${Monitoring} \\ Results of decision implementation of 10^{th} and 11^{th} Sessions of the Consultative Council on Improvement of Investment \\ Climate under the President of the Republic of Tajikistan$ 

Decisions of the 10 <sup>th</sup> Session of the Consultative Council dated from 19 <sup>th</sup> of October 2012			
Content of the official assignment	Due date of implementation	Implementation process	Rem arks
1. While developing draft programs on cooperation with Tajikistan's development partners the Government of the Republic of Tajikistan needs to take into account the allocation of resources for development of the private sector, including for import of the latest technology and establishment of enterprises for processing of agricultural products.		Under constant implementation of the Government of Tajikistan.	
2. Executive Secretary and the Secretariat of the Consultative Council have to supervise the process of implementation of the Council's decisions and undertake relevant influential measures to ensure their full and effective implementation.		Being constantly implemented.  Secretariat of Consultative Council under the President of Tajikistan jointly with State Committee on Investment and Management of State Property Management constantly conduct monitoring of implementation of Council's decision, and submit the results to the Council's meetings.  Currently, according to the telegram of the Executive Secretary of Consultative Council, Chairman of the State Committee on Investment and Management of State Property Management the information from all ministries and departments and executive state bodies of cities and regions about the implementation of the Councils decision are being collected for analyses.  In addition, a report of the Executive Secretary of Consultative Council on the results of monitoring of the implementation of decisions made by the Consultative Council will be drafted and submitted to the 11 <sup>th</sup> Session of the Consultative Council which will be held on April 30, 2013.	
3. State Committee for Investment and State Property Management of the Republic of Tajikistan has to:  - undertake influential measures for effective implementation of the Law of the Republic of Tajikistan «On Public Private Partnership» according to the drafted Plan of measures;		On progress of implementation  A draft of the Law of the Republic of Tajikistan "On Inspection of performance of economic entities in the Republic of Tajikistan" in new version has been revised and will be adopted by the Decree of the Government of Tajikistan in 2013.  The Working Group on Improvement of Investment Climate in Tourism Sphere consisted of representatives of relevant ministries and agencies, private sector	

- improve the draft Law of the Republic of Tajikistan «On inspection of the activity of businesses» in its new edition by taking into account international best practices and submit for the review of the Government of Tajikistan in accordance with the defined procedures.
- conduct analysis and provide recommendations for improvement of tourism sector jointly with the Committee for Youth, Sports and Tourism Affairs under the Government of the Republic of Tajikistan, representatives from relevant ministries and agencies, private sector and development partners and by involving the sector experts and submit to the next meeting of the Consultative Council.
- jointly with the Tax Committee under the Government of the Republic of Tajikistan and other relevant ministries and agencies, undertake measures for encouragement of proactive businesses and honest taxpayers, conduct large-scale awareness raising campaigns and retraining seminars to improve awareness of entrepreneurs on tax payment and broadly cover these events via mass media.

and with involvement of development partners and experts was established by decision of the Chairman of the Tajikistan Investment and State Property Management Committee from 27.03.2013 №32. The Working Group has worked actively in the following areas including:

a) services on airport, borders and customer training; b) visa and registration; c) licensing and permits; d) statistics and data e) other aspects of tourism sphere were analyzed.

Particularly current situation and sphere's problems were studied in above mentioned areas and on this base a Model of tourism development in Tajikistan (The Working Group report) were developed included comprehensive recommendations regarding elimination of shortages of tourism sphere. In accordance with proposed recommendations a draft of the Action Plan of the Government of the Republic of Tajikistan on improvement of investment climate in the tourism sphere is developed and will be submitted to the 12-th session of the Consultative Council.

More detailed information on the Working Group activity, results of analyses and recommendations are contained in the paper of "A model of tourism development in Tajikistan: analyses and recommendations".

Committee jointly with business associations has constantly conducted explanatory works concerning a promotion of active entrepreneurs and bona fide taxpayers. Particularly, on February 1 of the current year in the center of the Khatlon region, Kurgonteppa city and on February 2 in Kulob city a constructive meetings of the Chairman of the Tajikistan Investment and State Property Management Committee, representatives of the ministries and agencies as well as executive state body of Khatlon region with entrepreneurs, executive officers of industrial enterprises and entrepreneurs planning to establish industrial enterprises in 2013 were conducted.

With the purpose to promoting active entrepreneurs and bona fide taxpayers Tax Committee under the Government of the Republic of Tajikistan has established a Commission on determination of the best taxpayer, which annually determines the best taxpayer.

Another form of promoting active and bona fide taxpayers is saving their time. In this regard Tax Committee has developed a web program "Module of personal cabinet with online declaration system" which allows the taxpayers to file their tax reports online. Currently, approximately 800 enterprises and individual entrepreneurs are using this new taxation system.

