



**MAIN SUBJECTS:**

- **Presentation of results of activities of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan for 2011 and Strategy on strengthening activity of the Secretariat in the medium term**
- **The process of selection of issues for consideration in the sessions of the Consultative Council (filtration) had began**
- **Monitoring of implementation of the Consultative Council's decisions**
- **Participation of Secretariat of the Consultative Council in the discussion of the draft of the new Tax Code of the Republic of Tajikistan**
- **The process of rotation of candidates from the domestic private sector and foreign investors for the Consultative Council membership had began**
- **Preparation to the next session of the Consultative Council**
- **Meetings between the Secretariat of the Council and partners**

**PRESENTATION OF RESULTS OF ACTIVITIES OF THE CONSULTATIVE COUNCIL ON IMPROVEMENT OF INVESTMENT CLIMATE UNDER THE PRESIDENT OF THE REPUBLIC OF TAJIKISTAN IN 2011 AND STRATEGY ON STRENGTHENING ACTIVITY OF SECRETARIAT OF THE INVESTMENT COUNCIL IN THE MEDIUM TERM**

On January 20, 2012 a Round table on “Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan - as an instrument to facilitate open dialogue between state and private sectors” had been conducted in Dushanbe.

Representatives of the State Committee on Investments and State Property Management of the Republic of Tajikistan, Secretariat of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan, representatives of the private sector and development partners of Tajikistan took part in the round table.

Manzura Mahkamova- Deputy Chairman of the State Committee on Investments and State Property Management of the Republic of Tajikistan opened the round table, introduced the new Head of Secretariat of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan – Zavkijon Zavkiev to the attendants and expressed confidence that with an appointment of the new Head of the Secretariat the Council's activity will reach qualitatively new level.

Then, the Head of the Secretariat Zavkijon Zavkiev made a presentation about the main achievements of the Consultative Council in the last year and mentioned that the purpose of the round table is presentation of the results of activity of the Consultative Council and Secretariat in the



last year and future plans with a glance of determination of the main directions of mutually beneficial cooperation with the government, private sector and development partners of Tajikistan.

At the same time, he noted that under the leadership of the Chairman of the Consultative Council, the President of the Republic of Tajikistan – H.E. Emomali Rahmon, the Council has achieved a number of progresses in 2011, including adoption of the Law of the Republic of Tajikistan “On Permission”, “State Program on strengthening of export potential for fruits and vegetables’ processing for 2011 – 2012”, “Program for support of construction organizations on improvement of investment climate in the construction sector for 2012 – 2014”, “Plan of future measures of the Government of the Republic of Tajikistan on adoption of informational and communication technologies for enhancement of state management” and other regulations and legal documents, which promote improvement of the entrepreneurial activity and private sector development and elimination of the administrative obstacles.

Another progress of the Council is exemption of the equipment and production technologies which are imported into the republic through leasing from value-added tax and customs duties that had not been resolved during last years. In this connection, in accordance with the protocol of the 8<sup>th</sup> session of the Council the drafts laws of the Republic of Tajikistan “On introducing changes and amendments to the Tax Code of the Republic of Tajikistan” and “On introducing changes and amendments to the Customs Code of the Republic of Tajikistan” were adopted by the Majlisi Namoyandagon of the Majlisi Oli of the Republic of Tajikistan.

During four years of its activity, the Consultative Council had passed through the levels of formation and reinforcement of its position and had been able to provide a dialogue between the state and private sector at a high level and transformed it into the regular and effective dialogue. At the present, this dialogue also is developing and regional councils on improvement of investment climate and entrepreneurship established in administration offices of governors of provinces.

In spite of achievements there are still problems in improvement of the investment climate and entrepreneurship. The Council is planning to speed up the course of the necessary reforms in order to promote their implementation.

On these grounds, the Strategy of Strengthening Activity of the Secretariat of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan in the medium term was presented to participants by the Head of the Council’s Secretariat – Zavkijon Zavkiev.

This Strategy was developed on basis of the private sector’s proposals. It pays a special attention to simplification of the taxation system and statistical reports, cancellation of groundless inspections, strengthening of partnership between the government and private sector, access to long-term credits with low interest rates.

Main purpose of the Strategy includes strengthening activities of of the Council and its Secretariat, cooperation with partners (private sector, government and development partners) and the regional Councils.



