclusive environmental governance, and protection.

CPD 2021-2025, Output 4.1: Innovative and sustainable climate change adaptation and mitigation initiatives designed and implemented.

Project Outcome 1: Strategic climate action policy of transition to decarbonized development path formulated with considerations of just transition principles, reforming fossil fuel subsidy in favour of renewable energy and energy efficiency, operationalization of MRV system, benefits from distributed electricity generation using energy-efficient solutions workable at the local level.

- Indicator 1.1 Strategy and guiding principles for collaboration under Article 6 PA, and governance and institutional framework linked to NDC are available. The strategy for Article 6 implementation and JCM operationalization was presented and validated during the political dialogues on 5 November and 27 February.

Baseline: No

Target: Yes, Strategy and guiding principles for collaboration under Article 6 PA, and governance and institutional framework linked to NDC are available

- Indicator 1.2 ITMOs under Article 6 compatibility assessment translated into Uzbekistan's context.

Baseline: No

Target: Yes, ITMOs under Article 6 compatibility assessment translated into Uzbekistan's context

- Indicator 1.3 Stakeholders are knowledgeable on approach and mechanisms under Article 6 of Paris Agreement.

Baseline: 0

Target: 25 stakeholders knowledgeable on approach and mechanisms under Article 6 of PA (at least 30% female).

- Indicator 1.4 Methodology for fossil fuel subsidy inventory developed and its approbation (testing) done on the selected primary and secondary energy resources and sectors.

Baseline: No

Target: Yes, Methodology for fossil fuel subsidy inventory on the selected primary and secondary energy resources and sector(s) is available

- Indicator 1.5 Vulnerability level to fossil fuel subsidy reforming of the selected sectors identified.

Baseline: No

Target: Yes, Level of vulnerability to fossil fuel subsidy reforming of the selected sector(s) identified

- Indicator 1.6 Knowledge product on financial mechanisms applied for de-risking renewable energy developed.

Baseline: No

Target: Yes, Knowledge product on financial mechanisms applied for de-risking renewable energy is available

a) Was the target met? Yes ☒ No ☐ Partially ☐

b) If no (or partially), please explain why?

Project Outcome 2: Distributed electricity generation using greater energy efficiency solutions demonstrated at the demand side in buildings (public and residential) and public transport sector.

- Indicator 2.1 Pilots on greater energy efficiency solutions ozone/climate-friendly (energy efficient) solutions (outcomes of UNDP/GEF Ozone projects) in buildings (public and residential) and the public transport sector implemented in Mirabad Urban District and rural areas of the Syrdarya region.

Baseline: 0

Target: 6 pilots implemented to demonstrate greater energy efficiency solutions in Mirabad Urban District Simulation

- Indicator 2.2 Outcomes (technical, financial, social, climate change/environment and gender-focused) of pilot projects analyzed.

Baseline: No

Target: Yes, Publication developed on pilot projects results and recommendations on their scaling up and wider dissemination at the national scale in the cities of Uzbekistan

a) Was the target met? Yes ☒ No ☐ Partially ☐

b) If no (or partially), please explain why?

Project Outcome 3: Capacity building for a just and inclusive transition to a decarbonized economy with a focus on beneficiaries in buildings (public and residential) and the public transport sector implemented.

- Indicator 3.1 Institutional stakeholders are familiar with just transition principles towards a decarbonized economy.

Baseline: 0

Target: 40 stakeholders are familiar with just transition principles towards a decarbonized economy (at least 30% female)

a) Was the target met? Yes ☒ No ☐ Partially ☐

b) If no (or partially), please explain why?

2. Implementation

a) *Please, summarize the main achievements during the reporting period of project implementation:*

The project has delivered a comprehensive set of results aimed at strengthening Uzbekistan's capacity to advance low-carbon development and implement its climate commitments under the Paris Agreement. This includes the development of an inclusive national strategy and guiding framework for cooperation under Article 6, supported by recommendations on the infrastructure and institutional arrangements required for Internationally Transferred Mitigation Outcomes (ITMOs). In parallel, the project has enhanced technical capacities through a series of policy dialogues and training engaging both public and private stakeholders. The project has provided

critical technical support to adapt and operationalize the JCM by proposing an integrated approval and authorization model that reconciles national sovereign mandates with bilateral JCM procedures.

The following key results reached within the implementation of the JSB project.