Conducting seminars and explanatory works with taxpayers regarding the tax law, including a practical implementation of Tax Code is considered as one of the priorities of the Tax Committee's activity. In this regard, Tax Committee officers in two months of the current year with participation of taxpayers have conducted more than 190 seminars and explanatory works; also in this period through mass media the analytical educational programs were broadcasted 34 times. The new version of Tax Code of the Republic of Tajikistan has been published in volume of 50000 pieces (40000 in Tajik and 10000 in Russian) and was granted for free to the ministries and departments, local governmental authorities, as well as companies and taxpayers. 4. Ministry of Finance of the Republic of Tajikistan, Implemented jointly with the State Committee for Investment and With the purpose to implement this section, by decision of Government State Property Management of the Republic of of the Republic of Tajikistan on February 5, 2013 year under №34 the State Tajikistan, have to consider the allocation of Institution "Fondi dastgirii sohibkori" (Entrepreneurship Support Fund) is necessary funds for the establishment of a joint established. microfinance fund for businesses, particularly for The main lines of activity of Fund are a financial provision of the state producers, within the public budget for the next year programs, projects and undertakings on assistance of entrepreneurship in the and undertake practical measures to establish such a Republic of Tajikistan and abroad, educational activity, information and analytical, editing, publishing and international relations. fund. 5. Ministries of Agriculture, Energy and Industry, Chamber of Commerce and Industry, Union of On progress of implementation «Toilkmatlubot» (Consumers Union), in cooperation According to the report of Ministry agriculture of the Republic of with local authorities of Mountaneous Badakhshon Tajikistan with decision of the Government of the Republic of Tajikistan on August 1, 2012 under №383 the "Program on agriculture reform of the Republic Autonomous Province, provinces, towns and districts and by involving development partners have to of Tajikistan for 2012-2020 years" is approved that implementation of this undertake specific measures to establish joint program will support the establishment of structures or joint productive ventures of producers, processors and exporters. organizations, creation and progress of cooperatives unions. This Program provides assistance for peasant farming, producers, cultivators and associations of agricultural market that defense and represent interests of mentioned agricultural groups, and it consequently will promote the creation and development of such structures, associations in local level. In this direction, several drafts of legal normative acts, such as Law of the Republic of Tajikistan "on cooperative societies" was developed and adopted, the draft of Law of the Republic of Tajikistan "on peasant farming" is on conciliation

process.

	The Chamber of commerce and industry of the Republic of Tajikistan
	has expressed his readiness on establishment of structures, joint productive
	organizations, cultivators and exporters. The field associations which are
	member of the trade and industrial Chamber will be invited as a full member to
	the above mentioned structures.
6. Ministries of Agriculture, Economic Development	On progress of implementation
and Trade, Energy and Industry, State Committee for	According to the report of the Ministry of economic and trade development of
Investment and State Property Management and	the Republic of Tajikistan with a view of development of Free Economic Zones
other relevant agencies have to undertake necessary	of the republic together with administrations of these area the following works
measures for steady and full implementation of	were conducted:
«State Program on increasing the export capacity of	Free Economic Zone of "Panj":
fruit and vegetable processing sector (2011-2012)»	The Administration has done the following works from its own means
and gradual development of free economic zones of	and allotted budgets of Government of the Republic of Tajikistan:
«Pyanj», «Danghara» and «Ishkoshim» by involving	1)
the private sector and development partners.	- development of general plan and topography;
r r	- construction project of water line, projects of water carrier and water
	filter stations;
	2) constructional works of infrastructure:
	construction of water line on length of 2510 meters and temporary water
	carries Station; fenced construction of zone on length of 760 meters; mending of
	Administration's building and construction of electricity's line inside of zone;
	Up to now, 9 companies are registered as subjects of FEZ of "Panj". The
	parts of them are working and the other parts are engaging to import of
	technology equipment, to execute the organizing works of productive
	workshops.
	workshops.
	Free Economic Zone of "Danghara":
	The Administration has done the following works from its own means
	and allotted budgets of Government of the Republic of Tajikistan:
	- Beginning of construction of Administration's building of FEZ;
	- Expenditure projects of general plan and plan of water line of the zone;
	- beginning of first period construction of surrounding construction site of zone;
	- Beginning of works of a project estimating a construction of road and
	electricity line in zone.
	At the present time, in FEZ of "Danghara" 7 companies are registered as
	a subject of the zone and they are conducting preparation work for construction

in cooperation with local authorities of Mountainous Badakhshon Autonomous Province and other provinces have to organize practical seminars and consultations and re-training courses in advanced farms on horticulture and enterprises for processing of agricultural products of Soughd province with a view to exchanging in experience and introducing the best practices in various sectors of economy in other regions of the country and second young specialists for study of best practices of the sector to other regions of the country and overseas.  9. Ministries of Economic Development and Trade, Energy and Industry, Land Reclamation and Water Resources, State Committee for Investment and State Property Management, Chamber of Commerce and Industry, Union of «Tojikmatlubot (Tajik Consumers's Union)» have to undertake necessary measures to introduce the export of drinking water to other countries.	Ministry of agriculture has intended that during 2013 year, given the experience on gardening, and reprocessing of agricultural products in enterprises of Sughd region in cooperation with authority of local executive power of regions, cities and districts will conduct seminars regarding the sector.  At the same time, in 2012 year, 30 of specialists from central office of the ministry and 59 persons from structures of under the ministry were sent for study and practice to China, Turkey, Kazakhstan, and Kirgizstan.  According to the plan of the Ministry of energy and industry, every year on a season of fruit and vegetable reprocessing in industrial enterprises the practical seminars are conducted, and in their organization an experienced specialists take participation as well as teach the advanced experience of sector to the young specialists.  In 2013 year, it's planned that during the fruit and vegetable reprocessing season in enterprises of Sughd region such seminar will be conducted.  On progress of implementation  According to the report of the Ministry of economic development and trade currently in the republic 20 industrial enterprises are working that engage to the production of mineral waters and others kind of quenching thirsty waters that they provide the internal market of the republic and the part of their produced products exporting to the foreign countries for sell.  According to the report of the Ministry of energy and industry the production field of quenching thirsty drinks and mineral waters that are over 60 small and medium enterprises, in the last years became very progress, the volume of this title of products are reached to 6 million dekaliters in 2012 year. This index is more 2 times than on the 90th years. For purpose of export to foreign countries by joint enterprise of "Obi Zulol" of Istaravshan city has done many works and now the enterprise for export of waters has signed agreement with Turkmenistan, Russian Federation and Afghanistan.	
10. Ministries of Energy and Industry, Economic Development and Trade, State Committee for Investment and State Property Management in cooperation with Tajikistan's Development Partners	On progress of implementation  Regarding this issue a range of activities are planned in a draft of the Action Plan of the Government of the Republic of Tajikistan on Improvement of	

