



REPORT
on activities of the Secretariat of the Consultative
Council on improvement of investment climate under
the President of Republic of Tajikistan
(June 2009- June 2010)



1. INTRODUCTION	3
2. ACHIEVEMENT OF GOALS AND TASKS OF THE SECRETARIAT OF THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF THE INVESTMENT CLIMATE UNDER THE PRESIDENT OF THE REPUBLIC OF TAJIKISTAN	6
2.1 GOALS AND TASKS OF THE SECRETARIAT OF THE INVESTMENT COUNCIL	6
2.2. FULFILLMENT OF THE SET TASKS BY THE SECRETARIAT OF THE CONSULTATIVE COUNCIL	8
2.3. PREPARATION AND CONDUCTING OF THE 3 RD SESSION OF THE CONSULTATIVE COUNCIL	9
2.4. PREPARATION AND CONDUCTING OF THE 4 TH SESSION OF THE CONSULTATIVE COUNCIL	11
2.5. PREPARATION AND CONDUCTING OF THE 5 TH SESSION OF THE CONSULTATIVE COUNCIL	17
2.6. PREPARATION FOR THE 6 TH SESSION OF THE CONSULTATIVE COUNCIL	21
3. IDENTIFICATION OF KEY CANDIDATES FROM GOVERNMENT AND PRIVATE SECTOR FOR MEMBERSHIP TO THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF THE INVESTMENT CLIMATE UNDER THE PRESIDENT OF THE REPUBLIC OF TAJIKISTAN	23
4. DONORS SUPPORT AND COOPERATION WITH THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF THE INVESTMENT CLIMATE UNDER THE PRESIDENT OF THE REPUBLIC OF TAJIKISTAN, AND PARTICIPATION IN SELECTION OF STAFF FOR THE SECRETARIAT OF THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF THE INVESTMENT CLIMATE UNDER THE PRESIDENT OF THE REPUBLIC OF TAJIKISTAN	24
5. MONITORING AND EVALUATION OF THE DECISIONS AND RECOMMENDATIONS OF THE CONSULTATIVE COUNCIL AND DISSEMINATION OF INFORMATION	26
6. OTHER ACTIVITIES OF THE SECRETARIAT OF THE CONSULTATIVE COUNCIL	28
7. CONCLUSION	29
ATTACHMENTS	33

1. Introduction

The current report is prepared with the view to inform EBRD and donor community about achievements of the Consultative Council on Improvement of the Investment Climate under the President of the Republic of Tajikistan (thereafter the Consultative Council) for the reporting period of June 2009 to June 2010.

The report discusses the key result areas of the Secretariat of the Consultative Council (the Secretariat) on support of the process of public policy dialogue directed on reforms for improvement of the investment climate and private sector development.

The key indicator of the activities of the Consultative Council and the Secretariat, for the reporting period (June 2009-June 2010) is undertaking of the administrative and legal reforms in the framework of Improvement of business Environment -200 days of reform Program and the Plan of Further Measures of the Government of the Republic of Tajikistan for improvement of the investment climate and Doing Business Indicators of the Republic of Tajikistan.

The rankings on several indicators were improved in comparison to the previous years due to undertaking of reforms on improvement of business climate with the Government of Republic of Tajikistan.

According to the WB «Doing Business» Republic of Tajikistan has improved its indicators by 12 points, shifting from 164 to 152 place, and for the first time was among the top 10 reformer-countries, among which (in the order of ranks) are countries such as Ruanda, Kyrgyz Republic, Republic of Macedonia, Belarus, OAE, Moldova, Columbia, Tajikistan, Egypt and Liberia.

All efforts were made to adopt and implement the proposed package of reforms, which led to improvement of the business climate and at the same time improvements of ranking of the Republic of Tajikistan.

The following Programs and Plans of the Government of Tajikistan were submitted and proposed by the Consultative Council that led to the achievement of the above mentioned results:

1. The action Plan on first-priority activities of the Government RT for improvement of the international rating indicators of Republic of Tajikistan – approved in the minutes of the 2nd session of the Consultative Council conducted on 18 December 2008.
2. Improving Business Environment - 200 days of Reforms Program - approved by the decree of the Government of Tajikistan on 2 July 2009 №386.
3. Plan of Further Measures of the Government of the Republic of Tajikistan for improvement of the investment climate and indicators of the Republic of Tajikistan in international rating – approved by the decree of the Government of Tajikistan from 29 May 2010 №276.

The success that Tajikistan achieved are the direct indicator of improved business activity – the result of the opportunities, including the Consultative Council, that the Government of Tajikistan has been giving to the private sector to participate in the decision making process in the area of private sector development.

**MAIN ACHIEVEMENTS OF TAJIKISTAN ACCORDING TO THE WORLD BANK
DOING BUSINESS - 2010**

	Rating 2010 r.	Rating 2009 r.	Rating change
<i>Position of Republic of Tajikistan in a rating</i>	152	164	+12
Indicators:			
Registration of business enterprises	143	169	+26
Obtaining permit for construction	177	180	+3
Labor hiring	143	142	-1
Property registration	78	47	-31
Lending	167	165	-2
Protection of investors	73	151	+78
Taxation	162	161	-1
Foreign trade	179	179	0
Insuring contract performance	39	41	+2
Liquidation of enterprise	100	100	0

The activity lines of the Consultative Council are developed by the Secretariat in consultation with the members of the Consultative Council, business and donor communities and are aligned with priorities set in National Development Strategy to 2015 and with goals and tasks of the Poverty Reduction Strategy.

At the moment the Consultative Council and the Secretariat work in the following areas:

1. Improvement of Doing Business Indicators of the Republic of Tajikistan in the World Bank Report, which include the issues related with:
 - Simplification of exit and entry procedures;
 - Improvement of tax and customs administration;
 - Upgrading inspections and licensing;
 - Simplification of the procedures related to obtaining permits for construction;
 - Enhancement of legislation in the areas of protection of investor rights, including property rights;
 - Improvement of procedures for external trade, including standardization and certification procedures;
 - Improvement of lending, leasing and insurance procedures;
2. Introduction and development of corporate governance.
3. Improvement of the public administration.
4. State support for the development of the private sector and promotion of access in international markets.

5. General improvement of business climate in the country.

The key aspect of the considered issues is development of agreed decisions on elimination of administrative barriers that prevent attraction of investment and development of the private sector in the country.

The Secretariat, despite a number of objective and subjective reasons that impacted the work of the Consultative Council, prepared and conducted three sessions during the reporting period.

In June 2009 in the 3rd session of the Consultative Council the draft Improving Business Environment - 200 days of Reforms Program was considered.

Improving Business Environment - 200 days of Reforms Program was the result of joint work of business structures and state institutions. As the result the Government of Tajikistan had endorsed the program with a decree on 2 July 2009.

The approved plan by the Government of Tajikistan is different from the version proposed by the Consultative Council, and not all of the proposals were taken into account. Nevertheless the Program did not lose its significance for the development of private sector reforms and is a good beginning of the public private partnership.

The Secretariat actively participated in the monitoring of the implementation of the Program during the reporting period to support achievement of the goals of the program.

In this relation, the key issue of the 4th session of the Consultative Council which was held in December 2009, was consideration of the progress of implementation of Improving Business Environment - 200 days of Reforms Program.

In addition, information on the following projects were presented:

- The Project of European Commission on introduction of state registry system of legal and individual entities according to the principle of one stop shop;
- USAID projects in Tajikistan on business environment improvement (BEI), on land reform (LRMDP), and on trade liberalization and customs reform (RTLCL);
- International Finance Corporation projects on leasing development in CAR, corporate governance in CAR and business enabling environment (BEE);
- GTZ project on regional economic cooperation.

In April in the 5th meeting of the Consultative Council the following issues were discussed:

1. Approval of the Operational Regulation of activity of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan.
2. Information on implementation of the decisions by the 4-th (fourth) Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan dated December 8, 2009. Introduction of the Plan of the Government of the Republic of Tajikistan for further improvement of investment climate and indicators of the Republic of Tajikistan in the international ratings and mechanism of its implementation.
3. Approval of the draft Agenda for the Sixth session of the Consultative Council.

The Secretariat, along with development and implementation of the monitoring mechanism of the decisions and recommendations of the Consultative Council, was preparing for the 6th session of the Consultative Council. An active awareness rising campaign among public institutions, associations, business structures and local government bodies in the area of public private dialogue in the local level was undertaken.

The Secretariat achieved a significant progress in strengthening partnership between state structures and business community, is actively working on public engagement on decision making process by the government in reforms process and private sector development.

2. Achievement of goals and tasks of the Secretariat of the Consultative Council on Improvement of the Investment Climate under the President of the Republic of Tajikistan

2.1 Goals and tasks of the Secretariat of the Investment Council

According to the goals and tasks of the Consultative Council, the Secretariat has the following functions:

- Support the Consultative Council and conduct of studies, analysis of business environment and investment climate in the country;
- Preparation and organization of the sessions of the Consultative Council;
- Development of proposals and recommendations for the Consultative Council on the issues for attraction of foreign investment and improvement of business environment;
- Monitoring of the implementation of measures on improvement of business and investment climate with subsequent informing of the Consultative Council;
- Preparing materials for the meetings and for decision making by the Council (i.e. determining and agreeing the topics to be discussed at Council meetings, preparing proposals and recommendations in the form of specific management decisions (Presidential and Government decisions), preparing information on improvements to the business environment and investment climate for Council members and preparing memoranda on the implementation of Council decisions;
- Dealing with the organizational and technical aspects of Council meetings (i.e. deciding on the venue, arranging for translation services, distributing documents etc.);
- Coordinating and liaising between international organizations, business associations and government agencies as well as working parties preparing materials for the meetings and for the decision-making process;
- Summarizing proposals for improvements to the business environment and investment climate put forward by government agencies, business bodies and international organizations submitted to the Council;
- Analyzing regulatory documents relevant to business and investment and submitting proposals on their improvement to the Council;
- Drawing up proposals for the creation of new mechanisms to attract inward investment (developing strategies and defining priorities) and to improve the business environment;

The goals and tasks are more specified in the following activity lines:

Activity line 1

- Identification of main barriers for investment of local and foreign companies, main participants, for them to be considered in the Consultative Council.

- Consultations with international organizations and collection of recommendations of state bodies, private sector, as well as international financial institutions and other donor organizations.

Activity line 2

- In collaboration with the members of the Consultative Council (who will determine the issues to be considered) concurrence and preparation of the agenda of the session, including submission of the necessary documents, which will be discussed in the sessions of the Consultative Council and the working groups.
- Conduct of the regular sessions of the Consultative Council and working groups.

Activity line 3

- Preparation and presentation of the decisions and recommendations of the Consultative Council or the working groups to the state bodies, representatives of the private sector and EBRD as necessary

Activity line 4

- Identification of agencies, including donors, which can provide assistance in conduct of analytical works on separate issues that are raised by the Consultative Council as well as coordination of activities with these agencies and other stakeholders in the working groups.

Activity line 5

- Development of proposals and organization of the work of the Consultative Council. Preparation of the applied recommendations on legislation, institutional development, and structural change.
- Identification of key representatives from private sector and government as a candidates for the membership in the Consultative Council.

Activity line 6

- Preparation of the minutes of the Consultative Council for endorsement and approval by the members and the chairman of the Consultative Council

Activity line 7

- Management of the operational work of the Consultative Council

Activity line 8

- Participation in the selection of the staff for the Secretariat

- Development of the capacity of the staff of the Secretariat on the basis of operations as well as participation in regional seminars, conferences, conducted and sponsored by various organizations (for example, EBRD, World Bank and GTZ)

Activity line 9

- Preparation and submission of regular reports to EBRD

2.2. Fulfillment of the set tasks by the Secretariat of the Consultative Council

The Secretariat informs that for the reporting period the work was ongoing for preparation and conduct of the sessions and active engagement of the private sector in the process. If at the moment of establishment of the Consultative Council and conduct of the first session of the Consultative Council there were 9 members than there were 12 members representing private sector and institutions that support development of the private sector. The decision of the 2nd Consultative Council another 3 members from business associations were added.

The sessions of the Consultative Council

Since creation of the **Consultative Council on Improvement of the Investment Climate under the President of the Republic of Tajikistan** from 19 December 2007 there were held:

- 5 sessions
- Meetings with the President of Republic of Tajikistan

At the moment the Consultative Council headed by the President of the country became a platform where representatives of the private sector, government, and donors can discuss issues related to development of the private sector and economy.

The State is represented by Prime Minister of Republic of Tajikistan and Chairman of State Committee for Investment and State Property Management as permanent members of the Consultative Council.

The rotation mechanism is envisaged for non-permanent members of the Consultative Council from private sector, foreign investors, as well as representatives of multilateral and bilateral donors.

The rotation of one of the members of the Consultative Council from private sector occurred during the reporting period.

The Secretariat is working to prepare for rotation of another four members in the coming 6th and 7th sessions of the Consultative Council.

In the reporting period the private sector is represented by 6 members, including business associations and foreign investors. EBRD is representing multilateral and USAID bilateral donors as members of the Consultative Council.

The above mentioned witnesses the increased interest of the private sector to have dialogue with the Government through the Consultative Council.

In the reporting period, the Consultative Council has produced a number of recommendations on priority areas for the development of the private sector, and the following results were achieved:

- The 3rd, 4th, and 5th sessions of the Consultative Council were conducted;
- The agenda for the 6th sessions of the Consultative Council was prepared and agreed;
- The monitoring and evaluation of the progress of the previous decisions of the Consultative Council and public information disclosure;
- The Rule of the Consultative Council was developed and endorsed;
- The activities for engagement of institutions for support of the private sector in the process of monitoring of decisions of the Consultative Council;
- The participation of the private sector in the process of decision making by the Government in the area of the private sector development;
- Actions and preparatory works for rotation of the members of the Consultative Council from the private sector and international donor community.

2.3. Preparation and conducting of the 3rd session of the Consultative Council

The sessions of the Consultative Council are the most important part of the Councils activities, the main aim of which is identification of an action plan for the state institutions and the private sector for implementation of the investment policy. The decisions of the Consultative Council are taken in during the sessions and are documented in the minutes of the sessions of the Consultative Council as decisions and recommendations to the Government of Republic of Tajikistan and other state bodies on the issues related to the improvement of investment climate and attraction of foreign direct investment.

The Secretariat maintains preparation of documents, conduct of the sessions of the Consultative Council as well as monitoring and evaluation of all decisions of the Consultative Council.

The Secretariat of the Consultative Council with the view to prepare needed documents for conducting of the 3rd session of the Consultative Council has taken the following measures (See the Report covering II half of 2008 to first half of 2009) :

- It approached all interested parties asking for recommendations on improving the business environment and methods of doing business, improving the legal framework and other issues of interest to business for inclusion in the “200 Days of Reform” Program;
- Acting in cooperation with GKI, it organized a series of meetings with business associations to discuss the draft “200 Days of Reform” program; - It held working meetings with donor organizations to discuss technical support for the “200 Days of Reform” Program;
- It arranged for extended coverage of the “200 Days of Reform” program by the media (articles, correspondence etc.);
- It organized round tables to discuss the “200 Days of Reform” Program;

Third meeting of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan was held on June 18, 2009, in the Executive Office of the President of Republic of Tajikistan.

This working session was attended by the President of the Republic of Tajikistan, Chairman of the Consultative Council, Emomali Rahmon; the Prime-Minister of the Republic of Tajikistan, A. Akilov; the State Advisor to the President of the Republic of Tajikistan on Economic Policy, M. Davlatov; The Chairman of the State Committee on Investments and State Property Management, Executive Secretary of the Council, F.

Khamraliev; EBRD Director in Central Asia, M. Khonma; Acting Director of USAID in Tajikistan, K. Din; the Chairman of the Board of the National Association of Small and Medium Enterprises, M. Uljabaeva; The President of the Company «Tethys Tajikistan Limited», D. Robson; Head of the Council's Secretariat, Sh. Zardov; as well as three new members of the Council, representing business structures of the Republic – the Chairman of the Association of Producers and Entrepreneurs, Z. Saidov, the Chairman of the Union of Entrepreneurs and Exporters of Tajikistan, N. Zabiroy, and the Chairman of the Association of Banks of Tajikistan, I. Lalbekov.

Special guests of the third Council meeting were Mr. Jiji Takeshi, ADB Deputy Country Director; Mrs. Chiara Bronchi, World Bank's Country Manager; as well as heads of ministries and agencies of the Republic of Tajikistan.

In the meeting were discussed:

1. Report on the implementation status of the decisions taken by the second meeting of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan, held on December 18, 2008.

The members of the Consultative Council have emphasized that despite the positive progress of the implementation of the Council's decisions, the Decisions taken by the Council have not been always supported by the sector agencies.

2. Approval of "Improving Business Environment - 200 days of Reforms" Draft Program

Members of the Consultative Council were quite supportive towards the proposed Program, and referred to its measures as timely, necessary and aimed to simplify the procedures for doing business; and the President of the Republic of Tajikistan has commissioned the Government to review it fully by the end of June and to adopt for implementation.

3. Issues related to improvement of investment climate within the country.

The members of the Consultative Council recommended the Government of Tajikistan to continue with reforms directed in reduction of excessive administrative procedures that hinder development of the private sector. A separate recommendation was to simplify visa regime.

The members of the Consultative Council discussed the activities of donors and recommended to strengthen the implementation of the projects.

Besides, the members of the Consultative Council decided for the next meetings to have presentation of donor projects supporting improvement of business climate along with the reports by ministries and agencies. In this relation, specific recommendations were given to the Executive Secretary of the Consultative.

The Chairman of the Consultative Council – the President of the country supported the recommendation of the members of the Consultative Council to include the representative of the American Chamber of Commerce to the list of members of the Consultative Council, which was officially registered in 2008 in Tajikistan.

The agenda for the next meeting was not identified, however instruction were given to the Executive Secretary of the Council and the Secretariat, to discuss and prepare a list of issues for consideration in the next meeting of the Consultative Council.

Results:

- A political decision on further reforms in public administration with the view to develop business environment.
- A special program of short-term administrative and regulatory measures that deal with the key problems for business.
- An idea of increasing the role of the private sector in decision making process through increasing of number of members of the Consultative Council from the private sector.
- The view was expressed that the role and importance of the private sector in reaching decisions and furthering reforms could be strengthened by increasing the number of private sector representatives in the Council. All in all, a further step was made towards establishing a public-private dialogue.

Limitations:

- The Council's agreed working procedure is not being observed (there were six months between the Second Meeting of 18 December 2008 and the Third Meeting of 18 June 2009);
- There is a weak interest in development of dialogue between public and private sector, including through the Consultative Council.
- The imperfections in the organizational structure of the Consultative Council impact the quality of the work of the Consultative Council. For example, there is no clear division between the rights, tasks and responsibilities of the Executive Secretary of Consultative Council and Head of Secretariat.

