

Monitoring

Results of Decision Implementation of 18th Session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan from January 26, 2018 (approved March 24, 2018)

№	Content of the official assignment	Deadline	Status of implementation	Comment
1	<p>Ministry of Transport:</p> <ul style="list-style-type: none"> - to develop the new Automobile Code of the Republic of Tajikistan together with the relevant structures based on the international experience and recognized agreements of the country and submit it to the Government of the Republic of Tajikistan; - to take into account the private sectors proposals in the process of revision of the strategy and state programs of transport sector, including the regulatory legal acts of the automobiles carriage, rail and air, export, import, transit and re-export; - to take necessary measures in the region and international arena with the aim of introduction of republic to the international shippers as a state favorable to carriage; - to take the necessary measures to preserve and protect the country's roads together with the relevant authorities, for prevention of the 		<p>Implemented</p> <ul style="list-style-type: none"> - By the order of the Minister of transport №219 dated 19.10.2015, there was established a working group including representatives from the Ministry and private sector to draft the Transport Code for 2016-2017. The draft has been updated on the basis of the recommendations provided by the 18th Session of the Council, and now is being coordinated with ministries and agencies for submission to the Government of the Republic of Tajikistan. - By the order of the Minister of transport #247 dated 08.11.2017 there was established a Public Consultancy Council on transport and logistics. Three fourth from Council members are representatives of Private Sector, therefore the Private Sector proposals will be considered in all sectors and to be submitted to respective government institution. In particular, Private sector took active part in development of draft Tax Code which is posted at Ministry of Transport website. - In 2003 the first Association of International Road Carriers of Republic of Tajikistan "ABBAT" was the first organization in Tajikistan which started issuance of Transports International Routiers (TIR) Carnet. To the date, ABBAT is permanent representative of Tajikistan at International Road Transport Union (IRU) is the world road transport organization, which has more 100 member-states. Ministry delegation is also representing Tajikistan's opportunities as transit state at domestic and international events. - In order to maintain and save country roads the investment project on the rehabilitation of the Khujand highway - Isfara is implementing two key components on procurement of the software system "Road 	

	<p>movement of foreign heavy vehicles in the country;</p> <p>- to improve draft of Action Plan of the Government of the Republic of Tajikistan on Improvement of Investment and Business Climate in the Transport and Logistics sectors by the proposals presented in the Session, and submit to the Government of the country for the consideration.</p>		<p>Management System" and development of a strategic plan on weight and volume of transport. The implementation of the protocol of Council's 18th Session, the State Service for Supervision and Regulation in the Transport sector changed the amendments to the Decree of the Government of the Republic of Tajikistan #779 from December 29, 2006 "On establishment of rules for Transport Vehicles with overweight and volume" and currently is under implementation. There are 22 weighing points in the country. In 2018 during 10 months there were disclosed 660 cases of violation with total penalty amount of 1650 thousand somoni and 36 cases with 2000 tones overweight, which was moved to another vehicle. Depending on volume and weight of shipments the Service has issued 52 special licenses with total amount of 257672 somoni.</p> <p>The draft "Action Plan of the Government of the Republic of Tajikistan on Improvement of Investment and Business Climate in Transport and Logistics" was considered and proposals were adopted at the 18th Session of the Consultative Council, and currently are at the final stage of coordination with relevant ministries and agencies.</p>	
2	<p>Civil aviation agency;</p> <p>- jointly with the Ministry of Transport, to improve the proposed Action Plan for the development of air transport, modernization of the aeronautics equipment, transit development, raise competitiveness of domestic companies, and submit proposals to the Government of the Republic of Tajikistan in accordance with the established procedure;</p> <p>- to provide specific proposals to the Government of the Republic of Tajikistan on ways of civil aviation development in the country;</p> <p>- to take necessary measures to enhance the "Open skies" policy, including the passenger and</p>		<p>Implemented</p> <p>- Agency jointly with the Ministry of Transport has developed a draft Action Plan of the Government of the Republic of Tajikistan on Improvement of Investment and Business Climate in the Transport and Logistics sector based on the proposed Recommendations which now is submitted to the respective ministries and agencies.</p> <p>-</p> <p>- Civil aviation agency has developed draft Action Plan on development of civil aviation and submitted to the Government of the country in the letter # dated 2018.</p> <p>- The national Airlines have opposite position regarding implementation of "Open skies" policy considering their weak competitiveness with foreign companies. Currently over 60% of total</p>	

