

«Approved»
Emomali Rahmon
President of the Republic of Tajikistan
Chairman of the Consultative Council

Signature
«11» May 2013

MINUTES
of the 11th Session of the Consultative Council on Improvement of Investment
Climate under the President of the Republic of Tajikistan
April 30, 2013

The Session was attended by Consultative Council members and the invited responsible person.

Session Agenda:

1. Report on the results of monitoring of implementation of decisions of the Consultative Council on Improvement of Investment Climate under the Office of the President of the Republic of Tajikistan;
2. The issue of establishing Sovereign Credit Rating of Tajikistan;
3. Presentation of Draft Law of the Republic of Tajikistan "On State Protection and Support of Entrepreneurship» in its new edition;
4. Report of the Chairman of the Consultative Council on Improvement of Investment Climate in GBAP;
5. Proposal of issues for Draft agenda of the Consultative Council's 12th Session concerning continuation of reforms of licensing system on the basis of permits system's reforms and improvement of investment climate in insurance sphere.

The Prime - Minister of the country, Okil Okilov opened the 11th Session of the Consultative Council and introduced to the audience new members of the Council from development partners, Mr. Eduard Auer - Ambassador, Head of the EU Delegation in Tajikistan and Mr. Christopher Miller - Head of the International Finance Corporation Office in Tajikistan.

Mr. Davlatali Saidov, Executive Secretary of the Consultative Council, made a report **on the first point of the agenda** and provided detailed information about the

process of implementation of decisions adopted during previous Session of the Consultative Council.

It was outlined that the decisions adopted by the Council were in general implemented by relevant ministries and agencies. In particular, with the purpose of effective implementation of the Law of the Republic of Tajikistan "On Public-Private Partnership" in accordance with the Action Plan, drafts of decrees of the Government of the Republic of Tajikistan "On Council of Public-Private Partnership", "On Determination of the Authorized State Body for Public-Private Partnership" and "On Establishment of State Enterprise of Project Implementation Unit on Public- Private Partnership Projects" were developed and submitted to the Government of the Republic of Tajikistan upon consultation with the relevant ministries and agencies.

It was noted, that in accordance with instruction of the President of the Republic of Tajikistan in the 10th Session of Council, the State Enterprise "Entrepreneurship Support Fund" was established, the main focus of which is the financial support of business. Currently, the funds allocated from the state budget for this Fund.

Mr. Farkhod Akbarov – Head of Association of Micro Financial Organizations of Tajikistan made a report **on the second point of agenda** and provided information about the issue of establishment of a sovereign credit rating of Tajikistan.

With regard to this issue, the Prime-Minister of the country, Okil Okilov stressed that the sovereign credit rating of Tajikistan allows foreign investors to obtain necessary and objective information about the state of the economy of Tajikistan and the degree of investment risk in the economy.

In this respect, the sovereign credit rating of Tajikistan will facilitate the attractiveness of the country's economy to foreign investors.

Mr. Fayzali Rajabov - Head of "Center of Development and Support of Associations of Tajikistan"'s Association made a report **on the third point of agenda**, and presented a draft Law of the Republic of Tajikistan "On State Protection and Support of Entrepreneurship» in its new edition. In his speech, he noted that the initiative to develop this Law stems from the President's Address to the Majlisi Oli and it includes the main principles of state support of entrepreneurship, features of the development and adoption of normative legal acts concerning the interests of business.

Effective implementation of the Law of the Republic of Tajikistan "On State Protection and Support of Entrepreneurship» in its new edition, would give a serious impetus for the entrepreneurship's development.

Then, Qodiri Qosim - Chairman of Gorno-Badakhshon Autonomous Province made a report **on the fourth point of the agenda**, in particular he noted that lately, certain measures have been undertaken to improve the investment climate and business environment in GBAP. The Consultative Council on the Improvement of Investment Climate in GBAP was established and several meetings were held.

On this issue, the Prime - Minister of the country, Okil Okilov charged the province management with a number of tasks to further improve the investment climate and business environment in GBAP.

Davlatali Saidov, Executive Secretary of the Consultative Council, made a report **on the last point of the agenda**.

In his report, Executive Secretary of the Consultative Council provided information about the issues for an agenda of the Consultative Council's 12th Session concerning improvement of investment climate in insurance sphere and continuation of reforms of licensing system on the basis of permits system's reforms.

The Prime - Minister of the country, Okil Okilov was asked to give instruction for establishing a working group on conducting research and providing proposal on improvement of investment climate in the sphere of insurance and continuation of reforms of licensing system on the basis of permits system's reforms, which will be consists of the representatives of ministries and other relevant departments as well as private sector with the support of development partners.

Also the Head of European Bank for Reconstruction and Development Representative Office in Tajikistan - Mr. Ulf Hindstrom, the Director General of OJSC "Pamir Energy" - Mr. Daler Jumaev, Head of the International Finance Corporation Office in Tajikistan - Mr. Christopher Miller, Country Director, German Agency for International Cooperation in Tajikistan - Mr. Stefan Erber, Head of Representation Office of the IMF in Tajikistan - Mr. Ari Aisen, Minister of Finance of the Republic of Tajikistan - Mr. Safarali Najmuddinov, Head of the Tax Committee under the Government of the Republic of Tajikistan – Mr. Nusratullo Davlatov, Chairman of the National Bank of Tajikistan – Mr. Abdujabbor Shirinov, Head of Business Association of Sogd Province – Mrs. Masuda Tyuryaeva actively participated in discussion of each issues during the Session.

