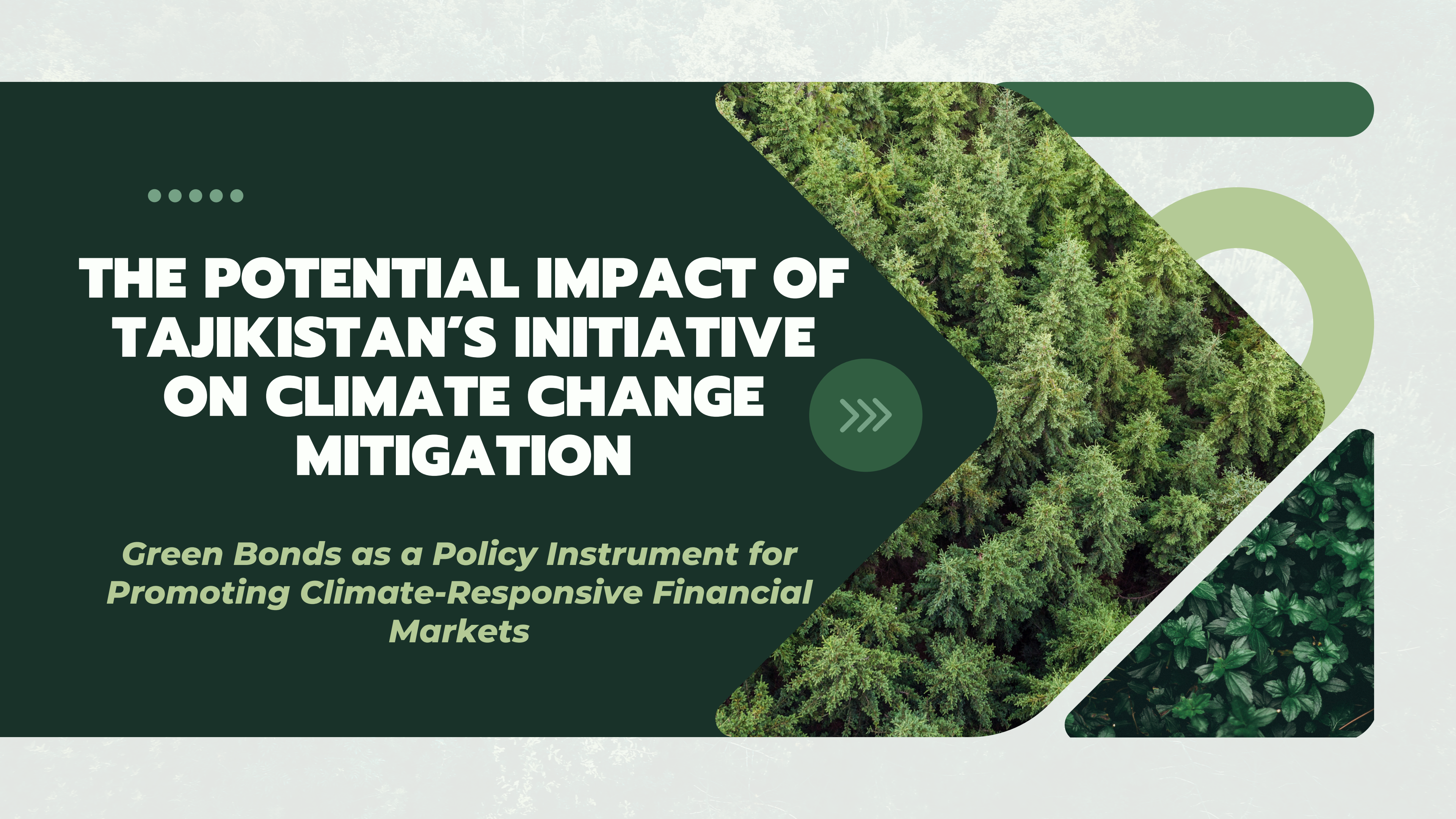




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THE POTENTIAL IMPACT OF TAJIKISTAN'S INITIATIVE ON CLIMATE CHANGE MITIGATION



*Green Bonds as a Policy Instrument for
Promoting Climate-Responsive Financial
Markets*

IMPACT OF CLIMATE CHANGE ON THE ECONOMY OF TAJIKISTAN

- Mobilizing finance towards the preservation of glaciers is a key enabler for the sustained growth of an economy which is exposed to the increasing effects of climate change. According to World Bank's Climate Change and Development Report for Tajikistan, climate change effects could cut GDP per capita by 5-6 percent by mid-century, compromising stated development goals in energy, food security and sustainable transport and pushing an additional 100,000 people into poverty. Climate change is making it harder for Tajikistan to meet its development aspirations.
- Climate shocks already threaten energy and water security, which are central to development. Temperature changes and rapid glacier melting have increased the variability of river flows, causing prolonged droughts, intensifying natural disasters, and raising the requirements for water storage and reservoir operations.



