March 2019

NABOT DODHUDOEVA, HEAD OF PO "MADINA": "GREEN" CREDITS INCREASE PEOPLE'S MOTIVATION TO PRESERVE AND MULTIPLY NATURAL RESOURCES

Interview with Nabot Dodhudoeva, head of the "Madina" Public Organization (PO) in the Gorno-Badakhshan Autonomous Oblast (GBAO) of the Republic of Tajikistan.

1. Please provide a brief overview of the main activities of "Madina and Hamkoron", the Microfinance Organization (MFO).

"Madina and Hamkoron" has been operating in the GBAO of the Republic of Tajikistan since 2006. The main directions of our activity are provision of microcredits, including "green" ones, as well as increase of financial education of the population. Since the beginning of the organization's establishment, about 8,000 clients have been granted loans for a total amount of over 1,838,000 somoni. For the development of agriculture in the region, with the support of GIZ, more than 1,688,000 somoni of preferential loans were issued. From the very beginning of our activity we have been working in mountain villages, and almost 70 percent of our loans are given to rural population.

Today, with the support of GIZ, the MFO "Madina va Hamkoron" provides preferential microcredits to the population of the city of Khorog, Rushan, Murghab and Shughnan districts. In addition, we provide microcredits for business development, training, purchase of home appliances, equipment and telephones.

2. What types of loans can be directed towards sustainable use of natural resources and protection of mountain ecosystems?

It should be emphasized that natural resources are of great importance for the development of small and medium-sized businesses. Basically, natural resources that are not created by humans, such as wild plants, are often destroyed and used by the population to heat homes or water. But we need to look at them from a profit perspective to improve the material well-being of the family. When we issue green loans to promote small businesses, people are motivated to conserve and increase natural resources.

In 2007, "Madina and Hamkoron", with the support of GIZ, developed a "green" financial product called "Warm Comfort" and for the first time in Tajikistan began issuing "green" loans to residents of Murghab, Roshtqala, Rushan and Shugnan districts. Residents of these high-mountain districts have received loans for energy-efficient structures to repair and insulate their homes. Local carpenters of the "Zindagi" cooperative were also involved in this project. More than 500 private houses in GBAO were insulated in 4 years. The villagers also received solar water heaters and energy efficient stoves, which contribute to saving fuel for heating and cooking. "Green" loans remain one of the priority financial products of our organization to this day.

3. Please tell us more about lending in the pilot villages of Siponj and Darjomj in the Bartang Valley.

In these two villages of the Bartang valley of GBAO, with the support of the GIZ EbA project, we have started to give preferential microcredits to the population in order to promote sustainable use of natural resources and adaptation to climate change. Previously, the issue of lending for adaptation measures was discussed with local residents during the information seminar. The participants of this event were also familiarized with the principles of financial literacy and financial independence.

Residents of Siponj and Darjomj were granted loans for energy-efficient furnaces manufactured in Khorog by the "Zindagi" cooperative, as well as energy-saving structures. One woman has set up the production of barberry jam. Previously, barberry bushes had been used mainly as fuel and few people were aware of its healing properties. Loans are also provided for the construction of bank protection structures. This year, in partnership with the "Zindagi" cooperative, we plan to distribute solar dryers for proper and environmentally friendly drying of fruits. A total of 116 loans worth over 662,000 somoni have been issued under the project.

4. In your opinion, how can the loans provided contribute to the better adaptation of villagers to climate change?

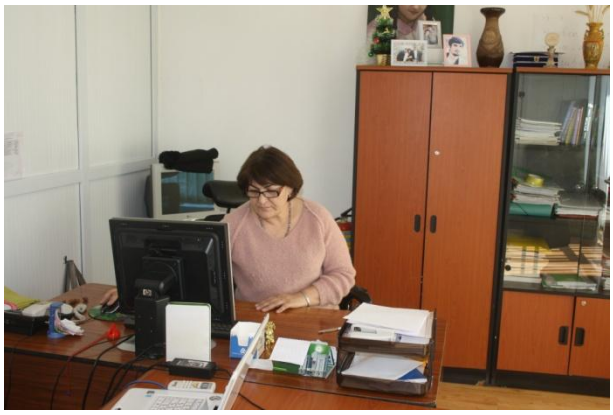
Loans with relatively low interest rates will allow mountain villagers to start and develop small businesses, which will improve living conditions and increase the ability of villagers to adapt to climate change.

These loans contribute to improving the material well-being of rural residents, making them less dependent on the effects of natural disasters. If a villager has savings or an alternative income, natural disasters and loss of crops due to drought will not affect his or her well-being as much. In addition, house insulation and new energy-saving stoves provide an opportunity to adjust family budgets and fuel savings for food, education or savings.

5. What financial products do you think are more effective for climate change adaptation and mitigation?

To facilitate adaptation to climate change, it is necessary to develop financial products that generate income and improve family well-being and enable savings. When a person has savings, he or she is more confident in the future, more secure, even if his or her harvest or assets may be affected by natural disasters or climate change. He or she will not start from scratch, he or she will have the means to hold on for the first time or to start a new life.

Fear of the effects of climate change and natural disasters also means that these phenomena put people at risk of losing food, property and other material assets. Therefore, it is necessary to create a business that generates income, improves the standard of living of the family and enables savings.

The natural resources of the Pamirs have great potential that has not yet been used to generate income. If you analyze the natural resources of the region, you can safely say that we are

surrounded by a treasure trove of useful and healing plants and berries that can be used to reduce the harm from the effects of climate change. The use of alternative energy is another important way of saving the natural resources of the Pamirs. For example, solar energy will save money on electricity and fuel, which is also important for both nature and the family budget.