



CORE TOPICS:

- **The International Entrepreneurship Forum Dushanbe - 2015: “Entrepreneurship and Investment for Sustainable Development”**
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- **A Round Table on the Development of Entrepreneurship Among Women**
- **The Achievements of the Republic of Tajikistan on World Bank’s Doing Business Global Index in 2016**
- **Monitoring the Implementation of Decisions of the Consultative Council on Improvement of Investment Climate Under the President of the Republic of Tajikistan**
- **Preparation of the Forthcoming Sixteenth Session of the Consultative Council on Improvement of Investment Climate Under the President of the Republic of Tajikistan**
- **Strengthening the Process of Public Private Dialogue in Tajikistan**

THE INTERNATIONAL ENTREPRENEURSHIP FORUM DUSHANBE-2015: “ENTREPRENEURSHIP AND INVESTMENT FOR SUSTAINABLE DEVELOPMENT”



Dushanbe, October 14, 2015 – The International Entrepreneurship Forum Dushanbe-2015: “Entrepreneurship and Investment for Sustainable Development” took place today under the auspices and with the attendance of the President of the Republic of Tajikistan, His Excellency Emomali Rahmon, in dedication to the Entrepreneurship Day.



The Forum aimed to present Tajikistan's investment opportunities, demonstrate progress towards a better investment climate, and facilitate trade and economic cooperation between national and foreign entrepreneurs and investors. The Entrepreneurship Forum is part of the broader effort to expand opportunities for a long-term cooperation and joint planning across borders.

The Forum gathered the representatives of the Government, ministries and agencies of the Re-public of Tajikistan, country's parliamentarians, senior state representatives from partner countries, as well as business representatives. A broad participation came from private investors and banks, international financial organizations, business associations, diplomatic delegations, academia and professionals. The Forum had attracted over two thousand participants, including over 350 companies and investors from 35 countries.

Among prominent companies attending were China's C&FC, LLC China Investment Company, Norinco International Cooperation Ltd.; Russian companies GazPromNeft and Metalloinvest; German industry was represented by CESA International GmbH, Big Dutchman International GmbH and SASSO. Many other companies attended like the Spanish poultry company Zucami, mining engineering company Kanikavan from the Islamic Republic of Iran, Crown Agents from the United States and Turkish Binokor among many others.

The forum officially opened with the speech by the President of the Republic of Tajikistan, His Excellency Emomali Rahmon. Distinguished guests foreign states, international finance organizations and investors spoke at the opening ceremony. The high level speakers included the Director of the International Finance Corporation in Central Asia Mr. Muazam Mekan, Regional Director of the European Bank for Reconstruction and Development in Central Asia Mr. Masaru Honma, Deputy Head of the International Islamic Trade Finance Corporation of the Islamic Development Bank Group Mr. Hani Salem Sonbol, The General Director of "Sangtuda-1" Mr. Pavel Lavrov, Regional Director of Coca-Cola for CIS countries Mr. Osman Kazdal, and the Director of LLC Tajik-China Mining Company Mr. Yang Zhi Cai.



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where specific business and investment issues were discussed in panels.

The first panel session, Attracting Investments: Challenges and Achievements, touched themes:

- Tajikistan facing entrepreneurs: state's openness for cooperation and partnership
- State measures in support of businesses and investors in a time of economic crisis
- Opportunities for regional cooperation and investment
- Opportunities in Free Economic Zones

The panel was guided and moderated by the Minister of Economic Development and Trade of the Republic of Tajikistan Nematullo Hikmatullozoda, and led to a lively discussion of the issues on the panel. The distinguished panelists included the Chairman of State Committee on Investment and State Property Management of the Republic of Tajikistan Qodiri Qosim, Head of Department of State Management, Finance and Trade of Asian Development Bank Harriet Elizabeth Wilkinson, Acting Head of Istanbul International Center for Development Private Sector Gulchin Salingan, Head of Department of Learning and Innovation, World Bank, Benjamin Harzberg, Ambassador, Vice-President East West Institute Martin Fleischer, First Deputy Chairman of State Committee on Investment and State Property Management of the Republic of Tajikistan Mr Lochin Fayzullozoda and Deputy Minister of Economic Development and Trade of the Republic of Tajikistan Umed Davlatzod.