	freight traffic, increase the airline route from Europe, South-East Asia, and the Pacific region to the international airports of the republic, and thereby enhance the country's transit capacity.		flights are served by foreign Airlines. However, the negotiations are going on increasing number of flights to foreign countries including EU, Southeast Asia and Pacific region in order to complete transit flights.	
3	Ministry of Foreign Affairs within the inter-agency working group is responsible for the issue of the obtaining international status to "Karamyk" border between Tajikistan and Kyrgyzstan, and to find the way of solution of the problem in accordance with the established procedure.		<p>Under implementation Ministry of Foreign Affairs</p> <p>In accordance with the agreement between the Government of Tajikistan and Kyrgyz Republic on the border crossings between Tajikistan and Kyrgyzstan since May 26, 2004, the border on Karamchi has a bilateral status. In order to revise crossing conditions, it is necessary to consider mentioned above agreement. However, Kyrgyz Ministry of Foreign Affairs considering membership in Eurasian Economic Union rejected number of requests from Tajikistan Ministry of Foreign Affairs. Despite of this ministry continues to work in this field.</p>	
4	The National Bank and the Ministry of Finance to reinforce the process of introducing corporate governance in the finance and credit organizations of the country, implement transparent banking mechanisms, and thereby enhance their reliability.		<p>Under implementation National Bank of Tajikistan</p> <p>The National Bank has consultations with the International Monetary Fund (IMF) in order to implement and consolidate corporate governance. In the field of corporate governance, the National Bank conducted a workshop with participation of department heads and supervisory authorities of the Bank in cooperation with the World Bank.</p> <p>On 27 February 2018, the National Bank of Tajikistan with the International Finance Corporation (IFC), with the support of the Swiss Government (SECO), the UK (DFID), "Imkon Consulting" and "Legal Consulting Group", NBT department heads and Directors of the credit institutions of the country conducted a workshop on "Corporate Governance in the Financial and Banking System of Tajikistan: Challenges and development opportunities".</p>	

		<p>Important aspects of corporate governance were discussed during the workshop - the activities of shareholders, participants and the executive body of credit institutions, risk management policy, decision-making on key analysis, strengthening of internal control.</p> <p>National Bank together with the European Bank for Reconstruction and Development has analyzed the status of the corporate governance system in credit institutions and prepared draft of appropriate document to improve the current legislation.</p> <p>The information on domestic banks shareholders and investments is available at NBT website.</p> <p>Ministry of Finance: In order to introduce corporate governance in the domestic companies, the Ministry has adopted National Standards of Corporate Governance.</p>	
5	<p>National Bank of Tajikistan:</p> <ul style="list-style-type: none"> - to develop the mechanism voluntary insurance of deposits and savings of individuals and legal entities with the involvement of international financial institutions, and submit to the Government of the Republic of Tajikistan for consideration (Representation of the International Finance Corporation in Tajikistan, the European Bank for Reconstruction and Development in Tajikistan and other development partners); - to conduct monitoring and evaluation of the training of banking sector specialists in higher education institutions and to carry out practical work on improvement educational programs and teaching methods in this direction, together with the Ministry of Education and Science. 	<p>Under implementation</p> <p>National Bank of Tajikistan</p> <p>According to the letter of the National Bank of the Republic of Tajikistan №31-161 / 2205 from May 15, 2018, the National Bank has developed a new insurance policy and the reduction of the economic loss in entrepreneurial activity, voluntary insurance and savings deposits of individuals and legal entities, the project of voluntary insurance policies and savings accounts and legal basis for the credit and insurance organization for consideration.</p> <p>- According to order of Head Executive Office of the President of the Republic of Tajikistan №23-3 / 118 dated June 2018, the term of termination of the article is renewed until November 2018.</p>	
6	<p>State Committee on Investments and State Property Management and Secretariat of the Consultative Council:</p> <ul style="list-style-type: none"> - to implement necessary measures on development and submission of new editions of the 	<p>Implemented</p> <p>Within the framework of the relevant Working Group of the State Committee on Investments and State Property Management in</p>	