2.4. Preparation and conducting of the 4th session of the Consultative Council

The Secretariat has taken the following measures in the period of July- December 2009:

- Consultation with the members of the Consultative Council from the private sector on the agenda of the upcoming session;
- Has conducted analysis of issues raised by the representatives from the private sector and suggested to include improving the ranking of the country – Taxation - in Doing Business Indicators that was envisaged in the 5th point of the were Improving Business Environment - 200 days of Reforms Program;
- Initiated creation of working group for development of the mentioned plan. The working group was created at State Committee for Investment and State Property Management of the Republic of Tajikistan, where the representatives of Tax Committee and Ministry of Finance were part of it;

- Sent an call to business-structures to send proposals for improving the taxation system;
- Analyzed the proposals received from Association of Builders of Tajikistan, Association of banks of Tajikistan, Association of microfinance institutions of Tajikistan(AMFOT); entrepreneurs from Khorog city and Sugd region as well as international projects and has send them to the State Committee for Investment and State Property Management of the Republic of Tajikistan and the members of the working group with the view to use in the preparation of documents;
- Initiated inclusion of the above mentioned associations in the working group;
- Regularly participated in the meetings of the working group, followed up the progress of the working group;
- Had consultations with GTZ on inclusion of the issue of single window on export import operations in the agenda for the 4th meeting of the Consultative Council (the issue of single window on export import operations was envisaged also in the were Improving Business Environment - 200 days of Reforms Program (item 18);
- During the consultations with the GTZ Project on support of regional economic cooperation in Central Asia, a joint working plan was developed that included organization of discussions of the draft documents on introduction of single window on export import operations by the private sector and public information disclosure and their preparation for subsequent consideration in the Consultative Council;

«Taxation» Indicator

According to this indicator in «Doing Business» report for 2009, Tajikistan ranked 159 among 181 countries covered by the review, which is by 4 positions lower compared to 2008 rating (155).

This report analyzes all taxes and contributions to (government) budget paid by a private company, and it also assesses the administrative burden imposed on the company. Doing Business uses a case scenario to measure the taxes and contributions paid by a standardized business and the complexity of an economy's tax compliance system. This case scenario uses a set of financial statements and assumptions about transactions made over the year. Tax experts in each economy compute the taxes and mandatory contributions due in their jurisdiction based on the standardized case study facts. Information is also compiled on the frequency of filing and payments as well as time taken to comply with tax laws in an economy.

Reforms on «Doing Business» include 4 key directions. These are:

- Introduction of implementation procedures for tax obligations in «On-line» mode;
- Introduction of a unified tax;
- Simplifying tax administration;
- Reducing tax rates

- Had separate working meetings with partners (ministries, other state institutions, and donor projects) on the subject of organization of information exchange and preparation for the 4th meeting of the Consultative Council.

In the Session:

The 4th session of the Consultative Council was held on 8 December 2009 in Dushanbe at Executive Office of the President of Republic of Tajikistan.

The main subject of the meeting was **the discussion of the implementation process of the Program «Improving Business Environment – 200 days of reforms»**, which was approved by the Government of the Republic of Tajikistan on July 2, 2009.

The meeting was attended by Mr. Akil Akilov – the Prime Minister of the Republic of Tajikistan, Mr. Matlubhon Davlatov – the State Adviser to the President of the Republic of Tajikistan on Economic Policy, Mr. Davlatally Saidov – the Chairman of State Committee on Investments and State Property Management of the Republic of Tajikistan - the Executive Secretary of the Council (further referred to as SCI of RT), Mr. Ulf Hindstrom – the Head of EBRD Country Office in Tajikistan, Mr. Jeffrey Lekhrer – the Director of the US Agency on International Development (USAID) in Tajikistan, Mrs. Wendy Werner – the Country Coordinator of International Financial Corporation (further referred to as IFC), Mrs. Shallotte Adriane - the Authorized Representative of EC Delegation in Tajikistan, Mr. Jonathan Hornbrook – the Chairman of German Society on Technical Cooperation (GTZ), Mrs. Matluba Uljabaeva – the Chairman of National Association of Small and Medium Enterprises of Tajikistan (further referred to as NASMET), Mr. Zaid Saidov – the Chairman of Association of Producers and Entrepreneurs, Mr. Necrui Zabiroy – the Chairman of the Union of Entrepreneurs and Exporters of Tajikistan, Mr. Izatullo Lalbekov – the Chairman of Association of Banks of Tajikistan (ABT), Mr. Nazir Sharipov – the Head of American Chamber of Commerce and Industry in Tajikistan, Mr. Zafar Khotamov – the Head of the Secretariat of the Council, as well as the senior managers from ministries and agencies involved in the Program's implementation.

The meeting was opened by the Chairman of the Council – the President of Tajikistan, Mr. Emomaly Rakhmon, who welcomed the participants and introduced new members of the Consultative Council, such as Mr. Davlatally Saidov - the Executive Secretary of the Council, Mr. Zafar Khotamov – the Chairman of the Council's Secretariat, and the member of the Council from non - public sector, Mr. Nazir Sharipov - the Head of the American Chamber of Commerce and Industry in Tajikistan.

Then:

1. The report on implementation of the items of the «Improving Business Environment – 200 days of reforms» was considered

Then the senior managers of the ministries and agencies involved in the implementation process of this Program presented their reports on the implementation progress of the Program's items, among whom were: Mr. Davlatally Saidov – the Chairman of SCI of RT, Mr. Farukh Khamraliev – the Minister of Economic Development and Trade, Mr. Sharif Rakhimzoda – the Chairman of National Bank of Tajikistan, Mr. Safarally Najmuddinov – the Minister of Finance, Mrs. Sumangul Tagoeva – the Deputy Minister of Labor and Social Protection of Population, Mr. Mirgan Shakhbozov – the Chairman of State Committee on Statistics, Mr. Nasrullo

Davlatov – the Chairman of Tax Committee under the Government of RT, Mr. Abduvaly Komilov – the Director of the Agency on Construction and Architecture under the Government of RT.

2. The report on implementation of the specific decision taken by the 3rd meeting of the Consultative Council **was considered.**

Mr. Abdullo Yuldashev, the Deputy Minister of Foreign Affairs of RT presented his report on the work accomplished regarding the specific decision taken by the third meeting of the Consultative Council on simplifying visa regime.

3. During the meeting the information was presented by the representatives from the international organizations providing technical support to the Government in regard to implementation of the discussed Program in relation to the activities of their projects in this specific area:

- The Project by European Commission on introduction of «One-Stop Shop» system for the state registration of legal entities and individual entrepreneurs ;
- USAID Projects in Tajikistan on Business Environment Improvement (BEI), on Land Reform (LRMDP), on Regional Trade Liberalization and Customs (RTLTC);
- IFC Projects on Leasing Development in Central Asian Region (CAR), on Corporative Management in CAR, on Business Enabling Environment (BEE);
- GTZ Project on Facilitating Regional Economic Cooperation;

Results:

- The participants of the meeting highlighted the major successes and discussed the problematic issues of Program's implementation. Thus, the most significant achievements were observed with regard to introducing new state registration system for entrepreneurs, obtaining permit documents to carry out construction activities, as well as reforming ownership relations and establishment of a system for free and safe entrepreneurship in the part of legislative protection and expanding shareholders rights.
- The situation with preparation of project documents on the Program is better, compared to managerial decision making on the items of the Program. Thus, the draft decisions were elaborated for 11 items of the Program.
- The Chairman of the Consultative Council, Mr. Emomali Rahhmon, has instructed the senior management of the ministries and agencies to improve the cooperation among the state structures in the process of law making, as well as to ensure a proper performing discipline, based on the requirements of the Governmental Rules of the Republic on meeting the execution deadlines of the documents, without effecting their development' quality.
- The participants of the meeting supported the intentions of the President of the Republic of Tajikistan to bring to a successful completion the reforms

carried out under the Program and aimed at improving the international rating of the country in «Doing Business» Report.

- The achievement of Tajikistan becoming one of the top 10 countries-reformers according to the World Bank Doing Business Report was noted.

The President drew the attention of the ministers towards the fact that inclusion of Tajikistan into the list of 10 top countries- reformers implied even greater responsibility for the ongoing reforms, because foreign investors and international organizations pay close attention to the «countries -reformers».

Limitations:

- In the course of the meeting, the participants emphasized the need to accelerate Program's implementation, because its timelines draw to a close, and the major part of activities have not been yet accomplished. Based on the information provided by SCI of RT only 6 items, out of 24 items of the Program can be considered as accomplished (which is about 25%), because the managerial decisions were taken on those items.
- It was emphasized that timely implementation of the governmental Program has been impeded by a long process of approval of draft regulative legal acts by the ministries and agencies of the republic.
- According to the President of Tajikistan, the accomplishments of the current year due to which the country was listed among 10 top-reformers, could not satisfy the Government, because Tajikistan has still been listed among the countries characterized by weak investment climate.
- The Council's agreed working procedure is not being observed (there were six months between the Third Meeting of 18 June 2009 and the Fourth Meeting of 8 December 2010);

The meeting demonstrated that:

1. The implementation progress of the Program on «Improving Business Environment – 200 days of reforms» was weak;
2. The existing status of the Program's implementation would not positively effect to Tajikistan's indicators in «Doing Business» 2010 Report;
3. The business associations were not properly involved in the process of development and implementation of the Program's items, and also took a passive position in discussions at the Council's meeting. It became clear that business-structures are still not ready to actively participate in monitoring and evaluation of execution of the governmental decisions;
4. Awareness campaign on implementation progress of «Improving Business Environment – 200 days of reforms» Program was not properly performed through mass media.

Based on the outputs of the Councils' meeting, the President of the Republic of Tajikistan gave the following orders:

1. To the Government of the Republic with the purpose to eliminate existing deficiencies in the Program's implementation:
 - To adopt the drafts of regulative legal acts, developed and agreed under implementation of Program's items, within 1 month.
 - To make the implementation plan for the non-fulfilled items of the Program this will specify the proposed measures and timelines for their implementation.
2. To the senior management of the ministries and agencies, to undertake strict measures on observing the Rules of the Government of the Republic, having ensured the proper fulfillment of its requirements regarding timelines for development, harmonization and execution of documents.
3. To the State Committee on Investments and State Property Management of the Republic of Tajikistan, together with representatives of business-structures and international organizations, to conduct the evaluation of Program's implementation and to determine, based on this evaluation, the further steps on carrying out reforms in the area of improving investment climate;
4. To the Government of the Republic of Tajikistan, to develop, the proposals on conducting future necessary reforms to improve country's indicators in the international rating of «Doing Business» Report, until the next meeting of Consultative Council.
5. To the members of the Consultative Council from private sector, it is recommended to be more active at the meetings of the Council and to be ready to openly discuss the existing problems.
6. To the Committee on Television and Radio under the Government of Republic of Tajikistan:
 - with the purpose of providing the entrepreneurs with detailed information in January 2010, to conduct an open TV discussion of the Program's implementation progress with participation of the responsible state agencies and business-structures;
 - jointly with SCI of the Republic of Tajikistan, to develop and implement the Plan for conducting the series of television programs on private sector development reforms, ongoing in the country;
7. To the Ministry of Foreign Affairs, to undertake necessary measures to eliminate the existing impediments when issuing visas to foreign citizens
8. To the Executive Secretary, jointly with the Secretariat of the Council, to undertake the necessary measures on improving the quality of organizing and conducting the Council's meetings
9. To the Secretariat of the Council, jointly with the members of the Consultative Council, to develop and submit for the review by the Chairman of the Council, the Schedule of quarterly meetings.

2.5. Preparation and conducting of the 5th session of the Consultative Council

The Secretariat has taken the following measures in the period of December- April 2010 for the preparation for the 5th session of the Consultative Council:

- *Consultation with the members of the Consultative Council from the private sector on the agenda of the upcoming session;*
- *With the aim of implementation of the decisions of the 4th Consultative Council and improvement of the quality of organization of sessions of the Consultative Council developed draft Operational Regulation of the Consultative Council and consulted stakeholders;*
- *Has conducted analysis of issues raised by the representatives from the private sector, and donor partners and has suggested to include in the agenda of the 5th session of the Consultative Council the draft Plan of Further Measures of the Government of the Republic of Tajikistan for improvement of the investment climate and indicators of the Republic of Tajikistan in international ratings, including in the areas of simplification of requirements for submission for export import procedures, strengthening the protection of lenders and borrowers rights, simplification of construction permit system, simplification of the registration procedures in accordance of one stop shop principle as issues related to improvement of attractiveness of the leasing market of Tajikistan;*
- *Consulted with members of the Doing Business Team of the World Bank on the issues of further improvement of investment climate and indicators of the Republic of Tajikistan with the view to subsequently include consideration of the issue in the 5th session of the Consultative Council ;*
- *Initiated creation of inter-ministerial working groups on development of the mentioned plan with stakeholders participation;*
- *Sent a call to business-structures to send proposals for improving the investment climate and indicators of Republic of Tajikistan;*
- *Initiated inclusion of the representatives of the private sector in the above mentioned working groups;*
- *Consulted the private sector, government structures and donor organizations on inclusion of the Plan of Further Measures of the Government of the Republic of Tajikistan for improvement of the investment climate and indicators of the Republic of Tajikistan in international rating;*
- *Consulted the regional trade and customs liberalization project of USAID on inclusion in the Plan of Further Measures of the Government of the Republic of Tajikistan for improvement of the investment climate and indicators of the Republic of Tajikistan in international rating the simplification of requirements for submission for export import procedures and establishment of an inter-ministerial working group at the Ministry of Economic Development and Trade;*

- *Consulted USAID BEI project on inclusion of simplification of construction permit system in the Plan of Further Measures of the Government of the Republic of Tajikistan for improvement of the investment climate and indicators of the Republic of Tajikistan in international rating;*
- *Had separate working meetings with partners (ministries, other state institutions, and donor projects) on the subject of organization of information exchange and preparation for the 4th meeting of the Consultative Council.*

The 5th session of the Consultative Council was conducted on 28 April 2010 in Dushanbe at the city residence of the Government of Tajikistan.

Participants included Council members, Akilov Akilov, Prime Minister of Tajikistan, Davlatali Saidov, Chairman of the Tajikistan State Investment and Property Management Committee (“GKI”) and Executive Secretary of the Council, Ulf Hindstrom, Head of EBRD Office in Tajikistan, Geoffrey Lehrer, Director of the US Agency for International Development (USAID) in Tajikistan, Zaid Saidov, Chairman, Manufacturers and Entrepreneurs Association, Nekrui Zabiroy, Chairman, Tajikistan Entrepreneurs and Exporters Union, Izatullo Lalbekov, Chairman, Banking Association of Tajikistan (ABT), Makhmadnazar Sharipov, Head of the American Chamber of Trade and Industry in Tajikistan, David Robson, President of Tetis Limited, Gulmakhmad Kayumov, CEO of TT Mobile, and Zafar Khotamov, Head of the Secretariat, as well as executives from ministries and departments involved in Programme implementation and other invited and interested parties.

Agenda of the session:

1. Approval of the Operational Regulation of activity of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan.
2. Information on implementation of the decisions by the 4-th (fourth) Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan dated December 8, 2009. Introduction of the Plan of the Government of the Republic of Tajikistan for further improvement of investment climate and indicators of the Republic of Tajikistan in the international ratings and mechanism of its implementation.
3. Approval of the draft Agenda for the Sixth session of the Consultative Council.

Emomali Rahmon, President of the Republic of Tajikistan, the Chairman of the Council, when opening the 5th session of the Consultative Council has introduced a new member of the Council presented by the private sector - Mr. Gulmakhmad Kayumov, Director General of the Company “TT Mobile”.

Then:

1. The first item of the agenda discussed in the meeting was consideration of the Operational Regulation of the Consultative Council on Improvement of the Investment Climate under the President of the Republic of Tajikistan.

With this regard, Emomali Rahmon, President of the Republic of Tajikistan, Head of the Council, pointed out that adoption of the Operational Regulation would help ensure efficiency of the activity of the Council, and instructed the Executive Secretary and the Council Secretariat to run the activity of the Council in accordance with the Regulation with a view to ensuring constructive cooperation with state agencies and businesses, and to undertake necessary measures to involve a broad range of the private sector representatives into the Council's activity.

2. A report on implementation of the decisions by the 4-th (fourth) Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan dated December 8, 2009 was considered and the draft Plan of the Government of the Republic of Tajikistan for further improvement of investment climate and indicators of the Republic of Tajikistan in the international ratings and mechanism of its implementation was introduced.

Mr. Saidov has stressed that the Government of Tajikistan has lately been paying a particular attention to the improvement of the investment climate and business environment in the country, and a number of legal and regulatory documents have been adopted and implemented with a view to promoting the improvement of the investment climate and business environment. The Program "Improving Business Environment – 200 Days of Reforms" has been developed and implemented among the abovementioned activity of the Government. The Program includes measures on elimination of a broad range of barriers hampering the business development. He has also noted that the State Committee for Investment and State Property Management has prepared the detailed report on implementation of this Program to be discussed during the next meeting of the Government of Tajikistan.

Furthermore, Mr. Saidov has pointed out that the draft "Plan of further measures of the Government of Tajikistan on improvement of the investment climate and indicators of the Republic of Tajikistan in the international ratings" has been developed with a view to implementing further reforms for improvement of business environment and investment climate, and was proposed for the consideration of the Council.

Then the private sector discussed the separate items of the draft Plan and made the following proposals with a view to improving the investment climate and the indicators of Tajikistan in the international rating:

- It would be efficient to assign sector ministries and agencies responsible for each rating indicator with a view to ensuring real improvement of the indicators of the Republic of Tajikistan according to the World Bank "Doing Business" report and to strengthen their sense of responsibility.
- To arrange retraining courses for entrepreneurs, including those entrepreneurs surveyed by the World Bank's "Doing Business" team.
 - To develop and implement short-term and medium-term plans for the development of the domestic production reflecting specific reform measures without causing damage to the country's economy.
- To exempt import of modern technology via leasing from VAT.

3. Mr. Davlatali Saidov, the Council Executive Secretary, made a report on the third point of the agenda.

Council's Executive Secretary pointed out that since the President of the Republic of Tajikistan announced 2010 as the "Year of Education and Technology", it would be reasonable to discuss the issue of "Introduction of modern information and communications technology for the development of electronic trade", and importance and advantages of electronic governance at the next meeting of the Council.

The Council's Executive Secretary asked the Council Chairman to promote establishment of a working group for development of materials for the sixth meeting of the Consultative Council out of representatives from relevant ministries and agencies and the private sector with the support of donor organizations taking into account the above-mentioned points.

Results:

The President of the Republic of Tajikistan gave the following instructions to responsible officials from relevant agencies at the session (Council decisions):

1. To approve the Operational Regulation of the Consultative Council on improvement of the investment climate under the President of the Republic of Tajikistan. The Executive Secretary and Secretariat of the Council should run the activity of the Council in accordance with the Regulation with a view to establishing constructive cooperation with state agencies and businesses and ensure strict observance of the Operational Regulation. They are also entrusted to promote the involvement of a broad range of the private sector representatives in the Council activity.

2. The Government of the Republic of Tajikistan should:

- approve the Plan of further measures of the Government of Tajikistan on improvement of the investment climate and the indicators of the Republic of Tajikistan in the International rating within the determined procedures and undertake necessary measures jointly with relevant ministries and agencies and the private sector with the involvement of the donor organizations with a view to implementing the Plan's provisions;

- establish corresponding working groups according to the Plan provisions, to develop draft legal and regulatory documents and to submit for the consideration and approval of the Government of the Republic of Tajikistan within the shortest period of time in accordance with the Operational Regulation of the Government.

- to include representatives from the Executive Office of the President of the Republic of Tajikistan, including specialists from Legal Department, Economic Reforms and Investment Department, Finance Department and Industry and Energy Unit into the Interdepartmental Commission for support of local producers under the Ministry of Economic Development and Trade of the Republic of Tajikistan with a view to ensuring efficiency of the operation of the above-mentioned Commission and agreeing draft legal and regulatory documents developed by this Commission with relevant government agencies in a timely manner.

3. The State Committee for Investment and State Property Management of the Republic of Tajikistan jointly with the Secretariat of the Consultative Council should coordinate the activity of working groups and provide detailed progress report on implementation of the Plan of measures to the Government of the Republic of Tajikistan on a regular basis.

4. To identify priority indicators of the World Bank "Doing Business" International Rating and to assign relevant sector ministries and agencies responsible for these indicators improvement with involvement of the private sector.

5. Business Associations are recommended to undertake necessary measures with a view to enhancing the retraining of entrepreneurs with the support by international organizations.