Panel two was dedicated to manufacturing, energy and agriculture, moderated by the Minister of Energy and Water Resources of the Republic of Tajikistan Usmonali Usmonzoda. Issues touched on during the panel ranged broadly and covered:

- Business opportunities around industrial clusters
- Supplying goods and services to international companies: opportunities, requirements, and successful models





- Reforms in light and food industries and benefiting from the value-chain in agribusiness
- Technical barriers and conditions for export of agricultural goods
- How to meet energy needs of businesses
- Foreign investment into energy generation



- PPPs in transport and energy infrastructure: successful models

Among the panelists were the Minister of Industry and New Technologies of the Republic of Tajikistan Shavkat Bobozoda, Minister of Agriculture of the Republic of Tajikistan Mahmadoir Zokirzoda, Managing Director of German chemical cluster Chemie-Cluster Bayern Daniel Gottschald, General Director of Nissan Electronic Instrumentation Ihsan Haslaman, Head of Regional Business

Development of Siemens Russia Sergej Kirjatschek, Chairman of the Board of Directors, TALCO Sherali Kabirov, Head of Center for Implementation PPP Projects Ibrohim Usmonzoda and others had a speech.

In parallel, the third panel session discussed finance. Moderated by the Chairman of the National Bank Jamshed Nurmahmadzoda, the Financial Services Market panel explored how to strengthen and broaden the financial services available for entrepreneurs. Panels focus topics were:

- Attracting of private investments to new financial products
- Diversification of finance services
- Development of foreign direct investments market in crisis conditions
- Participation through equity: ways of increasing foreign direct investments and development of investment funds
- Leasing for small and medium businesses
- Private insurance and new financial instruments



The detailed discussions included the presentation by Samir Tagiev, the Islamic Development Bank Regional Director for CIS and Europe, Richard Jones the Head of Residence Office in Tajikistan, European Bank for Reconstruction and Development, CEO



of Xuejing Investment Fund, Guo Jinn Jong; Privately sector insurance products were presented by the General Director of Russian Bima Sanjar Jabborov, CEO of Amonatbank Hakimzoda Ruhullo Abdugani, and the CEO of Spitamen Bank Peter Fabian.



At the end of the Forum, a business-to-business (B2B) event invited entrepreneurs, investors and state officials to meet and establish working relations. The B2B offered the Forum participants a chance to evaluate the potential for cooperation, better understand the capacities and expectations of partners, learn of financing programs and investment opportunities in Tajikistan.

As the result of a productive event, the Forum resulted in a number of agreements.

The Memorandum between the SCISPM and Bavarian chemical industry cluster in Germany to cooperate on the study and establishment of industrial and agriculture clusters in Tajikistan and the promotion of small and medium businesses in these sectors.



The Memorandum between the SCISPM and China's NORINCO International Cooperation Ltd. have agree on a power substa-tion and a high voltage power line to Dangara, construction of a water pumping and treatment station in Dushanbe.

The Memorandum between the SCISPM signed a Memorandum with the Investment Fund HuiJin of the People's Republic of China on the establishment of a joint insurance investment enterprise in Tajikistan and with the Zhong Min Tou Corporation on the establishment of a joint leasing enterprise in Tajikistan.



The Memorandum between the SCISPM and the Tajik-China Mining Enterprise on a industrial explosives plant as well as Committee and the Ministry of Agriculture of Tuscany, Italy on the establishment of the

Italian - Tajik Chamber of Trade.



The Memorandum between the SCISPM jointly with Ministry of Industry and New Technologies with the Iranian Iran Khodro Industrial Group and the Iranian Tajikistan Economic and Investment Group on the sale, after-sale services and manufacturing of passenger and cargo vehicles in Tajikistan.