<p>draft of Action Plan of the Government on improvement of country's position in the World Bank Doing Business Report, in collaboration with the World Bank experts and relevant ministries and agencies;</p> <ul style="list-style-type: none"> - to take measures together with ministries and agencies for improvement of the position of the Republic of Tajikistan in the ranking of the world rating agencies, continuation of reforms on simplification of state regulation of business activity, including registration of entrepreneurship, permitting and licensing, connection to electricity networks, tax administration, property registration, access to credit, international trade procedures, ensuring the implementation of the contract and solving the issue of liquidity; - with the purpose of prevention of repeated analysis, the preparation of sectoral reports and analyzes, proposals and recommendations that are implemented with internal and external experts, in coordination with bodies and agencies, the private sector and development partners must be set in a high level; <ul style="list-style-type: none"> - to conduct evaluation of effectiveness of the activity of international and local consultants in the framework of the investment projects and funds allocated for them by the projects together with relevant ministries and agencies, centers for implementation of investment projects and development partners and submit its results to the Government of the Republic of Tajikistan with concrete conclusions and recommendations, and 	<p>collaboration with the Secretariat of the Consultative Council and the involvement of international experts, the Government's Action Plan on Improving the Country's Assessment of the World Bank Group's Assessment Report was developed in a new edition, which is agreed upon by the ministries and government agencies, for the consideration of the Government of the country.</p> <p>The Action Plan of mentioned above events is being implemented in accordance with international best practices for simplifying the state regulation on business activity, including registration of business, licensing, connection to electricity, taxation and tax administration, property registration, access to credit, international trade, ensuring the implementation of the contract and solving the issue of liquidity.</p> <p>State Committee on Investments and State Property Management jointly with the Secretariat of the Consultative Council organized a number of working meetings on issues of prevention of repeated audit, development of sectoral reports and analyzes, high level professional training and recommendations of local and international experts in coordination with national bodies and agencies, private sector and development partners.</p> <p>Ministry of Finance</p> <p>In order to improve the country's position in international assessments, the Government of the Republic of Tajikistan decree # 354 from August 23, 2006 adopted Tax Program for Tax Improvement for the years 2011 - 2019 for simplification of registration procedures and the reform of tax system. In particular, from January 1, 2018 the direct order of the state registration of legal entities and individual entrepreneurs was established on the website of the Tax Committee, which provides for the opportunity to visit the state registration agency only to receive original copy of the document.</p>
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<p>take necessary measures to increase local consultants</p>		<p>At the same time this year the procedure of online business registration and tax payment using 'National card' and MASTERCARD simplified whole system for business entities.</p> <p>In the framework of Inter-Agency Working Group under the State Committee on Investments and State Property Management, the amendments and additions to the Tax Code and the Customs Code have been developed and adopted. In total there are 30 incentives aimed on improving of the investment and business climate.</p> <p>In particular, changes and amendments included taking decision to the benefit of taxpayer in the case of dues and (or) violation of the Tax code or the absence of the necessary provisions for regulating tax relations, reducing the number of inspections, security of legal interest of business entities.</p> <p>National Bank of Tajikistan In August 2017, the rating company S & P rated Tajikistan as "B-B with the prospect of sustainable development" and the Moody's rating of "V3" with the prospect of sustainable growth. The S & P did not change the indicators on August 24th and on October 30, 2018 it is expected that the Moody's rating agency will visit Tajikistan to rate the entrepreneurship climate.</p> <p>Barki Tojik. In the field of "Energy Loss Reduction", there are more international companies offering advisory services than domestic companies offering same services, but from the financial side the cost for international consulting company is much higher.</p> <p>Executive office of the state government in Norak. Project implementation unit "Management of Infrastructure Projects in Nurek "noted that in the framework of the implementation of state investment projects in the electricity sector, there are 3 international consulting companies and 1 local company operating.</p>	
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7	Executive body of state authority of Sughd region taking into account the analysis, proposals and feedback from the private sector must take practical measures to follow and address the challenges and obstacles to the entrepreneurship development in the region.		<p>Implemented. Executive body of state authority of Sughd region (EA Sughd) According to EA Sughd letter #1661 from August 8, 2018 following activities were completed:</p> <ul style="list-style-type: none"> - There was established and currently acting a Strategic Planning Group with participation of private sector to evaluate economic sectors condition in the region, transparent monitoring and implementation of state programs development of projects for development in the region; - From February 2018 there were started interpretation activities on President's decree on moratorium of production directed businesses from tax authorities, General Prosecutor's Office, Accounts Chamber, Corruption Agency and National Bank of Tajikistan; - the workshops on review of legal, tax and customs incentives for private sector are being conducted on regular basis; - The Action Plan of EA Sughd on implementation of third phase of State Program for Entrepreneurship Support 2012-2020 was developed; - The Third Regional Meeting of Entrepreneurs was conducted on April 13-14 with participation of businessmen from Russian Federation, Republic of Kazakhstan, Republic of Kyrgyzstan and Republic of Uzbekistan. 40 cooperation agreements were signed at this event. - Trade fair of EA Sughd products and Business Forum was organized in Samarqand on April 20-22. 169 cooperation agreements were signed at the mentioned event. - The Meeting and joint Entrepreneurship and Investment Forum of Sughd region and Saudi Arabia was conducted.
8	Executive body of state authority in GBAO, Khatlon and Sughd provinces, cities and districts must strengthen the activities of Consultative Councils under the chairmen of provinces, cities and districts and submit proposals and recommendations to the State Committee on		<p>Under implementation EA of GBAO, Khatlon and Sughd regions In accordance with EA Khatlon letter #6/336 from September 27, 2018 there were organized meetings of Consultative Councils under EA Khatlon chairman and heads of 25 cities and districts on improvement on investment climate.</p>