6. To approve the issue of "Development of information and communications technology for the development of electronic trade" as one of the items of the Sixth Consultative Council session Agenda.

With this regard, the State Committee for Investment and State Property Management of the Republic of Tajikistan should establish a specific working group out of representatives from

relevant ministries and agencies, the private sector, including information and communications companies and the Consultative Council Secretariat, with a view to developing thorough analytic papers for the consideration at the Council's sixth meeting.

7. The membership of Matluba Uljabaeva, the Chairperson of National Association of Small and Medium Enterprise, shall be terminated due to the end of her membership term and Gulmahmad Kayumov, Director General of the Company "TT Mobile" shall be selected as the Council member as a replacement.

8. The Council Executive Secretary and the Secretariat, prior to the next (6-th) Council session, should reconsider the issue of membership of Council members, whose term has expired and undertake necessary measures to propose candidates for the Consultative Council membership in accordance with determined procedures.

2.6. Preparation for the 6th session of the Consultative Council

According to the agreed format of the Consultative Council, the Secretariat scheduled the 6th session of the Consultative Council for July 2010.

The Secretariat had taken the following actions and measures for the period of April - June 2010 for the preparation of the 6th session of the Consultative Council:

- *Consultation with the members of the Consultative Council from the private sector on the agenda of the upcoming session;*
- *Had separate working meetings with partners (ministries, other state institutions, and donor projects) on the subject of organization of information exchange and preparation for the 4th meeting of the Consultative Council;*
- *Had a number of meetings with Association of Agribusiness of Tajikistan, representatives of the Ministry of Agriculture of the Republic of Tajikistan and State Committee for Investment and State Property Management of the Republic of Tajikistan on the issues of improving the effectiveness of the agriculture sector for the achievement of the food security in the country;*
- *Had a number of meetings with the representatives of Association of Builders of Tajikistan and USAID BEI project on issues related to construction, including bidding and tender procedures and inspection of construction companies, with the view to consider them for the inclusion in the next sessions of the Consultative Council;*
- *Initiated the creation of the working group on the information and communication technologies, supported its work;*
- *Worked for improvement of the existing legislation in the area of construction;*
- *Initiated and conducted monitoring of implementation of the Plan of Further Measures of the Government of the Republic of Tajikistan for improvement of the investment climate and indicators of the Republic of Tajikistan in international ratings approved by the decree of the Government of Republic of Tajikistan from 29 May 2010;*

- *Conducted meetings with the representatives of the GTZ project and State Committee for Investment and State Property Management of the Republic of Tajikistan to discuss and prepare the State Program for strengthening export potential of the fruit and vegetable processing industry for 2010-2012;*
- *Analyzed the comments and suggestions of ministries and agencies of Republic of Tajikistan on the documents prepared for the 6th session of the Consultative Council.*

During the consultations members of the Consultative Council from the private sector suggested to discuss in the 6th session of the Consultative Council the improvement of taxation in relation to the import of agriculture machinery, spare parts and agriculture inputs.

The Secretariat has analyzed the issue, which the representatives of the private sector and suggested to have the proposal for changes and amendments to the Tax and Customs Codes of the Republic of Tajikistan, as well as to the Decree of the Government of Republic of Tajikistan from 1 October 2007 N489 related to VAT and customs duties exemption in import of spare parts of the agriculture machinery and selected agriculture inputs, i.e. an limited group of goods including fertilizers, chemicals and seeds.

An analysis on measures for increase of economic effectiveness of agriculture sector on the way to achieve food security in Republic of Tajikistan was prepared during the reporting period. The analysis was prepared by the Association of Agribusiness of Tajikistan with financial and technical support of ACTED, CECI and BEI project of USAID. In the study the vision of the problems that impact adversely the development of the agriculture sector is given and a number of recommendations, including legal are provided, if used appropriately could promote strengthening of the existing potential of agro industry and its further development.

Association of Agro businesses in Tajikistan

Association of Agro businesses in Tajikistan (AAT) was founded in 2006 with the purpose of promoting agro businesses and creating connections between producers, suppliers and traders of agricultural inputs as well as protection of farms' rights. The Association facilitates supplying farms with quality, high-yielding agricultural inputs including services and information on modern technologies. The members of AAT are 120 legal entities that represent the interests of 12,000 people. Mainly, these are dehkan farms, large factories for processing of agricultural products, entrepreneurs and agricultural inputs suppliers.

In order to achieve its objectives the Association implements the following activities:

- Develops and implements programs aiming at development of businesses in the area of agro industrial complex;
- Carries out surveys to identify the priority needs and demands of Association members, lobbies their interests in the agencies of state authority and management as well as other organizations including international organizations as well;
- Promotes exchange of experience and ideas between the members of Association; organizes trips abroad for communication of experience and establishing direct supplies, and also for participation at international fairs; carries out market researches;
- Helps the members of Association to get access to global scientific-technical achievements in the area of agro industrial complex;
- Stimulates establishment of connections between the entrepreneurs- members of AAT of Sugd region and Hatlon region;
- Conducts agricultural exhibitions in Sugd region with participation of entrepreneurs and AAT members of Hatlon region;
- Opens and expands the net of agro shops both in Sugd and Hatlon regions;

The Secretariat has called for the proposals on improvement of taxation in this area from government ministries and agencies, including Ministry of Agriculture as well as business

structures. The received proposals and suggestions were analyzed by the Secretariat and sent to the SCISPM for consideration with the view to submit them further to the Government of Republic of Tajikistan for making appropriate decisions. The Secretariat and State Committee on Investment and State Property Management worked to support the process of agreeing with ministries and agencies and watched compliance of established rules and times for consideration by the relevant ministries and agencies.

The Secretariat with the view to development of the agreed:

- *had consultations with the Ministry of Agriculture, Association of Agribusiness of Tajikistan, USAID BEI Project on consideration of the issue in the agenda of the 6th session of the Consultative Council, including the proposal for changes and amendments to the Tax and Customs Codes of the Republic of Tajikistan, as well as to the Decree of the Government of Republic of Tajikistan from 1 October 2007 N489 related to VAT and customs duties exemption in import of spare parts of the agriculture machinery and selected agriculture inputs, i.e. an limited group of goods including fertilizers, chemicals and seeds;*
- *discussed the submitted drafts with SCISPM and other relevant ministries and agencies.*

With the view to monitor the implementation of earlier decisions and recommendations of the Consultative Council the Secretariat plans to prepare and include in the agenda of the 6th session of the Consultative Council a report on implementation of the decisions and recommendations of the 5th session of the Consultative Council.

The report differs from earlier reports by richness of information. During the reporting period the Secretariat has conducted several working meetings with the specialists from ministries and agencies, private sector groups and donor projects that are involved in implementation of the Program to establish a system for collection and analysis of information.

3. Identification of key candidates from government and private sector for membership to the Consultative Council on Improvement of the Investment Climate under the President of the Republic of Tajikistan

The process of identification of candidates for the membership of the Consultative Council was as follows:

- Actual participation of the representatives of the private sector on the work of the Consultative Council took place through promotion of transparent procedure of selection of the members on the basis of in advance announced requirements and criteria;
- Promotion of equal treatment of members from the private sector, government and international organizations in the work of the Consultative Council and their equal participation in the decision making process of the Consultative Council.

The Secretariat has adhered to the principles of effective participation of members in the work of the Consultative Council in the reporting period. Newly elected members participated in the work of the Consultative Council from the private sector according to the rotation mechanism.

According to the decision of the 5th Consultative Council the Executive Secretary of the Council and Secretariat were tasked to consider the membership terms of the members in the Consultative Council whose terms are about to finish and take necessary measures for submission of new candidates for membership in the Consultative Council according to the established rules and procedures.

The secretariat has taken necessary measures and actions and the following process of identification and selection of candidates from the private sector for the rotation of members in the Consultative Council. The Secretariat with donor organizations has sent information letters to business associations with information about the Consultative Council, as well as opportunities of participation in its work. The associations were requested to submit candidates for the membership in the Consultative Council.

The following information was requested from active business associations:

- information about the business association;
- the key results of the associations in protection of their members (application, analytical documents, and concepts developed),
- candidates from business associations (not more than 3) for the membership in the Consultative Council with short biography of the candidates, their expectations and their work plans in the Consultative Council.

The business associations took an active part in putting forward their candidates, submitting over 25 nominations representing nine associations. All applications were carefully classified and analysed by the Secretariat with active participation of business associations and donor organisations (GTZ and USAID), after which a special committee was set up to prepare the short list. The committee will select candidates on the basis of the documents and interviews, during which the candidates will be expected to present the organisation they represent, describe their role in it and give a brief account of their expected contribution to the Council's work. The Commission will be mandated to prepare an appropriate number of candidates with the view to submit them to the Consultative Council for finalization of the process.

The mechanism for rotation of the members of the Consultative Council - developed by the Secretariat – is effective and ensures representation of the greater number of business associations as well as other representatives of the private sector in the work and sessions of the Consultative Council on the principles transparency and democratic selection of the members.

The members of the Consultative Council representing multilateral and bilateral international organizations will be selected by multilateral and bilateral donor organizations, respectively. Currently multilateral and bilateral donors are represented by EBRD and USAID, respectively.

4. Donors support and cooperation with the Consultative Council on Improvement of the Investment Climate under the President of the Republic of Tajikistan, and participation in selection of staff for the Secretariat of the Consultative Council on Improvement of the Investment Climate under the President of the Republic of Tajikistan

The international donor organizations recognize the increased role of the Consultative Council in the area of improvement of investment climate in Republic of Tajikistan.

The Secretariat of the Consultative Council is actively supported by such international donor organizations as EBRD, GTZ and IFC.

EBRD and GTZ support in developments of the necessary documents, preparation of legal analysis on proposed draft normative acts, technical support of working groups and consultations with experts participation as well as strengthening the capacity of the Secretariat.

IFC is assisting the Secretariat in organization of the private sector with the view of identification of the problems and issues. Specifically, the staff of the Secretariat and SCISPM participated in training organized by BEE IFC Project in Khodja Obi Garm. The two day training was developed for improvement of the skills of the Secretariat staff on preparation and conduct of the meetings. In particular, the training has captured the following topics: skills for leading the meeting, identification and formulation of the agenda, minutes as means of documenting the meeting discussion and other methods of documentation of the meeting discussions and facilitation of the meetings.

International consultant on public private dialogue Malcolm Toland during his visit of Tajikistan had a number of meetings with the staff of the Secretariat and the SCISPM as well as conducted training for the Secretariat staff on main developments of the public private dialogue.

The following recommendations were developed as a result of the meetings:

- maintaining regular contact with the private sector and other interested parties to ensure full awareness of reform issues;
- Consistent approach used to filter reform proposals into agenda items at Council meetings;
- development of the issues submission template for reform proposals, in relation to the improvement of the investment climate. The template will be a special form for formation of database in the area of reform initiatives that will help to develop a proposal.
- introduction of a database on reform proposals in the Consultative Council and the SCISPM. The database will help to improve the reform proposals, identify prioritization, monitoring and evaluation and reporting system.

Another confirmation of the international organizations support of the Consultative Council and the Secretariat is conduct of the 5th international Workshop on Public-Private Dialogue on June 1-2-3, 2010, in Vienna, Austria. The workshop took stock of recent developments in PPD knowledge, discussed specific PPD cases, explored critical PPD related topics, and helped build capacity to effectively manage and monitor a PPD process.

The delegation of Tajikistan included Chairman of the State Committee for Investment Mr. Saidov D, his deputy Mr. Rahmatboev Sh., head of the Secretariat of Investment Council Mr. Khotamov Z., Assistant of the Head of the Secretariat Umeda Hojimatova, PPD Consultant, IFC BEE project Sitara Sultanova, and Manzura Makhamova (GTZ).

The main objectives of the workshop were:

- Develop knowledge on good practice in public-private dialogue in order to develop a strategy for incorporating more private sector input into the Investment Council.
- Develop relationships with Secretariats from other countries so to take the stock on the worldwide experience on the role of the private sector in the reform process and draw lessons learned, and best practice in term of implementation techniques and policy implications.

- Exchange experiences and learn new tools so as to help members of the delegation refine strategic vision for PPD in Tajikistan.
- Help participants understand the essence of a 'reform submission template' for use with the reform proposal database.
- To make participants aware with baseline assessments to be used in the PPD's M&E framework (i.e., PPD evaluation wheel)

The Secretariat made the following decisions after taking into consideration the main recommendations of the IFC experts:

- continue further with systematic engagement with the private sector and other stakeholders in canvassing for reform issues, that are proposed for consideration by the Consultative Council;
- participate in development of a template for the submission of proposals on reforms to improve the investment climate to the Consultative Council.
- to use a format- developed and agreed with all stakeholders- for filtering of reform proposals into agenda items at Consultative Council sessions;
- to encourage collaboration and cooperation of private sector with donor organizations in filtering of reform proposals into agenda items at Consultative Council sessions;
- to continue direct cooperation with the private sector on filtering of reform proposals into agenda items at Consultative Council sessions;
- to help with set up of a reform proposal database with the view to improve the processes of monitoring, evaluation and reporting.

The Secretariat continues active cooperation with the World Bank on the issues related to improvement of the Doing Business indicators of the Republic of Tajikistan. In May 2010 the Government of Republic of Tajikistan adopted the Plan of Further Measures of the Government of the Republic of Tajikistan for improvement of the investment climate and indicators of the Republic of Tajikistan in international rating. In the 5th session of the Consultative Council it was noted that the Plan has specific goals, responsible institutions and timing for all indicators. The results achieved demonstrated that the taken steps were in the right direction. All of the measures of the plan, are specific, time-bound, measurable and have responsibilities for implementation are specified clearly.

The BEI project of USAID has actively participated in advancing the reform agenda in relation to improvement of Doing Business Indicators of Republic of Tajikistan, the inspection procedures of entrepreneurs by the government bodies and agencies, strengthening of tax and customs administration, improvement of licensing and permit systems in construction sector, optimization of legal base for regulation and doing business, providing significant analytical support to the Secretariat on this issues.

European Commission, GTZ and RTCL project of USAID provided analytical support to the Secretariat and the Consultative Council.

The donor organizations decided to strengthen the support to the Secretariat by increasing the staff of the Secretariat. The two lawyers and an economist were contracted by EBRD in June 2010 and one lawyer by GTZ project on business support.

5. Monitoring and evaluation of the decisions and recommendations of the Consultative Council and dissemination of information

As was mentioned earlier, one of the main directions of activities of the Secretariat, along the preparation and conducting of the sessions of the Consultative Council is monitoring and evaluation of the decisions and recommendations of the Consultative Council. The Secretariat has been accomplishing works in this direction after the 3rd session, when the Improving Business Environment - 200 days of Reforms Program was adopted.

The State Committee on Investment and State Property Management carries out general monitoring of the implementation of the Program, which submits appropriate monthly reports to the Government of Republic of Tajikistan. For this reason a working group was established under the State Committee on Investment and State Property Management, which was mandated to coordinate and monitor the implementation of the Program.

The Secretariat with the aim of supporting the work of the created working group and with the view of identification of its role in the formed system of monitoring and evaluation has developed its own scheme of monitoring of the implementation of the Program. The scheme is oriented to tracking of the direct outputs of each measure of the Program and early warning about issues, as well as for preparation of the monitoring report, including evaluation of important results of the Program.

During the reporting period the Secretariat has conducted several working meetings with the specialists from ministries and agencies, private sector groups and donor projects that are involved in implementation of the Program to establish a system for collection and analysis of information. The Secretariat has received copies of project documents and information on implementation of items of the Program.

Besides, The Secretariat took part in the work of monitoring group under the State Committee on Investment and State Property Management and participates as observer in the working groups. There were 11 working groups created for the implementation of the Program.

The Secretariat as a working body of the Consultative Council is responsible for the organization and technical support of the Consultative Council as well as for the provision of information. Therefore provision of information is an important part of the activities of the Secretariat, which gives significance to the works related to public information disclosure as part of public private dialogue.

The Secretariat had conducted a monitoring mission of the implementation of the tasks and instructions stipulated in the decisions of the minutes of the 5th session of the Consultative Council, including Plan of the Government of the Republic of Tajikistan for further improvement of investment climate and indicators of the Republic of Tajikistan in the international ratings and mechanism of its implementation.

As a result of the monitoring an inter-session meeting chaired by the Prime Minister – Okilov O., was conducted where reports of the relevant ministries and agencies were heard. In this way, the instruction of the Chairman of the Consultative Council, who initiated conduct of inter-session meetings in between the sessions of the Consultative Council chaired by the Prime-Minister, the main aim of which is – monitoring of the implementation of the decisions of the minutes of the Consultative Council.

The Secretariat for strengthening the sustainability of the work of the Consultative Council and with the view to improve the transparency of activity of the Consultative Council works on these directions:

- Informing society about importance of the Consultative Council;
- Strengthening dialogue with business associations and entrepreneurs, including with Business Associations and Non-Governmental Organizations Coordinating Committee (KSBAOOT);

- Enhancing dialogue with state structures, including the Executive Office of the President of the Republic of Tajikistan, State Committee on Investment and State Property Management, Ministry of Economic Development and Trade, Ministry of Finance, Ministry of Justice, Tax and Customs committees.
- Strengthening cooperation with international partners;
- Involvement of regional business-structures in the work of the Consultative Council;
- Organization of the process of collection, and systematization of the proposals of the private sector on improvement of the investment climate.

For the distribution of the information among stakeholders the Secretariat publishes the received information in monthly Bulletins as well as posts in its website: www.investmentcouncil.tj.

There were nine bulletins issued in the reporting period. It should be mentioned that the initiative of the Secretariat has received support of partners, especially from business structures in the regions of the country. The Bulletin has more than 300 receivers.

The Secretariat in addition to the monitoring information published in the bulletins has developed Monitoring list.

In the reporting period the Secretariat has issued 5 monitoring lists on the basis of information received and analyzed.

A new law on registration of legal entities has become into force starting from 1 July 2009, based on which the registration procedures of entities were changed according to the procedures of one stop shop. The reform is the results of joint work of the Government of Tajikistan with the international projects, including European Commission, World Bank, and USAID as well as other representatives of the private sector.

The Secretariat has developed and issued a series of memos for the entrepreneurs “How to register a business”; “what procedures has the entrepreneur to go through in the case of reorganization”; “what procedures has the entrepreneur to go through in the case of liquidation of business”, “ the order of state registration of termination of physical entity as individual entrepreneur”.

The Secretariat continues to publish received information in the bulletin with the aim to distribute information among stakeholders.

In addition, a booklet “State and Business – partnership for the sustainable growth of the country” with explanatory information about functions, goals and tasks of the Consultative Council and its Secretariat was issued. In the booklet the main directions of activities of the of the Consultative Council and the Secretariat, their formation and regulation is discussed. The booklet was issued with the aim of further distribution of information about the Consultative Council and its activities.

6. Other activities of the Secretariat of the Consultative Council

For the reporting period the Secretariat had consultations with business structures, representatives of the local governments in Badakhshan and Khatlon regions (OS ‘Curb’ and OS ‘Milal-Inter’, the department for economy and antimonopoly of the Khatlon region) on the formation of public private dialogue in the regions.

Association «Milal-Inter»

The Association of Entrepreneurs and Mountain farmers «Milal-Inter» was founded in 1994 and has reregistered in justice authorities in December 2005.

The Mission of the organization: *comprehensively support business as well as mountain farming for them to become profitable, sustainable and growing.*

Association «Milal-Inter» is the only business association in Badakhshan that has a goal of business development in the region as well as development of regional cooperation.

The Association is one of the owners and member of the Coordination Council of Business Associations of Tajikistan

The initiative of the Secretariat was positively noted by the parties; however implementation of this step according to the parties is prevented by lack of financing and appropriate experts able to organize the public private dialogue in the local level.