should undertake necessary measures to improve the situation with technical conditions for connection of industrial enterprises to electricity supply networks and to improve the indicators of the Republic of Tajikistan in the World Bank's "Doing Business" Report.  11. State Committee for Land and Geodezy of the Republic of Tajikistan and other relevant ministries and agencies need to undertake influential measures to reduce the number of documents within establishment of dehkan farms and issuance of certificates of right to land use.	Tajikistan's Indicators in the Doing Business Report of World Bank Group developed by Secretariat of the Consultative Council.  **Certain works implemented**  State committee of land organization and geodesy of the Republic of Tajikistan has taken measure for reduction of documents in the time of establishing a peasant farming and a certificate for right of using land, in accordance with decision of Government of the Republic of Tajikistan under №105 from 27.02.2010 and based to the article 6 of land Code of the RT will be issued from State committee of land and its local authorities (land organization case) on duration no late than 25 working days from entered date of petition (letter, request) with attached all necessary documents.  For the simplification of documentations and on time providing the land users with Certificate for right of land using, based to the order of head Committee of land organization and geodesy authority to issue the certificate for
12. Tax Committee under the Government of the Republic of Tajikistan should:  - develop six-month plan of inspection of the activity of businesses and publish it six months before the actual inspections via sectorial tax newspapers and magazines and website of the Tax Committee under the Government of the Republic of Tajikistan;  - provide information to the State Committee for Investment and State Property Management about the taxes evaded by businesses every three months and also publish this information in the website of the Tax Committee under the Government of the Republic of Tajikistan.	on progress of implementation  According to the report of Tax Committee the plan of single inspection of all taxpayers for the first annual of 2013 is confirmed by order of Tax Committee from 16.01.2013 under №16, it is published on week newspaper of "Boju khiroj" and putted on website of tax Committee (www.andoz.tj) with title of "Plan of tests on first annual 2013" and the taxpayers can use from it.  A plan of comprehensive inspections of tax payers for the second half of 2013 by Tax Comittee decree from 22.07.2013, №251 is approved which published in the weekly newspaper "Boju Khiroj" and placed in the Tax Committee website (www.andoz.tj).

13. Agency for Construction and Architecture under the Government of the Republic of Tajikistan should undertake influential measures to fully implement «Program on support of construction agencies for improvement of the investment climate and business environment in the construction sector (2012-2014)».

On progress of implementation

The plans and scheduled events of the present Program has been spread out among responsible employees of the central Agency, its offices and all local architecture authorities in towns and districts throughout the country. The execution process of current issue is being subject to various discussions in each advisory meetings of the Agency and where appropriate decisions have been made.

It was the result of such kind of discussions that the present Program had been deliberated between the Agency offices and local architecture and construction authorities of cities and districts of the country, and as a result, the present internal plans-events` execution have been taken under permanent control.

The present Program aims at the enhancement of investment environment, entrepreneurship and to eliminate existing hardships in the field of construction and the entrepreneur activity. However, the lack of qualified personnel, absence of unified and automated system, incompletely provided supply with general plans to cities and districts, lack of cooperation between the architecture authorities and technical-engineering services, has led to several problems.

Among which are the followings:

Regarding the completion of paragraph 1, Program events plan. In 2012 for the local architecture and construction authorities support should have been additionally created 40 work places with a total expenditure of 2899, 00 Somoni, and in 2013 it is planned to create 20 work places with a total expenditure of 1488,9 Somoni. Unfortunately, this problem still never found its solution and up to date no clear response from the Ministry of Finance has been received, which is matter for concern.

Procurement of local architecture and construction authorities and their activity financing is a reason for anxiety as well, because the Law of the Republic of Tajikistan "On the activity of architectural, town planning and constructing" under No 380 dated by March 20, 2008 and the Town planning Code of the Republic of Tajikistan under No 933 dated by 28 December 212 provide for the finance of local architecture and town planning authorities from

14. Local Authorities of Mountainous Badakhshon Autonomous Province, other provinces and Dushanbe municipality need to undertake relevant measures to ensure effective operation of consultative councils on improvement of investment climate and business environment under the offices of Heads of province and Dushanbe Mayor.

the republican budget (through the Agency of construction and architecture under the Government of the Republic of Tajikistan). However, this problem is still pending.

Despite of this, in 2012 in cooperation with the project of foreign organization OXFAM, for the purpose of practical implementation of Government decree of the Republic of Tajikistan No 282 dated by 6 May 2009 and the Program for support of constructing companies and improving of the investment environment and entrepreneurship in the field of construction for 2012-2014, with regard to material-technical procurement, the local construction, architecture and town planning authorities of Muminobod and Rudaki districts have been provided with computer equipment and the cooperation tends to continue.