The Memorandum between State Unitary Enterprise Jambast and German CESA Investment to open a stone processing enterprise.

The Memorandum between Main Department of Geology under the Government of the Republic of Tajikistan and Russian RosGeoPerspektiva group of companies on the geological research and technical assistance.

The Memorandum between Faroz LLC and Ginex of Great Britain agreed on the establishment of the International Stock Exchange.

The Memorandum between Panjrud LLC and Tajik-Chinese Mining Enterprise on cooperation in the field of industrial processing of marble stones of the Panjrud mine.



As the result of bilateral agreements and cooperation between businesses, only during the last year around 400 industrial enterprises have been created and more than seven thousand local specialists were provided with permanent job. This shows the improving investment climate in the country and the wise policy of President of the Republic of Tajikistan, His Excellency Emomali in this direction.



The Forum concluded with the panel moderators' sharing of conclusions from the panel discussions. SCISPM Chairman, Qodiri Qosim, the Minister of Economic Development and Trade Nematullo Hikmatullozoda, the Minister of Energy and Water Resources Usmonali Usmonzoda, and the Chairman of the National Bank of Tajikistan Jamshed Nurmahmadzoda made the concluding remarks.



At the completion of the Forum participants adopted the Resolution of the International Entre-preneurship Forum Dushanbe-2015.



The Forum was in fact a culmination of several events dedicated to the private sector development that were organized by the State Committee on Investment and State Property Management (SCISPM). Earlier, on 8 October SCISPM organized a round table Development of Women Entrepreneurship, on 12 October an international youth focused forum Development of Entrepreneurship among Young People took place in Borbad.

The Ministry of Economic Development and Trade of the Republic of Tajikistan, in turn, held the international economic conference the Potential of Free Economic Zones for Region's Development from 9 to 10 October.

A Regional Conference Tourism Opportunities of the Country was organized by the Committee on Youth, Sports and Tourism under the Government of the Republic of Tajikistan on 10 October, a round table was held on "The contribution of the Private Sector in the Development of the Health Sector" at the Ministry of Health and Social Protection of the Republic of Tajikistan on 7 October. On 8 October, the Ministry of Labor, Migration and Social Protection of Tajikistan also convened a round table on "The Contribution of the Private Sector in Job Creation".

YOUTH ENTREPRENEURSHIP FORUM-2015

A Youth Entrepreneurship Forum involving around 200 young people took place in Dushanbe in October 12, 2015 organized in partnership with the State Investment and State Property Management Committee of the Republic of Tajikistan and the Secretariat of Consultative Council on Improvement Investment Climate under the President of Tajikistan with support from the World Bank Group, as part of the Government of Tajikistan's National Entrepreneurship Week. The event aimed at increasing awareness on the importance of entrepreneurship for job creation and economic growth and exchanging ideas around entrepreneurship for youth in Tajikistan.

The event brought together young entrepreneurs, private companies, civil society organizations, development partners, World Bank Group experts, representatives from



the Government of Tajikistan and participants from the Slovak Republic, invited to the event under the World Bank Group's South-South Knowledge Exchange Initiative.

Forum was opened with an introductory speech of Chairman of the State Committee on Investment and State Property Management of the Republic esteemed Qodiri Qosim, he welcomed the participants and had a speech on business support, especially entrepreneurship among youth. Also Akhtam Abdulozoda-Chairman of the Committee on Youth, Sports and Tourism under the Government of the Republic of Tajikistan and Patricia Veevers-Kater Resident Representative of the World Bank in Tajikistan had a speech in the event.

At the forum, international and local experts introduced key concepts of entrepreneurship such as how to set up and manage a business, how to make entrepreneurial decisions and identify new business opportunities. Representatives from private companies from Tajikistan and the Slovak Republic spoke about their experience of setting up a business and discussed with young entrepreneurs what makes entrepreneurship work at the individual and company levels. A special session led jointly by officials from the Secretariat of Consultative Council on Improvement Investment Climate under the President of Tajikistan and the Ministry of Finance of the Slovak Republic focused on those policy measures that are required to foster youth entrepreneurship, as well as on ways to better bridge the skills gap by linking the private sector with education institutions.