The Secretariat is working on concept note of the issue and plans to have it considered and discussed among donor projects that are able to support the regional initiative of the Secretariat.

In support of the mentioned initiatives, aimed at formation of closer cooperation between public and private sectors, the Association of Entrepreneurs and Mountain farmers «Milal-Inter» plans to conduct an investor's forum from 6 to 8 October 2010 in Khorog city. The staff of the Secretariat is invited to participate.

The goals of the forum are:

- Attraction of local and foreign investors for business opportunities in Badakhshan;
- Speeding the implementation of development program of Badakhshan and effective use of its natural resources;
- Networking between members of the association and other entrepreneurs and farmers of Badakhshan.

The Secretariat with the aim of supporting the conduct of the forum and timeliness of the issues for discussion, plans to participate and prepares a presentation with information about the Consultative Council, goals and tasks, the main activity lines and achieved results.

7. Conclusion

The result of work of the Consultative Council for the reporting period has demonstrated that the idea of public private partnership continuous to gain public support, especially among business community. The Consultative Council has proved its importance as one of the main instruments of public administration system, that is able to connect horizontally the partners interests: the private sector as an engine of economic development and the state – as administration system.

The activities of the Consultative Council have once more proved, that the Council is the structure, which is able to advance many issues related to administrative and regulatory reforms, the solution of which was prevented by separate ministries and agencies.

The following positive developments in the work of the Consultative Council have been witnessed over the reporting period:

- earlier the private sector was not the key presenter and speaker of issues, as were members of the Consultative Council from the government and donors were. Now the members from the private sector present the issues of the agenda as key presenters.
- now intersession government meetings will take place chaired by the Prime Minister – member of the Consultative Council from the government – to consider the status of implementation of the decisions and recommendations of the Consultative Council;
- a questionnaire will be used for identification of issues to be discussed in the sessions of the Consultative Council. The questionnaire will be filled by the private sector, where problems will be stated which the private sector wishes to discuss in the sessions of the Consultative Council. Then the problems of the private sector will be filtered, where the first stage will be the associations and then the Secretariat will develop the issue into concrete proposals for consideration in the Consultative Council.

The activities of the Consultative Council and its Secretariat have promoted:

Activation of the public institutions:

- Coordination Council of Business Associations was formed;
- Domestic public institutions, business associations have strengthened advertisement of the principle of public private partnership and consolidation of business community as partner for resolution of the issues;
- Business- associations are actively participating in development and discussions of the legislation.

Rapprochement of public and private sector interests:

- An MOU about mutual cooperation between State Committee on Investment and State Property Management and business associations was signed on improvement of international rankings of Tajikistan;
- The state bodies and officials are increasingly becoming aware of the role of entrepreneurs in the economic development of the country and barriers that they create in the way of the business.
- According to the decisions of the 2nd Consultative Council – the total number of members from the private sector (domestic and foreign) has increased from 3 to 5.

The interest of international partners in consolidation of efforts for advancing the interests of business:

- A working group on coordination business enabling environment under the SCISPM is created which is supported by international organizations.
- The Secretariat conducts regular consultations with international partners on discussion of their participation in the work of the Consultative Council.
- Many donor organizations intend to advance their initiatives through the Consultative Council, and have extended readiness to support its activity.

In spite of these positive results, the Council is encountering a number of subjective and objective problems which impose constraints on its work.

These risks include:

- Initiatives to create consultative bodies and reform agenda originate mainly from international partner organizations (i.e. donor-driven) and are perceived by governmental officials as temporary measures as part of projects.
- Not all of the line ministries and government bodies feel ownership of the reforms and have capacity constraints in implementing the reforms.
- Weak support on the part of business bodies – On the one hand, business has skepticism about the proposed policies, while on the other it is itself very poorly consolidated and cannot formulate properly the reform proposals: the existing business associations (seen as the main structural unit) cannot effectively represent the interests of the business community. The culture and mentality required for the successful operation of business associations has not yet been formed.

To impart greater stability to the Council's work, the Secretariat is:

- Increasing public awareness of the importance of the Council's work;
- Broadening dialogue with government departments (in particular with the Presidential Executive Office, the Ministry of Economic Development and Trade, the Ministry of Finance, the Justice Ministry, and the Tax and Customs Committees) as well as with business associations and individual business people, partly within the framework of CCBAPOT;
- Expanding its cooperation with international partners;
- Encouraging regional business bodies to take an active part in the Council's work

The Consultative Council became an important institution for supporting the public private dialogue, demonstrating the ability to raise and solve the significant problems for business and this institute has to develop and gain support of the Government of Tajikistan as well as of international community.

List of attachments:

1. Program on «Improving Business Environment – 200 days of reforms», approved by the Decree of the Government of Tajikistan on July 2, 2009 N386.
2. Decree of the Government of the Republic of Tajikistan «Plan of the Government of the Republic of Tajikistan for further improvement of investment climate and indicators of the Republic of Tajikistan in the international ratings»
3. “Plan of the Government of the Republic of Tajikistan for further improvement of investment climate and indicators of the Republic of Tajikistan in the international ratings” approved by the Decree of the Government of Tajikistan on May 29, 2010, N276.
4. Minutes of the 3 session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan from June 18, 2010.
5. Minutes of the 4 session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan from December 8, 2009.
6. Minutes of the 5 session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan from April 28, 2010.
7. Regulation of activity of the Consultative Council for improvement of the investment climate under the President of the Republic of Tajikistan approved by the decisions of the minutes of the 5th session of the Consultative Council.
8. Presentation of the Consultative Council for improvement of the investment climate under the President of the Republic of Tajikistan.
9. Memos for entrepreneurs.
10. Information booklet of the Consultative Council for improvement of the investment climate under the President of the Republic of Tajikistan “State and Business – Partnership for sustainable prosperity of Tajikistan”.
11. Press -releases.
12. Information Bulletins of the Consultative Council for improvement of the investment climate under the President of the Republic of Tajikistan (see web-site: www.investmentcouncil.tj.)

ATTACHMENTS

Attachment 1

Approved by the Decree
of the Government of Tajikistan
386 dd. 02 July, 2009

Program “Improvement of Business Environment – 200 days of reforms”

The Program “Improvement of the Business Environment – 200 days of reforms” (further – the Program) is a complex of short-term activities to be implemented by the Government of the Republic of Tajikistan aimed to promote administrative and regulatory reforms oriented to development of entrepreneurship.

This program is based on priorities of the National Development Strategy of the Republic of Tajikistan (2015) and is mainly aimed for implementation of Poverty Reduction Strategy (2007-2009) tasks for reduction of administrative barriers for entrepreneurs at starting business and reducing costs for performing business and investment activities.

The Program is developed by the State Committee on investments and State Property Management with direct involvement of entrepreneurs, international organizations implementing projects and programs on private sector development and improvement of investment climate in the country.

Problem Description and Need for Solution

1. The Government of the Republic of Tajikistan has conducted number of reforms to ensure favorable conditions for promotion of business activity which considerably increased business activity in the country.
2. Reforms in the systems of registration, licensing and inspections of business entities resulted in time and cost saving at starting business and improved a process of the state regulation of business activity. Introduced amendments to legislation with regard to reduction of requirements to the minimum authorized capital became a good indicator of simplification of business registration procedures. A number of measures have been taken for improvement of access of national business to foreign investment.
3. Taking into consideration that entrepreneurs still face complicated procedures to register business activity within the different government structures, the Government of the Republic of Tajikistan intends to continue reforms, resolve existing problems and significantly simplify existing procedures.
4. An unimproved procedure of licensing creates particular problems for entrepreneurs.

5. Permission system is one of the key administrative obstacles in organization and promotion of business in Tajikistan. Most of permission documents are issued based on outdated 'Soviet' requirements. Lack of norms and requirements of the legislation urges entrepreneurs using unofficial methods to solve the problems, which stimulate corruption.
6. Following regulating requirements of legislation of Tajikistan at starting and operating of business, entrepreneurs face requirement to provide numerous information and documentation to the state agencies.
7. Existing requirements along with their maintenance cost are a serious barrier towards business development.
8. In many cases entrepreneurs do not have access to updated information on the latest changes of legislation. Frequent changes of acting legislation intensify confrontation between business and the state control bodies.
9. Complicated border crossing procedures are among factors that create significant difficulties at export and import operations. Complicated import/export procedures lead to unreasonable high cost.
10. The state support of business is not systemized and fragmentary featured. The small business support infrastructure is weakly developed.

Program Goals and Tasks

11. Among key objectives of this Program is simplification of administrative procedures in several integrated directions, such as: business registration, licensing and permission systems, foreign trade activities based on principles of "One stop-shop".
12. "One stop-shop" is a regulated and simplified mechanism, which enables entrepreneur to lodge only one time the requested information or documents with a single body. Adoption and implementation of such mechanism will contribute to raising effectiveness of official control measures, saving time and cutting financial costs both for entrepreneurs and the state bodies.
13. "One stop-shop" is established to expedite and simplify information flows between business and the state agencies and also will bring meaningful gains to all parties.
14. Along with 'One stop-shop' procedures, other regulating methods, such as 'Silence is consent' principle will be considered.
15. The program includes issues regarding reduction of type of activities required permissions, establishment of a new permission system, introduction of methodology of qualitative drafting of legislative acts in an area of entrepreneurship regulation.
16. Part of the Program is aimed at increasing the number and determination of advantages of 'simplified form of taxation' and creation business development infrastructure.

17. Besides, the Program has to prepare the basis for long-term reforms directed to protection of interests of business.

18. Based on set of objectives, the following *tasks* will be accomplished under the Program:

a) Simplification of inefficient administrative procedures:

- development and approval of rules and procedures according to declarative principles of a “One stop-shop”, ‘Silence is consent’ for starting and cessation of business, obtaining of a license, land use rights, at construction activity and import/export operations;
- simplification of bankruptcy procedures;
- simplification of procedure for opening a banking account;
- reducing the number of activities that require obtaining a permission;
- simplification of procedures of goods (works and services) quality control;
- simplification of statistical reporting;
- creation of simplified normative and legal basis that regulates import and export of goods;
- development and adoption of action plan for tax administration improvement targeted on improvement of indicators of the country on *Doing Business* rating;
- development of measures towards support of the local producers;
- optimization of leasing activity’s taxation;
- simplification of taxation system;
- improvement of licensing system.

b) Ensuring protection of entrepreneurs’ rights and enhancing their opportunities in property management:

- ensuring protection of minority shareholders;
- development of measures enhancing the rights of shareholders;
- creation of an effective mechanism for elaboration of private sector regulatory acts.

c) Development of business infrastructure:

- ensuring broader involvement of local companies in a process of procurement of goods, works and services;
- ensuring harmonization of legislation of Tajikistan.

3. Assessment of the Program Effectiveness

19. Implementation of the Program will enable introduction of a single service center for entrepreneurs on the basis of a “One stop-shop” principle in most of the regulated government spheres.

20. In its turn, this measure will allow to:

- a) expedite the registration of new companies and consequently increase the number of new jobs and tax flows;
 - b) increase the number of registered business entities and reduce share of ‘shadow’ economy;
 - c) cut down temporal and financial costs incurred for business operation;
 - d) reduce unofficial payments and ensure more transparent decision making process;
 - e) for dehkan farmers to pay more attention to agricultural activities and harvesting;
 - f) ensure better access to reliable information by business necessary for operation and increase legal protection of entrepreneurs.
21. Implementation of the Program’s measures will contribute to time saving and cutting down financial costs for entrepreneurs in running their business and to improvement of partnership between entrepreneurs and government bodies. In addition it will also reduce time and cost of operation of the state bodies, and will increase their productivity and responsibility over decisions taken.
22. Implementation of this Program will contribute to reduction of corruption among public servants.
23. Realization of measures will allow improving international rating of Tajikistan.

4. Program’s Source of Funding

24. Implementation of the Program does not require financial contribution from the national budget.
25. The Program activities will be implemented with technical assistance of projects funded by international donor organizations.

5. Organization and control over Program’s implementation

26. General monitoring of the Program’s implementation will be performed by the State Committee on Investment and State Property Management within a framework of its authority. The Committee will provide monthly progress report to the Government of the Republic of Tajikistan.
27. Coordination of the Program’s activities implementation will be carried out by the State Committee on Investment and State Property Management of the Republic of Tajikistan.
28. The State Committee on Investment and State Property Management of the Republic of Tajikistan will organize an independent Working Group for monitoring of implementation of the Program.
29. The Working Group will combine representatives of the relevant ministries, departments of the Executive Office of the President of Tajikistan, international organizations

running projects in the sphere of improving business environment as well as members of association of entrepreneurs represented in Coordination Council of business associations, public associations of Tajikistan and mass media representatives.

30. Each 10 days, the Working Group shall prepare the progress report over implementation of reforms, with mandatory coverage of information in mass media.

Attachment 2

**Decree
of the Government of the Republic of Tajikistan**

“On Plan of further measures of the Government of the Republic of Tajikistan
on improving investment climate and indicators of the Republic of Tajikistan in international
rating.

In accordance with Article 14 of the Constitutional Law of RT “On Government of the
Republic of Tajikistan” and in order to strengthen reforms on improving investment climate
in the Republic of Tajikistan, the Government of the Republic of Tajikistan decrees:

1. Approve Plan of further measures of the Government of the Republic of Tajikistan on
improving investment climate and indicators of the Republic of Tajikistan in international rating
(attached).
2. Ministries and agencies provide activities of creating working groups and undertake strict
measures on preparing necessary legal and normative acts for consideration of Government of
the Republic of Tajikistan in indicated time frames.

Chairman
of the Government of the
Republic of Tajikistan

Attachment 3
to the Resolution of the Government of Tajikistan
from “29” May, 2010, N276

“On plan of further measures of the Government of the Republic of Tajikistan
on improving investment climate and indicators of the Republic of Tajikistan in international
rating.

No	Measures	Expected results	Measures implementat ion period	Responsible ministries and agencies
1.	<p>To establish interdepartmental working group under the Ministry of Economic Development and Trade of the Republic of Tajikistan in order to:</p> <ul style="list-style-type: none"> - conduct assessment of the list of mandatory documents required for external business and develop relevant proposals on their possible reduction, as well as <p>To eliminate the requirements for submission of the documents confirming the quality of the production in regard of the goods which are not subject to compulsory certification</p>	<p>Simplification of requirements for providing documents for registration of export and import transactions, particularly:</p> <p>Reduction of the number of compulsory documents during the import-export transactions</p>	By August of 2010	<p>Ministry of Economic Development and Trade of RT, Ministry of Finance of RT, Ministry of Justice of RT, Ministry of Agriculture of RT, Ministry of Health of RT, Ministry of transport and communications of RT, Tax Committee under the Government of RT, Agency for standardization, metrology, certification and trade inspection under the Government of the RT Customs Service under the Government</p>

				of RT, Chamber of Commerce and Industry of Tajikistan, Business Associations of Tajikistan (not less than four representatives)
2.	<p>To develop and submit to the Government of RT draft changes and amendments into the Law of the Republic of Tajikistan “On pledge of movable property” related to:</p> <ul style="list-style-type: none"> - granting right to describe pledged property in general, which is sufficient for its identification without detailed description, as well as to describe the covenant for the implementation of which pledge is provided in general; - granting right to mechanic use of intakes received as a result of the use of pledged property (harvest, products, revenues) as pledge; 	Strengthening ensured protection of rights of lenders and borrowers	By September of 2010	State Committee on Investments and State Property Management of the Republic of Tajikistan, Business Associations of Tajikistan (not less than four representatives)
3.	To develop and submit to the Government of RT draft amendments and additions into the Law of the Republic of	Elimination of procedure of agreeing project documents with Fire	By August of 2010	Agency on Construction and Architecture

	<p>Tajikistan “On fire safety” in order to bring the Para 7 part 2 of Article 10 of the above-mentioned law in line with Article 41 (part 11) and Article 43 of the Law of the Republic of Tajikistan “On architecture, city planning and construction activity in the Republic of Tajikistan”;</p> <p>To develop and submit to the Government of RT draft amendments and additions into the Law of the Republic of Tajikistan “On ensuring sanitation and hygiene safety of population” in order to bring Para 4 Part 2 of Article 35 of the above-mentioned Law in line with Article 41 (part 11) and Article 43 of the Law of the Republic of Tajikistan “On architecture, city planning and construction activity in the Republic of Tajikistan”;</p>	Prevention Agency and Sanitary Epidemiology Service		<p>under the Government of RT, State Committee on Investments and State Property Management of the Republic of Tajikistan, Ministry of Internal Affairs of RT (Fire Prevention Agency), Ministry of Health of RT (Sanitary Epidemiology Service), Association of Builders of Tajikistan</p>
4.	<p>To develop and submit to the Government of RT draft amendments into Land Code of the Republic of Tajikistan related to establishment of procedure of granting land plots for construction within one stage (without making additional decision on preliminary agreement about the location of the object);</p> <p>To develop and submit to the Government of RT new edition of Rules of allocation of land plots for individual and legal entities approved by Decree # 342 of the Government of RT from September 1, 2005 with regard to establishing the procedure of granting land</p>	Elimination of procedure for preliminary agreement of the object location, simplification of procedures for granting land plots for construction	By July of 2010	<p>Agency on Construction and Architecture under the Government of RT, State Committee on Investments and State Property Management of RT, State Committee for Land Tenure, geodesy and cartography under the Government of</p>

	plots for construction within one stage (without making additional decision on preliminary agreement about the location of the object)			RT, Association of Builders of Tajikistan
5.	To submit to the Government of RT consideration the draft legal and normative acts on amendments and additions into the country legislation in order to harmonize them with the Law of the Republic of Tajikistan "On State registration of legal entities and individual entrepreneurs"	Elimination of contradictions in regulatory and legal documents of the Republic of Tajikistan. Simplification of procedures for establishment of legal entities and their registration	Second half-year of 2010	Ministry of Justice of the Republic of Tajikistan, Tax Committee under the Government of RT, Ministry of Labor and Social Secure of RT, State Committee on Investments and State Property Management of the RT, State Statistics Agency under the President of RT, Business Associations of Tajikistan (not less than four representatives)
6.	All of the ministries and agencies, as well as the National Bank of Tajikistan need harmonize their internal	Elimination of contradictions between internal acts of ministries and	By August of 2010	Appropriate ministries and agencies on agreement

	acts with the Law of the Republic of Tajikistan “On State registration of legal entities and individual entrepreneurs” and submit them to the Ministry of Justice of the Republic of Tajikistan for official registration	agencies, as well as of the National Bank of Tajikistan and the Law of the Republic of Tajikistan “On State registration of legal entities and individual entrepreneurs”		with Tax Committee under the Government of the Republic of Tajikistan
7.	To improve the technical basis providing “Unified State Register” with an aim to ensuring full information exchange between state agencies involved in the process of registration within the “One-Stop Shop” system as well as creating conditions for identifying all entrepreneurship subjects in all state bodies in accordance with “Single Identity Number”	Full introduction of state registration based on “One-Stop Shop” system	Second half-year of 2010	Tax Committee under the Government of RT, Ministry of Labor and Social Secure of RT, State Statistics Agency under the President of RT,
8.	To establish interdepartmental working group to develop draft Laws of the Republic of Tajikistan “On amendments and additions into the Tax Code of the Republic of Tajikistan” (Art. 211) and “On amendments and additions into the Customs Code of RT”, “On amendments and additions into the Finance Leasing”, regarding collection of customs duties while importing equipment through leasing.	Equating the taxation of leasing transactions to taxation of transactions with the use of loan (as all financial services) and increase in investment attractiveness of the leasing market in the Republic of Tajikistan	Second half-year of 2010	Ministry of Finance of RT, Ministry of Economic Development and Trade of RT, State Committee on Investments and State Property Management of RT, Tax Committee under the Government of RT, Customs Service under the Government of RT,

9.	To develop short-term and medium-term plan of justified actions by determining specific reform measures to support local producers and stimulate domestic production	Development of medium-term strategy for development of domestic production and stimulation of local producers with taking into the consideration income part of the state budget	Second half-year of 2010	Ministry of Economic Development and Trade of RT, Interdepartmental Commission established under the Ministry of Economic Development and Trade, by Government Resolution #550 dated 1 December 2009,

Attachment 4

«APPROVED»
by the President of the Republic of Tajikistan,
Chairman of the Consultative Council
Emomali Rahmon

June, 2009

MINUTES
of the 3rd session of the Consultative Council on Improvement of Investment Climate
under the President of the Republic of Tajikistan
dated June 18, 2009

Chairman:

President of the Republic of Tajikistan

E. Rahmon

Participants:

Prime-Minister of the Republic of Tajikistan

O. Okilov

Chairman of the State Committee on Investment
and State Property Management
of the Republic of Tajikistan

F. Khamraliev

Head of the EBRD Resident Office

M. Le Blan

Deputy Country Director of the
United States Agency on International Development
(USAID) in Tajikistan

K. Dean

President of Company «Tethys Tajikistan Limited»

D. Robson

Chairman of the Board of the National Association
of Small and Medium Enterprises of Tajikistan

M. Uljabaeva

Chairman of Union of entrepreneurs and exporters
of Tajikistan

N. Zabiroy

Chairman of Association of Commercial Banks
of Tajikistan

I. Lalbekov

Chairman of Association of manufactures and entrepreneurs

Z. Saidov

Head of Secretariat of Consultative Council
on improvement of investment climate
under the President of Republic of Tajikistan

S. Zardov

Invitees:

State Advisor to the President of the Republic of Tajikistan on economic policy	M. Davlatov
Head of Department of economic reforms and investment of Executive Office of the President of the Republic of Tajikistan	H. Tagoymurodov
Head of Legal Department of Executive Office of the President of the Republic of Tajikistan	D. Murodov
Minister of economic development and trade of Tajikistan	G. Bobozoda
Minister of Justice of Tajikistan	B. Khudoyorov
Chairman of Tax Committee under the Government of Tajikistan	N. Davlatov
Director of Agency on construction and architecture under the Government of Republic of Tajikistan	A. Komilov
World Bank - Country Director in Tajikistan	C. Bronchi
Asian Development Bank - Deputy Country Director in Tajikistan	J. Takeshi

Agenda of the session

1. Report on the implementation status of the decisions taken by the second meeting of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan, held on December 18, 2008.
2. Approval of “Improving Business Environment - 200 days of Reforms” Draft Program.
3. Issues related to improvement of investment climate within the country.

