



THE MAIN TOPICS OF THIS ISSUE:

- Appointment of new Head of the Secretariat of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan.
- The first results of the 8th meeting of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan.
- The first meeting of the Consultative Council on improvement of investment climate under the Chairman of Sughd province.
- Information on draft Law of the Republic of Tajikistan "On Public-Private Partnership"

**APPOINTMENT OF NEW HEAD OF THE SECRETARIAT OF THE CONSULTATIVE
COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE UNDER THE
PRESIDENT OF THE REPUBLIC OF TAJIKISTAN**

Mr. Zavkiev Zavkidjon, the new Head of the Secretariat of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan was officially presented in December 2011.

Brief information:

Zavkiev Zavkidjon graduated from the Australian National University and received a Doctor of Philosophy in Economics in 2006 and a Master's degree of Economic of Development in 2001, and Tajik National State University in 1995 on specialty of Accounting, Audit and Analysis of Economic Activity.

He is fluent in Tajik, Russian and English languages.

Experience:

2007 – 2011 Advisor to the Executive Director of World Bank Group and Executive Director of the International Monetary Fund, Representative of the Republic of Tajikistan in these organizations

2006-2007 Deputy Head of Open Market Operations Department of the National Bank of Tajikistan (NBT)

2005-2006 Research Assistant at the National University of Australia

2005 Tutor on micro and macroeconomics at the Australian National University



1998-2002 Head of Credit Division Department of Monetary Policy Department of the NBT
1997-1998 Senior Economist of Credit Division Department of Monetary Policy Department of the NBT
1996-1997 1st category Economist of Economic Forecasting Division Department of Monetary Policy Department of the NBT
1995-1996 Economist of the 1st category of the methodology department of the monetary policy analysis Board of the National Bank of Tajikistan

Specialization: banking system, global economy, macroeconomic policy, in particular monetary, fiscal and international economic policies, private sector development, econometric modeling, global intertemporal dynamic general equilibrium modeling.

At the beginning of his work, Mr. Zavkiev held several meetings with partners of the Consultative Council from among the representatives of private sector and development partners, including: Mr. F. Radjabov - Chairman of the Association of Builders of Tajikistan, Mr. Kadyrov - Deputy Director of Center for Business Development and Support, Mr. N. Zabiroy - Chairman of Entrepreneurs and Exporters Union, Mr. Z. Radjabov - Director of "Eskimo-M", Mrs. Vaydulloeva R. - Director of Company "Status", Ms. Marsha Olive - Head of the Country Office of the World Bank in Tajikistan, Mr. Christopher Miller - Head of the Country Office of the International Finance Corporation in Tajikistan, Mr. Nicholas Guigas - Deputy Director of the Delegation of Swiss Cooperation Office in Tajikistan, Mr. Rakhmonov M., Mr. Musaev G., Mr. Pascal Bond - Representatives of the United Nations Development Programme, Mr. S. Kurbanov - Advisor of DFID on economic affairs, Ms. Z. Kasimova - Deputy Team Leader, GIZ Project on private sector support.

In addition, a number of meetings were held with the missions of the World Bank and International Finance Corporation, as well as with a team of the World Bank on private sector development.

In particular, a videoconference with the representatives of the World Bank from Washington, delegation of State Committee on Investments and State Property Management of the Republic of Tajikistan, Secretariat of the Consultative Council, "Barki Tojik" was held in the office of the World Bank on December 13, 2011, which purpose was to discuss the issue of introduction of a new indicator "connection to electricity," in the report of WB "Doing Business", and explanation of methodology for its calculation.

The World Bank in liaison with the Tax Committee of the Government of the Republic of Tajikistan, the Agency for Social Security and Pensions of the Ministry of Labor and Social



Security of the Republic of Tajikistan, the Agency for Statistics of the President of the Republic of Tajikistan with the participation of representatives of the State Committee on Investments and State Property Management and Tajikistan and the Secretariat of the Consultative Council held activities on presentation of the results of investigation of the World Bank in a part of determination of the main difficulties in the legal, technical and information environment of successful implementation of "one stop shop" principle during business registration on December 15, 2011. The purpose of this meeting was to identify further reforms in this direction, and their practical implementation.

The World Bank Group in cooperation with the National Association of Small and Medium Business of Tajikistan as well as the association of "MIDAT" held a round table to discuss the investment climate and business environment in Tajikistan on December 20, 2011. The round table was attended by representatives of government, private sector, development partners, as well as the Head of the Secretariat of the Consultative Council. The level of business confidence in Tajikistan was discussed at the said event; key events for entrepreneurs mentioned in the Report of "Doing Business 2012"; the question of the day of private sector development, applicable to various sectors, as well as the possibility of the World Bank Group in resolving the existing difficulties and problems on discussed issues in Tajikistan.