On progress of implementation

# About the activity of the Regional consultative entity at the regional level under the Khatlon Province Governor:

In Khatlon province the Regional Consultative Council on Improvement of Investment and Business Climate is functioning and the Chairman of the province provided detailed report about the results of activities of the Regional Council in the 9<sup>th</sup> Session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan.

It's should be noted that in 2012 year, Chairman of the province three times conducted meetings with local enterprisers, and certain measures to remove existing constraints to business development in the region were implemented. It was the result of public-private cooperation that allowed, in 2012, to establish 132 medium and small enterprises, which in its turn created 3315 new jobs.

At last year, the entrepreneurs constructed and put into operation 198 number different buildings. In 2013 year, the entrepreneurs intend to build 208 number enterprises and industrial and productive workshops.

### About the activities of Regional Council on Sughd province:

During the reporting time three meeting of the regional Counsel have been conducted. On the meetings the issues to conduct an analysis of the sector of reprocessing products, to rise up the export potential of the sector of reprocessing fruit and vegetables, to develop the tourism sector and etc., were

considered.

On regular basis the meeting of Chairman of province and Chairmen of cities and regions with entrepreneurs are being conducted and the issues regarding development of the entrepreneurship and removal of existing constraints discuss are discussed.

It was result of close cooperation and assistances of local executive organ with the entrepreneurs, that in 2011, 200 different service buildings, 65 industrial companies with capital investment of the local entrepreneurs were established, and in 2012 on cities and regions of the province 102 industrial companies were created.

Particularly, in the province in recent years several enterprises of dried fruits's processing, like in Isfara city and Asht region started its activity and wholly engaged in export.

About the results of the activities of regional Counsel, the Chairman of province provided detailed information in the 9<sup>th</sup> Session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan.

About the activities of the Regional Consultative Council on Improvement of Investment and Business Climate under the GBAP Governor.

Regional Consultative Council on Improvement of Investment has conducted three meetings and discussed the following issues

- 1. Concerning the action plan of Government of the Republic of Tajikistan about meeting of President of Republic with entrepreneurs of republic on January 10, 2010.
- 2. Economic relations and existing problems on travel to China.
- 3. Cross-border trade as one of factors for development regional relations.
- 4. Condition and difficulties of landing for enterpriser field.
- 5. Proposal and suggestion to the draft of Tax Code of the Republic of Tajikistan in new version.

In addition, on May of last year, a meeting of chairman of province with entrepreneurs of region, whose numbers amounted to 100 were held. August 15, 2013 the 5-th Session of the Consultative Council under the Chairman of GBAO on improvement of investment and business climate was hold. During this session the issues of "Analyses of the situation of tourism sphere and development of amendments on Tourism Development Program of the province and preparation for International Economic Conference in the GBAO" were considered. In 11th Session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan the chairman of province will provide detailed information. On the basis of completed works a draft of the report of Chairman of Regional Counsel on Improvement of Investment and Business Climate under the GBAP are being prepared and shortly will be accessible. Local Authorities of Soughd Province should: On progress of implementation - analyze the reasons of decrease in ecport of Executive state body of Sughd province have been taken measures for agricultural products and undertake immediate increasing of production of industrial products, creation of new jobs, using local raw materials, production of competitive products and using the potential measures to increase the export capacity of the province; resources. - establish more new industrial enterprises in the As a result, volume production of industrial products of region grew to province in cooperation with relevant ministries and 3, 6 billion somoni, in 2012, on throughout the region 102 small and great enterprises opened their activities which in their turn created 3924 new jobs. agencies, private sector and by involving local and The export products of region basically consist of the agricultural foreign investors. products (vegetable, fresh and dried fruits, canned) cotton, clothes, resources, dried skin, explosive materials. Production and export of dried fruit is considered one of priority of agricultural sector of region, and in exporting structure of region has significant position. The analysis showed, that in 2012 dried fruit exported on amount 25,8 million dollar of USA, that consists 5,15% export of region. The general volume of exporting products equaled to 77, 4 thousand tons which in comparison to this period of 2011 is higher in 21, 5%. A Chairman of GBAO was reported on business and investment development situation in 11-th Session of the Council hold on April 30, 2013. Regarding this issue Province administration was concretely instructed by the President of the country. 16. Local authorities of Mountainous Badakhshon On progress of implementation

Autonomous Province, other provinces, districts and towns in cooperation with relevant ministries and agencies should undertake necessary measures with a view to regulating certain procedures and regulations of sale of agricultural inputs, including mineral and organic fertilizers, chemicals and seeds and establish cooperation with the private sector on establishment and operation of centres for sale of agricultural inputs such as agroshops, technical and advisory service centre.

17. Local authorities of districts and towns in cooperation with relevant ministries and agencies should undertake immediate measures to install conventional signs for the names of streets and bystreets in conjunctions and crossing points and residential blocks, also to establish tourism map of the country in airports and other border checkpoints for tourists.

With a view to improve a level of mechanization of agricultural sector and through it to provide practical assistance to the farming, today there have been organized around 63 center of technical service that equipped with technics and are servicing to peasants. In this regard, e SUE "Tojikagrolizing" is also established.

Also, with intention to provide farming with quality seeds and mineral fertilizers the Project of urgent provision of food safety and seed import is functioning in 24 districts of Khatlon region.

