

Unofficial translation

Approved
Emomali Rahmon
Chairman of the Council – President of the
Republic of Tajikistan,

Signed
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XX Session of the Consultative Council on Improvement of Investment
Climate under the President of the Republic of Tajikistan
February 12, 2020

The Session was attended by members of the Council and invited persons.

Agenda:

1. 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 Results of Cluster Development in Agro-industrial Sector
3. Proposing the Issue of Draft Agenda for the Next Session of the Consultative Council - Analysis of the State of Country's Industry and Finding New Opportunities to Enhance the Sector Capacity

The Founder of Peace and National Unity, Leader of the Nation, President of Tajikistan Emomali Rahmon opened the XXth Session of the Council and stated that twenty meetings have been conducted up today and significant reforms on improvement of business and investment climate have been implemented in the framework of Council's activities. A range of relevant decisions of the Council and the Government were made to address challenges of private sector.

Implementation of economic reforms in respective sectors, including simplification of administrative procedures and reducing entrepreneurs' expenses, strengthening public-private dialogue at a regional level, increasing responsibility and evaluation of activity of executive local authorities of provinces, cities and districts towards attraction of foreign and local investments, issuing permits for construction and connecting to electricity, establishment of enterprises and creation of new jobs, as well as expanding the

awareness measures on incentives provided by the Government were considered important.

In regard with the first issue Farrukh Hamralizoda - the Council's Executive Secretary and Chairman of the State Committee on Investment and State Property Management of the Republic of Tajikistan made report.

It was mentioned that the State Committee on Investment and State Property Management jointly with Secretariat of the Consultative Council conducts regular monitoring of the implementation of Council's decisions, regulatory and legal acts adopted by the Government, and submits its results to the Council's Sessions on regular basis.

The decisions of XIXth Consultative Council's session included improvement of Tajikistan's position in international rating assessments through implementation of the Action Plan of the Government of the Republic of Tajikistan, timely address the issues of businesses and investors, improvement of tax and customs regimes as well as assessment of effectiveness of incentives provided, support for development of fishery and poultry industry, strengthening activity of regional investment councils, improvement of investment climate in education and telecommunication sectors, development of clusters in agro-industry sector.

As a result of reforms implementation position of the Republic of Tajikistan in the World Bank Doing Business Report has been increased by 20 points and the country has been included to the list of 10 top-reformer countries among 190 countries worldwide.

On January 23, 2020, the international Extractive Industries Transparency Initiative (EITI) Board recognized Tajikistan's significant progress overall in implementing the EITI Standard, and thus the country's status was renewed.

Also progress of implementation of tax incentives in education, construction, poultry farming, fishery, cattle breeding sectors, abolishment of state duty for registration of home based individual entrepreneurs, launch of the "Single Window, Monitoring and City Planning Cadastre" in Dushanbe, introduction of online application for getting technical conditions for connecting to electricity and their results have been emphasized at the Session.

At this point the Leader of the Nation has reminded that reforms would be effective in the case of their consistent conduction and clear sense of positive impact of reforms by entrepreneurs and investors. In some cases process of coordination of action plans and relevant decisions take long time causing the barriers for reforms implementation. It is necessary eliminate these shortcomings on timely basis.

Concerning the second issue of the Session, Minister of Agriculture - Salimzoda Amonullo made a presentation on the results of analysis of cluster development in agro-industry sector, in particular draft Concept and draft Action Plan of the Government on development of agro-industrial clusters.

The President mentioned that currently Tajikistan is agro-industrial country and its transformation into industry-agrarian country is one of the strategic goals of the Government. One of the ways to achieve this goal is to

establish and develop the value added chain based on agribusiness clusters, which can promote improved supply of population with food products, balanced economic growth, improved competitiveness of the national economy through polished methods and approaches to manage of economic processes.

On the last issue, Minister of Industry and New Technologies Faizullozoda Zarobiddin Qudrat proposed issue of analysis of the state of country's industry and discovering new opportunities to enhance the sector capacity for consideration in next Council's Session.

At the discussion of the agenda issues the Chairman of the Coordination Council of Development Partners, the World Bank Country Manager in Tajikistan, Jan-Peter Olters, Head of the German Agency for International Cooperation in Tajikistan, Ms. Sabine Olthof, Representative of the Food and Agriculture Organization of the United Nations in Tajikistan, Oleg Guchgeldiev, Member of the Consultative Council, director of LLC "Resandai Tojikiston", Ravzabonu Negmatulloeva, Chairman of the National Association of Milk and Dairy Products Producers of Tajikistan, Umed Shomurodov shared their points of view.

The Founder of Peace and National Unity, Leader of the Nation, President of Tajikistan Emomali Rahmon delivered final speech and gave following instructions and recommendations to responsible ministries and agencies, development partners on issues considered in the Session:

1. Ministries of Justice, Economic Development and Trade, Finance, State Committee on Investment and State Property Management and National Bank of Tajikistan jointly with other ministries and agencies to strengthen efforts for establishment of e-government and promote digital economy in the country for the purpose of simplification of business procedures, ensuring the favorable investment climate on this basis as well as improvement of the legal framework in this area.

