

Team of the Project “Improvement of water resources management in Khatlon region” under the PIU “Access to Green and Rural Development Finance” represented by the Project Coordinator - Makhmadiyev I., Coordinator on Islamic Banking - Mirakilov Kh., Monitoring and Evaluation Specialist - Isaev Sh. On May 18, during a working trip, they visited Vose and Kulyab.

During the trip, we met with the Chairman of the city and the Head of the Industry, Energy and Transport Communications of the Executive body of State Authority of Kulyab city.

In the building of the Executive Body of the State Authority of Kulyab city, with the participation of farmers from four jamoats of Kulob city and individual entrepreneurs, a seminar-presentation on the Project "Improvement of water resources management in Khatlon region" and explanatory work on Islamic methods of financing was held. In the seminar were attended 40 farmers, 9 of whom were women. The seminar began with an introductory speech by Abdurazak Khodzhakulov, the Head of the Industry, Energy and Communications sphere. The participants of the seminar were introduced to the project specialists, the speech was given to the Project Coordinator - Mahmadiyev Ilhom.



Then the speech was given to the Coordinator on Islamic Banking - Mirakilov Kh., who introduced the audience to such products as Muzoraba, Murabaha, Mushoraka, Salam and Parallel Salami, Leasing and Leasing of property with

subsequent purchase. During the workshop, the participants took an active part and were asked the following questions:

- Naimova A., asked the Project specialists on issuing the loans to clients, whether funds will be issued for the purchase of goods and equipment?
- To the question of Naimova A., the Coordinator on Islamic Banking replied: Within the framework of the Project “Improvement of water resources management in Khatlon region” and in accordance with the Law of the Republic of Tajikistan “On Islamic banking”, adopted in 2014, the Islamic banks, Islamic banking windows, leasing companies (in accordance with Islamic banking standards) operate and provide services to the population. Cash is provided by Islamic credit institutions in the case of using “Salam and Parallel Salam” products, in the presence of such Islamic banking products, i.e., for example, you need funds for agriculture and production from Islamic credit institutions, which is possible after analyzing business plans and stability and solvency of the client, who will be able to sell the goods in the future and receive a refund. If the customer clearly needs the equipment and goods, the Murabaha agreement is used, i.e., an Islamic bank buys a product from a supplier/seller and sells it to the buyer at a premium. The funds will be returned in accordance with the payment plan.
- Amirshoev Kh., asked: In case of obtaining a loan from a project and facing the bankruptcy of an organization or individual entrepreneur, will there be a need to repay the loan?
- Coordinator on Islamic Banking answered to the question of Amirshoev Kh as follows:
In case of misuse of funds and negligence on the part of a legal entity or individual, the specialists of the Islamic Credit Organization conduct an analysis and verification, and if the borrower really carelessly or deliberately misappropriated the funds, he is obliged to pay a refund. In other cases (in case of bankruptcy), in accordance with the legislation of the Republic of Tajikistan, the requirements for obligations and implementation of the legislation may be satisfied, and in this case, they will first of all be considered by the relevant state bodies.



After the seminar was over, we visited the Vose district and met with the Deputy Chairman of Vose district. In the building of the Executive Body of State Authority of Vose district, we held a seminar with farmers from seven jamoats of the district. 35 people were attended in the seminar, one of whom was a woman. The seminar began with an introductory speech by Davlatzoda K., Deputy Chairman of Vose district. The experts presented the Project to the participants of workshop. Then the speech was given to the Project Coordinator Mahmadiyev I.



After the presentation of the Project, Mirakilov Khurshed spoke about the methods of Islamic financing.

Farmers asked the following questions:

- What is the average interest rate on an Islamic bank loan?

Mahmadiyev I. answered the question: The annual interest rate for financing from the Islamic Bank operating in Tajikistan is from 18 to 24%, but this is not interest, this is an extra charge.

- Which banks provide loans?

Mahmadiyev I. gave the following answer to the participant's question: Islamic credit organizations (Banks, MFIs, etc.) that have a license from the National Bank of Tajikistan to carry out Islamic banking.

Participants also asked other questions:

Are loans issued in national or foreign currency?

To the question of the participant I. Mahmadiyev answered:

Financing is provided in the national currency - TJS, which means that farmers and entrepreneurs are free from foreign exchange risk.

It should be noted that the introductory workshops held in Kulyab and Vose district, which was effective and the Project specialists provided the participants with detailed information about the Project.



Moreover, farmers and entrepreneurs showed great interest in the seminars.

During the presentation of the Project, the participants actively participated, discussed the goals, objectives and requirements of the Project and received answers to their questions. A total of 75 people participated in two events, 10 of whom were women.