- The project has also developed a robust methodology for fossil fuel subsidy inventory, aligned with MRV and ESG principles, which have been tested across key energy resources and sectors and complemented by carbon footprint assessments of pilot interventions. Building on this, comprehensive analytical work has been undertaken, including a vulnerability assessment of priority sectors such as public and residential buildings and public transport integrating macroeconomic, social, and gender dimensions to evaluate the potential impacts of fossil fuel subsidy reform.
- Project developed targeted policy recommendations to support the scaling of renewable energy, including de-risking mechanisms such as feed-in tariffs, feed-in premiums, and auction schemes, drawing on international experience, including that of Japan. Collectively, these outputs provide a solid foundation for evidence-based policymaking and for aligning future interventions with Uzbekistan's NDC2/NDC3 targets and long-term decarbonization pathway.
- The project has successfully implemented pilot interventions in public buildings in the Syrdarya region for total 13,500 direct beneficiary, demonstrating integrated energy efficiency and ozone- and climate-friendly solutions. These included the application of building envelope improvements alongside the installation of energy-efficient heating and cooling systems based on heat pump technology.
- Specifically, one school was equipped with low carbon Heat pumps, complemented by on-grid 100 kW solar PV systems installed by the support of Ministry of Economy and Finance. In addition, three kindergartens were fitted with 28 low GWP (global warming potential) split units for heating and cooling, as well as 12 kW heat pumps for hot water supply. A healthcare facility was upgraded with energy efficiency measures and two 8 kW heat pumps for hot water supply, and 10 low GWP split units, significantly improving energy performance and indoor comfort conditions.
- The project supported the development of low-carbon urban transport infrastructure through the establishment of 3 GHG and air pollution monitoring systems along a pilot green transport corridor with electric buses. These interventions collectively contribute to demonstrating scalable solutions for reducing emissions and improving environmental performance in both the buildings and transport sectors.
- Outreach and advocacy activities have been conducted, including workshops and training in target regions. Awareness on decarbonisation approaches, energy efficiency measures, as well as low carbon technologies raised.
- A total of 58 local specialists from regional and local departments of the Ministries of Preschool and School Education and Health, as well as representatives of local design and construction companies (25% women), have received training on HVAC systems and tower crane operations. The project ensured gender inclusion by promoting participation of women in technical trainings and policy dialogues. While participation targets were met, future interventions should focus on strengthening women's roles in decision-making processes and technical leadership within climate-related sectors.
- A total of 65 national specialists representing the Ministry of Economy and Finance, Ministry of Energy, National Committee on Ecology and Climate Change, Ministry of Agriculture, Ministry of Emergency Situations, Ministry of Construction, Ministry of Health, Uzhydromet, and the Center for Green Economy Projects under the Ministry of Economy and Finance (35% women) have been trained on Article 6 implementation, operationalization of the Joint Crediting Mechanism (JCM), and just transition approaches toward decarbonization. These achievements contributed to strengthening institutional readiness for climate policy implementation, improving technical capacity across key ministries, and providing a foundation for scaling low-carbon solutions. Early indications suggest increased alignment of national policies with NDC priorities and enhanced inter-agency coordination.

3. Issues

a) Please specify the issues and challenges that were raised during the reporting period to the attention of the Project Board. Describe the steps taken to solve those (Management response in QUANTUM).

The project had some delays at the start due to the Government's request to change the location of the project. At the project design stage in 2024, Tashkent was selected as the pilot region. Since then, new energy tariffs for gas and electricity have increased the burden on rural communities, and April 2025 Presidential Decree established the National Energy Efficiency Agency (NEEA) to promote energy efficiency in public buildings, particularly in Tashkent. This created potential overlaps with project activities. To avoid duplication and ensure greater impact, the pilot has been reallocated to Syrdarya, where weaker infrastructure and higher vulnerability provide a more relevant testing ground, while similar climatic conditions and proximity to Tashkent (70 km)

ensure logistical feasibility. The change with the location and its impact on the implementation was consulted and approved by the MoFA of Japan with the support of the Embassy of Japan in Uzbekistan.

3. Project risks

a) Please report on any changes regarding the risks raised within the project cycle (e.g. risks occurred; no change etc.). Specify the responses taken for each of those.

Throughout the JSB project cycle, all identified risks were successfully managed and mitigated, with no material adverse effects on implementation, results, or compliance. The project was completed as planned, within the accepted UNDP risk appetite.

