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GREEN CLIMATE FUND



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# GEFF TAJIKISTAN NEWSLETTER

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**WELCOME TO THE 8<sup>th</sup> ISSUE OF THE GEFF TAJIKISTAN NEWSLETTER**

The GEFF Tajikistan team continues its successful project implementation through technical assistance, capacity building, marketing, monitoring and reporting measures. GEFF Tajikistan is helping the Tajik private sector to upscale investment in projects that could result in savings in energy, water and materials, or deployment of renewable energy, and reduced soil erosion and land degradation. We are actively promoting sustainable green solutions among farmers, agribusiness and households via traditional and digital channels by discussing and exchanging experiences, sharing best practices as well as explaining the benefits of the green investments and climate technology solutions.

We are partnering with local financial institutions - Eskhata Bank, Bank Arvand and since recently IMON INTERNATIONAL in providing concessional green loans for MSMEs and households' resource efficiency improvements, such as switching to energy-efficient equipment or to sustainable agricultural practices. This will help the target sector tackle common energy and water and other resource challenges.

We are pleased to welcome IMON INTERNATIONAL, who officially joined the GEFF Tajikistan program recently. We are looking forward to a fruitful cooperation with IMON Inter-



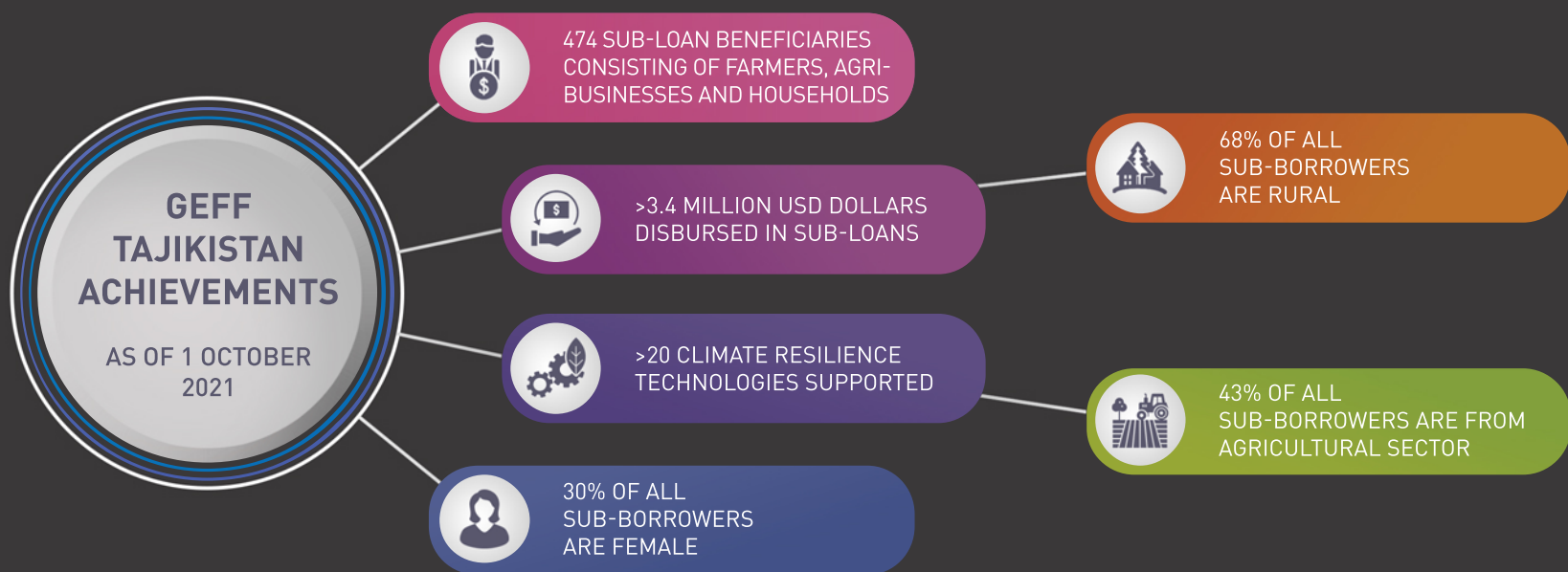
Mr. Bakhodur Yusupov  
Principal Banker  
EBRD

Mr. Andriy Palka  
Chair of Management Board  
IMON International

national to tackle climate change and promote green investments throughout the country. In addition, we will provide an updated overview of the investment incentives provided by EU for farmers and agribusinesses investing in green equipment and technologies.

