

The Action will benefit from complementarities with interventions by Germany and Italy. Under the Hydropower and Renewable Energy programme, Germany is planning a Skills for green jobs in the energy sector (EUR 10 million), as well as an afforestation programme (EUR 13.5 million). Italy is providing a EUR 20.5 million soft loan to support through IFAD the Gilgit-Baltistan Economic Transformative Initiative, which is supporting land and infrastructure development, research/development on water management, DRM, and support to value chains. Italy is also funding in Gilgit-Baltistan an initiative implemented by UNDP to promote a scientific based approach to monitor climate and glaciers in Pakistan mountain regions in order to support hydrogeological risk prevention.

3.2 Indicative Activities

SO1 - Sustainable transition to renewable energy

Activities related to Output 1.1

Construction of a on-grid 1.56MW hydropower plant and at least 10 100KW off-grid microhydropower plants to increase renewable energy supply.

To fill up the significant gap between power generation and demand in Hunza district, the Action will support the construction of the **second** 1.56MW hydropower plant in the frame of a larger 10-year hydropower plan for the Hunza river comprising four run-of-the river hydropower plants of the same capacity. In addition to this, in remote villages of Gilgit Baltistan and Chitral with little prospect of benefitting from grid connectivity in the short to medium term, off-grid micro hydropower plants (50 to 100MW) will be constructed.

Rehabilitation and optimization of transmission and distribution network infrastructure and utility operations in Hunza district.

Through rehabilitating and optimization of the capacity of distribution transformers, poles and lines the efficiency and resilience of the power network with a substantial drop in line losses, which will contribute to climate change mitigation.

Activities related to Output 1.2

Conduct awareness raising and promote efficient energy use.

To increase efficiency in the use of electricity in public buildings, energy audits will be conducted and practical, budgeted recommendations will be submitted to responsible public institutions. More efficient use of firewood in households will be promoted through the design and dissemination of cooking stove models adapted to the local conditions. Adoption will be fostered through a smart subsidy programme comprising a contribution from the beneficiaries.

Set up a customer affordability programme to support vulnerable households' access to clean energy, acting as a subsidy mechanism for vulnerable customers. Through the Action, NEL will design and submit to the provincial government a differentiated tariff and billing system for Hunza district allowing for a large access by poor households while ensuring operation costs recovery and economic viability.

Activities related to Output 1.3

Establishment of renewable energy powered technological hubs for digital skills development and entrepreneurship.

The hubs will support digital skills development particularly for youth and women and help catalyse freelancing business opportunities by providing high-speed internet, 24/7 electricity, co-working space, IT equipment, and entrepreneurship counselling. ***Provide training, financing, advice and market linkages to enterprises,*** including business training and mentorship, technical advisory, sector specific technical assistance as linkages to financial institutions for access to seed financing.

SO2- Viability and sustainability of natural resources management

Activities related to Output 2.1:

Support for setting up participatory natural resources management plans in rural communities aiming at making sustainable use of uncultivated land.