- Potential overlap with state-funded infrastructure programs was effectively managed through proactive coordination with relevant ministries and khokimiyats. Verification of planned project sites and pre-implementation screening helped ensure clear project attribution, avoided duplication of efforts, and supported efficient use of public and donor resources. No cases of conflicting implementation or reporting confusion materialized.
- The risk of policy and regulatory delays affecting the implementation of Article 6 market-based mechanisms was addressed through sustained technical assistance, policy dialogue, and capacity-building support to government counterparts. While national processes followed their established timelines, these did not impede project delivery, and the project successfully contributed to strengthening institutional readiness and clarity of roles.
- Potential public resistance to fossil fuel subsidy reform was mitigated through awareness-raising activities, stakeholder engagement, and integration of social considerations into project discussions. These measures supported social acceptance and political feasibility, and no significant opposition or social disruptions affecting project outcomes occurred.
- The risk of duplication or overlapping with IFI-funded interventions was effectively managed through active participation in development partner coordination platforms, early mapping of parallel initiatives, and adaptive project planning. This ensured complementarity with other interventions and avoided the need for structural revisions or budget reallocations.

Overall, continuous monitoring, coordination, and adaptive management ensured that all risks were addressed in a timely and effective manner. were partially realized (location change as described in issues) but mitigated. While no major risks critically affected project delivery, certain risks related to policy coordination, institutional capacity, and stakeholder engagement were encountered at varying levels. These were proactively managed through continuous dialogue, technical support, and adaptive implementation approaches, ensuring that project objectives were achieved without significant disruption.

4. Lessons learned and follow-up steps (if applicable)

a) Please provide the lessons learned and further steps after the project's closure.

A key lesson from the JSB project is the critical importance of stakeholder engagement, along with strong national ownership and leadership, for the success and sustainability of adaptation planning efforts. Early engagement of relevant ministries and agencies is critical to avoid duplication in energy efficiency interventions. It is equally important to maintain the momentum of planning and expand it to regions. In addition to capacity building, strengthening institutional arrangements is essential for the long-term success of the A6 implementation and JCM operationalization. Further strengthening and formalizing coordination mechanisms, such as the Inter-agency Working Group, will be necessary to facilitate collaboration and information sharing among stakeholders. The main priority moving forward will be the implementation of the adaptation plans. Sustainability is supported through strong government ownership, integration of developed methodologies into national systems, and continued engagement of trained stakeholders who are expected to apply acquired knowledge in future policy and investment decisions. For example, 140 kW of PVS was complimented by the Government to pilot initiatives in Syrdarya to ensure sustainability of the interventions.

5. Transfer of Assets or other related matter

a) Please state on any past or future transfer of assets made within the project cycle (Attach list of equipment, cooperation frameworks with beneficiaries, etc.)

In 2026, the following equipment was transferred to the Ministry of Economy and Finance of the Republic of Uzbekistan

IT equipment:

- laptops: 2 pcs.
- monitors: 2 pcs.
- keyboards: 2 pcs.
- USB-Type C Dock stations: 2 pcs.
- mice: 2 pcs.
- roll up: 2 pcs.

The total cost of the transferred assets is USD 3,863 w/o VAT (UZS 48,442,400.00)

6. Financial management

Total approved budget: USD 1,000,000

Total expenditure (broken down by donor): USD 1,000,000 (JSB)

Delivery rate: 100%

Prepared by:

DocuSigned by:

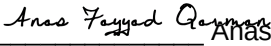
 E3DA57B863D14A1... Otabek Murodov, Project Manager

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 549211BE37DE45B... Bakhtiyor Paluaniyazov, ECA Cluster Lead

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 8C21B6E712D34C9... Anas Fayyad Qarman, UNDP Deputy Resident Representative in Uzbekistan

Checklist to be completed by the Programme focal point:

Before completing this checklist, programme focal point has to visit the Executive Snapshot/Programme & Project Management > Overview of Awards > Select Award ID > Click on "View the Progress Report for this Award."

☒ **Yes** ☐ **No** Annual targets reporting is finalized in QUANTUM.

☒ **Yes** ☐ **No** Risk/issue/monitoring logs are updated in QUANTUM by Project Manager and management response is updated by Programme Officer / programme focal point.

☐ **Yes** ☒ **No** Transfer of Assets is made.

☒ **Yes** ☐ **No** signed CDR for each implementation year is available.

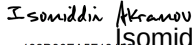
☒ **Yes** ☐ **No** Project files are handed over by the PM and all other pending issues are settled by the PM prior to the operational closure.

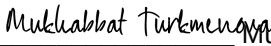
☒ **Yes** ☐ **No** Project can be operationally closed.

If for some boxes, "No" was checked, please provide justification:

The asset transfer is currently in progress.

Cleared by:

DocuSigned by:

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