



### CORE TOPICS:

- ✚ Training Program on Private Sector Development for Government Officials
- ✚ 7th Session of the Regional Platform of the Public-Private Dialogue
- ✚ Round Table on Introduction the Reform Decisions and Outcomes of the XVI Session of the Council

## TRAINING PROGRAM ON PRIVATE SECTOR DEVELOPMENT FOR GOVERNMENT OFFICIALS

On May 10 the Deputy Chairman of the State Committee on Investments and State Property



Management Nigina Anvari and World Bank Country Manager in Tajikistan Patricia Veevers-Carter launched a training program on private sector development that targets mid-level government officials. The training is part of the World Bank Group financed Central Asia Youth

Empowerment and Jobs Project, which aims to improve the business climate and foster youth entrepreneurship in Tajikistan through capacity building of state entities and skills training for youth.

Private sector development is at the center of the World Bank Group's overall program in Tajikistan. The private sector is an important creator of



jobs inside the country, thereby contributing to a more inclusive economic growth. This should lessen the country's exposure to external shocks, such as the current one created by the economic downturn in Russia, - said Patricia Veevers-Carter, World Bank Country Manager for Tajikistan. - The training program we are launching today will support mid-level government officials to implement more effective policies that target private sector development with a specific focus on youth, given that more than 50% of the population is under the age of 25.

The Central Asia Youth Empowerment and Jobs Project financed by the World Bank Group, is supporting the Government of Tajikistan to improve its policies related to youth entrepreneurship in order to promote job creation and private sector development for the largest and fastest growing population segment in Tajikistan, its young people. The training launched today aims to reinforce the Government's ability to implement its policies by establishing a cohort of well-informed, action-oriented mid-level officials who will become the reform leaders in private sector development and jobs creation. The training will also include more general topics on private sector development, such as foreign investments, tax policy and access to credit.



As a result of reforms, the share of the private sector in GDP represents 67 percent; almost 80 percent of tax revenues come from the private sector and 65 percent of the economically active population is employed by the private sector," said Nigina Anvari, Deputy Chairman of the State Committee on Investments and State Property Management. - Private sector development is a priority sector for the Government of Tajikistan. We are confident that the training program we are launching today will further contribute to better procedures and implementation of reforms on the ground.



The program will cover a new group of civil servants every 6 months and by the end of the project, in 18 months, over 100 representatives of selected ministries and public agencies will have been trained. A local company “Imkon Consulting” in collaboration with the World Bank Group team as well as regional and international experts implements the training.

The World Bank’s active portfolio in Tajikistan includes 23 projects (including regional projects and Trust Funds) with a net commitment of US\$355.63 million that aim to support economic growth through private sector development, while investing in better public services for people, such as education, health, municipal services and social protection.

The Head of Secretariat of the Consultative Council on Improvement of Investment under the President of the Republic of Tajikistan Mr Numon Abdughaforzoda and Benjamin Herzberg Head of World Bank Department on Private Sector Development participated and delivered speeches in this event.

The event was attended by representatives of relative ministries, agencies and international organizations.

### **7TH SESSION OF THE REGIONAL PLATFORM OF THE PUBLIC-PRIVATE DIALOGUE**

May 25, 2016, Asia-Plus – Tajikistan will attract one billion U.S. dollars in foreign direct investment (FDI) in the minerals sector in the coming three years,



Deputy Chairperson of the State Committee on Investment and State-owned Property Management (GosKomInvest), Ms. Nigina Anvari, announced at the 7th session of the Regional Platform of the Public-Private Dialogue (PPD) that took place in Dushanbe on May 24.

She, in particular, noted that



two oil refineries with a total capacity of 2 million tons, three cement plants with a total capacity of 3 million tons, and three enterprises of the chemical industry will be introduced into operation in the country during 2016-2018.

Besides, enterprises for processing non-ferrous metals, metallurgical plant with capacity of producing 50 tons of zinc and 50 tons of lead per year, as well as a large metallurgical plant with capacity of 400,000 tons will be built in the country, Anvari said.

“Successful implementation of these projects will allow creating more than 4,000 new jobs and one billion U.S. dollars in foreign direct investment will be attracted in the country’s economy,” she said, adding that Tajikistan has attracted more than US\$765 million in foreign direct investment in the minerals sector over the past nine years.

She further stressed that the Government of Tajikistan had signed six agreements with large investors on enhancement of the minerals sector.

The Public-Private Dialogue in Tajikistan started in 2007 by EBRD by establishing the national PPD platform. In 2010, GIZ and IFC provided technical support to establish Consultative Councils on Improvement of the Investment Climate and Business Environment under the Governors (CC), including their Secretariat, in Sughd and Khatlon provinces. During 2012-2013, GIZ extended the technical support to the Gorno-Badakhshan Autonomous Region (GBO) and Rasht Valley, thus covering regional PPD platforms countrywide.