We hope you enjoy reading our newsletter and look forward to your feedback.

**KAIRAT SHALABAY**  
GEFF TAJIKISTAN PROJECT MANAGER



**17,098 GJ/YEAR**  
PRIMARY ENERGY USE  
AVOIDED



**656,644 M3/YEAR**  
WATER USE  
AVOIDED



**1,083 TONNES/YEAR**  
GHG EMISSIONS  
AVOIDED

## IMON INTERNATIONAL JOINS GEFF TAJIKISTAN AS THE THIRD PFI

The European Bank for Reconstruction and Development (EBRD) is pledging new financial resources of US\$ 3 million to IMON INTERNATIONAL to support Tajik small and medium-sized enterprises and households willing to invest in green technologies. It is part of the EBRD's plan to increase its climate and environmental finance and make more than 50 per cent of its annual investment green by 2025. To date, the EBRD has invested €801 million through 145 projects in Tajikistan's economy. GEFF Tajikistan [Agricultural Value Chains] supports Tajikistan's agricultural value chain development. In partnership with the European Union, GEFF Tajikistan [Agricultural Value Chains] offers investment incentives for farmers and businesses investing in modern and efficient equipment and technologies.

IMON INTERNATIONAL is a leading micro-lending institution, which is responsible for a quarter of micro-lending operations in Tajikistan and the provision of financial services to more than 100,000 microbusinesses and individual borrowers. Its branch network is extensive, with branches in Khatlon, Sugd, Districts of Republican Subordination and Dushanbe.



*"We are pleased that our organization has joined such a global and interesting project as GEFF Tajikistan. We hope our cooperation will yield positive results, which will further lead to the spread of technologies for saving energy and water resources in Tajikistan."* Mr. Andriy Palka, Chair of Management Board



IMON INTERNATIONAL  
management team

## CAPACITY BUILDING TRAININGS ON GREEN FINANCE FOR IMON INTERNATIONAL

With the beginning of the partnership with IMON INTERNATIONAL a series of introductory trainings were conducted for the credit employees to improve their capacity in green finance. The GEFF team presented a comprehensive approach towards achieving the objectives of the program, including marketing, credit cycle of sub-projects and green investment procedures. The introductory training also provided an overview of the project eligibility criteria and Green

Technology Selector - a list of high-performing technologies and materials that have been assessed and pre-approved as eligible for GEFF financial support. Topics including investment incentives and verification processes were explained in detail. The training sessions showed how to identify the potential of resource savings in different sectors and how to advise potential beneficiaries on green solutions.



### NO. OF TRAININGS:

16 (of which 1 online) including Khatlon, Sugd, Districts of Republican Subordination and Dushanbe



### TYPES OF ATTENDEES:

Credit employees of  
IMON INTERNATIONAL



### NO. OF PARTICIPANTS:

215 (41 female)

### FROM:

Istaravshan, Spitamen, J. Rasulov, Kanibadam, Panjakent, Vahdat, Gissar, Tursunzade, Yavan, Rudaki, Jomi, Bokhtar, Balkhi, Jaihun, Kulyab, Dangara, Shaartuz, Khujand and Dushanbe cities

*"Capacity building plays an important role in promoting green investments and supports improved access to finance for private sector beneficiaries."*

Mr. Bahrullo Saidgoziev  
Head of Credit department  
Devastich Branch

## GEFF TAJIKISTAN GRANT SUPPORT

GEFF Tajikistan investment grants are eligible for investments in the high performing technologies that can enhance competitiveness of the agricultural value chains and that

can also bring significant environmental benefits. The grants reward innovation and equally business expansion, job creation, quality improvement and environmental friendliness.