The meeting was opened by the Chairman of the Council – the President of the Republic of Tajikistan, Emomali Rahmon, who addressed all of the participants with the welcome message and introduced special guests and new members of the Council representing the non-government sector N. Zabirov - the Chairman of the Union of Entrepreneurs and Exporters of Tajikistan, I. Lalbekov - the Chairman of the Association of Banks of Tajikistan, and Z. Saidov - the Chairman of the Association of Producers and Entrepreneurs.

Then the meeting proceeded with consideration of the first item of the agenda - Report on the implementation status of the decisions taken by the second meeting of the

Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan, held on December 18, 2008.

Heads of responsible ministries and agencies (such as SCISPM RT, Tax Committee, Agency on Construction and Architecture) spoke on the first item of the agenda, and indicated that all of the decisions made during the previous meeting have been implemented, that is:

- adoption of the Presidential Decree of the Republic of Tajikistan “On reforming permit system in the Republic of Tajikistan” and “On measures to improve administrative procedures to carry out construction activities in the Republic of Tajikistan”.
- Adoption of the Law of the Republic of Tajikistan “On state registration of legal persons and individual entrepreneurs”, introduction of amendments to the Laws of the Republic of Tajikistan “On Insolvency (Bankruptcy)” and “On Joint Stock Companies”.
- regarding the implementation of the Presidential Decree of the Republic of Tajikistan “On measures to improve administrative procedures to carry out construction activities in the Republic of Tajikistan”, the Government has established new and simplified “Order of following administrative procedures to carry out construction activities” (Resolution of the Government of RT, dated May 6, 2009, N#282) and “Plan to improve normative legal acts in the construction sector” (Resolution of the Government of RT, dated June 11, 2009, N#338).
- regarding the implementation of the Presidential Decree of the Republic of Tajikistan “On reforming permit system in the Republic of Tajikistan”, the Government has established the commission to work on the improvement of normative legal acts regulating issuance of permit documents to business entities, and its Regulations and Guidelines on improvement of normative legal acts have been approved.
- regarding the implementation of the adopted Law of the Republic of Tajikistan “On state registration of legal entities and individual entrepreneurs”, the Tax Committee has completed some preparatory activities (trainings for the specialists of the Committee, purchase of equipment for the registration offices with the EC funds). The Committee also has plans to conduct a series of workshops for the entrepreneurs.

The speakers emphasized that despite the positive progress of the implementation of the Council’s decisions, the Decisions taken by the Council have not been always supported by the sector agencies.

According to the agenda, the second and the major item was the approval of “Improving Business Environment - 200 days of Reforms” Draft Program”. In general, the Program provides for the improvement and simplification of administrative procedures based on the “One Stop Shop” principle to register businesses, to obtain licenses, to issue permits and to carry out foreign trade operations.

The President of the Republic of Tajikistan was quite supportive towards the proposed Program, and referred to its measures as timely, necessary and aimed to simplify the procedures for doing business; and has commissioned the Government to review it fully by the end of June and to adopt for implementation.

According to the opinion of the Council’s members, if administrative procedures would be streamlined it will facilitate improvement of business climate, expansion of

investments' volume and increase in the overall efficiency of economic activities throughout the Republic.

The EBRD Director on Central Asian countries, Mr. M. Khonma, and the President of the Company «Tethys Tajikistan Limited», Dr. Robson, shared their views on the third item of the agenda.

The speakers have expressed their satisfaction with the process of investment climate' improvement in Tajikistan, under personal supervision of the President of the country, Emomali Rahmon. In the same time, it was noted that the volume of foreign investments attracted to Tajikistan, is very small compared to other countries.

Mr. Khonma gave some data on five countries, such as Armenia, Georgia, Uzbekistan and Kyrgyzstan, just as an example.

In his speech, Mr. Khonma has recommended to the Government of the country to undertake additional measures on improvement of investment climate. To enhance the international ranking of the Republic and to create favorable investment environment, one of the major issues to be tackled here is elimination of all existing administrative barriers, including corruption in state agencies.

«Foreign investors are interested in such legal environment where all entrepreneurs with no exceptions possess equal rights, regardless of the intentions some officials might express» – indicated Mr. Khonma.

He also stressed the importance of building the investment policy upon mutually beneficial cooperation between an investor and a state. The speaker has directed the attention of the attendees to the need to settle matters related to the privatization of specially large-size state enterprises, including OJSC «Tojiktelecom», SUE «Tojikkcement» and «Tojikkgaz». Mr. Khonma believes that the privatization will result in the increased interest of foreign investors and will positively impact the investment climate in the country.

With regard to supporting and developing business environment, Mr. Khonma has informed the Council's members on EBRD' intention to increase funding for business projects by 2-3 times.

When speaking, Dr. Robson has touched upon issues of investors' access to the country, where direct flights from the world's economy centers would play an important role. He expressed some kind of disappointment due to the existing visa regime which lately turned to be more burdensome and costly compared to other Central Asian countries. For instance, in order to obtain Tajik visa, foreign citizens pay 145 pounds and wait for 7-9 days; in the same time, visa to Kazakhstan only costs 40 pounds and can be obtained in just 2 days time.

Mr. Khonma supported Dr. Robson in this regard, and recommended to the Government to consider adoption of simplified visa regime for citizens of USA, Europe and Japan.

The President of the Republic of Tajikistan, Emomali Rakhmon, has informed the participants of the discussion on commencement of several direct flights from Dushanbe to Europe, and assured the investors that the work will continue in this direction. In this regard, the President of the country has instructed the responsible ministries (Ministry of economic development and trade and SCISPM RT), present at the meeting, to prepare their proposals on how to eliminate the barriers at the entry points, and on simplification of visa regime.

Having asked the Council's members to pay attention to the proposed measures under the «Improving Business Environment – 200 days of reforms» Program, Dr. Robson has indicated his support to the intentions of the government of Tajikistan to join Hague and

New-York Conventions. According to the words of Dr. Robson, joining these conventions will initiate positive response from the investors and will become an important step to improve the international image of the Republic.

On behalf of foreign investors, Mr. Robson positively evaluated the performance of the Council, and indicated that efficiency of the Council demonstrates to the investors the seriousness of Government's intentions regarding implementation of the reforms in coordination with representatives from business and donor community.

In response to the message conveyed by the representative of foreign investors, the President of the country has emphasized the need to concentrate upon the qualitative implementation of the elaborated reforms.

In particular, the Chairman of the Council said: "Today, unless specific administrative and regulatory reforms in the area of entrepreneurship are implemented, it will not be possible to create sustainable investment climate in the country". In this regard, the Government of the Republic of Tajikistan, and each of its structures individually, should aim their main efforts to reduce unnecessary administrative procedures which are withholding business development. Major objective of the state at the current new stage of development is to unite the society around undergoing reforms designed to further increase and improve living standards of the country's population".

The President of the Republic of Tajikistan was speaking about promotion of reforms and recognized the important role of the Council in it, which has more capacity to develop and to promote reforms for the improvement of business environment in coordination with all stakeholders.

During his speech, the President has directed the attention of the participants to a weak agribusiness development in the country and stated that international projects do not pay sufficient attention to this specific sector of the economy.

Touching upon international projects' activities in the area of business enabling environment, the President Emomali Rahmon, suggested for the next meetings of the Council to listen to reports from the international projects about their activities on supporting the ongoing reforms, along with the reports from responsible ministries and agencies on progress of implementation of the Council's decisions. Responsible structures have been commissioned to notify the relevant organizations about this initiative.

Regarding organizational issues of the Council's activities, the President of the Republic of Tajikistan has supported the recommendation of some members of the Council to increase the number of participants for the Council's meetings, and to include representatives from business-structures.

In addition, the President of the Republic of Tajikistan has commissioned the responsible ministries and agencies to build active cooperation relationships with businesses.

In the end of the session, the President of the Republic of Tajikistan, Emomali Rahmon, expressed his satisfaction with the outcomes of the meeting. In the President's opinion, there was a very useful exchange of views on issues relevant to entrepreneurs and investors today.

At the outcome of the meeting, the members of the Consultative Council have:

1. Approved candidacies of new Council's members representing non-public sector – the Chairman of the Union of Entrepreneurs and Exporters of Tajikistan, N. Zabiroy, the Chairman of the Association of Banks of Tajikistan, I. Lalbekov, and the Chairman of the Association of Producers and Entrepreneurs, Z. Saidov;
2. In general, positively evaluated the status of implementation of decisions made during the second meeting of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan ;
3. Approved “Improving Business Environment - 200 days of Reforms” Draft Program;
4. Recommended to governmental bodies to reinforce implementation, as well as supervision over implementation, of decisions taken by the Council on the basis of holding regular working meetings and discussions with the concerned ministries and agencies;
5. Recommended to the government to continue with reforms aimed to eliminate unnecessary administrative procedures, which are preventing the development of entrepreneurship activities;
6. Recommended to the government to simplify the existing visa regime;
7. Determined that during coming Council's meetings they will listen to the information presented by the international projects, which are providing technical assistance in the area of business enabling environment, along with reports from the ministries and agencies;
8. Recommended to the donor organizations to enhance the implementation of the investment projects;
9. Commissioned the Executive Secretary of the Council, jointly with the Secretariat of the Council, to:
 - discuss the list of items, scheduled for consideration by the next session of the Council, in a working format with the members of the Council;
 - hold consultations with the concerned ministries and agencies, as well as with the international projects and business entities, with the purpose to prepare materials on items from the list, with the establishment of working groups when needed.

Attachment 5

«APPROVED»

by the President of the Republic of Tajikistan,
Chairman of the Consultative Council
Emomali Rahmon

December 29, 2009

**MINUTES
of the 4th session of the Consultative Council on Improvement of Investment Climate
under the President of the Republic of Tajikistan
dated December 8, 2009**

Agenda of the Session – consideration of issues related to the implementation of the Program “Improving business environment - 200 Days of Reforms”. In accordance with the agenda of the session the following issues have been considered:

1. Progress reports by heads of ministries and state agencies on implementation of the Program “Improving business environment - 200 Days of Reforms”.
2. Information by heads of invited international organizations on activity of the projects supporting reforms within the framework of the “Improving business environment - 200 Days of Reforms” Program.

Chairman of the Council – the President of the Republic of Tajikistan Emomali Rahmon has opened the 4th Session of the Consultative Council and introduced the new Executive Secretary of the Council – Mr. Davlatoli Saidov, Head of Secretariat – Mr. Zafar Khotamov and the new Council member from private sector – Mr. Nazir Sharipov, Chairman of American Chamber of Commerce in Tajikistan.

The session has started with the reports of heads of ministries and state agencies on progress with implementation of “Improving business environment - 200 Days of Reforms” Programme. Thereafter, heads of donor organizations have presented information on their activity and the outcomes of ongoing projects aimed at supporting reforms within the framework of the “Improving business environment - 200 Days of Reforms” Programme.

It was noted during the session that the Program - comprising short-term administrative and regulative reforms - has defined the government’s tasks on simplification of administrative procedures for business entities.

Participants of the session have discussed a number of issues where a certain progress was made. It includes the introduction of “One stop-shop” principle during state registration of business, obtaining permits for construction activity, strengthening investors’ rights through improvement of legislation on joint stock companies, as well as simplification of bankruptcy procedures.

It was highlighted that with the support of the President of the Republic of Tajikistan and involvement of private sector as well as international organizations a number of amendments have been introduced into the normative legal acts which enabled Tajikistan to be recognized as one of the top ten reforming countries according to the World Bank Doing Business report.

Along with that, it has been stressed that status and quality of the Programme implementation cannot satisfy all interested parties as the majority of its items has not been implemented yet. Currently, only 6 out of 24 items of the Programme have been fully implemented. Most of draft laws are still at the stage of agreement, and some issues have not been settled yet.

The President of the Republic of Tajikistan has reminded that timely implementation of the Programme measures will contribute to the improvement of Tajikistan's indicators according to the World Bank Doing Business 2010 report. However, the current status of the Programme implementation is not sufficient for improving the Tajikistan ratings in line with the Programme's expectations.

The President of the Republic of Tajikistan has stressed that achieved results shall not satisfy the Government as the country's indicators are still low according to the mentioned report. The inclusion of Tajikistan into the list of 10 top countries-reformers implies even greater responsibility for the ongoing reforms as foreign investors and international institutions pay particular attention to such countries.

In the course of reporting by the ministries and state agencies it has become clear that the awareness campaign on progress with implementation of the Programme was not properly performed through mass media.

In conclusion of the session the President of the Republic of Tajikistan, the Chairman of the Council touching upon the technical and organizational issues of the Council sessions, has firmly recommended to held future Council sessions strictly in accordance with the established rules using necessary equipment for simultaneous translation.

He has emphasized that the most important issues related to investment climate improvement should be considered during the next Council sessions. The members of the Council shall be more active to personally contribute to implementation and monitoring of ongoing reforms in the country. In this regard the President has assigned the Council members to be responsible for the quality of the proposed reforms.

During the meeting the President of the Republic of Tajikistan gave the following instructions to the relevant bodies and state officials:

1. With the view to eliminate the existing deficiencies in the Programme's implementation, the Government of the Republic of Tajikistan should:

- adopt the drafts of normative legal acts, developed and agreed under implementation of Programme's items, within a month period;

- elaborate the action plan for implementation of non-fulfilled items of the Programme where the proposed measures and their deadlines will be specified.

2. The Chairman of the National Bank of Tajikistan - Sharif Rakhimzoda, Minister of Economic Development and Trade of the Republic of Tajikistan - Farrukh Khamraliev, Minister of Finance of the Republic of Tajikistan - Safarali Najmuddinov, Chairman of Tax Committee under the Government of the Republic of Tajikistan - Nusratullo Davlatov, Minister of Labor and Social Protection of Population of the Republic of Tajikistan - Shukurjon Zuhurov, Chairman of the State Committee on Statistics of the Republic of Tajikistan Mirgan Shahbozov, Director of Agency for Construction and Architecture under the Government of the Republic of Tajikistan - Abduvali Komilov and other relevant authorities should ensure procedure of elaboration and approval of draft normative legal act of the Programme in proper time in accordance with the Rules of the Government of the Republic of Tajikistan.

3. The Chairman of the State Committee on Investments and State Property Management of the Republic of Tajikistan - Davlatali Saidov, with involvement of business entities and international institutions, is obliged to make comprehensive assessment of the

Programme implementation to determine further steps for continuation of reforms aimed at improving of the investment climate.

4. The Government of the Republic of Tajikistan in close cooperation with private sector and international organizations should elaborate proposals on conducting further necessary reforms for improving country's indicators in the World Bank Doing Business 2010 report by the next session of the Council.

5. The members of the Consultative Council from private sector should actively participate at the Council sessions and to demonstrate readiness to openly discuss the existing problems during the Council sessions.

6. Committee on Television and Radio under the Government of the Republic of Tajikistan:

- has to organize open television discussions with participation of government officials and representatives of private sector in January 2010, aimed at providing entrepreneurs with the detailed information about the implementation of the Programme "Improving Business environment - 200 Days of Reforms";

- in cooperation with the State Committee on Investments and State Property Management should develop and carry out a plan for conducting a series of TV programs covering the activity of state bodies to promote reforms in private sector area.

7. The Minister of Foreign Affairs of the Republic of Tajikistan - Hamrokhon Zarifi should undertake efficient measures to eliminate existing obstacles for foreigners in obtaining Tajikistan visas.

8. Executive Secretary of the Council jointly with the Secretariat of the Council has to undertake necessary measures for improving the quality of organization and conducting the Council sessions. The Secretariat of the Council and the members of the Council should work out the Annual plan of quarterly sessions of the Council and submit it to the Chairman of the Council for consideration.

Executive Secretary of the Consultative Council,
Chairman of the State Committee
on Investments and State Property
Management of the Republic of Tajikistan

Davlatali Saidov

Head of the Secretariat
of the Consultative Council

Zafar Khotamov

Attachment 6

«APPROVED»

by the President of the Republic of Tajikistan,
Chairman of the Consultative Council
Emomali Rahmon
May 4, 2010

MINUTES
of the 5-th (fifth) Session of the Consultative Council on Improvement of the Investment
Climate under the President of the Republic of Tajikistan
dated April 28, 2010

The Council members and responsible officials have participated in the meeting according to the attached Participants List.

Agenda of the session:

4. Approval of the Operational Regulation of activity of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan.
5. Information on implementation of the decisions by the 4-th (fourth) Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan dated December 8, 2009. Introduction of the Plan of the Government of the Republic of Tajikistan for further improvement of investment climate and indicators of the Republic of Tajikistan in the international ratings and mechanism of its implementation.
6. Approval of the draft Agenda for the Sixth session of the Consultative Council.

Emomali Rahmon, President of the Republic of Tajikistan, the Chairman of the Council, when opening the Fifth Council session has introduced a new member of the Council presented by the private sector - Mr. Gulmahmad Kayumov, Director General of the Company “TT Mobile”.

When discussing the **first point of the agenda** the Council members have supported the elaboration the Council Operational Regulation and proposed to approve it.