A foreign direct investment is a controlling ownership in a business enterprise in one country by an entity based in another country. Broadly, foreign direct investment includes mergers and acquisitions, building new facilities, reinvesting profits earned from overseas operations and intra company loans. In a narrow sense, foreign direct investment refers just to building new facility, a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. FDI is the sum of equity capital, other long-term capital, and short-term capital as shown the balance of payments. FDI usually involves participation in management, joint-venture, transfer of technology and expertise.





The investment may be made either “inorganically” by buying a company in the target country or “organically” by expanding operations of an existing business in that country.

The event was attended by representatives of public and private sector of the Central Asian countries, including the Republic of Tajikistan, Kazakhstan and Kyrgyzstan.

The Head of Secretariat of the Consultative Council under the President of the Republic of Tajikistan on Improvement of Investment Climate Mr Numon Abdughafforzoda participated in this event and stressed that by initiative of the Founder of Peace and National Unity – Leader of the Nation, President of the Republic of Tajikistan, His Excellency Emomali Rahmon for improvement of investment climate and business development, particular the necessary reforms in the sphere of subsoil use were implemented and the results are effective.

It was noted that a comprehensive reforms were implemented in the framework of activity of the Consultative Council under the President of the Republic of Tajikistan on Improvement of Investment Climate. In the XIII Session of the Council in the framework of the reform the issue the theme of industry sector and the development of domestic production, in the food industry, construction materials, light industry and the mining industry, including the use of mineral the analyzes were conducted. Regarding that with more than 100 recommendations, and the Action Plan of the Government was prepared and will be submitted for approval.

### **ROUND TABLE ON INTRODUCTION THE REFORM DECISIONS AND OUTCOMES OF THE XVI SESSION OF THE COUNCIL**

Early afternoon of June 08, 2016 the Secretariat of the Consultative Council on the Improvement of Investment Climate under the President of Tajikistan together with State Committee on Investment and State Property Management of the republic of Tajikistan held a round table at the National Library to introduce the reform decisions and outcomes of the XVI Session of the Council, convened earlier on April 12, 2016 to the representatives of the private sector, government agencies and development partners.



The First Deputy Chairman of the State Committee on Investments and State Property Management of the Republic of Tajikistan, Abdumajid Muminzod



opened the event speaking about the special attention and policy of the Founder of Peace and National Unity, the Leader of the Nation, the President of the Republic of Tajikistan, H.E. Emomali Rakhmon of

the improvement of the investment and business climate in the country and noting that the reforms have been delivering good results.

Only during 2015 and the five months of 2016, the country adopted Laws of the Republic of Tajikistan "On investments", "On inspection of business entities", "On insurance ". The Government also approved the second phase of the state Entrepreneurship Support program and the Action Plan on the Development of Stock Exchanges and Secondary Market for Securities. In addition, a number of amendments to the existing legislation were made. The outcomes of these reforms were widely shared among the private sector.



The Head of Secretariat of the Consultative Council, Numon Abdughaforzoda, shared the outcomes of the Consultative Council's activities, namely the results of the XVI Council Session held on April 12, 2016.



A central topic of the XVI Council Session was the review of the investment climate in agriculture and agricultural trade. A comprehensive analysis report presented at the Session included more than 100 recommendations, developed in close cooperation with the private sector, on ways to improve the investment and business environment in agriculture and agribusiness.

Another significant topic of the XVI Session was the preliminary analysis



of the challenges of the current tax system and the proposed responses to the shortcomings. The Deputy Head of the Tax Policy and State Charges Department at the Ministry of Finance Abdulkhakim Saidov provided an overview of the key issues of concern and outlined possible solutions, considered currently by the

Government.

Mr. Saidov informed that the expected review was to identify ways to resolve the tax issues, including by analyzing the effectiveness of the fiscal incentives, audits and tax penalties; determining a VAT refund mechanism and strengthening the tax-related dispute resolution system; incentivizing entrepreneurs while ensuring broader tax compliance, and further improving the tax administration system.

The round table also touched on the sustainable coordination of foreign assistance and effective cooperation for development. The UN aid coordination project manager, Vali Musoev presented the aid inflow trends within the framework of various donor projects and emphasized the need for greater alignment of external aid within the private sector development projects.



During the event the participants had the opportunity to ask presenters questions and exchange of views on the legal and regulatory reforms presented.

It is gratifying to note that today, apart from the national Consultative Council on Improvement of Investment Climate; Tajikistan also has a number of effectively operating provincial, district and city level Councils.

In this regard, at the end of the event, a set of office equipment was granted to each of eight provincial and city-level Consultative Councils attending the event.

*Sincerely Yours,*

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