Various participants had the floor during the Round Table and expressed their suggestions and recommendations. During the debates Mr. Zavkiev Z. highlighted that the Report had methodological problems and discrepancies based on analysis of experts of the Secretariat of the Consultative Council.

The Head of the Secretariat of the Consultative Council had a meeting with Mr. Karen Grigorian, the Senior Economist of the World Bank Mission and Mr. Salman Zaidi, Country Economist of the World Bank for Tajikistan on December 21 and 22, 2011. The purpose of the meeting was to discuss the next steps and opportunities for cooperation of the World Bank and the Consultative Council, extension of dialogue in the area of private sector development, including the potential preparation of a special investment project, taking into account the relevant recommendations of the Secretariat of the Consultative Council.

During the meetings participants discussed directions of further cooperation in the framework of the Consultative Council in various areas, including improving the work of the Secretariat of the Consultative Council and strengthening its human resource capacity, improving the interaction of the Secretariat with its partners, the development of public-private dialogue, improving the effectiveness of solutions of the Consultative Council, the expansion of information and monitoring activities of the Secretariat, etc.



Following the results of previous meetings there was reached an agreement on extension of further joint cooperation of the Secretariat of the Consultative Council with representatives of the private sector and development partners.

Next, Head of the Secretariat of the Consultative Council plans to continue meetings with the partners on a regular basis to determine further steps on mutually beneficial and fruitful cooperation.

FIRST RESULTS OF 8TH MEETING OF THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF THE INVESTMENT CLIMATE

At previous 8th meeting of the Consultative Council, which was held on 8 November, 2011, the members of the Consultative Council considered number questions of the day for the development of business environment.

It is significant that among them were the problems under consideration hampering growth of the leasing market development in the country, which solution is of particular meaning. According to representatives of private sector, the existing regime of VAT implementation and customs duties for import of equipment and delivery of equipment through leasing transactions is a serious obstruction on the way of the development of the market of leasing services in the Republic of Tajikistan. According to conducted analysis, only in the last two years significantly reduced the number of organizations providing leasing services, and consequently decreased the volume of leasing transactions.

Measures on improving the economic efficiency of agriculture sphere in achieving food security had been also discussed at the meeting.

It was noted that, despite some progress in the agricultural sector, farmers are still faced with problems such as lack of pesticides, quality seeds, modern equipment and spare parts for it, poor land reclamation, etc.

To correct the described problem, a number of specific measures were proposed, including insertion changes and additions to the Tax Code of the Republic of Tajikistan in a part of VAT exemption of imported agricultural facilities, including some types of seeds, fertilizers, pesticides, etc.

As the result, listening to the arguments of members of the Consultative Council from government agencies, representatives of private sector and development partners, the Chairman of the Advisory Council made the following orders:



- the relevant departments of the Executive Office of the President of the Republic of Tajikistan to prepare drafts of regulatory acts proposed by the Ministry of Finance of the Republic of Tajikistan on taxation procedures implemented through leasing and to submit to the regular meeting of the Government of the Republic of Tajikistan;

- Ministry of Agriculture of the Republic of Tajikistan as a matter of urgency to study the issue of exemption from VAT and customs duties for imported fertilizers and manures, pesticides and quality seeds, to prepare the necessary drafts of regulatory acts and in established order to submit to the Government of the Republic of Tajikistan;

Instructions of the Chairman of the Consultative Council were timely implemented by responsible government agencies, and submitted to the Government of the Republic of Tajikistan for consideration.

As a result, the drafts of regulatory acts, which provide for exemption from VAT and customs duties of imported equipment and technologies for manufacturing facilities, purchased on a leasing basis, as well as imported fertilizers and manures, pesticides and quality seeds were approved at the meeting of the Government of Tajikistan held on November 29, 2011.

The proposed changes significantly improve the investment climate in the Republic of Tajikistan in the sphere of the market development of leasing services, and will contribute to the development of agriculture sector in the country and achieving food security.

FIRST MEETING OF THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE UNDER THE CHAIRMAN OF SUGHD PROVINCE

First meeting of the Regional Consultative Council under the Chairman of Sughd region on improvement of investment climate was held in Khujand under the guidance of the Chairman of Sughd Province on November 25, 2011.

The meeting was attended by Mr. Kohir Rasulzoda, Chairman of Sughd Province, Mr. Rustamov S. Sh., Deputy Chairman of Sughd Province, Mr. Radjabov Sh., DFID representative, Mrs. Suleymanova M., Director of JSC "Sugdagroserv", Mr. Li Feng, Director General of JV "Zarafshan".