By the Centre in 12 districts of Khatlon region centers for selling of mineral fertilizers were established, which at present time the selling of mineral fertilizers amounted to 192 tons.

Generally in Khatlon region regarding this problem many works are conducted, in cities and districts of region 113 shops and points of seed selling are organized and 146 shops and points for selling of mineral fertilizers and chemical poisons are functioning.

According to the information of Chairmen of some districts such as Shahrinav, Rudaki, Nurobod and other districts of republic in the respect of the selling of production's means of agriculture such as mineral and organics fertilizers, chemical poisons and seeds practical measures being taken, and for organizing and operation of centers for selling of production's means of agriculture also a necessary tasks being taken. In result, several such centers are created and have a good activity.

In cities and districts of Sughd region with purpose to providing the farming with mineral fertilizers and chemical poisons over 17 agroshops are organized. Also in some districts of region centers for technical services are organized.

On progress of implementation

With the purpose to implement this section the Working Group on Improvement of Investment Climate in Tourism Sphere was established by decision of the Executive Secretary of the Council and Chairman of the Tajikistan Investment and State Property Management Committee, dated March 27, 2013, №32.

The objective of the group is to work under the leadership of the public and private sectors as well as development partners to help identify priorities for reform to create an enabling environment for the tourism sector. The issues specified in this section, such as organizing directional and informational

	signage in cities and around sights across the country, also providing an access to information about the travel destination Tajikistan for tourists at border crossing and airports are examples of the objective of the group.  The main tasks of the Working Group are to conduct a thorough analysis of investment climate in tourism, to prepare concrete recommendations and to submit the results to a Session of the Investment Council under the President of Tajikistan which will be held roughly on August/September of 2013.	
18. Chamber of Commerce and Industry of Tajikistan, Trade Representative Offices of the Republic of Tajikistan overseas and Union of Tajik Consumers "Tojikmatlubot" should provide to Tajik companies and businesses practical assistance to explore new markets for export of Tajik products and reliable commercial partners.	On progress of implementation  According to the Ministry of Economic Development and Trade, trade representatives of the Republic of Tajikistan abroad have been assisted Tajik companies and entrepreneurs to find new markets for the export products of the Tajikistan and reliable trade partners.  Trade representatives in the foreign countries have been constantly pursuing the investment projects in the priority sectors of the national economy, and organizing undertakings related to hosting an exhibition and business forums for national and foreign entrepreneurs. As an example could be the exhibition of agricultural products of Tajikistan in Moscow, Orenburg, and Sochi, Russian Federation which were organized by the Trade representatives of Tajikistan in the Russian Federation.  Also with the initiative of the Trade representative in the Iran in 2010-2012 years organized regular meetings between investors and entrepreneurs of Iran and Tajik counterparts and as a result more than 10 cooperation agreements were signed.  At the same time, the works conducted by the Trade representatives in Kazakhstan, Ukraine, Turkmenistan, Kuwait, China, Latvia and Malaysia are also significant.  In this respect, an activity of the Chamber of Commerce and Industry of the Republic of Tajikistan is worth to mentioning. According to the Chamber of Commerce and Industry of the Republic of Tajikistan, it has been regularly organizing round tables in participation with international partners that interested to establish economic and commercial relation with Tajikistan enterprises In 2013 more than 60 meetings with representatives of companies from Iran, Afghanistan, Pakistan, China, Turkey, Belorussian, and Russian federation were conducted.	
19. Chairman of the Consultative Council on Improvement of Investment Climate and Business	Implemented A Chairman of GBAO was reported on business and investment development	

Environment in Mountainous Badakhshon Autonomous Province should provide a report during the next meeting of the Consultative Council.		situation in 11-th Session of the Council hold on April 30, 2013. Regarding this issue Province administration was concretely instructed by the President of the country.
20. Development Partners are recommended:  to promote the full implementation of decisions adopted by the Consultative Council;  to assist in the establishment of Public Private Partnership Council, strengthening the technical and human resources of the governmental authorized agency on this issue and implementation of specific projects within public private partnership;  to provide to the Government of the Republic of Tajikistan their proposals on the process of economic reforms, including on improvement of the investment climate and business environment in writing by proposing the ways of settling out the challenges.		
Decisions of	the 11 <sup>th</sup> Session	on of the Consultative Council dated from April 30, 2013
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.	2013 year	On progress of implementation  Regarding implementation of this point a Resolution of Government of the Republic of Tajikistan from August 3, 2013, №361 "On introducing amendment and modification to a Resolution of Government of the Republic of Tajikistan from August 31, 2012, №451" adopted. This Resolution of Government of the Republic of Tajikistan from August 31, 2012, № 451 is "On approval of the Rules of taxation of individual entrepreneurs operating on the basis of a patent or certificate".  Ministry of Finance of the Republic of Tajikistan and Tax Committee under the Government of the Republic of Tajikistan are noted that economic analyses, meetings with citizens and taxpayers in the process of implementation of the Resolution of Government of the Republic of Tajikistan from August 31, 2012, №451, taxpayers' apply and request showed necessity of introducing amendment and modification to this resolution.  It is therefore proposed for supporting agricultural producers to add to the third

point of Regulation about to establish a seven-month payment of social tax for farms operating on rain fed land in a calendar year.