### THERE ARE 2 LEVELS OF GRANT SUPPORT\*:

**1** Investments into technologies meeting the eligibility criteria are entitled to receive an investment incentive of **20%**

**2** A higher level of investment incentive of **30%** is foreseen for the following investments:



Sub-projects that improve sustainable land management through investments in materials, equipment, appliances, technologies and/or services that enable reduction in Soil erosion



Cold storage



Drip irrigation system



Heat pump or heat recovery system



Solar water pumping



Agricultural vehicles, including tractors and combine harvesters

\*For more information please visit our [website](#)



## GEFF TAJIKISTAN GRANT SUPPORT (AS END OF 3Q 2021)

172 SUB-PROJECTS RECEIVED INVESTMENT INCENTIVES PROVIDED BY THE EU



**\$817,168** total amount of grant support

**\$4,751** average grant amount

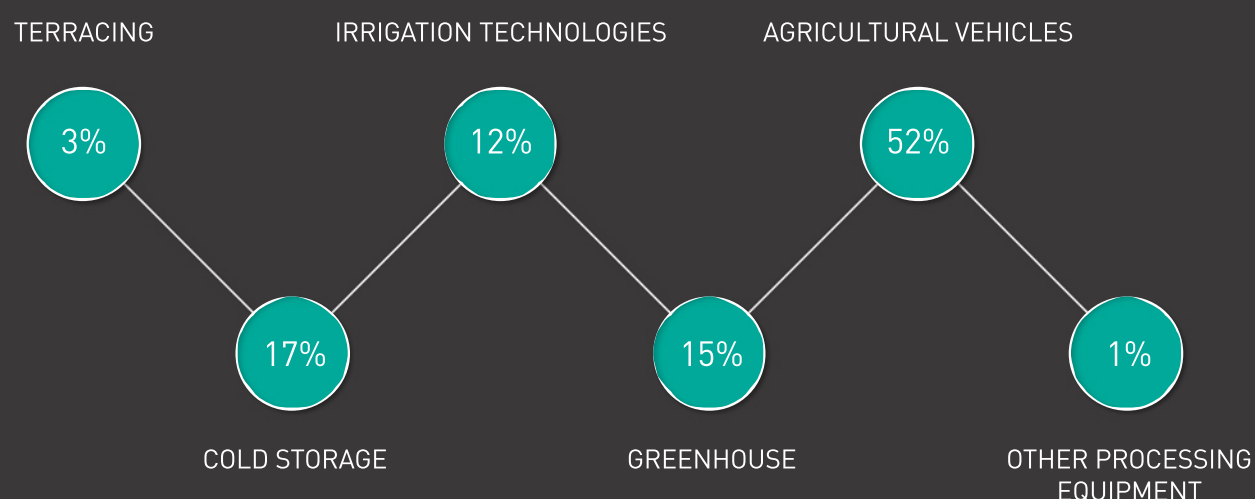
**36** cities/districts covered

**90%** of sub-borrowers are rural

**6%** of sub-borrowers are female

**63%** are preapproved technologies

### GRANT SUPPORT BY VOLUME OF TECHNOLOGIES:



## INTENSIVE ORCHARD WITH DRIP IRRIGATION AS A MODERN, SUSTAINABLE AGRICULTURE PRACTICE

GEFF Tajikistan, with the support of investment incentives from the [European Union](#), has been supporting the rural population of Tajikistan. The main source of income in rural areas is through agriculture, which in most cases provide only seasonal income. The GEFF project helps Tajik farmers and agribusinesses adopt modern, [green technology solutions](#) that can enhance their competitiveness and improve climate resilience in Tajikistan. The high-performing green technologies include greenhouses and drip irrigation, intensive orchards, cold storages, terracing, orchard on the slopes that all lead to energy, resource or water efficiency, as well as brings the positive environmental effect.

Intensive orchards, especially with drip irrigation, are gaining popularity and have been established in various regions of Tajikistan over the past 10 years. The establishment of an intensive orchard is a long-term investment and deserves very critical planning. The selection of a proper location and site, planting system and planting distance, selection of the varieties and nursery plants have to be considered carefully to ensure better yield.



RECENTLY CONSTRUCTED INTENSIVE ORCHARD IN DRS REGION OF TAJIKISTAN

THE PROPER SELECTION OF SITE IS IMPORTANT AND MAY BE DECIDED BASED ON THE FOLLOWING CRITERIA:

↓  
The location should be in a well-established fruit growing region, due to logistics and opportunities for collaboration with other farmers

↓  
The climate should be suitable to grow the chosen fruit crops







↓  
Adequate water supply should be available

The plan for planting the orchard needs should be considered carefully. The minimum vertical distance between any two trees or plants is referred as the planting distance and this varies depending upon many factors. The principles in deciding the planting distances are the following:




- 1 The fringes of fully-grown trees should touch each other but the branches should not interlock
- 2 The roots of trees will spread over a much larger area and there should be proper room for the roots to access water without competition with neighbouring trees

The total cost of building one hectare of intensive orchard in the lowlands varies from USD 18,000 to 20,000, which is a limiting factor for the wider introduction of orchards in Tajikistan. The productivity of such orchards ranges from 60 to 100 tons and more per hectare.