With this regard, the Chairman of the Council - President of the Republic of Tajikistan Emomali Rahmon has emphasized that adoption of the Operational Regulation would help to ensure efficiency of the Council activity, and entrusted the Executive Secretary and the Council Secretariat to run the activity of the Council in accordance with the Regulation with a view to ensuring constructive cooperation with state agencies and businesses, as well as to undertake necessary measures to involve a broad range of the private sector representatives into the Council's activity.

Davlatoli Saidov, the Council Executive Secretary, Chairman of the State Committee for Investment and State Property Management of the Republic of Tajikistan, made a speech on the **second point of the agenda**. Mr. Saidov has stressed that the Government of Tajikistan has lately been paying a particular attention to the improvement of the investment climate and business environment in the country, and a number of legal and regulatory documents have been adopted and implemented with a view to promoting the improvement of the investment climate and business environment.

The Programme “Improving Business Environment – 200 Days of Reforms” has been developed and implemented among the abovementioned activity of the Government. The Programme includes measures on elimination of a broad range of barriers hampering the business development. He has also noted that the State Committee for Investment and State Property Management has prepared the detailed report on implementation of this Programme to be discussed during the next meeting of the Government of Tajikistan.

Furthermore, Mr. Saidov has pointed out that the draft “Plan of further measures of the Government of Tajikistan on improvement of the investment climate and indicators of the Republic of Tajikistan in the international ratings” has been developed with a view to implementing further reforms for improvement of business environment and investment climate, and was proposed for the consideration of the Council.

In regard to this issue the following representatives from the private sector made their speeches:

1. Nekruiy Zabirov, the Chairman of Business and Exporters’ Association, presented a brief information on the developed draft Plan, stressing that this Plan was jointly discussed with the Coordination Council of Business Associations of Tajikistan, the State Committee for Investment and State Property Management and also with the Council Secretariat resulted in ensuring the broad involvement of the private sector representatives in implementation of the given Plan.

2. Izzatullo Lalbekov, the Chairman of Tajikistan Banks Association (ABT), made a report about the efficiency of leasing as a source of long-term budget supplementation and stated the problem with import of manufacturing equipment via leasing transactions. Particularly, he outlined that the import of such equipment with the use of ordinary bank loan is exempted from the VAT, while VAT is charged for the import of equipment under leasing. This situation creates barriers for the development of long-term leasing loans and import of modern equipment via leasing and establishment of manufacturing enterprises.

3. Zayd Saidov, Chairman of Business and Producers Association, made a speech on the support of local producers and pointed out that it would be useful to include representatives from the Executive Office of the President of the Republic of Tajikistan, including specialists from the Legal Department, Economic Reforms and Investment Department, Finance Department and Industry and Energy Unit into the Interdepartmental Commission for support of local producers under the Ministry of Economic Development and Trade of the Republic of Tajikistan with a view to ensuring efficiency of the operation of the above-mentioned Commission and agreeing draft legal and regulatory documents developed by this Commission with relevant government agencies in a timely manner.

Mr. Ulf Hindstrom, Head of the EBRD Representative Office in Tajikistan, and Mr. Jeffrey Lehrer, Director of USAID Country Office in the Republic of Tajikistan, made speeches on the above-mentioned issues and expressed their support of the Consultative Council’s draft Operational Regulation and the draft Plan of Measures.

The private sector representatives made the following proposals with a view to improving the investment climate and the indicators of Tajikistan in the international rating:

- It would be efficient to assign sectoral ministries and agencies responsible for each rating indicator with a view to ensuring real improvement of the indicators of the Republic of Tajikistan according to the World Bank “Doing Business” report and to strengthen their sense of responsibility.
- To arrange retraining courses for entrepreneurs, including those entrepreneurs surveyed by the World Bank’s “Doing Business” team.
- To develop and implement short-term and medium-term plans for the development of

the domestic production reflecting specific reform measures without causing damage to the country's economy.

- To exempt import of modern technology via leasing from VAT.

Mr. Davlatali Saidov, the Council Executive Secretary, made a report on the third point of the agenda. The Council's Executive Secretary pointed out that since the President of the Republic of Tajikistan announced 2010 as the "Year of Education and Technology", it would be reasonable to discuss the issue of "Introduction of modern information and communications technology for the development of electronic trade", and importance and advantages of electronic governance at the next meeting of the Council.

The Council's Executive Secretary asked the Council Chairman to promote establishment of a working group for development of materials for the sixth meeting of the Consultative Council out of representatives from relevant ministries and agencies and the private sector with the support of donor organizations taking into account the above-mentioned points.

The President of the Republic of Tajikistan gave the following instructions to responsible officials from relevant agencies at the session (Council decisions):

1. To approve the Operational Regulation of the Consultative Council on improvement of the investment climate under the President of the Republic of Tajikistan. The Executive Secretary and Secretariat of the Council should run the activity of the Council in accordance with the Regulation with a view to establishing constructive cooperation with state agencies and businesses and ensure strict observance of the Operational Regulation. They are also entrusted to promote the involvement of a broad range of the private sector representatives in the Council activity.

2. The Government of the Republic of Tajikistan should:

- approve the Plan of further measures of the Government of Tajikistan on improvement of the investment climate and the indicators of the Republic of Tajikistan in the International rating within the determined procedures and undertake necessary measures jointly with relevant ministries and agencies and the private sector with the involvement of the donor organizations with a view to implementing the Plan's provisions;

- establish corresponding working groups according to the Plan provisions, to develop draft legal and regulatory documents and to submit for the consideration and approval of the Government of the Republic of Tajikistan within the shortest period of time in accordance with the Operational Regulation of the Government.

- to include representatives from the Executive Office of the President of the Republic of Tajikistan, including specialists from Legal Department, Economic Reforms and Investment Department, Finance Department and Industry and Energy Unit into the Interdepartmental Commission for support of local producers under the Ministry of Economic Development and Trade of the Republic of Tajikistan with a view to ensuring efficiency of the operation of the above-mentioned Commission and agreeing draft legal and regulatory documents developed by this Commission with relevant government agencies in a timely manner.

3. The State Committee for Investment and State Property Management of the Republic of Tajikistan jointly with the Secretariat of the Consultative Council should coordinate the activity of working groups and provide detailed progress report on implementation of the Plan of measures to the Government of the Republic of Tajikistan on a regular basis.

4. To identify priority indicators of the World Bank “Doing Business” International Rating and to assign relevant sector ministries and agencies responsible for these indicators improvement with involvement of the private sector.

5. Business Associations are recommended to undertake necessary measures with a view to enhancing the retraining of entrepreneurs with the support by international organizations.

6. To approve the issue of “Development of information and communications technology for the development of electronic trade” as one of the items of the Sixth Consultative Council session Agenda.

With this regard, the State Committee for Investment and State Property Management of the Republic of Tajikistan should establish a specific working group out of representatives from relevant ministries and agencies, the private sector, including information and communications companies and the Consultative Council Secretariat, with a view to developing thorough analytic papers for the consideration at the Council’s sixth meeting.

7. The membership of Matluba Uljabaeva, the Chairperson of National Association of Small and Medium Enterprise, shall be terminated due to the end of her membership term and Gulmahmad Kayumov, Director General of the Company “TT Mobile” shall be selected as the Council member as a replacement.

8. The Council Executive Secretary and the Secretariat, prior to the next (6-th) Council session, should reconsider the issue of membership of Council members, whose term has expired and undertake necessary measures to propose candidates for the Consultative Council membership in accordance with determined procedures.

Davlatali Saidov

Executive Secretary of the Consultative Council,
Chairman of the State Committee for Investment and
State Property Management of the Republic of Tajikistan

Zafar Hotamov

Head of the Secretariat
Consultative Council

PARTICIPANTS LIST
of the 5th session of the Consultative Council on improvement of investment climate
under the President of the Republic of Tajikistan
April 28, 2010

MEMBERS OF THE COUNCIL:

Chairperson:

- | | |
|----------------------|--|
| Emomali Rahmon | - President of Republic of Tajikistan |
| Okilov Okil | - Prime-minister of the Republic of Tajikistan |
| Saidov Davlatali | - Chairman of the State Committee on Investment and State Property Management of the Republic of Tajikistan (Executive Secretary of the Council) |
| Ulf Hindstrom | - European Bank for Reconstruction and Development, Head of Resident Office in Tajikistan |
| Jeffrey Lehrer | - USAID Country Director in Tajikistan |
| Khotamov Zafarjon | - Head of Secretariat of the Consultative Council |
| David Robson | - Tethys Petroleum Limited, President of the Company |
| Saidov Zayd | - Head of Association of Producers and Entrepreneurs of Tajikistan |
| Lalbekov Izzatullo | - Head of Association of Commercial Banks of Tajikistan |
| Zabirov Nekrui | - Chairman of the Union of Entrepreneurs and Exporters of Tajikistan |
| Sharipov Mahmadnazar | - Chairman of American Chamber of Commerce in Tajikistan |
| Kayumov Gulmahmad | - General Director of the Company “TT Mobile” |

INVITEES:

- | | |
|---------------------|---|
| Davlatov Matlubkhon | - Head of the Executive Office of the President of the Republic of Tajikistan |
| Khamraliev Farruh | - Ministry of Economic Development and Trade of the Republic of Tajikistan |

Najmuddinov Safarali	- Ministry of Finance of the Republic of Tajikistan
Rahimzoda Sharif	- Chairman of National Bank of Tajikistan
Boboev Olimjon	- Ministry of Transport and Communication of the Republic of Tajikistan
Zokirov Mahmadoir	- Chairman of the State Committee for Land Tenure, geodesy and cartography under the Government of the Republic of Tajikistan
Komilov Abduvali	- Director of Agency on Construction and Architecture under the Government of the Republic of Tajikistan
Buriev Nematjon	Senior Adviser on Economic Policy to the President of the Republic of Tajikistan
Murodov Dustmurod	- Head of Legal Department of the Executive Office of the President of the Republic of Tajikistan
Sharifzoda Abdufattoh	- Head of Press-service of the President of the Republic of Tajikistan
Tagoimurodov Hamdam	- Head of Department of economic reforms and investment of the Executive Office of the President of the Republic of Tajikistan
Rustami Emomali	- Head of Department for Entrepreneurship Support of the State Committee on Investment and State Property Management of the Republic of Tajikistan
Rakhmatboev Shukhrat	- Deputy Chairman of the State Committee on Investment and State Property Management of the Republic of Tajikistan
Wendy Werner	- Head of International Financial Corporation Office in Tajikistan
Makoto Ojira	- Head of Representative Office of Asian Development Bank in Tajikistan
Bob Leverington	- Head of DFID Office in Tajikistan
Motoo Konishi	- Regional Director, Central Asia, World Bank
Zahira Virani	- UNDP Deputy Country Director

Translators:

Shermahmad Niyazov

Mukhiddin Tojiev

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(Secretariat employee)

Umeda Khojimatova
(Secretariat employee)

Numon Abdujabborov
(translator/helper)

Attachment 7

«APPROVED»

by the President of the Republic of Tajikistan,
Chairman of the Consultative Council
Emomali Rahmon
May 4, 2010

REGULATION

of activity of the Consultative Council for improvement of the investment climate under the President of the Republic of Tajikistan

I. General Provisions

1. The Consultative Council for improvement of the investment climate under the President of the Republic of Tajikistan (hereinafter referred to as “The Consultative Council”) shall be a consultative and advisory body, which provides agreed proposals on improvement of the business environment and investment climate to the President of the Republic of Tajikistan, the Government of the Republic of Tajikistan and state executive authorities based on mutual and constructive cooperation with state agencies, businesses and business associations.

2. The Consultative Council, as an integral part of the national development sector, shall promote implementation of the Republic of Tajikistan priorities in business sector needed for accelerating the country’s social and economic development.

3. The Consultative Council shall cooperate with other public advisory entities, state executive bodies, businesses and business associations and international organizations on the improvement of the business environment and investment climate in the Republic of Tajikistan.

4. The Consultative Council shall run its activities within the Constitution of the Republic of Tajikistan, laws of the Republic of Tajikistan, decrees of the Parliament of the Republic of Tajikistan, orders and instructions of the President of the Republic of Tajikistan, international legal documents ratified by the Republic of Tajikistan, as well as Charter of the Consultative Council and this Regulation of Activity.

II. Procedure of establishment of the Consultative Council staff

5. The Consultative Council shall be comprised of the Chairman of the Consultative Council and its members. The Chairman of the Consultative Council shall be the President of the Republic of Tajikistan. Permanent members of the Consultative Council shall be the Prime Minister of the Republic of Tajikistan and Chairman of the State Committee for Investment and State Property Management of the Republic of Tajikistan (Executive Secretary of the Consultative Council). The Membership of the Consultative Council shall include representatives from bilateral and multilateral international organizations, foreign investors, businesses and business associations and the Head of the Secretariat of the Consultative Council.

6. The Temporary (Changeable) Membership of the Consultative Council shall be identified by the Chairman of the Consultative Council and shall be approved by a decree registered as minutes. The Executive Secretary of the Consultative Council makes proposals on the quantity of membership. The Chairman of the Consultative Council shall have the right to

terminate the duration of participation of the Council members in the meetings of the Consultative Council in case of necessity.

7. Business and business association representatives to the Consultative Council out of relevant organizations shall be changed by their internal agreement after every four meetings depending on the issues proposed for the consideration at meetings of the Council.

8. Membership term of foreign investor representatives to the Consultative Council shall be one year depending on the level of priority of their sector and their investment progress.

9. In order to become a member of the Consultative Council representatives of foreign investors or organizations the interest of which they represent in the Republic of Tajikistan, submit application to the Secretariat of the Consultative Council or Executive Secretary in writing.

10. Membership of representatives of international bilateral and multilateral organizations (donor organizations) to the Consultative Council out of representatives from relevant organizations, which participate in the process of improvement of the investment climate and promote investment in the country's economy, shall be appointed for one year based on their internal agreement through the Donor Coordination Committee.

11. Not more than one person from each organization shall be involved as a member of the Consultative Council out of representatives of organizations.

12. Representatives from state executive authorities shall be invited to meetings of the Consultative Council depending on the meeting's agenda. Representatives from International Organizations, Business Associations and other business groups can participate in meetings of the Consultative Council as observer and they can participate as experts in case of necessity.

13. The board of observers and experts shall be identified by the Chairman of the Consultative Council by the proposal of the Executive Secretary.

III. Principles of activity of the Consultative Council members and their rights and obligations

14. The Consultative Council shall run its activity applying the principles of legitimacy, voluntariness, publicity, free discussion and independency in the process of making decisions on the issues within its competencies.

15. Members of the Consultative Council shall have the right:

- to make proposals to the Council Secretariat within development of agenda of the Council meetings;

- to participate in the Council meetings and discuss the issues included in the agenda;

- to make speeches and to participate in discussions of the Council meetings;

- to express their opinion about the activity of the Consultative Council and working groups established by it;

- to participate in the activity of working groups;

- to request material and information necessary for the implementation of the Council tasks from ministries and agencies and other state executive authorities;

- to participate in the process of development of decisions of the Consultative Council;

- to participate in monitoring process of the Consultative Council decisions implementation;

- to cooperate with mass media to cover the issues discussed at meetings of the Consultative Council;

- to promote the Consultative Council Secretariat in administering its activity;

16. Members of the Consultative Council shall be obligated:

- to promote achievement of goals and implementation of the Consultative Council objectives;
- to participate in the activity of the Consultative Council as well as in discussion of issues and in the decision making process;
- to draft materials in timely manner and present it to the Consultative Council Secretariat and during meetings;
- to implement decisions of the Consultative Council under the latter's instruction and keep the Consultative Council Secretariat informed about the process of their implementation;

17. Members of the Consultative Council shall not be remunerated for their contribution into the Council's activity.

IV. Duration and procedure of preparation and conducting meetings of the Consultative Council

18. The Consultative Council shall run its activity through regular meetings. Mobile and extraordinary meetings of the Consultative Council shall be arranged in case of necessity.

19. The meetings shall be conducted based on necessity and not less than once per quarter and the meetings shall be considered conducted if two thirds of the Consultative Council membership participates in it.

20. The Consultative Council shall make decisions regarding the discussed issues within its competencies.

21. Date and time as well as draft agenda of the Consultative Council meetings shall be determined by the Chairman of the Consultative Council based on the proposals of the Council's Executive Secretary.

22. The Consultative Council's Executive Secretary shall inform the members of the Consultative Council about the next Consultative Council meeting not less than 10 days before the meeting date. The Consultative Council Secretariat shall disseminate information about the issues that are agreed for consideration at the Consultative Council meeting according to the procedure outlined in the Council's Regulation of activity and the meeting agenda among the Consultative Council members.

23. The Consultative Council meeting agenda, the issues of which are proposed by Consultative Council members and working groups to the Consultative Council Secretariat not less than 15 days before the confirmation of the meeting date, shall be drafted in agreement with the Chairman of the Council and its Executive Secretary.

24. The Consultative Council meeting materials shall be arranged by the Consultative Council Secretariat, which is operational body of the Consultative Council and is responsible for administrative and technical activity of the Consultative Council.

25. The Consultative Council meeting materials should include the summary of speeches about the issues under discussion, analytical and informational data, agreed draft decisions of the Consultative Council, as well as information about the process of implementation of decisions made in previous meetings of the Consultative Council.

26. The list of people, who are invited as experts to discuss individual issues, shall be attached to the Consultative Council meeting materials.

27. The Consultative Council members shall make their speeches in the meeting venue according to the order identified by the Chairman of the Consultative Council. Every participant should talk only within the topic of his/her presentation. After the speech of the main speaker s/he shall reply to questions, then the floor shall be given to supplemental speakers and

discussion participants and the participants shall exchange in opinion for the Consultative Council to make a decision regarding the discussed issue. Each participant can express his/her opinion regarding one issue not more than two times.

28. The Consultative Council meetings should not last for more than two hours. In case of necessity, the Council Chairman can extend the meeting duration.

29. Presenters shall be given ten minutes for presentation in the meeting. There shall be given five minutes for supplemental speeches, up to 15 minutes for presentation and discussion, and up to three minutes for answering to question, providing information. Not more than one minute shall be given for announcement of the meeting procedure. In case of necessity, the Consultative Council Chairman can extend the time allocated for presentation.

30. The Consultative Council members, who were not able to make a presentation due to that the discussion regarding that issue was stopped, shall have the right to give a hard copy of their speech to the Consultative Council Executive Secretary.

V. Procedure of execution and implementation of the Consultative Council decisions

31. The Consultative Council decisions (recommendations) shall be approved by the Chairman of the Consultative Council and finalized in the form of minutes of the session regarding each discussed issue separately.

32. The minutes shall be taken by the Head of the Consultative Council Secretariat or by the Consultative Council Executive Secretary in case of his/her absence. In case of lack of technical conditions the Head of the Consultative Council Secretariat shall make shorthand report of the session process. The draft minutes of the session shall be prepared, the Consultative Council Executive Secretary and Head of the Secretariat shall sign it and submit for the approval of the Chairman of the Consultative Council within ten days period.

33. The Chairman of the Consultative Council shall approve the Meeting Minutes and then it shall be disseminated among the relevant ministries and agencies through the Government of the Republic of Tajikistan with relevant instructions. Information about the discussed issues shall be attached to the Minutes.

34. The Consultative Council Secretariat shall conduct monitoring of implementation of the decisions outlined in the Consultative Council Meeting Minutes. The Consultative Council Executive Secretary shall inform the Chairman of the Consultative Council about the implementation of these decisions on a regular basis.

VI. The Consultative Council Activity

35. The Consultative Council Executive Secretary and Head of the Consultative Council Secretariat shall ensure administrative and methodic as well technical operation of the Consultative Council.