As a guest at the Council meeting was attended by Mr. Khalikov S., the representative of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan, Ms. Z. Kasimova, Deputy Team Leader, GIZ Project on private sector support, Ms. Sharipova F., UNDP regional office representative, as well as top



officials of the committees and departments of the region, who work directly with entrepreneurs.

At the first meeting, in accordance with the Agenda were considered the following questions:

1. Goals and objectives of the Regional Consultative Council under the Chairman of the Province on improvement of investment climate
2. Organization of the Council work and approval of the members of the Council
3. Approval of Senior Secretary of the Council
4. On the investment environment in Sughd Province
5. Adoption of the Agenda of the second meeting of the Regional Consultative Council

During the meeting the Chairman of the Province presented the audience the detail information on the goals and objectives of established Council, emphasizing that the Council was established to meet the challenges of improving the investment climate in Sughd region and to develop public-private partnership.

Mr. Hartwig Ungetum, Project Manager GIZ in Tajikistan, Mr. Rustamov S. Sh., Deputy Chairman of Sughd region, Mr. Inomov I.N., Head of Investment and State Property Management Sughd region, Mr. Sangin I., Head of Association of small and medium enterprise, Mr. Khalikov S., representative of the Consultative Council on improvement the investment climate under the President of the Republic of Tajikistan had also the floor at the meeting.

In addition, the Senior Secretary of the Council was elected and members of the Council had been approved at the meeting.

One of the agenda items of the next second session was approval of consideration of "State Program on horticulture sector development for 2010 - 2012 years and action plans in Sughd region."

In conclusion it was recommended to the Regional Council under the Chairman of Sughd Province to strengthen cooperation with the Secretariat of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan.



INFORMATION ON DEVELOPMENT OF DRAFT LAW OF TAJIKISTAN "ON PUBLIC PRIVATE PARTNERSHIP"

In recent years, there has been a noticeable development of public-private partnerships at the highest level, which is one aspect of the country's successful development and high-priority economic issues.

It should be noted that currently some projects under public-private partnership are implemented in the country. However, there is a need to develop a draft Law of the Republic of Tajikistan "On Public-Private Partnership", which would accelerate the process of implementation of the priority economic projects and increase the inflow of investment from the private sector.

For this purpose, Mr. S. Davlatov, Senior Secretary of the Council, proposed to analyze the current legislation of the Republic of Tajikistan on public-private partnership, and in line with this to develop relevant bill at the 8th meeting of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan. This proposal was supported by the Chairman of the Consultative Council and was given appropriate instructions by the President of the country.

In this regard, a working group consisting of representatives of government agencies and the private sector by support of development partners has been established at the State Committee on Investments and State Property Management of the Republic of Tajikistan. Also, the working group includes the representatives of the Secretariat of the Consultative Council, who actively participate in process of the sessions and make recommendations based on the interests of the private sector, as well as best international practice.

Working group has already held several meetings during which had been done the analysis of current legislation on public-private partnerships, as well as the draft Law of the Republic of Tajikistan "On Public-Private Partnership" was prepared. The analysis showed that one of the main tools for strengthening economic development and attracting local and foreign investment is to develop a clear mechanism for public-private partnership.

A working group continues its work and plans to send the prepared bill by the end of 2011 to all interested ministries and departments for approval. It should be noted that in the next, 9th meeting of the Consultative Council will be reviewed the final version of the bill.

For information: One of the most successful current examples of public-private partnership is the cooperation between the state and the company "Pamir Energy." Under agreement on



cooperation, "Pamir Energy" manages power generation and distribution throughout GBAO.

UPCOMING EVENTS

Secretariat of the Consultative Council on Improvement of Investment Climate under the President of Tajikistan would like to express its respect and inform you on planning the next annual Round Table, where the Annual Report on activity and results of the Investment Council and its Secretariat at the period June 2010-June 2011 will be presented.

Approximate time of the Round Table is 17-20 January 2012.

We will inform you on the exact time and place later.

Dear Partners!

Should you have proposals for consideration for one of the next meetings of the Council, or comments and suggestions on improvement of the work of the Secretariat and/or Council you can always contact us at amavlonova@investmentcouncil.tj You may also share with us your information, which might be of interest for private sector and investors. We may include it in one of the next Bulletins. The Secretariat of the Investment Council is grateful for your interest in our Bulletin and your general cooperation.

*Sincerely,
Secretariat of the Investment Council on
Improvement of Investment Climate under the
President of Republic of Tajikistan*

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