THERE ARE MANY BENEFITS OF INTENSIVE ORCHARD, INCLUDING:

-  Earlier crop production, aiming for commercially acceptable yields from the third year, rather than years four and five for traditional orchards
-  Higher overall yield potential per hectare
-  Easier canopy management, as pruning systems are simplified
-  Higher and more uniform fruit quality
-  Ease of management of seasonal workers, as less training is required for key tasks such as pruning
-  Shorter payback period compared with traditional orchards

At the same time, intensive orchards have certain drawbacks, such as:

-  High up-front investment costs
-  Requirement for a change in orchard management practices
-  Access to irrigation water and roads are essential
-  May also require additional costs such as hail or bird netting

Orchard farming can be challenging in the context of weather and climate-related hazards, including the heat waves, frost, aggressive pests or malfunctioning irrigation systems and others. Drip irrigation systems reduce these risks by delivering precise quantities of water and nutrients to the roots of each plant. As a result, considerable water savings can be reached, as well as the lower use of fertilizers and labour for weed control.

GEFF Tajikistan offers [investment incentives](#) for farmers and businesses investing in modern and efficient equipment and technologies, such as intensive orchards and drip irrigation.

## GEFF TAJIKISTAN SUCCESS STORIES

GEFF Tajikistan supports businesses and homeowners, wishing to invest in green technologies, which can strengthen their resilience to climate change. The examples of case studies below are a demonstration of green investment projects achieved with GEFF support, both financial and technical:



**Investment size:**  
US\$ 11,750

**Financial results:**  
Payback in 1 years

**Water savings:**  
3,200 m<sup>3</sup>/year

**Grant support:**  
30%

### INTENSIVE ORCHARD WITH A DRIP IRRIGATION SYSTEM SAVES RESOURCES AND INCREASES INCOME

Mr. Rajabov Abdumajid owns a private company in Dushanbe and is also fond of farming. In 2017, he attended an agricultural fair in Bursa, Turkey and became interested in intensive orchards. After returning to Tajikistan, he decided to create an intensive orchard in the Tursunzoda district for growing 6 varieties of apples, 3 varieties of pears and walnuts. Later, with the advice of experts, he decided to install a drip irrigation system, which saves resources and increases yields by up to 60%.

With this purpose Mr. Rajabov approached one of the EBRD's partner banks and obtained a loan. Using the traditional method, he used to collect up to 6 tonnes of crops, with the installation of a drip irrigation system, he plans to harvest up to 15 tons of crops.

"The installation of drip irrigation technology allowed us to save water, manual labour, reduce the cost of manufactured products. Due to the changing local environment, the export of agricultural products produced by local farms abroad has been temporarily negatively impacted. However, I remain optimistic about the trade potential and hence still made the investment.", said Mr. Rajabov.



**Investment size:**  
US\$ 1,281

**Financial results:**  
Payback in 1 years

**Energy savings:**  
6.8 GJ/year

**Grant support:**  
30%

### TAJIK FARMER INVESTS IN A MOUNTED SPRAYER TO CONTROL PESTS AND DELIVER NUTRITION TO THE CROP

Mr. Barotov Qosimjon from the Chorgul Jamoat of Yovan district manages 10 hectare dehkan farm «Jonon» where he works with his 6 permanent field workers and grows wheat, tomatoes, corn, cotton and watermelon. He works as a farmer from the year 2000 after he inherited the farm. His farm suffered losses due to increase of insects and he sought advice from the GEFF project team and received a recommendation to buy a Turkish-made sprayer. He thus chose a 600-liter sprayer that covers 12 square meters of land in one go. For this purpose, Mr. Barotov approached one of EBRD's Partner Banks for a GEFF loan of US\$ 1,280 to purchase the equipment mounted sprayer. The GEFF team performed the project analysis, assessed the potential of energy and resource savings, as well as technical eligibility.

"We are gradually improving our farm and with the support of the GEFF project, we are planning to purchase a new, energy-efficient tractor and a baler for further farm mechanization. I also want to express my gratitude to the Project Consultant for their valuable technical advice and recommendations on improving and developing the farm.» said Mr. Barotov.