	Investment and State Property Management regularly.		<p>As a result of the meetings following suggestions were submitted to Investment Council Secretariat email (secretariat@investmentcouncil.tj):</p> <ul style="list-style-type: none"> - overview of tax incentives to be provided to entrepreneurs that participate at construction and organizational activities of facilities for 30rd Anniversary of the Republic of Tajikistan independence; - In a framework of 30rd Anniversary of Tajikistan independence the extension of moratorium for production businesses from state inspecting authorities - review of banks interest rate and provision of long term loans to entrepreneurs (5-10 years) - review of collateral support mechanism from «Entrepreneurship Support Fund» under the government of the Republic of Tajikistan, extension of concessional loans up to 5-10 years and simplification of loan requirements; - decreasing interest rate for credits of SI Entrepreneurship support Fund to 10 per cent. - encourage of population on domestic production and development handcrafting, including tax and other incentives in this sectors - identification of calculation and disbursement procedure of support funding of dehqan farms and entrepreneurs; - review of calculation of pension for entrepreneurs and dehqan farm members; - fifth meeting of consultative council on improvement of investment climate in Rasht region 	
9	Ministry of education and science, jointly with the State Committee on Investment and State Property Management and Secretariat of the Consultative Council, to establish a working group from the representatives of relevant ministries and agencies, the private sector in cooperation with development partners for a comprehensive analysis on improvement of investment climate in education and science sector, and submit its results with comprehensive recommendations to the next Council' Sessions.		<p>With the order of the Minister of Education and Science №2183 from 06.06.2018 Inter-Agency Working Group was established. As of today, in its sessions, the major obstacles to the private sector involvement in the education and science, including the development of kindergartens, gymnasium and private schools, non-governmental vocational education institutions, the education system in education institutions and other aspects of education sector, have been analyzed through specific proposals and discussions. It is expected that the report of the Working Group, Recommendations Package and the relevant draft project will be submitted at the next Session of the Council.</p>	

