

The Monitoring Matrix of the Results of Decisions Implementation of XIXth Session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan from February 20, 2019 (approved March 3, 2019)

#	Content of the official instruction	Deadline	Status of implementation	Comment
1	<p>Prime Minister of the Republic of Tajikistan:</p> <p>1. Regular coordination of implementation of the Action Plan of the Government of the Republic of Tajikistan on Improvement of country position in World Bank's report "Doing Business" for 2019-2022</p> <p>2. To conduct Intersession Meetings of the Consultative Council and coordinate implementation of Council's decisions to address issues of businesses and investors</p>		<p>1. Implemented</p> <ul style="list-style-type: none"> - On April 3, 2019 there was conducted a meeting under the First Deputy Prime Minister of the Republic of Tajikistan with participation of decision-making representatives from respective government bodies. Participants reviewed best experience of reformer countries with higher position in the DB report. There were given instructions to continue simplification of business regulation procedures through the adopting international experience and further improve Tajikistan's position in DB report. The protocol of the meeting was signed by the First Deputy and distributed to relevant government bodies - The Action Plan of the Government of the Republic of Tajikistan on improvement of country's position in DB report for the period 2019-2022 was approved on May 2, 2019, #223 - On October 28 there was conducted a round table under facilitation of the First Deputy Prime Minister and WBG Country Director to present the results of Doing Business report 2020 and to promote next steps of reforms in this direction. <p>2. Completed and to be implemented on a regular basis</p> <ul style="list-style-type: none"> - On November 22, 2019 the First Intersession Meeting of the Consultative Council was conducted under the First Deputy Prime Minister. The meeting agenda included two main objectives (i) strengthening the activity of regional investment councils and (ii) to address issues of foreign investments attraction and existing big investors. According to the meeting protocol relevant instructions were given to respective ministries and agencies. The protocol was approved and distributed for implementation to 	

2	<p>State Committee for Investments and State Property Management:</p> <p>1. Cooperate with the WB experts on DB to improve Tajikistan's position and assessment of other rating agencies to promote reforms and participation in the evaluation process and respondents' attraction</p>		<p>responsible parties on December 19, 2019.</p> <p>1. Implemented</p> <ul style="list-style-type: none"> - There were three video meetings with the WB DB experts for discussion of adopted reforms. (January 23, February 12, March 6, 2019) The final updated information on reforming activity was collected and finalized during the meeting of WG on improvement of Tajikistan's position in international rating reports under the Investment Committee on April 19, 2019 - The list of report respondents was revised in cooperation with WB experts. The updated information on completed and ongoing reforms was shared with respondents - The delegation of the World Bank experts on DB visited Tajikistan on April 22-26, 2019. They had a meeting with Tax Committee, Ministry of Justice, Committee for Construction, Customs Service, National Bank of Tajikistan, Agency on Public Procurement of Goods, Works and Services, Committee for Land Management and Geodesy, Higher Economic Court and Department of Architecture and Urbanization of Dushanbe city administration. The Investment Committee and Consultative Council Secretariat experts accompanied the WB mission on meetings with respective parties to show the reforming achievements from bottom point - As the result of implemented reforms the Republic of Tajikistan was moved to 106th position in Doing Business report 2020 and included to the list of top reformers. (20 positions higher comparing with last year report). The following indicators were improved: <ul style="list-style-type: none"> 1. Starting a Business – 24 positions (36) 2. Getting Electricity – 10 positions (163) 3. Registering Property – 14 positions (77) 4. Getting Credit – 113 positions (11) 5. Trading across Borders – 7 positions (141) <p>2. Implemented</p>	

	<p>2. Jointly with relevant ministries, agencies and local executive bodies take necessary measures to study and introduce experience of countries with high positions in international assessment reports</p>		<ul style="list-style-type: none"> - The WG on improvement of Tajikistan's position in international rating reports under the Investment Committee familiarized and analyzed the reforming experience of following countries: Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Norway, Azerbaijan, Uzbekistan, Estonia and Russian Federation. The results were presented during the meeting under the First Deputy Prime Minister on April 3, 2019 - In May-June, 2019 representatives of the Investment Committee for the first time participated at the OECD Investment Promotion Agencies Survey. The main objective was to receive experience of Eurasian countries in investment promotion, existing mechanisms, statistics analysis - The Investment Committee jointly with the Secretariat of the Consultative Council developed monitoring table for analysis and tracking the results of 10 international assessment reports - On April 4, 2019 there was conducted an interdepartmental meeting under the Investment Committee for discussion of the results of annual US State Department report on investment climate in Tajikistan. The issues described in the report were allocated to respective government ministry and agencies. The result of the meeting was submitted to the First Deputy Prime Minister of the Republic of Tajikistan - The Standard& Poor's rating agency published the annual report on August 2019 and Tajikistan's the rate is B-/B with sustainable development outlook. In the Moody's Investors Service country's rate is B3 with negative outlook for 2019. As the result of cooperation between NBT in July and November 2019 experts of these rating agencies visited the Republic of Tajikistan to meet with relevant government bodies for further discussion of assessment process. - On January 23, 2020, the International EITI Board recognized Tajikistan significant progress overall in implementing the EITI 2016 Standard, and thus the country's status was renewed. The Board commends Tajikistan for using the EITI to provide a better overview of the country's extractive sector and to enable stakeholders to participate in more informed discussions on natural resource management. The Board recommends Tajikistan to establish a clear legal framework for licensing processes, to continue to improve disclosure of information regarding state-owned enterprises, social expenditures and quasi-fiscal expenditures, to work in the field of 	
	<p>3. Jointly with relevant ministries, agencies and local executive</p>			