Then, the Head of the Representative Office of the European Bank for Reconstruction and Development in Tajikistan Mr. Ulf Hindstrom on behalf of the development partners and Head of the Association of Constructors of Tajikistan Mr. Faizali Rajabov on behalf of the private sector made speeches and evaluated the Council's activity in the last year as satisfactory.

Partners had discussions about the issues considered in the course of the round table's session and made interesting proposals, including representatives of the private sector Muhabbatov Mufarrah – Director of Co Ltd “Rukhom”, Saidov Zaid – Head of the Association of entrepreneurs and producers, Kodirov Mirali – Deputy Director of the Center for support and entrepreneurship development of Dushanbe, Sharipov Takdir – Deputy Head of the Association of entrepreneurs and exporters, Eduard Auer – Head of the Representative office of the European Union in Tajikistan, Hartvig Ungetum – Project Manager of GIZ and others expressed their opinion about the problems in the sphere of processing of mines, including gold and precious stones and production of final products inside the republic, problems connected with complication of the tax system, groundless inspections and other everyday issues of the development of entrepreneurship and improvement of the investment climate, and got answers to their questions by the Head of the Secretariat Zavkijon Zavkiev.

Participants expressed their expectations that implementation of this Strategy will assist to resolve problems of the private sector.

### **THE PROCESS OF SELECTION OF ISSUES FOR CONSIDERATION OF SESSIONS OF THE CONSULTATIVE COUNCIL (FILTRATION) HAD BEGAN**

The Secretariat of the Consultative Council in cooperation with partners had begun preparation of issues for sessions of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan in 2012 (filtration process) in order to provide transparency in this process. In this connection, the Secretariat conducted preliminary meetings with representatives of the private sector, where a number of issues have been identified. These issues include different aspects of improvement of the investment climate and development of the entrepreneurial activity.

Most proposed issues, which are priorities, already were presented by the private sector in the session of the round table on the subject “Consultative Council on Improvement of Investment Climate under the President of Republic of Tajikistan - as an instrument to facilitate open dialogue between state and private sectors”.

The proposed issues would be discussed in the next stage with partners including private and government sectors and development partners and would be submitted to the Council's members for endorsement. Therefore, the Secretariat kindly calls on all partners to continue their active participation in the filtration process.



### **MONITORING OF IMPLEMENTATION OF THE CONSULTATIVE COUNCIL'S DECISIONS**

One of the main functions of the Secretariat is monitoring of implementation of the Council's decisions by government ministries and organizations, private sector and development partners.

Thereupon, the Secretariat in cooperation with the State Committee on Investments and State Property Management of the Republic of Tajikistan are monitoring the process of implementation of protocols of 7<sup>th</sup> and 8<sup>th</sup> sessions of the Consultative Council and other decrees and decisions that are related to the Council's decisions.

The monitoring process is in progress and its results will be submitted to the Prime-Minister of the Republic of Tajikistan upon completion of the report.

### **PARTICIPATION OF SECRETARIAT OF THE CONSULTATIVE COUNCIL IN THE DISCUSSION OF THE DRAFT NEW TAX CODE OF THE REPUBLIC OF TAJIKISTAN**

The Secretariat in cooperation with the State Committee on Investments and State Property Management of the Republic of Tajikistan is actively participating in the discussion of the new Tax Code. It is planned to consider the draft of the Tax Code very soon with representatives of the private sector and get their feedback about the proposed draft of the Tax Code. These proposals will be submitted to the State Commission on Development of New Tax Code of the Republic of Tajikistan.

Also it is planned that in the next session of the Consultative Council, the Chairman of the State Commission on Development of New Tax Code will update the Council about the process of development of new Tax Code.