10	<p>Secretariat of the Consultative Council, jointly with the State Committee on Investment and State Property Management, to establish a working group from the representatives of relevant ministries and agencies, the private sector in cooperation with development partners. To review and summarize analyzes on the tax and customs regimes and the effectiveness of the proposed concessions and submit its results with concrete recommendations to the next Sessions of the Council.</p>		<p>Under implementation The State Committee on Investments and State Property Management jointly conducted analysis with the Secretariat of the Consultative Council involving ministries and agencies, private sector and in cooperation with the development partners to the analysis of reports with concrete recommendations on the tax and customs system and effectiveness of proposed draft Action Plan and changes and additions to the Tax Code and the Customs Code. The amendments will be submitted for consideration at the 19th Session of the Council.</p>	
11	<p>The Executive Secretary of the Council to enhance and improve the quality of the Consultative Council' activity, jointly with the Ministry of Justice improve the guidelines and regulations of the Consultative Council and submit by the established procedure for approval.</p>		<p>Implemented The Executive Secretary of the Council to enhance and improve the quality of the Consultative Council' activity developed guidelines and regulations of the Consultative Council that were submitted to the ministries and agencies for the final agreement.</p>	
12	<p>The report of the Chairman of the Consultative Council on Improvement of Investment and Business Climate in Badakhshan region on the activity of the Council under the Chairman of GBAO must be submitted to the next Session of the Consultative Council.</p>			
13	<p>Recommendations for Development Partners: - to provide practical assistance to the process of obtaining of international status of "Karamyk" border between Tajikistan and Kyrgyzstan; - to accelerate the provision of enhanced concessional loans and grants for SUE "Rohi ohani Tojikiston" and SUE "Tojikaeronavigatsiya"; - to take into account the geographical position of the country on implementation of a partnership strategy with Tajikistan and the plan of financing</p>		<p>Ministry of Transport - In order to attract foreign capital for rehabilitation of the SUE Railway Station the negotiations with the EBRD office in Tajikistan are going on preliminary and indicative agreement on procurement of rail cars</p>	

	of investment projects and pay more attention on professional background during involvement of local and foreign consultants and experts;			
14	LLC “Korporatsiyai Mohii Tojik” must take measure to increase varieties of fish species in reservoirs and the ponds of the country (especially trout)		<p>LLC "Tajik fish corporation” in order to increase the variety of fishery products, including trout in Konibodom in 647 hectares and in Shahrituz district in the area of 800 hectares of modern complexes with incubation and laboratory equipment with a capacity of up to 200 million fish roe and 20 million small fish annually is under construction.</p> <p>Also, according to the favorable climate of the Sughd region, the letter was sent to the head of region and heads of Spitamen, Ayni, Zafarobod, Shahristan and Panjakent to allocate the land for cultivation of trout. This year, LLC "Tajik fish corporation” produced 30,0 million fish roe, including about 3.0 million small fishes under one year age, which was imported from the Russian Federation.</p> <p>To expand production of trout to Belgium, Latvia, Denmark and Germany, there were completed a number of business trips to sign agreement with “Aqua Search News” for provision of 8 types of fish roe which will be provided after reservoirs construction as well as a contract on mutual cooperation with Latvia "Sturgeon " factory.</p>	