The participants explored business and entrepreneurship education opportunities offered by local and international civil society organizations, development partners and local associations and companies featured at a special fair as part of the forum. The forum is followed by a master class on October 13 for start-up businesses wishing to receive individual business advice from successful entrepreneurs from Tajikistan and the Slovak Republic.

A ROUND TABLE ON THE DEVELOPMENT OF ENTREPRENEURSHIP AMONG WOMEN

October 8, 2015 Successful women- entrepreneurs in the framework of celebration of the first anniversary of the Entrepreneur Day and the International Forum "Dushanbe-2015" gathered at the Round Table in Dushanbe. The initiator of the event is the State Committee on Investment and State Property Management of the Republic of Tajikistan. The Round Table was attended by heads and representatives of several ministries and departments, international organizations, the business sector, a number of women entrepreneurs in all regions of the republic.

Chairman of the State Committee on Investments and State Property Management of Tajikistan Qodiri Qosim noted in his speech that the aim of the event is primarily an



enabling environment for business development and partnerships in areas, such as agriculture, services, folk crafts and industries to complete the processing of domestic raw materials, production of finished competitive products that meet international quality standards, which contributes to the expansion of export capacity.

Head of the EBRD Office in Tajikistan, Richard Jones, noted the contribution of development partners to support women's entrepreneurship in Tajikistan.

Director of the representation Oxfam in Tajikistan Bojan Kolundziya stated that the participation of women on an equal basis with men in economic, social and political life contributes to economic productivity and development of the country and contributes significantly to poverty reduction.

During the round table a number of women entrepreneurs, in particular Parvina Majidova from Isfara city, Zumrat Ismoilova from Asht district, Zamira Niyozova from Tavildara, Ravzanbonu Negmatulloeva from Khujand, Muhabbat Jaboralieva from Istaravshan city and others were awarded letters of thanks for their worthy contribution to the development of the private sector and job creation.

Women entrepreneurs of various industries in different regions of the country have told the story of their achievements and problems relating to the establishment and development of entrepreneurial activity.

In order to create favorable conditions for increasing the literacy level of women entrepreneurs conducted master classes on such topics as access to land, taxation, social law, business planning and other important issues relating to entrepreneurship.

At the end of the event a meeting of B2B format was held with the participation of women entrepreneurs of the agricultural sector, with the aim of mutually beneficial trade relations.

THE ACHIEVEMENTS OF THE REPUBLIC OF TAJIKISTAN ON WORLD BANK'S DOING BUSINESS GLOBAL INDIXE IN 2016

Based on the Resolution of the Government of the Republic of Tajikistan №300 on May 3, 2014, an Action Plan of the Government of the Republic of Tajikistan on Improvement of Tajikistan's Indicators in the Doing Business Report was developed in the framework of the activities of the Consultative Council.

The implemented reforms of the Action Plan has been recognized by the international community and this year Tajikistan gained 34 position points, moving up from 166 to 132 place, and implementing 54% of the existing global best practices.



This progress achieved was mainly attributed to improvements in Starting a Business, Getting Credit, Paying Taxes and Trading Across Borders.

In particular, on the measure of Starting a Business, the country rose 24 points to 57th place among 189 countries in the world from the 81th position last year. This translates to 90% of the global best practices. The improvement is the result of implementation of computerized issuance to streamline issue of the Social Tax Payer's number by the Agency for Social Insurance and Pension. The new single window service provides the Social Tax Payer's number along with other documents in single location (time burden: 3-5 working days through the Single Window system).

On the Getting Credit indicator, the country's position rose 9 points from 118th position last year, which constitutes 40% of the global best practices. This increase is due to the implementation of the private credit bureaus, which led to the improved availability of credit information and wider coverage of the population by credit bureaus.

On Paying Taxes, the Republic of Tajikistan gained 6 points on the global ranking, moving up from the 178th position last year to 172th in position in 2016, implementing 43% of the global best practices. This success is due through the reduction of in the number of tax payments from 31 to 28 times per year and also due to the introduction of the electronic filing of tax returns.