It is introduced modification to the List of activities of individuals entrepreneurs operating on the basis of a patent including on identification of object tax for the sale of mixed non-stationary consumer goods and agricultural products (points 9 and 13), from TJS 105 to TJS 90 to reduce patent cost for selling folk crafts (chests, cradles, wooden tableware, etc.) (point 11), to increase number of activities on the basis of a patent, including sale of newspapers and magazines (point 12), sewing activity, hairdresser activity, tutoring (point 34), repair, vulcanization (point 35), veterinary activity and teaching activity (point 47 and 48). Also, social tax cost has been reduced from TJS 150 to TJS 100 in points 24, 30 and 42, which has a positive effect on the activities of individual entrepreneurs operating on the basis of the certificate.

Modification to other points of the List of activities of individuals entrepreneurs operating on the basis of a patent for supporting individuals entrepreneurs is developed.

With a view to study, analyze and improve Tax Code of the Republic of Tajikistan a permanent Working Group is established and operating under the Ministry of Finance (Minister of Finance Decree from 19.07.2013, №71).

In accordance with Tax committee information the Committee with Ministry of finance together will be developed a Draft Law of the RT "On introducing amendments and modification to the Tax Code of the RT" and submitted it to the Government of the RT up to end of this year.

On purpose to promote active and responsible taxpayers, also improve the quality of their service and save their time a separate program of Computer Tax Information System "Providing tax declarations in electronic form," is improved and used by Tax Committee that made available provision of tax declarations electronically for 1,720 taxpayers today.

One of the other important ways to stimulate active entrepreneurs and responsible taxpayers is to set control on compliance with the tax legislation regarding their activity on the basis of risk, i.e., using the method of risk assessment.

Using the method of risk assessment restricts unjustified interference with taxpayers' activity and on the other hand has a positive effect on the tax payment discipline by taxpayers.

Conducting seminars-consultations and outreach activities with taxpayers on application of the Tax Code of the Republic of Tajikistan in the new edition is one of

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.	2013-2014 years	key priorities of the tax authorities. According to preliminary data 1349 seminars consultations was held totally in the cities and regions of the tax central, provincial, municipal and district authorities for the nine months of 2013.  **On progress of implementation**  Draft Law of the RT "On State Protection and Support of Enterpreneurship in Tajikistan" is improved by Committee and submitted to the Government of the RT after reconciliation with relevant ministries and agencies.  Reform of System of licensing on the base of reform of System of permits is continued. Particularly in accordance with the Working Plan of the State Committee on Investment and State Property Management of the Republic of Tajikistan approved by Regulation of Chairman of the Committee from May 10, 2013, № 81 monitoring of appliance of the Law of the RT "On System of Permits" has been conducted in 16 central government authorities and 27 local executive government authorities.  In the result of inspection of 13 central permitting authorities it was found that 7701 permitting documents on total amount of TJS705 610, 22 were issued. Including TJS 163 920 for consideration of the application, TJS 326 000 for the issuance permitting documents and TJS 25 for the issuance of duplicate of permitting documents. From this amount TJS 559 502,75 have being entered in the republican budget and TJS142 449,45 have being entered in the local budget. From 7701 permitting documents 5 999 of them are limited actions documents, 973 document with time of permits and 2 811 documents with another time were given.  For the purpose of implementation Point 15, the Action Plan of Committe for the realisation of State Protection and Support Program in the Republic of Tajikistan for 2012-2020 in first half of 2013 year the <a href="https://www.ijozat.tj">www.ijozat.tj</a> web-site was rewied.  For the implementation of electronic submission of permits documents the analyses were conducted by Department and planned a range of effective works. The analyses showed	
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	2013-2014 years	According to National Bank of Tajikistan information, the bank intends to cooperate with Islamic Rating Agency for establishment of credit rating of the country. Regarding this the National Bank of Tajikistan sent a letter to the Government of the Republic of Tajikistan and calls the relevant ministries and agencies to cooperate with mentioned Agency.	

Tajikistan and submit proposals.

Moreover, it should be noted that to identify the credit rating of the Tajikistan for the purpose of attraction foreign investment, provide the source of finance of state budget, development of market for securities and fruitful public debt management are very important.

Also, establishment of credit rating of the country give an opportunity to the banks and credit organizations to attract the external debts with low percent and with long term, because the foreign investors during their investment in this or that country use this rating very widely.

In general the National Bank of Tajikistan diligence in establishment of credit rating of Tajikistan is supportable.

But, unfortunately, establishment credit rating of Tajikistan by Islamic International Rating Agency not meets to the mentioned above goals and economic interests of the country. Because, Islamic International Rating Agency is a new regional organization, acted since 2005 and for identifying the credit rating of the countries has not an enough power and practice. Also the rating which given by this agency according specialist evaluation the foreign investors are not recognized in worldwide invest market.

It should be noted that there are famous international specialized agencies acting in the world, as well as Standard & Poor's, Moody's Investors Service, Fitch, DBRS etc. that is the foreign investors are recognized them fully. The above mentioned agencies has an enough power and many years practice in establishment of credit rating sphere all over the world.

Among the countries of the CIS country's credit rating these republics gained from the mentioned agencies:

#### ♦ Rating Agency "Standard & Poor's":

Russian (BBB), Byelorussia (B-), Georgia (BB), Kazakhstan (BBB+), Azerbaijan (BBB) and Ukraine (B).

## **♦** Rating Agency "Moody's Investors Service"

Russian (Baa 1, steady), Armenia (Ba2, steady), Byelorussia (B3, minus), Kazakhstan (Baa2, plus), Moldova (B3, steady), Azerbaijan (Baa3, steady) and Ukraine (Caa1, minus).

