



CORE TOPICS:

- **Preparation for the Annual Round Table of the Consultative Council**
- **Establishment of the Working Group on Development of Secondary Market for Securities and Establishment of a Stock Exchange Market**
- **Reforms on Improvement of Investment and Business Climate in Insurance Sector**
- **Cooperation with Partners**

PREPARATION FOR THE ANNUAL ROUND TABLE OF THE CONSULTATIVE COUNCIL

As everybody knows, every year the Consultative Council conducts a Round Table on “Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan - an Instrument to Facilitate Open Dialogue between State and Private Sectors”.

Likewise, this year the Secretariat of the Council intends to hold a Round Table on this topic. The main purpose of organizing this Round Table is to present brief information on key achievements of the Investment Council in 2013 and on priorities of the Council for 2014, also exchange of views among partners.

The representatives of private and state sectors and development partners would participate in the work of the Round Table.

Regarding this, for organizing and conducting this event in a high level the Secretariat of the Consultative Council has completed a range of significant works.

ESTABLISHMENT OF THE WORKING GROUP ON DEVELOPMENT OF SECONDARY MARKET FOR SECURITIES AND ESTABLISHMENT OF A STOCK EXCHANGE MARKET

For the purpose of implementation of Point 7 Protocol instruction of 12th Session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan from December 13, 2013 under



the National Bank of Tajikistan was established a Working Group on development of secondary market for securities and establishment of a stock exchange market.

On January 06, 2014 the first meeting of this Working Group was held under the leadership of Jamshedi Yusufiyon – First Deputy Head of National Bank of Tajikistan, Head of the Working Group.

The members of the Working Group from Ministry of Finance, Ministry of Economic Development and Trade, Ministry of Justice, Tax Committee under the Government of the Republic of Tajikistan and Secretariat of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan were participated in this meeting.

During the meeting main directions of the activity of the Working Group on development of secondary market for securities and establishment of a stock exchange market were identified and discussed. It was noted that the Working Group should analyze different aspects of development of secondary market for securities and establishment of a stock exchange market in Tajikistan, and submit comprehensive recommendations for the improvement of the sector to subsequent Sessions of the Consultative Council.

It should be reminded that establishment of secondary market for securities is an important issue which could contribute to the business development, capital inflow and making free capital available for entrepreneurs.

Therefore nowadays establishment of secondary market for securities is one of the way for solving economic development issues that first of all has close connection with activation of market for securities, issue of emission and dissemination of domestic company's shares in the stock exchange market.

Secondary market for securities promotes to attract and distribute financial resources from low-profit sectors into more profitable and perspective sectors.

REFORMS ON IMPROVEMENT OF INVESTMENT AND BUSINESS CLIMATE IN INSURANCE SECTOR

In accordance with Point 4, Protocol (Minutes) of 11th Session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan Ministry of Economic Development and



Trade, Ministry of Finance together with relevant ministries and agencies, private sector with the support of development partners were instructed to conduct necessary analysis on improvement of investment and business climate in insurance sector and to submit its results with concrete recommendations to the next Sessions of the Council. On this base regarding full implementation of this Protocol (Minutes) point of the 11th Session of the Consultative Council a Working Group was established and is being operated under the Ministry of Economic Development and Trade of the Republic of Tajikistan including representatives of the relevant ministries and agencies, private sector with support of development partners.

The Working Group is focused on development of comprehensive recommendations for the improvement of legal framework for insurance sector, development of all forms of insurance, improve the competitiveness of the sector, and in general, improve the investment and business climate in the insurance sector.

It is necessary to note that the Working Group in the insurance sector started its activity from studying the policy paper prepared by World Bank on key issues facing the insurance sector in Tajikistan and supported proposed recommendations regarding the allowing for competition in the insurance sector, strengthening the supervisor and giving it independence and improving the legal framework for insurance. At the same time the Working Group was not limited with research of World Bank and carrying out analysis of the market of voluntary insurance.

During the studying and analyzing insurance sector in the country issues of population insufficient trust to the insurance companies, the shortage of highly skilled professionals (actuaries), the disparity of educational standards in higher education with modern demands of the insurance market, imperfections of competition, discrepancy services of the insurance companies with international best practice standards, low liquidity of insurance companies, the absence of association of insurance companies, reinsurance companies in the country, lack of development of health insurance were revealed.

It should be noted that the in the result of the Working Group's activity Report of the Working Group and on its basis an Action Plan of the Government of the country on improvement of the investment climate in insurance sector would be developed and submitted for the next Sessions of the Consultative Council on



Improvement of Investment Climate under the President of the Republic of Tajikistan.

COOPERATION WITH PARTNERS

On January 06, 2014 a bilateral meeting was held between Zavkidjon Zavkiev - Head of Secretariat of the Consultative Council with Pavel Lavrov - General Director of “Sangtuda-1”

During the meeting the Head of Secretariat of the Council informed the member of the Council Pavel Lavrov about the functions of members of the Consultative Council in the framework of the Consultative Council’s activity on Improvement of Investment Climate under the President of the Republic of Tajikistan.

Simultaneously, counterparts had an exchange of views on improvement of investment climate regarding attraction of more investments to the energetic sector of the country.

At the end of the meeting the counterparts expressed their willingness to continue fruitful cooperation in other different directions.

On January 7, 2014 Zavkidjon Zavkiev - Head of Secretariat of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan had a bilateral meeting with Christopher Miller - Head of the Representation Office of International Finance Corporation in Tajikistan.