Tajikistan has gained 27 positions on Trading across Borders, reaching 132th position and achieving 57% of the global best practices. Tajikistan has completed major reforms in the customs administration, implementing the single automated information system by the custom authorities, which now offers a single window for processing the export-import and transit procedures. The innovations will also established an electronic processing of customs declarations.

In addition on above mentioned indicator, the country lost 2 positions on such Dealing with Construction Permits, loss of 1 position on Getting Electricity, and 1 position on Registering Property. In further setback in Protecting Minority Investors, Tajikistan lost 2 positions since last year.

The country's ranking on Enforcing Contracts and Resolving Insolvency indicators remained unchanged for 2016.

In particular, Tajikistan lost positions on the Dealing with Construction Permits indicator, which was due to an increase in the number of procedures from 24 to 27, lengthening the time required to perform these procedures from 228 to 242 hours, as well as an increase in the cost of the procedures from 1.9% to 2.2% of the cost of construction (standardized case – a warehouse building).



Fall of country's position by one rank on the Getting Electricity is connected with the introduction of the Reliability of supply and transparency of tariff index in this issue of the Doing Business index, according to which the country gained no points out of the 8 possible. This is primarily the result of poor quality of power supply and a large number of power interruptions, including blackouts without prior warning. The interruptions lead to heavy losses in enterprises, especially those in the manufacturing sectors. Despite this, currently, the losses incurred due to the power outage are not reimbursed by OSHC "Barki Tojik" and its local representatives.

The loss of position on the Registering Property indicator by 1 position point is associated with the correction to the new Quality of the Land Administration Index, in which the country receives 7.5 out of 30 possible points. The indicator shows that registering property requires 6 procedures, 37 days, and cost 3.4% of the property value being registered. At the regional level, this figure is made up of 5.4 procedures and 22 days, with a cost of 2.6% of the final cost of ownership. The regional average is 19.4 points on the Quality of Land Administration index.

According to the indicator Protecting Minority Investors, the position of the country has been reduced 2 points and country's position fell from 27th to 29th. Despite this shortfall, the position of the country is still above the average at the regional level (13).

In general, the international experience indicate that the steady development of businesses and investment is based on the three main factors of simplification of regulatory procedures, fast public service delivery and fees that correspond to services delivered.

MONITORING THE IMPLEMENTATION OF DECISIONS OF THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE UNDER THE PRESIDENT OF THE REPUBLIC OF TAJIKISTAN

According established an procedure, the Secretariat of the Consultative Council monitors the implementation of decisions reached at the last Session and prepared a Matrix of Monitoring Results for the upcoming Council's meeting.

It is important to note that by direct support of the President of the Republic of Tajikistan, his Excellency Emomali Rahmon in the framework of the Consultative Council, the progress of the reforms have been significant.

The decisions of last session were aimed at the development of industry and national production, lowering of actual cost and increasing the value of export of competitive goods, supply of business with electricity and development of the insurance market. Council's decisions also related to the immediate consideration of entrepreneurs' requests,



development of entrepreneurship and growing investment and celebration of the “Day of Entrepreneur”.

In the framework of implementation of Council’s decisions, a number of laws have been adopted, including the law “On Inspection of Business Entities”, “On Insurance”, the Government Action Plan on the development of the secondary securities market that was edited to reflect world best practices.

The draft of the new edition of the law “On investment” has been developed and sent to the consideration of Government, after it has been considered during the last session of Council and ministries and agencies.

Project of action plan of the Government of the country on the development of industry, supporting production enterprises and the development of the national production was completed and now is on consideration of ministries and agencies.

Under the Ministry of Agriculture, an inter-ministerial working group on improvement of investment climate on agriculture and agribusiness has been operating. The results of the working group’s work, including the analyses and specific recommendations and an action plan for the Government to assist the agriculture and agribusiness sectors will be considered during the upcoming Council in the early 2016.