36. The Consultative Council Executive Secretary shall:

- ensure preparation and conducting the Consultative Council meetings;
- agree the issues of conducting meeting with the Chairman of the Consultative Council;
- inform the Consultative Council members and invited representatives about the time and venue of meetings of the Consultative Council;
- ensure taking minutes of the Consultative Council meetings and signing them in timely manner;

- draft the speech of the Chairman of the Consultative Council and inform the Consultative Council members about the process of implementation of the Consultative Council decisions;

- implement the instructions of the Chairman of the Consultative Council;
- promote the cooperation between the state executive authorities, international organizations, foreign investors, businesses and business associations on the issues related to the activity of the Consultative Council within his/her competencies.

37. Head of the Consultative Council Secretariat shall:

- arrange relevant materials and other documents developed by working groups for consideration at the Consultative Council meetings;

- take necessary measures jointly with the Consultative Council Executive Secretary to organize and conduct the Consultative Council meetings at appropriate level;

- deliver all of the relevant documents (meeting agenda, list of participants, draft documents about the issues to be discussed and meeting minutes) to the Consultative Council members;

- participate in the Consultative Council meetings;
- cooperate with mass media with a view to covering the activity of the Consultative Council;

- take necessary measures jointly with the Consultative Council Executive Secretary to establish mutual cooperation of state executive authorities, international organizations, foreign investors, businesses and business associations and other business groups on issues related to the activity of the Consultative Council;

- ensure registration of the Consultative Council decisions and monitoring of their implementation;

- inform the Consultative Council Executive Secretary and the Consultative Council members about the process of implementation of the Consultative Council decisions;

- establish the activity of the Consultative Council Secretariat;

- ensure shorthand report (stenograph) and execution of the Consultative Council meeting minutes;

- supervise the activity of the Consultative Council Secretariat and the activity of experts involved by the Secretariat.

38. Head of the Consultative Council Secretariat shall be selected by the proposal of the Chairman of the Council according to the procedure and rules of organizations, which fund the activity of the Consultative Council Secretariat.

39. The Consultative Council Secretariat shall:

- ensure arrangement of materials necessary for conducting the Consultative Council meetings and adopting its decisions;

- ensure overall coordination and cooperation between state executive authorities, businesses and business associations, international organizations, foreign investors and working groups working to arrangement of materials necessary for conducting the Consultative Council meetings and adopting decisions;

- summarize and make conclusion on the proposals on improvement of the business environment and investment climate in the Republic of Tajikistan submitted to the Consultative Council by state executive authorities, businesses and business associations, international organizations and foreign investors;

- jointly with the State Committee for Investment and State Property Management of the Republic of Tajikistan develop proposals on establishment of a new mechanism

(identification of new areas and priorities) to encourage foreign investment with a view to promoting improvement of the business environment;

- conduct monitoring of implementation of decisions made by the Consultative Council;

- deal with providing information about the activity of the Consultative Council;

- participate in the implementation of international programs and projects for improvement of the government policy on improvement of the business environment and investment climate;

- coordinate and provide technical assistance to activity of working groups that are established for development of proposals and implementation of the Consultative Council decisions.

40. The Consultative Council Secretariat shall have the right:

- to submit requests regarding the issues within the competencies of the Consultative Council to state authorities, businesses and business associations and other agencies;

- arrange press conferences, round tables, trainings, seminars and other educational events within the competencies of the Consultative Council;

- in agreement with the Consultative Council Executive Secretary involve experts with a view to developing proposals on improvement of the business environment and investment climate in the Republic of Tajikistan;

41. The Consultative Council shall be able to establish working groups with a view to developing agreed proposals on the issues related to its competencies. Decisions about the establishment of working groups shall be made by the Chairman of the Consultative Council by the proposal of the Consultative Council Executive Secretary and the Consultative Council members.

Attachment 8

Private Public Dialogue in the Republic of Tajikistan

Mr. D. Saidov, the Executive Secretary of the Consultative Council for improvement of investment climate under the President of the Republic of Tajikistan - Chairman of the State Committee on Investments and State Property Management of the Republic of Tajikistan
and

Mr. Z. Khotamov, the Head of the Secretariat of the Consultative Council for improvement of investment climate under the President of the Republic of Tajikistan

***Presented at the Public-Private Dialogue 2010 Workshop
(Vienna, June 1-3, 2010)***

WHY IMPROVE THE INVESTMENT CLIMATE?

National development at a time of global change requires coordinated government decision-making based on accurate, broad-ranging and thoroughgoing information about the status of the various sectors of the economy. This information comes from the private sector.

The Government of the Republic of Tajikistan has in recent years implemented a number of major economic reforms aimed at improving Tajikistan's business environment, which include the adoption of a Tax Code and a Customs Code as well as laws on the Registration of Legal Entities and Individual Entrepreneurs, Bankruptcy, Pledge of Movable Assets, Licensing, Business Inspections in Tajikistan, Investment, Free Economic Zones and others.

Of special importance among measures taken to improve the investment climate is the Tajikistan National Development Strategy for the period to 2015 and the Tajikistan Poverty Reduction Strategy 2007-2009.

**Long-term priorities of the National Development Strategy
for the period to 2015:**

- Public administration reform;
- **Private sector development and attracting investments;**
- Development of human potential

**The main objectives of the Poverty Reduction Strategy 2007-2009
(related to the investment climate)**

- Implementation of institutional reforms;
- Mitigation of general investment and business risks;
- Reducing barriers to market entry for investors and entrepreneurs;
- Reducing the cost of doing business and investing;
- Offering government support to business and investment

In spite of this, there is still much to do as entrepreneurs continue to experience excessive government regulation. Improvements to the investment climate are hampered not only by the poor infrastructure, but also by the imperfection, incompleteness and complexity of the

legislative framework, problems with corporate governance, insufficient protection of ownership rights and unnecessary administrative barriers

With the purpose of implementing a unified policy for improvement of the business environment and investment climate, the President of Tajikistan in 2007 initiated the creation of a Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan.

The Council's mission is to encourage government bodies to take an active part in improving the business environment, attracting investments into the economy by conducting a consistent and coordinated investment policy as well as to establish a constructive public-private dialogue in the country.

The Council, which is chaired by the President, bringing together the Government, the private sector and donors, shall become the platform where the key issues for both the country and the economy are addressed. The Council sessions are held quarterly.

The Government is represented on the Council by the Prime Minister and the Head of the State Investment and State Property Management Committee as permanent members. The Council applies the principle of rotation for its non-government members. Currently five business associations and one foreign investor are represented in the Council from the private sector. Donors are represented by USAID (from bilateral donors) and EBRD (from multilateral donors). The Council will invite one additional foreign investor as a member.

Heads of ministries and state agencies are invited to the sessions depending on the issues being discussed at the meetings. Other foreign investors and representatives of donor organizations might be invited to the session as observers based upon the agenda and issues to be discussed.

The Council may initiate the establishment of Working Groups involving both business and government to further develop the proposals which are submitted for business climate improvement. Proposals from the Working Groups are then sent to Government for final vetting, after which they are formally presented at Council meetings.

The Council's work is being run and supported by its Secretariat (a working body of the Council) which provides informative, analytical, organizational and technical support to the Council and its members.

Specifically, the Council's Secretariat is responsible for the preparation of the materials required for the Council to conduct its meetings and follow up the monitoring and implementation of the Council's decisions. The provision of information is an integral part of the Secretariat's activities which attaches great importance to issues of awareness and transparency, as part of the public-private dialogue process.

The Secretariat is actively supported by international donors including EBRD, IFC and GTZ. IFC is helping the Secretariat to facilitate input from the private sector in a structured way. GTZ intends to help develop Council outreach materials and conduct capacity building.

SCOPE OF CONSULTATIVE COUNCIL ACTIVITY

The scope of Council activity is based on consultation between the Council Secretariat and private sector representatives, donors' organizations and the Consultative Council members, and it proceeds from the priorities of the National Development Strategy and the Poverty Reduction Strategy.

The Council is currently addressing the following issues:

1. Improvement of Tajikistan's indicators as part of the World Bank's "Doing Business" report including:

- Simplifying business start-up and closing procedures;
 - Improving tax and customs administration;
 - Improving licensing and inspection procedures;
 - Simplifying the procedures on getting construction permits;
 - Improving investors' and property rights legislation;
 - Improving foreign trade, including standardization and certification procedures;
 - Improving access to credit, including leasing transactions and insurance;
2. Introduction and development of corporate governance;
3. Demonopolization and improvement of public services;
4. Improvement of business infrastructure, and support of SMEs and their access to world markets;
5. General improvement of the investment climate in the country.

The key outcomes of the issues presented are agreed decisions on elimination of administrative barriers impeding the attraction of investment and development of the private sector.

Until now, the Consultative Council activity has facilitated the following:

Activating non-government institutions:

- The Coordination Council of Business Associations and Public Organizations of Tajikistan (CCBAPOT) has been established;
- Local non-governmental organizations and business associations have intensified their promotion of the principle of social partnership between business and government and of the creation of business organizations to address emerging issues;
- Business associations now take an active part in drafting laws and in debates about them.

Matching the interests of state bodies and the business community:

- Business associations and the Tajikistan Investment and State Property Management Committee have signed a Memorandum of Cooperation on improving Tajikistan's international ranking;
- The authorities and their senior personnel are now developing a clear understanding of the role of business in the country's economic development and of the barriers to doing business they have created.
- A decision of the second Council meeting increased the number of members representing business organizations (local and foreign) from three to five.

Consolidation of international partners' efforts in promoting reforms:

- A new Donors' Business Enabling Environment Working Group (BEE WG) has been set up to coordinate the work of international projects on improving the business environment;

- The Secretariat holds regular consultations with international partners on their participation in the work of the Council;
- Many donor organizations intend to continue promoting their initiatives through the Council and have expressed a wish to support the Council's work.

RISKS AND CHALLENGES

In spite of these positive results, the Council is encountering a number of subjective and objective problems which impose constraints on its work.

These risks include:

- Initiatives to create consultative bodies and reform agenda originate mainly from international partner organizations (i.e. donor-driven) and are perceived by governmental officials as temporary measures as part of projects.
- Not all of the line ministries and government bodies feel ownership of the reforms and have capacity constraints in implementing the reforms.
- Weak support on the part of business bodies – On the one hand, business has skepticism about the proposed policies, while on the other it is itself very poorly consolidated and cannot formulate properly the reform proposals: the existing business associations (seen as the main structural unit) cannot effectively represent the interests of the business community. The culture and mentality required for the successful operation of business associations has not yet been formed.

To impart greater stability to the Council's work, the Secretariat is:

- Increasing public awareness of the importance of the Council's work;
- Broadening dialogue with government departments (in particular with the Presidential Executive Office, the Ministry of Economic Development and Trade, the Ministry of Finance, the Justice Ministry, and the Tax and Customs Committees) as well as with business associations and individual business people, partly within the framework of CCBAPOT;
- Expanding its cooperation with international partners;
- Encouraging regional business bodies to take an active part in the Council's work

ACHIEVEMENTS OF THE COUNCIL TO DATE

Investment climate reforms agreed by government to date have improved the ranking of the Republic of Tajikistan against other countries in terms of ease of doing business.

According to the World Bank's "Doing Business" 2010 Report, Tajikistan has improved 12 places, from 164th to 152nd place in the world rankings, and for the first time in its history has entered the list of the "Top 10 Reformers", which includes such countries as Rwanda, Kyrgyzstan, Macedonia, Belarus, United Arab Emirates, Moldova, Columbia, Tajikistan, Egypt and Liberia.

The Government of Tajikistan is committed to speeding up the transformation of Tajikistan's regulatory environment so that it supports business growth, new investment and job creation. The Government has demonstrated increasing enthusiasm for investment climate reforms in recent years, building on early reforms in licensing and inspections by creating a one-stop shop for business registration, declaring a two-year moratorium on inspections of small and

medium businesses, developing a feasibility study for a single window for export procedures, strengthening laws related to corporate governance, and simplifying the tax regime for individual entrepreneurs.

To achieve the stated results the following plans and programs have been promoted through the Consultative Council sessions:

1. The Action Plan on first-priority activities of the Government of the Republic of Tajikistan for improvement of international rating indicators of the Republic of Tajikistan – approved during the 2nd Consultative Council session conducted in December 18, 2008 (as Attachment to the Minutes of the Council session).
2. The ambitious Program “Improving business environment - 200 days of reforms” - approved by the Government in June 2009.
3. “The Plan on further measures of the Government of the Republic of Tajikistan on improving investment climate and indicators of the Republic of Tajikistan in international rating” – to be approved by the Government in the near future (tentatively – end of May 2010).

Tajikistan’s achievement has been made possible by the opportunity provided by government to the private sector to participate in decision making related to improving the business environment.

MAJOR ACHIEVEMENTS OF TAJIKISTAN ACCORDING TO DOING BUSINESS – 2010

Indicators	Rating 2010	Rating 2009	Change of rating
<i>Position in the rating</i>	152	164	+12
Starting a business	143	169	+26
Dealing with construction permits	177	180	+3
Employing workers	143	142	-1
Registering property	78	47	-31
Getting credit	167	165	-2
Protecting investors	73	151	+78
Paying taxes	162	161	-1
Trading across borders	179	179	0
Enforcing contracts	39	41	+2
Closing a business	100	100	0

Attachment 9

MEMO FOR AN ENTREPRENEUR №1
HOW TO OFFICIALLY REGISTRATE ONES' BUSINESS?

STEP № 1

In order to register as an **individual entrepreneur**:

– The entrepreneur has to apply to tax agency at the location of residence or at the location of carrying out entrepreneurial activities, and to submit:

- ☐ **Application** in a format approved by the tax agency;
- ☐ **Copy of the personal ID**;
- ☐ **Receipt** on paid state duty.

In order to **register your company** – the entrepreneur should apply to tax agency at the location (address) of a legal entity, and to submit:

- ☐ **Application** in a format approved by the tax agency;
- ☐ **Minutes** of the meeting of founders on establishment of a legal entity, signed by the founders;
- ☐ **Copy of the personal ID**;
- ☐ **Copies of the personal IDs** of each founder of the company;
- ☐ **Receipt** on paid state duty.

Note:

1. In case if a founder is a foreign legal entity, then a copy of a document on registration of a legal entity or a statement from the register of legal entities of the foreign state (or any other valid legal document proving the legal status of the foreign legal entity) should be presented;
2. When mass media enterprise is registered, the letter from the relevant agency should be submitted.

STEP № 2

The entrepreneur waits for 3 working days (or 5 working days for the registration of a legal entity), starting from the date of submission, and at the end of this term contacts the tax agency to obtain «**Certificate on state registration**».

The data on the registered legal persons and individual entrepreneurs is entered into a **Single state register**. They are awarded single numeric codes for their identification.

The entrepreneur has to remember that

- There is no need to visit statistic and social insurance agencies when going through registration procedures. On-stop shop registration provides simultaneous registration at the specified agencies.
- The entrepreneur personally carries the whole responsibility for the credibility of submitted documents and completeness of information reflected in them.

STEP № 3

The entrepreneur on the basis of the «**Certificate**» received has a right to open a bank account, to manufacture a seal (stamp).

MEMO FOR AN ENTREPRENEUR №2

WHAT PROCEDURES HAS AN ENTERPRENEUR TO GO THROUGH IN CASE OF REORGANIZATION OF ONE'S BUSINESS?

First.

The entrepreneur has to know that state registration of newly established or created enterprise through reorganization is made in the same way as with the starting a new business (entrepreneur applies to tax authorities enclosing the appropriate documents and within 5 days receives Certificate on state registration).

Second.

The entrepreneur has to remember that the activities of merged legal entities will be stopped once the tax authorities have entered information on closing of their activities in Single state register.

Third.

The entrepreneur has to know that in joining one legal entity by another legal entity the rights and responsibilities of the joined enterprises are transferred to the former, while both enterprises will stop their existence once information is entered into the Single state register.

Fourth.

The entrepreneur has to know that, in division of enterprise the rights and responsibilities are transferred to newly created legal entities, while divide legal entity will stop its functioning once information is entered into the Single state register. The created legal entities as a result of the division will go through ordinary state registration.

Fifth.

The entrepreneur has to know that, in reorganization of legal entity from one organizational-legal form into another one, the tax authorities have only to enter information on this change into the Single state register.

The entrepreneur should within 5 working days after taking decisions on changes, inform the tax authorities about the changes by submitting one's application and paying the state duty. Tax authorities will enter changes and amendments into the Single state register within 2 working days after acceptance of the application and will give a copy from the Single state register.

The entrepreneur should note that changes will become effective after entering them into the Single state register.

MEMO FOR AN ENTREPRENEUR №3

WHAT PROCEDURES HAS AN ENTERPRENEUR TO GO THROUGH IN CASE OF LIQUIDATION OF ONE'S BUSINESS?

The entrepreneur has to know that state registration of liquidation of legal entity will take place after completion of procedures stipulated by law for the liquidation of the legal entity.

The entrepreneur or judge, who took decision about liquidation of the legal entity, must **within 3 working days** after taking decisions on changes, inform the tax authorities of the place (address) of residence of the legal entity about the decision by enclosing the document of decision on liquidation of the legal entity.

Note: In case of liquidation of the legal entity by bankruptcy procedures (определение суда о завершении конкурсного производства) will be submitted to the authority in charge of the registration of the liquidation.

The entrepreneur has to know that tax authorities **within 5 working days** on the basis information about the decision on liquidation of the legal entity will enter into the Single state register information that the legal entity is in the process of liquidation. A copy from the Single state register will be provided to the entrepreneur as a confirmation of the ongoing procedures.

The entrepreneur should remember, that liquidation of the legal entity is considered to be completed and the legal entity ending its existence only after entering information into the Single state register.

The entrepreneur has to remember that for undergoing the state registration procedures submission of the following documents to the tax authorities is the entrepreneurs responsibility:

- **Application** in a format approved by the tax agency;
- **Liquidation balance-sheet**;
- **Certificate** on state registration of the legal entity under liquidation;
- **A copy of the publication** in one of the republican publishing institutions with information on liquidation of the legal entity;
- **Confirming documents** about check-out of stamps and closure of banking accounts;
- **Receipt** on paid state duty.

MEMO FOR AN ENTREPRENEUR №4

THE PROCESS OF STATE REGISTRATION OF LIQUIDATION OF PHYSICAL ENTITY AS AN INDIVIDUAL ENTERPREUR

The entrepreneur should know that state registration of liquidation of physical entity as an individual entrepreneur is accomplished by the place of its state registration **within 3 working days** after submission of application.

Step № 1

In order to officially document liquidation of business activity, the entrepreneur should apply to the tax authorities of the place where the “Certificate of state registration of the physical entity as an individual entrepreneur” was received, with an application on liquidation of one’s activities and enclosing:

- **Tax declarations and documents confirming fulfillment of tax obligations** in relation to the business activity,
- **Confirmation of check-out of stamps and closure of bank accounts.**
- **Certificate or Patent** with the right to do business as an individual entrepreneur;
- **Receipt** on paid state duty.

Note: In case of liquidation of the business of an individual entrepreneur on the basis decision or court decision the state registration of the liquidation of business is carried out by authority that does state registration **within 2 working days** after receipt of information in appropriate format about the effectiveness of the court decision or appropriate copy of the courts decision.

Step №2

Tax authorities should confirm lack of tax obligations of the individual entrepreneur, which is a basis for legal documentation of liquidation of business.

The entrepreneur should know that the document, confirming the registration of liquidation of business of the individual entrepreneur is a copy from the Single state register.

Attachment 10

INFORMATION ON CONSULTATIVE COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE UNDER THE PRESIDENT OF REPUBLIC OF TAJIKISTAN AND ITS ACTIVITIES

This document is prepared by the Secretariat of the Investment Council on improvement of business climate under the President of Republic of Tajikistan

Why it is important to establish Consultative Council?

The tradition of constructive dialogue between public and private sectors are not well developed in Tajikistan. The views of the entrepreneurs are rarely taken into account in the process of decision making and implementation of administrative measures.