#### ♦ Rating Agency "Fitch":

Russian (BBB+, steady), Armenia (BB, steady), Georgia (BB, steady), Kazakhstan (A-, steady), Azerbaijan (BBB-, steady) and Ukraine (B, steady).

Therefore, given the economic interest of country and fully take benefit from result of credit rating of Tajikistan economic interest of the country, to applied

4. Ministries of the Economic Development and		cooperation with one of the international specialized rating agencies Standard & Poor's, Moody's Investors Service, Fitch that is has an international reputation and recognized among foreign investors is purposeful. (Letter of the Ministry of Economic development and Trade of the Republic of Tajikistan from November 11, 2013 No. №07/2-357).  Also, by the Instruction of the Head of Executive Office of the President of Tajikistan №71154(12.2-6) from November 20, 2013 National Bank should implement measures in accordance with conclusions of the ministries and agencies which concluded and submitted by the Ministry of Economic Development and Trade of the Republic of Tajikistan.  On progress of implementation	
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.	2013-2014 years	According with information of Ministry of Economic Development and Trade of the Republic of Tajikistan implemented necessary activities conducted a round table with participation of relevant ministries and agencies.  Regarding Protocol instruction conducted an analysis in insurance sphere and the results with concrete recommendations will submitted to the next Session of the 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(Apostil Convention), and submit information about results.	2013-2014 years	On progress of implementation  The Ministry of Foreign Affairs for the purpose of implementation of these points together with National Legislative Centre under the President of the Republic of Tajikistan considered and analyzed the issue of ratification of the Hague Convention on recognition of documents in countries that ratified from October 5, 1961". Under this Ministry established a working group regarding this issue.  Ministry of Foreign Affairs inform that in the consideration of Working Group which established with instruction President of the Republic of Tajikistan under №121313(12.2-4) from 08.01.2013 the issues of ratification " Hague Convention on cancelation of legalization of official foreign documents from October 5, 1961 year", the issue of accepted normative-legal acts, identify the authorized body and consular payment value, establishment and implementation of electronic centralized registry and other issues regarding implementation of this Convention are considered within the framework of the working group.  Therefore, it is necessary to gather into one list all of documents from government authorities and identify their official feature.  Moreover, International Finance Corporation (IFC) according its functions hired a local expert to assist Republic of Tajikistan in ratification of the Hague Convention.	

According with information of Ministry of Foreign Affairs on August 29 of current year conducted regular meeting of Working Group on discussion of issues of ratification of the Republic of Tajikistan to "Hague Convention on cancelation of legalization of official foreign documents from October 5, 1961 year" (Apostil Convention) together with training seminar for representatives of state bodies. The members of Working Group, representatives of Ministry of Education, Health, Defense, Labor and Employment, Culture, Committee on affairs of Youth, Sport and Tourism, Academy of Sciences, National Bank of Tajikistan, National Centre of Legislative and Chamber of Commerce are participated. The purposes of this Seminar are: - to inform the state bodies on initiative of the Republic of Tajikistan in ratification Hague convention; to obtain information from state bodies about current issues and future implementation of Convention. This seminar conducted in accordance with Point 3, Action Plan of working group which conducted a meeting on August 6, 2013. On meeting conducted in August 6, 2013 the Working Group endorsed Action Plan and agreed to continue its activity. Currently, these issues are under the consideration of the Working Group: - Choice of relevant agencies model (two or more) for ratification to Apostil; - To identify payment value for them; - Establishment of unified registry for registrations of getting Apostles. Other issue which is for the working group consideration is identify the official documents given by state bodies to citizens and entities. For gathering necessary information on identifying officials documents given by state bodies needed that the state bodies should submit their sample of official documents. In general, necessary works are continuing regarding ratification of the Republic of Tajikistan to Hague Convention. 6. Ministries and Agencies to undertake practical On progress of implementation measures to support entrepreneurs in their Currently, the representatives of private sector have an active participation on industries. To ensure the participation of the private submission of normative-legal documents, sector programs and other documents sector in the stages of development, adoption and regarding improvement of business and investment climate. During establishment this Permanent implementation of regulations and sector programs or that working group the representatives of private sector are included in the memberships. In particular the State Commission on submission of Tax Code of the on the development of entrepreneurship and take into account the conclusions provided by the Republic of Tajikistan in a new edition, laws of the Republic of Tajikistan "On Public