For the upcoming Session in early 2016, OJSHC “Barqi Tojik» submitted a Regulation “On simplified and transparent procedures for connecting of manufacturing enterprises to the electric system of the Republic of Tajikistan”

The State Committee on Investment and State Property Management of the republic of Tajikistan and the Secretariat of the Consultative Council took measures to support the public-private dialog within the consultative councils operating in districts for a timely consideration of issues faced by the entrepreneurs. A series of round tables were held with entrepreneurs on the role of Consultative Councils in Sughd and Khatlon regions as well as in districts of the Rasht Valley. Generally, entrepreneurs and local state officials comprise local Consultative Council, meant to strengthen the cooperation between businesses and the government.

So far, 35 local Consultative Councils were formed in towns and districts to help improve the entrepreneurship and investment climate and this process is continuing.



PREPARATION FOR THE UPCOMING SESSION OF THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE UNDER THE PRESIDENT OF THE REPUBLIC OF TAJIKISTAN

The Secretariat of the Consultative Council has developed a comprehensive analysis for the Council's consideration at the high level. The draft Agenda of the Session is prepared as follows:

1. An update on implementation process of decisions of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan.
2. Presentation of the result of analysis and Draft Action Plan on Improvement of Investment Climate on Agricultural and Agribusiness Sector.
3. Establishment of the National Rating of investment and business climate in the Republic of Tajikistan.
4. Proposal of the Draft Agenda for the next Council Session:
 - *Improvement of Investment and Business Climate in the Sector of Transport, Cargo and Passenger Transportation*

STRENGTHENING THE PROCESS OF PUBLIC PRIVATE PARTNERSHIP IN TAJIKISTAN

According to paragraph 8 of the protocol of the 14 th session of the Consultative Council under the President of the Republic of Tajikistan on improvement of the investment climate dated on 17 November 2014 (№1S / 22-7 from 28.11.2014), the executive authorities of GBAO, Khatlon and Sughd region and Districts of Republican Subordination for the establishment of Consultative Councils on improvement of investment and business climate under the chairmen of districts an cities and create the necessary conditions for the their continuing activities have been obliged.

In this regard, the Secretariat of the Council and the private sector with the support of development partners, including the United Nations Development Programme, conducted an awareness raising activities about the establishment of consultative councils on improvement of investment and business climate and strengthening the institutional capacity of the existing councils in in a number of cities and regions of the country.



Representatives of the Secretariat of the Consultative Council under the President of the Republic of Tajikistan on improvement of investment climate and the Association of Agribusinesses of Tajikistan organized a series of meetings between October 29 and November 19, 2015 in 9 districts of the country, in Khatlon and Sughd regions, in the Rasht Valley, and the Istaravshan, Panjakent, Isfara cities, Jilikul, Shahritus, Vose, Fakhor and Temurmaliq and Aini districts.

At these meetings, the business delegation was accompanied by district and regional Consultative Council officials. Meetings were attended by the representatives of the private sector and the executive authorities of the regions and cities, as well as representatives of the development partners and the civil society.

In meetings' presentations entitled "Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan – an instrument to facilitate open dialogue between the public and private sectors" the various aspects of the activities of the Council, in particular special attention and initiative of the President, the Chairman of the Council, His Excellency Emomali Rahmon, were presented. The meetings touched on the process of public private dialogue, the activities of the Council, procedures of consideration and decisions of the issues at the sessions. The Secretariat representative outlined the contribution of the Council to the implemented reforms in the country, the Council's achievements in the international arena, and the implementation Council's activities in cities and districts.

At the meetings, the representatives of the private sector stressed that such structure of the dialogue at the regional and national level is important and shared their views on the issues faced by businesses.

In general, entrepreneurs and executive authorities of regions, cities and districts are the main part of public-private dialogue, and the meetings to strengthening mutual cooperation and business development have been deemed as effective.

Sincerely Yours,

*Staff of the Secretariat;
The Consultative Council on
Improvement of Investment Climate under the
President of the Republic of Tajikistan*