During this meeting Head of Secretariat of the Consultative Council updated on progresses of the activity of Secretariat of the Consultative Council, achievements and reforms which are implemented in the framework of the Consultative Council activity, including such reforms as:

- Ratification of Tajikistan to Hague Convention on abolition of legalization of foreign official documents;
- Establishment of sovereign credit rating of the country;
- Proposed Draft of Action Plan of the Government of the Republic of Tajikistan on improvement of investment climate in tourism;
- Improvement of the Republic of Tajikistan’s indicators in the Doing Business Report of the World Bank Group;



- Establishment of Working Group on development of secondary market for securities and establishment a stock exchange market in Tajikistan in the base of Point 7 Protocol instruction of the 12th Session of Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan.

Also, the sides had an exchange of views about the Round Table, which will be hold in the next month of current year.

Mr Christopher Miller highly appreciated achievements of Consultative Council and expressed his willingness and other development partners regarding providing support and to involve an expert to the work of the Working Group on development of secondary market for securities and establishment of a stock exchange market.

At the completion of the meeting counterparts agreed to continue fruitful cooperation in above-mentioned sectors.

On January 14, 2014 the meeting of representative of Secretariat of the Consultative Council was held with Coordinator of the Project on “Mineral Resources for the development of Central Asia” of German Agency for International Cooperation in Tajikistan.

The representative of Secretariat updated on reforms implementing in the framework of the Council. The issues of implementation goals of the Project on “Mineral Resources for the development of Central Asia” in the framework of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan, as well as establishment of public-private dialogue in subsoil management were discussed by counterparts.

It should be reminded that Project on “Mineral Resources for the development of Central Asia” is focused for the development of investment climate in subsoil management and on this base for more attraction of foreign investment to this sphere, import of modern technology, improvement of the qualification of specialists of this sphere and would be implemented in Central Asia countries.

At the completion of the meeting counterparts expressed their willingness to continue future cooperation and prepare the issue together with private and state sectors for the discussion in the Consultative Council’s Sessions.



On January 17, 2014 Zavkidjon Zavkiev - Head of Secretariat of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan had a meeting with Ulf Hindstrom - Head of Resident Office of European Bank for Reconstruction and Development in Tajikistan.

In the first part of the meeting, the Head of Secretariat of the Consultative Council concretely updated on key achievements of Council in 2013 year. It was noted that in 2013 year the Consultative Council and its Secretariat has completed significant works, necessary reforms on improvement of investment and business climate are being continued, as well as introduction amendment and modification to Tax Code of the Republic of Tajikistan, improvement of the Republic of Tajikistan's indicators in the Doing Business Report of the World Bank Group, improvement of investment climate in tourism, establishment of sovereign credit rating of the country, ratification of the Hague Convention on abolition of foreign official documents' legalization by the Republic of Tajikistan.

Additionally, it was informed that the Working Group on development of secondary market for securities and establishment of a stock exchange market in Tajikistan under the National Bank of the Republic of Tajikistan and the Working Group on improvement of investment and business climate in insurance sector under the Ministry of Trade Development and Economy are established and being continued their activity. The Drafts of Action Plans of the Government of the Republic of Tajikistan on improvement of investment climate in tourism and improvement of Republic of Tajikistan's indicators in the Doing Business Report of the World Bank Group were sent to the relevant ministries and agencies and on the base of their proposals they would be submitted to the Government of the Republic of Tajikistan.

The EBRD's side highly appreciated these reforms.

Then, in the second part of the meeting, the EBRD's side informed that this Bank would continue finance and technical support for two years. The Head of the Secretariat thanked the EBRD for the finance and technical support that is contributed for the effective activity of the Secretariat.

At the completion of the meeting, the sides expressed the willingness to continue their bilateral fruitful cooperation.



On January 21, 2014 a meeting of representatives of Secretariat of the Consultative Council with General Director of LLC «Sughurtai milli» - Hamroev Komron was held at Secretariat's Office of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan.

In the meeting issues of insurance sector development in Tajikistan from private sector's point of view were being discussed. The main focus was given to the development of health insurance as one of means to make available contemporary medical services for people during discussing the issues. From the side of the General Director of LLC «Sughurtai milli» - Hamroev Komron was given useful suggestions on development of this kind of insurance in the country that would be studied by Secretariat of the Council.

Representatives of Secretariat of the Consultative Council have informed General Director of LLC «Sughurtai milli» - Hamroev Komron that reform in insurance sector was began for implementation of the point 4 of the 11th Session's Protocol of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan from April 30, 2013 regarding conduction of necessary analysis on improvement of investment and business climate in insurance sector and submitting its results with comprehensive recommendation to the subsequent Session of the Council. Therefore currently a Working Group was established under the Ministry of Economic Development and Trade by involving representatives of ministries and agencies, private sector with support of the development partners that is being operated actively on improvement of investment and business climate in insurance sector. The Working Group would submit developed Report and Draft Action Plan of the Government of Tajikistan on Improvement of Investment and Business Climate in Insurance Sector for consideration of the subsequent Session of the Council.

In the completion of the meeting counterparts expressed their willingness for continuing mutual cooperation on improvement of investment and business climate in insurance sector.

On January 24, 2014 was held a meeting of representative of Secretariat of the Consultative Council with expert on economy and finance issue of Secretariat of the Council on business and invest development under the Government of the Republic of Kyrgyzstan Rafkat Hasanov.



During the meeting the representative of the Secretariat updated on reforms implemented in the framework of the Council's activity. Counterparts discussed the issues of development of public and private sector dialogue at national and regional level. Particularly specific attention was paid to the development of Public-Private dialogue at a regional level, including establishment and activity of regional councils on improvement of investment climate.

Also, development of public and private sector dialogue was reviewed by counterparts.

At the end of the meeting the sides expressed their willingness to continue further cooperation.

Sincerely Yours,

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