Private Partnerships", "On State Protection and Support of Entrepreneurship", "On private sector. Moratorium on Inspection of Business", the working group on improvement of investment climate in tourism sphere etc. the representatives of private sector have had an active participation. Also, the representatives of private sector are active members of Consultative Council on Improvement of Investment climate under the President of the Republic of Tajikistan, regional councils in GBAP, Khatlon and Sougd provinces and councils of cities and districts. 7. Local Authorities of GBAP should: On progress of implementation Local executive authority of Gorno-Badakshan Autonomous Province - In cooperation with the Ministry of Economic Development and Trade and by Governor finished some work for the implementation of this Protocol. involving development partners to undertake On August 15, 2013 conducted the fifth Session of Consultative Council on immediate measures for effective operation of FEZ Improvement of Investment and Business Climate under the Gorno-Badakshan "Ishkoshim" and submit information about results Autonomous Province Governor. The issues of "Analyze of tourism sphere condition to the Government of Tajikistan; and submission of amendments to Development Tourism Program and preparation for - jointly with the Ministry of Economic the International Economic Congress in GBAP" were discussed. For the purpose of revision of issues of establishment of free economic zone Development and Trade and other relevant ministries and agencies consider the issue of "Murghob" local executive authority of province together with Ministry of Trade and establishment of FEZ of "Murghob" and submit Economic Development of the Republic of Tajikistan reviewed this issue and regarding there is no needs to establishment of this zone in Murghob district submitted an recommendations in short time to the Government of Tajikistan; information to the Government of the Republic of Tajikistan. Because, it is important to note that Free Economic Zone in country first of all - together with the Ministry of Economic Permanent Development and Trade and other relevant established for the purpose of increase of export potential of country and attraction of ministries and agencies to take active measures for modern technology and innovation technology. Therefore, during the discussion of issue on establishment of free economic enhancement of cross-border trade, the creation of the necessary conditions for cross-border markets Zone the production of export products and its sales in foreign markets is one of the main conditions. and increasing export volumes of domestic products and services to the markets of Afghanistan Simultaneously, the practice of establishment of Free Economic Zone in and other neighboring countries; country showed that for the construction of infrastructure of regions need a huge - jointly with the Ministries of Economic finance that is currently difficult to find them. On the base of this, the Ministry of Economic and Trade Development of the Development and Trade, Energy and Industry, Agricultural, and other ministries and agencies to Republic of Tajikistan planned that consider the issue of establishment of Free take immediate measures to develop productive Economic Zone "Murghob" after fully activity of acting Free Economic Zone (activity of manufacturing enterprise), in particular FEZ "Ishkoshim". entrepreneurship, including the establishment of enterprises for processing of fruits and vegetables There are established and acting some border markets in territory of province.

The necessary conditions are providing in last years, with joint agreed regime each

and medicines, precious stones and metals, the

development of livestock and poultry raising		week on Sunday the market is conducted.	
sectors, and submit information to the Government		Particular, business regional border markets "Tem" of Khorog town and	
of the Tajikistan.		"Ruzvai" of Darvoz region have been acting from April, 2005. Total area of border	
		market "Tem" is 840 M2, there are 170 a places to sit. Total area of border market	
		"Ruzvai" is 266 M2 and there are 150 places for sit. The working day determined in	
		Sunday of each week.	
		The border market "Ishkoshim" of Ishkoshim region became one of the big	
		business centre under the centre. In this market days the residents of Zeboku, Vakhon	
		of Islamic republic of Afghanistan are gathered. The area of market consist 3 hectare	
		and there are 150 places for sit.	
		The construction of border market of Humrogh of Vanj district was completed	
		and put to operation in 2011 with general finance 1158,7 thousands somoni. The	
		market has the possibility to locate sell places of 1,5x2 meter and total area is 494,8м2.	
		On progress of implementation	
		For the purpose of increase the export potential of the country, the	
8. Chamber of Commerce and Industry of		Tojikmatlubot Union take the necessary measures, for the development of cooperation	
Tajikistan in cooperation with entrepreneur		with republic of Kazakhstan, Kyrgyzstan, Russian Federation and also Afghanistan	
association should take necessary measures to		neighbor in eight month of 2013 year exported 10360 tones of products, that is more	
familiarize entrepreneurs of Tajikistan with the		then 3780 tones of last year.	
economic and business environment of	Permanent	In the case of finding a reliable partners the Tojikmatlubot Union ready to	
Afghanistan, their introduction into the market of	Fermanent	implement an expert of fruits, vegetables and manufacture of its product, dried fruits,	
,		natural honey, drinking water etc.	
Afghanistan, and their participation in the			
rebuilding projects of this neighboring country.		Chamber of Commerce of Tajikistan through the conducting of exhibition and	
		entrepreneurs' meeting that is for development of integration, extend of expert,	
		attraction of foreign invest and establishment of joint venture will contribute on	
0.77		improvement of investment climate.	
9. The Government of Tajikistan, together with		On progress of implementation	
development partners and the private sector to		For the purpose of fruitful implementation of Law of the Republic of Tajikistan	
collaborate on the following issues:		"On Public Private Partnership" a Council on Public and Private Partnership and a	
- effective implementation of the Law of		State Enterprise "Center for Implementation of Public-Private Partnership' Projects"	
the Republic of Tajikistan "On Public - Private	Permanent	were established. Regarding introducing the activity of this Centre State Committee on	
Partnership»;	1 Ollimitolit	Investment and State Property Management of the Republic of Tajikistan implemented	
- development, improvement and		an advantageous cooperation with National Bank of Tajikistan.	
implementation of the Drafts Laws of the Republic		For the submission drafts of laws of the Republic of Tajikistan "On Moratorium	
of Tajikistan 'On Inspection of Economic Entities"		on Inspection of Business" and "On State Protection and Support of Entrepreneurship"	
and "On State Protection and Support of		in the results of cooperation of State Committee on Investment and State Property	

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.

Management of the Republic of Tajikistan with German Agency for International Cooperation in Tajikistan local experts were hired.

With support of development partners a range of seminars and explanatory work were conducted on using Tax Code of the Republic of Tajikistan in a new edition. In the result of cooperation of Secretariat of the Consultative Council with development partners British Embassy in Tajikistan hired an expert on improvement of tourism sphere in Tajikistan, implemented a closely cooperation in conducting analyses.