TAJIKISTAN

••••• INITIATION FOR CLIMATE CHANGE



- Strategy for the development of the "green" economy in the Republic of Tajikistan for 2023-2037
- Rules for the issue and circulation of government securities of the Republic of Tajikistan

Green bonds

Used to finance projects with positive environmental impact:

- Energy
- Transport
- Water
- Construction
- Use of Land & Marine Resources
- Waste



ISSUANCE PROCESS

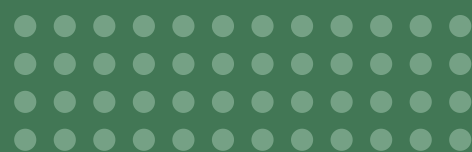


ACTION PLAN



Steps	Responsibility	Timeline
1. Develop an action plan/roadmap	DMO-WB	
2. Convene green bond working group/steering committee	DMO	
3. Identify and select eligible projects	Line ministries/working group	
4. Develop green bond framework	WB-DMO-Working Group	
5. Obtain external review	DMO-WB-Working Group	
6. Procure underwriters and legal counsel	DMO	
7. Prepare bond documentation	DMO-Underwriters	
8. Marketing and Launch	DMO-Underwriters	
9. Allocate bond proceeds	DMO	
10. Prepare post-issuance report	DMO-Working Group-WB	





SOVEREIGN GREEN BOND WORKING GROUP



WHAT IS THE RESPONSIBILITY OF THE WORKING GROUP?

- Provide input in the development of the sovereign Green Bond Framework
- Provide technical support for the external review of the Framework
- Identify eligible projects according to the agreed criteria
- Review the allocation of proceeds of Green Bonds and determine if any changes are necessary, such as replacing an expenditure if it no longer meets the eligibility criteria or has been cancelled, with another Eligible Green Expenditure
- In case of any operational issues or controversies, line ministries update the Working Group within [5] business days
- Provide the necessary inputs for the preparation of the post issuance annual allocation and impact reports based on data and information provided by relevant ministries.
- Approval forum for the Final Framework and Allocation and Impact Report
- Provide technical support for the post-issuance audit of use of proceeds



GREEN BOND PRINCIPLES PROJECT CATEGORIES



- Renewable energy and energy efficiency
- Clean transportation
- Sustainable management of living natural resources and land use
- Pollution prevention and control
- Sustainable water and wastewater management
- Circular economy
- Green buildings
- Terrestrial and aquatic biodiversity
- Climate change adaptation

EXCLUDED PROJECTS



Nuclear power
generation

Landfill
projects

Alcohol, weapons,
tobacco, gaming,
or palm oil
industries

Direct waste
incineration

Renewable energy
projects generating
energy from biomass
using feedstock
originating from
protected areas

Controversial

Expenditures involving
extraction/production/distributi
on of fossil fuels, including
improvements and upgrades;
or where the core energy
source is fossil-fuel based

Those financed off-budget
via a dedicated external
source (avoid "double
counting")

Hydropower plants larger than 25
MW, unless an official
sustainability assessment is
carried out by an accredited
assessor using the Hydropower
Sustainability ESG Gap Analysis
Tool (HESG)

NEXT STEPS

**World Bank team to share
Green Bond Framework**

March

**MOF/Working Group to
send final feedback by**

June

**Green Bond Framework
finalized by**

July

**Consider starting the third-
party external review of
the framework**

August -September

**WB to share excel template
to identify projects**

March - April

**Each ministry send their proposed
investments/expenditures to be
financed by the green bond**

April - May

**Virtual sessions can be held with
each ministry to discuss their
proposed projects.**

June

**The pipeline for the green bond
finalized.**

August -September





FURTHER INITIATION



- Strategy for the Development of a "Green" Economy in the Republic of Tajikistan for 2023-2037
- Law of the Republic of Tajikistan "On the State Budget of the Republic of Tajikistan for the Corresponding Financial Year"
- Law of the Republic of Tajikistan "On State Debt and State-Guaranteed Debt"
- Medium-Term Strategy for Managing the State Debt of the Republic of Tajikistan for 2024-2026
- Rules for the Issue and Circulation of Government Securities of the Republic of Tajikistan



**REVISION AND IMPROVEMENT OF
REGULATORY LEGAL DOCUMENTS**

THANK YOU!



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