The problem of fragmentation of the business structures and state bodies as well as problem of weak organizational capacity of the private sector is raise during various discussions lately. The need for talking to each other is expressed by representatives of the private sector as well as by the various state bodies.

National development at a time of global change requires coordinated government decision-making based on accurate, broad-ranging and thoroughgoing information about the status of the various sectors of the economy. This information comes from the private sector.

The private sector strives for establishment of dialogue with public sector in order to ensure democratic environment for activities aimed at elimination of administrative barriers for business.

The prerequisite for development of sustainable and structured dialogue between public and private sectors is organization of a competent forum - as is the Consultative Council.

In December 2007 the State President, Emomali Rakhmon, by his Decree created the Consultative Council for Improvement of the Investment Climate under the President of the Republic of Tajikistan.

The Consultative Council

Establishment of the Consultative Council is dictated by the need to organize a regular dialogue and consultation of state bodies with the representatives of various institutes of civil society, including business.

The functioning of the Consultative Council is not envisaged by the Constitution of the Republic of Tajikistan and other laws. However, the President of Republic of Tajikistan felt the necessity of creating the Consultative Council, as new civil institute, aimed in ensuring consultation of the public and private sectors through preparation of agreed administrative decisions on the issues related to improvement of business and investment climate in the country.

The Consultative Council institutionalized the informal dialogue between public and private sectors and have been conducting it regularly.

Key Council functions are as follows:

- ☐ establishment of a regular dialogue between the government and the private sector on equal terms;
- ☐ agreement of the positions by the involved parties;
- ☐ elaboration of agreed recommendations on conducting reforms in the field of business regulation and improvement of the investment climate;
- ☐ monitoring of the undertaken activity and provision of broad public awareness on the results achieved.

Structured public private dialogue is part of a cyclical reform model aimed at elimination of administrative barriers for investment.

The Council is a consultative and advisory body which provides proposals for improvement of the business environment and investment climate to the President of the Republic of Tajikistan, the Government of the Republic of Tajikistan and state executive authorities based on mutual and constructive cooperation with state agencies, businesses and business associations.

The Consultative Council organized dialogue between policy makers and representatives of the private sector at highest level.

Participation of representatives of state bodies in the work of the Consultative Council ensures making decision proposed by the Consultative Council. Participation of representatives of the business ensures authenticity of the proposed reforms, because they can identify the details the most problematic procedures and possible ways to correct them.

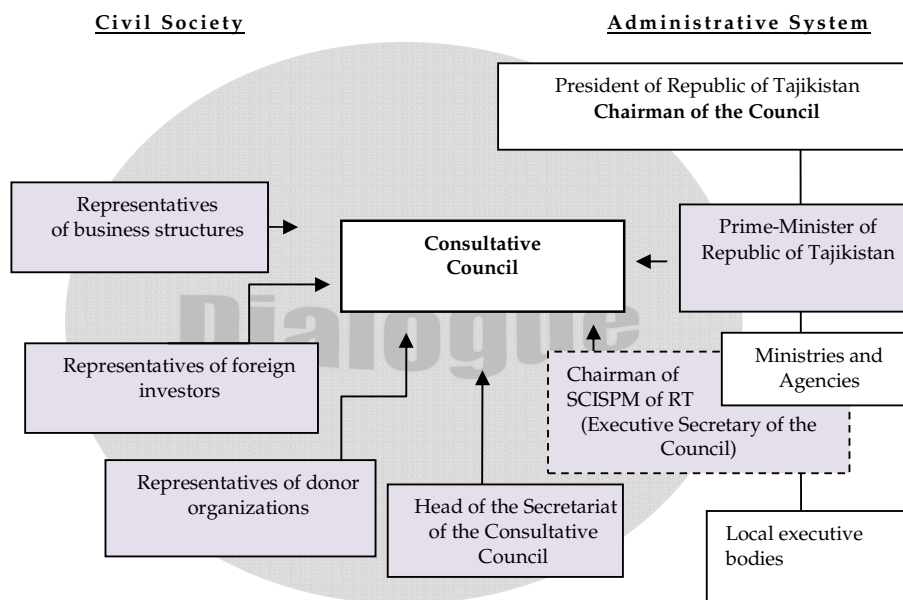
Consultative Council is an effective mechanism for public relations through which the government can demonstrate to the international community its openness for constructive criticism and seriousness about reforms.

The main task of the Consultative Council

According to the approved Regulation of the Consultative Council for Improvement of the Investment Climate under the President of the Republic of Tajikistan, the main task of the Consultative Council is to ensure preparation of agreed recommendations and proposals for the President and the Government of Republic of Tajikistan on issues related to the improvement of business and investment climate.

The Council activity is carried out on the basis of free discussion of the most pressing business problems as well as collective decision making on the issues raised.

The Consultative Council in the system of public administration



Formation of the Consultative Council

The Chairman of the Consultative Council is the President of the Republic of Tajikistan.

The *permanent members* of the Consultative Council are:

- The Prime Minister of the Republic of Tajikistan;
- The Chairman of the State Committee on Investments and State Property Management of the Republic of Tajikistan, who is simultaneously the Executive Secretary of the Council.

The *non-permanent (changeable)* members of the Consultative Council are:

- Representatives of national entrepreneurs and their unions (4 representatives);
- Representatives of foreign investors (1-2 representatives);
- Representatives of multilateral and bilateral international donors' organizations (1 representative from each party – total 2 persons);

The *Head of the Secretariat* is also a member of the Consultative Council.

The Consultative Council activity, proceeding from the principle of wide representation, applies the *rotation* of non-permanent members of the Council according to the following scheme:

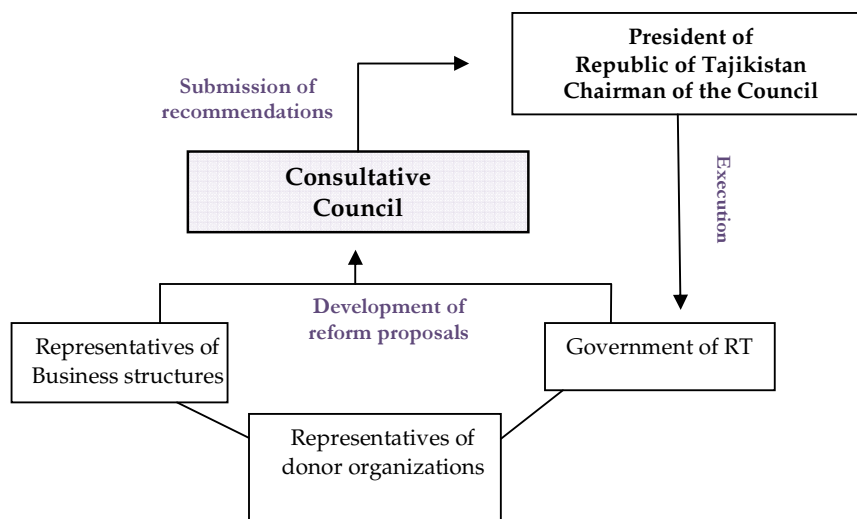
- Business and business-associations' representatives to the Consultative Council shall be selected from relevant organizations based on their internal agreement and rotate every four meetings, depending on the issues proposed for consideration at Council meetings;

- Foreign investors' representatives to the Consultative Council shall be selected, depending on the level of the represented sector's priority and investment activity, and rotate after a one year period;
- Representatives of international bilateral and multilateral donor organizations to the Consultative Council shall be selected from relevant organizations participating in the improvement of the investment climate and rotate after one year period, based on their internal agreement through the Donor Coordination Council (DCC).

The membership of non-permanent Council members shall be identified by the Chairman of the Consultative Council and approved by Council decisions in the Council Minutes. The Executive Secretary of the Consultative Council shall make proposals on the quantity of membership. The Chairman of the Consultative Council, in case of necessity, shall have the right to increase the duration of Council members' participation at the Consultative Council sessions.

In accordance with the Council Regulation, there is the provision for other representatives from state bodies, business structures, foreign investors and international organizations to participate in Council sessions as *observers* with the purpose of ensuring transparency and democracy.

The Structure of the activities of the Consultative Council



Format of the Consultative Council activity

The Consultative Council shall run its activity through regular sessions which should be conducted not less than once per quarter and considered legitimate if two thirds (2/3) of the Council membership attends.

During the sessions, the Consultative Council shall make decisions in regard to issues on the agenda including elaborated recommendations and instructions to corresponding ministries and state agencies as well as to other involved organizations.

The *Minutes* shall be approved by the Council Chairman – the President of the Republic of Tajikistan.

Scope of the Consultative Council activity

The scope of Council activity is based on consultation between the Council Secretariat and private sector representatives, donors' organizations and the Consultative Council members. The Council is currently addressing the following issues:

1. Simplifying business start-up and closing procedures;
2. Improving tax and customs administration;
3. Improving licensing and inspection procedures;
4. Improving investors' and property rights legislation;
5. Improving foreign trade, including standardization and certification procedures;
6. Improving access to credit, including leasing transactions and insurance;
7. Introduction and development of corporate governance;
8. Demonopolization and improvement of public services;
9. Improvement of business infrastructure, and support of SMEs and their access to world markets;

The key outcomes of the issues presented are agreed decisions on **elimination of administrative barriers** impeding the attraction of investment and development of the private sector.

The Council Secretariat

For the purposes to running the Consultative Council activity a special group of experts has been created – the *Secretariat*, this is the body of the Council responsible for daily Council activity. The Secretariat consists of consultants focusing on legal, economic and administrative/PR issues and is led by the Head of the Secretariat (total 5 employees). The Secretariat plays the role of facilitator and coordinator of the dialogue between the government and the private sector.

The Council Secretariat shall:

- Ensure preparation of materials necessary for conducting the Consultative Council sessions and appropriate decisions making;
- Ensure overall coordination and cooperation between state bodies, businesses and business associations as well as international organizations and foreign investors in preparing the materials required for conducting the Council sessions and making appropriate decisions;
- Be responsible for organizational issues on preparation of the Council sessions.

- Ensure advancing and practical implementation of the decisions of the Consultative Council
- Conduct monitoring of implementation of decisions made by the Consultative Council;

The Secretariat of the Consultative Council consists of 4 experts, including legal, economic and financial experts and the Head of Secretariat.

The Consultative Council Achievements

In the environment of imperfections in the system of national development, creation of the Consultative Council for Improvement of the Investment Climate under the President of the Republic of Tajikistan became a catalyst for the public private dialogue.

The Consultative Council activity has facilitated the following:

- Activating non-government institutions;
- Matching the interests of state bodies and the business community;
- Consolidation of international partners' efforts in promoting reforms;
- Changing state institutions' approaches in solving the problems of the private sector.

The activity of the Consultative Council allowed advancing some problematic issues in relation to improvement of the business climate in the republic, i.e.:

- **Simplification and reduction of number of permits for doing business.** The Decree of the President of the Republic of Tajikistan from 7 March 2009 №633 “On reforming the permit system in Republic of Tajikistan” was passed;
- **Simplification of administrative procedures in construction sector** (“Dealing with Construction Permits” Indicators in Doing business Report). The Decree of the President of the Republic of Tajikistan from 18 March 2009 №638 “On measures to improve administrative procedures in relation to construction activity in Republic of Tajikistan” was passed”.

The Government of Republic of Tajikistan approved the **Program “Improving business environment - 200 days of reforms”** in 2 July 2009, which was proposed by the representatives of the business community as a result of the 2nd session of the Consultative Council from 18 December 2008 and developed with active participation of business structures. The Program includes a set of measures for improvement of 8 out of 10 indicators of the Doing Business Report.

Attachment 11

PRESS-RELEASE

18 June 2009 , the 3rd session of the Consultative Council on improvement of business Climate under the President of Republic of Tajikistan chaired by the President of Republic of Tajikistan was held in Executive Office of the President of Republic of Tajikistan at 16:00.

This session is attended by the President of the Republic of Tajikistan, Chairman of the Consultative Council, Emomali Rahmon; the Prime-Minister of the Republic of Tajikistan, A. Akilov; the State Advisor to the President of the Republic of Tajikistan on Economic Policy, M. Davlatov; The Chairman of the State Committee on Investments and State Property Management, Executive Secretary of the Council, F. Khamraliev; EBRD Director in Central Asia, M. Khonma; Acting Director of USAID in Tajikistan, K. Din; the Chairman of the Board of the National Association of Small and Medium Enterprises, M. Uljabaeva; The President of the Company «Tethys Tajikistan Limited» , D. Robson; Head of the Council's Secretariat, Sh. Zardov; as well as three new members of the Council, representing business structures of the Republic – the Chairman of the Association of Producers and Entrepreneurs, Z. Saidov, the Chairman of the Union of Entrepreneurs and Exporters of Tajikistan, N. Zabiroy, and the Chairman of the Association of Banks of Tajikistan, I. Lalbekov.

Special guests of the third Council meeting were Mr. Joji Takeshi - ADB Deputy Country Director; Mrs. Chiara Bronchi - World Bank's Country Manager; as well as heads of ministries and agencies of the Republic of Tajikistan.

The agenda of the session includes issues related to implementation of the decisions of the 2nd session of Consultative Council. The main issue of the session is Approval of “Improving Business Environment - 200 days of Reforms” Draft Program , that was developed by the SCISPM jointly with international technical assistance projects and local business structures, The Program envisages improvement and simplification of administrative procedures according to the one stop shop principle for business registration, obtaining license and permits as well as external trade operations.

As is known the concept of 200 days of reform was suggested by the President of Republic of Tajikistan, Emomali Rahmon, during the second session of the Consultative Council on improvement of business Climate under the President of Republic of Tajikistan, which was also mentioned in the speech of the President of Republic of Tajikistan to the Parliament in 15 April 2009, where the President of the country instructed the Government to develop a special program on improvement of investment climate.

The key result of implementation of the program should be conduct of short term administrative and legal reforms aimed at achieving quick and positive results in the area improvement of business and investment climate in the country.

Besides the above mentioned, the agenda also includes the question of improvement of business climate in the country, as well as recommendations and comments on mechanism for implementation of the “Improving Business Environment - 200 days of Reforms” Program, which were stated by permanent and invited members of the Consultative Council from international community in Tajikistan.

PRESS-RELEASE

8 December 2009, the 4th session of the Consultative Council on improvement of business Climate under the President of Republic of Tajikistan chaired by the President of Republic of Tajikistan was held in Dushanbe.

The main subject of the meeting was **the discussion of the implementation process of the Program «Improving Business Environment – 200 days of reforms»**, which was approved by the Government of the Republic of Tajikistan on July 2, 2009. The members of the Consultative Council heard reports from ministries and agencies involved in the process of implementation of the Program and have provide their comments on implementation of separate items of the Program.

The Chairman of the Consultative Council – the President of Republic of Tajikistan , Emomali Rahmon gave satisfactory score to the process of implementation of the Program. In particular, he mentioned that a major part of the Program is still not implemented, despite the fact that although many legal drafts have been developed on time appropriate decisions are not taken as are in the consultation stage.

Therefore, the Chairman of the Consultative Council, Mr. Emomali Rahmon, has instructed the senior management of the ministries and agencies to improve the cooperation among the state structures in the process of law making, as well as to ensure a proper performing discipline, based on the requirements of the governmental Rules of the Republic on meeting the execution deadlines of the documents, without effecting their development' quality.

During the meeting the information was presented by the representatives from the international organizations providing technical support to the Government in regard to implementation of the discussed Program in relation to the activities of their projects in this specific area.

In particular, the representatives of the donor organizations discussed issues related to the long term financing tools (leasing) as well as optimization of permit system and strengthening implementation of ones stop shop mechanism for business registration.

The participants of the session suggested to continue with the government initiative on simplification of administrative procedures according to the one-stop shop principle, to strengthen its implementation in other areas of government service delivery to the business – i.e. in export import operations.

A joint and open discussion and monitoring of the government program can be considered a good indicator of improvement of mutual understanding and trust between the public and private sectors.

PRESS -RELEASE

28 April 2010 the 5th session of the Consultative Council on improvement of business Climate under the President of Republic of Tajikistan chaired by the President of Republic of Tajikistan was held in Dushanbe.

The main theme of the session was Draft Plan for Further Improvement of the Investment Climate and of the Country's International Ranking of Republic of Tajikistan and its

implementation mechanism, which was developed jointly by the SCISPM and the Secretariat of the Consultative Council on improvement of business Climate under the President of Republic of Tajikistan with technical support of donor projects.

The plan was developed after the instruction of the President of Republic of Tajikistan during the previous session, when President instructed to develop an action plan of the Government of Republic of Tajikistan to continue with the started reforms in the country.

According to the preliminary projections, if the plan is implemented successfully, Tajikistan may improve its scores in five Doing Business Indicators, such as “Trading Across Borders”, “Getting Credit”, “Paying Taxes”, “Dealing with Construction Permits” and “Starting a Business”. Moreover, the plan envisages optimization of leasing procedures and development of short-term strategy for support of domestic producers that is expected to further improve business environment.

Further, organizational issues related to improvement of the work of the Consultative Council were discussed, and the development of e-government as the main theme of the 6th session of the Consultative Council was also approved.

The meeting was attended by Mr. Akil Akilov – the Prime Minister of the Republic of Tajikistan, Mr. Matlubhon Davlatov – the Head of the Executive Office of the President, Mr. Davlataly Saidov – the Chairman of State Committee on Investments and State Property Management of the Republic of Tajikistan - the Executive Secretary of the Council (further referred to as State Committee On Investment And State Property Management of RT), Mr. Zafar Khotamov – the Head of the Secretariat of the Council, Mr. Farrukh Hamraliev - Minister of Economic Development and Trade, Mr. Safarali Najmuddinov – Minister of Finance, Mr. Sharif Rahimzoda – Chairman of National Bank of Tajikistan, Mr. Olim Boboev – Minister of Transport and Communication, Mr. Mahmadali Zokirov – Chairman of State Geodesy and Land Reclamation, Mr. A. Komilov Chairman of Agency for Construction and Architecture under the Government of Tajikistan, Mr. Nematjon Buriev –Senior Economic Adviser to the President of RT, Mr. Dustmurod Murodov – Head of Legal Division of Executive Office of the President of RT, Mr. Khamdam Tagoimurodov - Head of Economic Reforms and Investments Division, Mr. Abdufattoh Sharifzoda - Head of Media-Services of The President of RT, Mr. Sh. Rahmatboev – Deputy Head of State Committee on Investment And State Property Management, and Mr. Rustami Emomali – Head of Department for Support of Private Sector of State Committee On Investment And State Property Management.

The participants from private sector were Mr. Mr. Zaid Saidov – the Chairman of Association of Producers and Entrepreneurs, Mr. Necrui Zabirov – the Chairman of the Union of Entrepreneurs and Exporters of Tajikistan, Mr. Izatullo Lalbekov – the Chairman of Association of Banks of Tajikistan (ABT), Mr. Nazir Sharipov – the Head of American Chamber of Commerce and Industry in Tajikistan, Mr. G. Kayumov – General Director of “TT Mobile” and Mr. D. Robson – President of «Tethys Limited» (as the representative of foreign investors in the Council)

The following participants from international donor community attended the meeting: Mr. Moto Konishi – Regional Director of the World Bank in Central Asia , Mr. Ulf Hindstrom – the Head of EBRD Country Office in Tajikistan, Mr. Makoto Ojira – Country Director of ADB in Tajikistan, Mr. Jeffrey Lehrer – the Director of the US Agency on International Development (USAID) in Tajikistan, Mr. Bob Leverington –Head of DFID Office in Tajikistan, Mrs. Wendy Werner – the Country Coordinator of International Financial Corporation (further referred to as IFC), and Ms. Zakhira Virani Deputy Head of UNDP Office in Tajikistan.