2. Ministries of Justice, Energy and Water Resources, Economic Development and Trade, State Committee on Investment and State Property Management, Land Management and Geodesy, Tax Committee, Committee for Architecture and Construction, Customs Service, National Bank of Tajikistan, HJSC "Barqi Tojik", executive government bodies of provinces, cities and districts:

- take necessary measures on effective exploitation and full implementation of automated system of electronic collateral registry and real estate electronic registry, electronic procedures within the "One Stop Shop" on business registration, real estate registration, "Single window" on issuing permits for construction, export, import and transit operations, connecting to the electricity and provide reports quarterly to the Government of the country,
- develop necessary instructions and list of services, pricelists and information booklets on the shortest time to deliver regularly to

population and entrepreneurs through official websites and other information facilities;

3. Ministries of Justice, Economic Development and Trade, Finance, State Committee on Investment and State Property Management, National Bank of Tajikistan:
 - a. submit according to the established procedure regulatory legal acts on investment activity, developed by the Interagency Working Group jointly with amendments to the Laws of the Republic of Tajikistan "On Joint Stock Company" and "On Limited Liability Company" to the Government of the country;
 - b. develop and submit to the Government of the country relevant regulatory legal documents to improve the legal framework on bankruptcy (insolvency) according to the international best practices.
4. Ministry of Economic Development and Trade jointly with the Customs Service and relevant ministries and agencies take necessary measures to complete implementation of the "Single Window" on export, import and transit of goods and submit a report to the Government.
5. The Committee for Architecture and Construction jointly with the State Committee for Investment and State Property Management as well as relevant ministries and agencies, executive authorities in province, district and town to establish the Single Window on issuing permits for construction in all districts and towns across the country at the shortest time and report to the Government about their performance every six months.
6. The State Committee on Investment and State Property Management jointly with the Statistics Agency, Rural Development Committee, relevant ministries and agencies and local executive authorities, in cooperation with development partners to undertake necessary measures on regular conducting the national assessment of investment climate and summarizing its results.
7. The State Committee on Investment and State Property Management, Consultative Council Secretariat, relevant ministries and agencies and local executive authorities in province, district and town to initiate pilot assessment in selected districts and towns on selected indicators of the Doing Business report at the local level, including starting a business, getting permit for construction, getting electricity and registering property.
8. The Ministry of Agriculture, Committee for Environmental Protection and Food Security, jointly with relevant authorities to establish a framework for the introduction of international standards, including "Global GAP" develop a "List of chemicals permitted for use in the Republic of Tajikistan" in a new edition and submit it to the Government for approval.
9. Ministries of Agriculture, Industry and New Technologies jointly with the relevant ministries and agencies to improve draft Action Plan on Establishment and Development of Agro-industrial clusters in Tajikistan taking into account proposals suggested in the session and in line with the defined procedures submit it to the Government for approval.

10. Ministries of Agriculture, Industry and New Technologies, executive local government authorities in regions, cities and districts in cooperation with the National Association of Milk and Dairy Products Producers of Tajikistan take necessary measures to establish modern breeding farms, improve breeding and health of livestock for farms and population considering their zoning, import of milk processing equipment in rural and remote regions of the country, as well as through agro-industrial clusters.
11. Ministries of Finance, Agriculture, Economic Development and Trade, Industry and New Technologies, Tax Committee and Customs Service to develop comprehensive proposals regarding tax and customs incentives for livestock breeding farms.
12. Ministries of Industry and New Technologies, Economic Development and Trade, Agriculture, Foreign Affairs, State Committee on Investment and State Property Management, Rural Development Committee and Export Promotion Agency jointly with the Chairmen of provinces, districts and towns to undertake necessary actions to select zones for value chain covering “raw material - production of final products - marketing”.
13. Ministry of Industry and New Technologies:
 - take necessary measures to strengthen activity of enterprises in food industry, textile, silk and leather processing to reduce dependence of domestic market from imported products;
 - jointly with the Consultative Council Secretariat to establish a Working Group from relevant ministries and agencies’ representatives with the involvement of development partners and the private sector to conduct analysis of the state of the industry sector in the country and discover new opportunities to increase the sector capacity and develop specific recommendations to present their results in the following sessions of the Consultative Council.
14. National Bank of Tajikistan to develop and ensure the implementation of the Action Plan on access of population from rural and remote regions of the country to microloans with favorable interest rates.
15. State Committee on Investment and State Property Management and Export Promotion Agency jointly with chairmen of provinces, districts and towns to regularly undertake initiatives to improve skills of businesses on development of business plans and export of products.
16. Local executive government authorities in provinces, towns and districts to undertake regular measures on attraction of domestic and foreign investments using the existing opportunities and resources and provide reports to the Government on regular basis
17. Ministries, Agencies and executive local government authorities in provinces, towns and districts:
 - To ensure full and timely implementation of the Council's Minutes of Meeting instruction and adopted action plan and consider private sector point of view while developing and coordinating regulatory legal acts;

- To strengthen activity on regular basis towards further simplification of bureaucracy procedures, eliminating artificial barriers and reduce additional costs of entrepreneurs and investors.
18. Executive Secretary of the Council, jointly with the Secretariat of the Consultative Council, to take necessary measures on strengthening and effective implementation of activities of the Consultative Council's in provinces, cities and districts.
19. Recommendations for development partners:
- To facilitate comprehensively on development of the Tax Code in a new edition;
 - To provide financial and technical support to entrepreneurs for processing of raw materials as well as final products, packaging, export, import of modern equipment and technologies;
 - To introduce Subnational Doing Business rating in pilot basis in cooperation with State Committee on Investment and State Property Management and Secretariat of the Consultative Council to expand opportunities of local government authorities for attraction of private investments, reduce procedures to save time and costs for entrepreneurs and investors.

Executive Secretary of the Council,
Chairman of the State Committee
on Investment and State Property
Management of the Republic
of Tajikistan

F. Hamralizoda