

 Early Warning System

IFC-49123

Cdel Arvand-FY24



## Quick Facts

<b>Countries</b>	Tajikistan
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2024-05-01
<b>Borrower</b>	CJSC BANK ARVAND
<b>Sectors</b>	Finance
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 5.00 million



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## Project Description

According to the Bank's website, the proposed Project consists of a straight senior loan to Closed Joint-Stock Company Bank "Arvand" - a private bank in Tajikistan, an IDA country, with a strong focus on lending to micro and small enterprises (MSEs). The three-year loan would provide much needed mid-term uncollateralized funding in Tajik Somoni (TJS or LCY) to Arvand to support the Bank in servicing the most vulnerable clients in the remote under-/ unbanked regions of Tajikistan. Out of the total loan proceeds, up to US\$2.5 million will be dedicated to housing microfinance projects, up to US\$1.25 million will be dedicated to women-owned MSEs (WMSEs), and up to US\$1.25 million will be directed to support the Bank's lending program to MSEs (the Project) in the challenging economic environment caused by the consequences of the COVID-19 crisis, further exacerbated by the geopolitical tensions. As part of the BOP program, the Project will use IDA PSW's Local Currency Facility ("LCF") to source local currency, as well as the Pooled First Loss Guarantee ("PFLG") from IDA PSW's Blended Finance Facility ("BFF").



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## Early Warning System Project Analysis

Overall, the environmental and social risks of the Bank's portfolio are low to medium. The project therefore has been categorized as FI-2 according to the IFC Sustainability Framework.



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## Investment Description

- International Finance Corporation (IFC)

The proposed Project consists of a senior unsecured loan for the total amount of up to US\$5 million in TJS with up to three-year maturity, including one-year grace period.

## 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.

- [Arvand Bank CJSC](#) (Financial Intermediary)



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### Private Actor Relationship

Founded in 2002 as the Centre for Development and Support of Microentrepreneurs, Arvand was part of a regional microfinance project conducted by Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance (ACDI/VOCA) in the Ferghana Valley in Central Asia. After transformation into a commercial bank in 2019, ACDI/VOCA remains the largest shareholder of Arvand with a 36.5% equity stake owned through its subsidiary LLC MCC Frontiers in Kyrgyzstan. Access Microfinance Holding AG owns a 21.6% equity stake in Arvand's capital; Rural Impulse Fund II S.A. SICAV-SIF owns 17.5%, Triodos Sicav II and Legal Owner Triodos Funds B.V. own 21.4% shares of the Bank.



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## Contact Information

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