### **BEGINNING OF THE PROCESS OF SELECTION OF CANDIDATES (ROTATION) FROM THE DOMESTIC PRIVATE SECTOR AND FOREIGN INVESTORS FOR THE CONSULTATIVE COUNCIL'S MEMBERSHIP**

According to the paragraphs 3 and 4 of the Charter of the Consultative Council and part II of the Regulation of the Consultative Council that was approved by the Chairman of the Consultative Council, the President of the Republic of Tajikistan, the Consultative Council composed of the Chairman of the Consultative Council and its members. Permanent members of the Consultative Council based on position are the Prime Minister of the Republic of Tajikistan and the Chairman of the State Committee on Investments and State Property Management of the Republic of Tajikistan (Executive Secretary of the Consultative Council). Composition (membership) of the Consultative Council includes representatives of bilateral and multilateral international organizations (1 member), foreign investors (1 member), entrepreneurs and their associations (at the present 5 members) and the Head of the Secretariat of the Consultative Council.

According to the paragraph 6 of the Regulation of the Consultative Council, the composition of non-permanent members of the Consultative Council is determined by the Chairman of the Consultative Council and approved by the resolution formalized by the protocol. According to the paragraph 7 of

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the Regulation of the Council, the representatives of entrepreneurs and their associations in the Consultative Council are regularly replaced (rotated) every four.

Thereupon, after the participation in 9<sup>th</sup> session of the Consultative Council terms of four members of the Council from representatives of the domestic private sector and one member from foreign investor will come to an end.

In January 9, 2012 the Secretariat sent a letter to all partners about rotation of membership to the Consultative Council and two questionnaires were attached: a) about a candidate to membership of the Council b) about organization that is managed by a candidate.

These are main requirements for candidates:

1. Candidate should be engaged in entrepreneurial activity and/or should be a representative of an entrepreneurial association;
2. Candidate should occupy a managerial position and should know the state language (except for foreign investors).

Priority is given to following abilities of candidates:

1. High economic or legal education;
2. Managing an active enterprise in one of following sectors: industry, energy, agriculture, construction;
3. Participation experiences in the process of reforms in direction of improvement of the entrepreneurship and investment climate;
4. Experiences in cooperation with government authorities and international organizations;
5. Analytical knowledge and open dialogue, presentation, communication and negotiation skills.

A candidate can fill in special form in “Times New Roman Tj” font and send it to [amavlonova@investmentcouncil.tj](mailto:amavlonova@investmentcouncil.tj)

Interested persons may obtain the form on request through this e-mail address: [amavlonova@investmentcouncil.tj](mailto:amavlonova@investmentcouncil.tj) or from our website at [www.investmentcouncil.tj](http://www.investmentcouncil.tj) or from the Secretariat’s Office at Dushanbe city, Loiq Sherali Street 3, building “Entrepreneurs Centre”, 6<sup>th</sup> floor.

Forms are accepted from representatives of domestic entrepreneurship structures and foreign investors.

Deadline for receipt of completed forms is February 29, 2012.

### **PREPARATION TO THE NEXT SESSION OF THE CONSULTATIVE COUNCIL**

At the present, preparation for the ninth session of the Consultative Council is going on and necessary materials, including draft agenda of the session and materials related to paragraphs of the agenda of the session are being developed. One of the main subjects of the next session of the Council is consideration of the draft Law of the Republic of Tajikistan “ On Public Private



Partnership” that was developed by a working group under the State Committee on Investment and State Property Management of the Republic of Tajikistan with support of development partners. Also, it is planned that one of the chairmen of the regional councils will present a report on improvement of the investment and entrepreneurship climate in Khatlon and Soughd regions.

Thereupon, the Council’s Secretariat is planning to have regular meetings with partners about the subjects that will be discussed in next Council’s session.

#### **MEETINGS BETWEEN THE SECRETARIAT OF THE COUNCIL AND PARTNERS**

- Head of the Secretariat of the Council – Mr. Zavkijon Zavkiev met with the Ambassador of the USA to Tajikistan Mr. Ken Gross. A special attention was paid to the issues related with improvement of investment climate in the country and involvement of foreign investors in the process of doing business reforms.
- The Secretariat of the Council conducted meetings with the World Bank mission on private sector development. The process of reforms according to “Doing Business” report was discussed in the course of these meetings.
- The team of the Secretariat conducted meeting with the private sector’s representatives on discussion of the next session of the Council and future plans of the Secretariat.
- Meeting of the Secretariat with the international consultant on Public-Private Dialogue Mr. James Brew who was hired by the International Finance Corporation has been conducted. Also, the international consultant conducted a seminar on the subject “Public-Private Dialogue” where representatives of the Secretariat participated.



***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](mailto: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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