In his final speech, The Prime - Minister of the country, Okil Okilov expressed his opinion regarding the issues discussed Session and gave the following tasks and recommendations to relevant agencies, persons in charge and development partners' representatives:

1. The Government of the Republic of Tajikistan in compliance with addresses of entrepreneurs to carry out a comprehensive analysis concerning influence of Tax Code of the Republic of Tajikistan in new edition and other legal normative acts, adopted on the basis of the Tax Code, including “Rules on taxation of individual entrepreneurs, which acting on the basis of patent and certificate” (Resolution of the Government of the Republic of Tajikistan” dated August 31, 2012, No. 451) on development of entrepreneurship and on economic development of the country as a whole and to provide its results to the subsequent sessions of the Council.

2. State Committee for Investment and State Property Management of the Republic of Tajikistan has to:

- improve the Draft Law of the Republic of Tajikistan "On State Protection and Support of Entrepreneurship» in its edition and submit for the review of the Government of Tajikistan in accordance with the defined procedures;

- jointly with the relevant ministries and agencies, private sector and by involving development partners undertake necessary measures for continuation of reforms of licensing system on the basis of permits system’s reforms, and present information about results in the next Council’s Session;

- undertake monitoring of implementation of the Law of the Republic of Tajikistan “On Permit System”, and submit information about results in the forthcoming Meeting of the Council;

3. National Bank, Ministry of Finance, State Committee for Investment and State Property Management jointly with other relevant ministries and agencies and by involving development partners of Tajikistan to consider thoroughly the issue of establishing sovereign credit rating of Tajikistan and submit proposals.

4. Ministries of the Economic Development and Trade, Finance jointly with relevant ministries and agencies, by involving private sector and development partners to conduct analysis on improvement of investment climate in the sphere of insurance and to submit the results with specific recommendation in the next meeting of the Consultative Council.

5. Ministries of Foreign Affairs, Justice and State Committee for Investment and State Property Management to take necessary measures to address the issue of prompt accession of Tajikistan to The Hague Convention of 1961(Apostille Convention), and submit information about results.

6. Ministries and Agencies to undertake practical measures to support entrepreneurs in their industries. To ensure the participation of the private sector in the stages of development, adoption and implementation of regulations and sector programs on the development of entrepreneurship and take into account the conclusions provided by the private sector.

7. Local Authorities of GBAP should:

- In cooperation with the Ministry of Economic Development and Trade and by involving development partners to undertake immediate measures for effective operation of FEZ “Ishkoshim” and submit information about results to the Government of Tajikistan;

- jointly with the Ministry of Economic Development and Trade and other relevant ministries and agencies consider the issue of establishment of FEZ of “Murghob” and submit recommendations in short time to the Government of Tajikistan;

- together with the Ministry of Economic Development and Trade and other relevant ministries and agencies to take active measures for enhancement of cross-border trade, the creation of the necessary conditions for cross-border markets and increasing export volumes of domestic products and services to the markets of Afghanistan and other neighboring countries;

- jointly with the Ministries of Economic Development and Trade, Energy and Industry, Agricultural, and other ministries and agencies to take immediate measures to develop productive entrepreneurship, including the establishment of enterprises for processing of fruits and vegetables and medicines, precious stones and metals, the development of livestock and poultry raising sectors, and submit information to the Government of the Tajikistan.

8. Chamber of Commerce and Industry of Tajikistan in cooperation with entrepreneur association should take necessary measures to familiarize entrepreneurs of Tajikistan with the economic and business environment of Afghanistan, their introduction into the market of Afghanistan, and their participation in the rebuilding projects of this neighboring country.

9. The Government of Tajikistan, together with development partners and the private sector to collaborate on the following issues:

- effective implementation of the Law of the Republic of Tajikistan "On Public - Private Partnership»;

- development, improvement and implementation of the Drafts Laws of the Republic of Tajikistan ‘On Inspection of Economic Entities” and “On State Protection and Support of Entrepreneurship”;

- establishment of sovereign credit rating of the Republic of Tajikistan;

- conducting analysis on improvement of investment climate in insurance sphere and continuation of reforms of licensing system on the basis of permits system’s reforms;

- carrying out a comprehensive analysis concerning influence of Tax Code of the Republic of Tajikistan in new edition on development of entrepreneurship and increasing the knowledge of the entrepreneurs on legal and economic issues;

- development and implementation of other legal acts, adopted in the framework of the Consultative Council.

10. The authority of the Consultative Council members from the development partners: Mr. Ulf Hindstrom, Head of European Bank for Reconstruction and Development Representative Office in Tajikistan and Mr. Nicolas Guigas, Deputy

Director of Swiss Cooperation Office in Tajikistan, due to the end of their term should be terminated.

Nomination of Mr. Eduard Auer - Ambassador, Head of the EU Delegation in Tajikistan and Mr. Christopher Miller - Head of the International Finance Corporation Office in Tajikistan, as the Council's new members from the development partners to be approved.

Due to the change in the management of OJCS «Sangtuda 1 HPP», Pavel Lavrov - Director General of OJCS «Sangtuda 1 HPP» to be elected as a Council's Member from the foreign investor's representatives.

Executive Secretary,
Head of State Committee for Investment
and State Property Management
Republic of Tajikistan

Signature Davlatali Saidov

Head of Secretariat of the Consultative
Council on Improvement of Investment Climate
under the President of the Republic of Tajikistan

Signature Zavkidjon Zavkiev