

 Early Warning System

EBRD-55156

GCF GEFF Regional II - FMFB Loan I



## Quick Facts

<b>Countries</b>	Tajikistan
<b>Financial Institutions</b>	European Bank for Reconstruction and Development (EBRD)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	U
<b>Voting Date</b>	2024-05-07
<b>Borrower</b>	First Micro Finance Bank CJSC
<b>Sectors</b>	Agriculture and Forestry, Finance
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 3.00 million
<b>Loan Amount (USD)</b>	\$ 3.00 million
<b>Project Cost (USD)</b>	\$ 4.00 million



## Project Description

According to the EBRD, the project consists of the provision of a senior loan of up to US\$ 4 million to FMFB, of which up to US\$ 3 million (in TJS equivalent) to be provided by the EBRD and up to US\$ 1 million by the GCF under the GCF-Green Economy Financing Facility Regional Framework (GCF GEFF II Tajikistan Programme).

The proposed operation complies with the GCF GEFF Regional Framework criteria. The proposed transaction under the GCF GEFF Regional Framework will be a subsequent transaction with FMFB following a previous transaction under TajCREFF. Proceeds of the loan will be allocated to finance climate change mitigation and adaptation technologies. The transaction will support further expansion of FMFB's product offerings with green lending products, in a gender responsive way.

The project contributes to the objectives of the GCF-GEFF Regional Framework, and in particular of the GCF GEFF II Tajikistan Programme (GEFF Tajikistan II), supporting the Green TI quality in line with the GET TI rating methodology, with 100 per cent of the use of proceeds allocated to GET activities. The project will contribute to Programme's objective of providing support to building a green economy in Tajikistan by facilitating the accelerated market penetration of climate technologies, particularly focusing on promotion of climate resilience and resource efficiency technologies applicable to the agricultural sector and rural areas.

A green policy engagement component is included under the GEFF Tajikistan II Programme level. The key activities and deliverables of the policy dialogue is institutional reform in the financial sector in Tajikistan, to be achieved by supporting the National Bank of Tajikistan in adoption of a regulation aimed at addressing climate risk, primarily through voluntary disclosures. The regulation is expected to follow international best practice, principally following recommendations from the Network of Central Banks and Supervisors for Greening the Financial System, and taking into consideration the latest EBRD Paris Alignment approach for Indirect Finance. This policy topic is identified as a priority in the latest Country Strategy for Tajikistan 2020-2025 (BDS/TA/19-01/F).

Within two years from signing, FMFB will aim to submit to the EBRD a transition plan, which will set out time-bound targets, actions and milestones through which FMFB will improve its business practices in relation to climate change, progressively leading to the alignment of its financing activities with the goals of the Paris Agreement.



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## Early Warning System Project Analysis

The EBRD categorized the project risk as 'FI'.



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## Investment Description

- European Bank for Reconstruction and Development (EBRD)

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [First Microfinance Bank CJSC \(Tajikistan\)](#) (Financial Intermediary)



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### Private Actors Description

As stated by the EBRD, Closed Joint Stock Company "The First Micro Finance Bank" (FMFB) operates as a fully-fledged universal commercial bank, offering a full range of banking services, primarily to retail and MSME segments in Tajikistan. FMFB was the eighth-largest bank by assets (with market share of 3 per cent) and the loan book (4 per cent) among Tajikistan banks as of end-2023.



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## Contact Information

### Financial Intermediary - First Micro Finance Bank CJSC:

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## ACCESS TO INFORMATION

You can request information by emailing: [accessinfo@ebrd.com](mailto:accessinfo@ebrd.com) or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

## ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: [pcm@ebrd.com](mailto:pcm@ebrd.com) or you can submit a complaint online using an online form at:

[http://www.ebrd.com/eform/pcm/complaint\\_form?language=en](http://www.ebrd.com/eform/pcm/complaint_form?language=en)

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



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**Bank Documents**

- [Translation: GCF GEFF Regional II - FMFB Loan I \(Russian\)](#)





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### Other Related Projects

- EBRD-55152 FIF - Youth in Business - FMFB Loan I
- EBRD-55153 FIF - CA WiB Programme - FMFB Loan I