<p>bodies strengthen activities on encouraging of private sector, attraction of foreign investment and improve the business and investment climate</p>		<p>beneficial ownership and transparency of contracts. Tajikistan should also ensure that the EITI reporting process documents the impact and results of EITI implementation.</p> <p>3. Under implementation</p> <ul style="list-style-type: none"> - The issues of local and foreign investors and improvement of business and investment climate were reviewed during the first Intersession Meeting of the Council (<i>more details in instruction points 1 and 10</i>) - In accordance with NBT statistics in January – October 2019 there were 7,5 bln Tajik Somoni credited to local entrepreneurs, which is 24,1% more comparing with same period in 2018, where 3 bln Tajik Somoni were allocated to manufacturing enterprises. - The Action Plan of 300 days of reform was approved by the Government of the Republic of Tajikistan on March 2, 2019. Following steps were completed during implementation of the Action Plan: <ul style="list-style-type: none"> - The Tax Committee of the Republic of Tajikistan submitted the draft amendments to the Tax Code to abolish 1% income tax for enterprises to ensure decrease in tax burden adopted by the Government dated January 2, 2020, No1676 - The Tax Committee drafted amendments to the Law “On state registration of legal entites and individual entrepreneurs” and Law “On state duty” have been adopted dated January 2, 2020, #1680 and #1681. In accordance with amendment business entities register themselves with “Single Window” on state registration of business entities for free without payment of state fee for registration. - The amendment to the “Regulation of entrepreneurs holding patent or tax certificate” was approved on November 30, 2019. Starting from January 1, 2020 the amendment abolishes all taxes and registration fees for entrepreneurs manufacturing goods listed in the amendment - The Ministry of Finance proposed to include the silk production and related operations to the list of activities that are free of any taxes. Currently the proposal is being reviewed by ministry and departments - The draft amendments to the Tax Code of the Republic of Tajikistan on extention of the period of simplified taxation (7% VAT) for constructional activity was 	
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			<p>approved on July 19, 2019. The decree extend incentive until December 31st, 2023</p> <ul style="list-style-type: none"> -Adoption of the “Procedure for exemption from VAT and customs duties import of raw materials for processing and production of final products” and “List of raw materials produced in the country” from 22.06.2019, No 327 - The Investment Committee jointly with the secretariat of the Consultative Council developed draft amendments to the Law "On Joint Stock Companies" and "On a Limited Liability Company" considering the Doing Business methodology and best coporative governance practices. To the date the draft is submitted to ministry and agencies for feedback - Within Coordination Committee on Trade Facilitation amendments to the Customs Code to introduce the concept of Authorized Economic Operator and (or) a reliable trader have been drafted and adopted dated November 28, 2019, No 1518 which simplifies foreign trade procedures - The Investment Committee drafted amendments to the Law on licencing system which reduces the number of licensing documents for business activities in health, energy, transport, geology and construction sectors by 10%. The draft document is submitted to the Government of the Republic of Tajikistan - In order to remove the experience of duplicated inspections and examination of inspecting bodies there was developed the draft document with amendments to the “Law on inspection of economic entities” which was adopted on June 20, 2019 - In order to reduce the number of inspection bodies by 10% and total number of inspections by 50% the draft document with amendments to the “Law on inspection of economic entities” was developed and submitted to the Governrment on August 9, 2019 - At the same time, draft amendments and additions to some decrees of the Government of the Republic of Tajikistan were submitted to the Government on September 19, 2019, to improve existing legal acts in the field of inspection of economic entities activity - To increase competitiveness in the process of public procurement, the draft Law "On Public Procurement of Goods, Works and Services" was developed by the Agency for Public Procurement of Goods, Works and Services on September 13, 2019 and submitted for the Government consideration 	
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3	<p>Ministry of Finance:</p> <p>1. staged improvement of existing legislation to ensure tax and customs regimes improvement as</p>		<p>1. Under implementation</p> <ul style="list-style-type: none"> -Ministry of Finance established an Interdepartmental WG for analysis of effectiveness of incentives provided -The analysis was submitted to the Government of the Republic of Tajikistan on 	

<p>well as effectiveness of incentives provided</p> <ol style="list-style-type: none"> 2. jointly with relevant ministry and agencies strengthen activity to identify methodology for assessment of effectiveness of tax and customs incentives 3. to take necessary measures for introduction of mechanism for collection and processing of information on sectoral incentives, with necessity to extend or termination and submit this information to relevant governmental structures on regular basis 4. to submit the draft Action Plan of the Government of the Republic of Tajikistan on improvement of tax and customs regimes and increase effectiveness of given 	<p>September 27, 2019</p> <p>-The Ministry submitted to the Government the draft amendments to the Tax Code under the activity of the permanent WG on Tax Code analysis and improvement. The draft was approved and forwarded to the Parliament of the country in accordance with existing procedures</p> <ol style="list-style-type: none"> 2. Under implementation <ul style="list-style-type: none"> - Draft “Procedure for assessing the effectiveness of tax and customs incentives” was developed and submitted to the Government of the Republic of Tajikistan for coordination with the relevant ministries and agencies on October 21, 2019. In accordance with the EOP instruction the draft will be revised by the WG on incentives analysis and submitted to the Government of the Republic of Tajikistan 3. Under implementation <ul style="list-style-type: none"> - The Ministry of Finance requested respective government bodies to provide the information on amount of incentives given for the period of 2016-2018 using specified indicators 4. Under implementation <ul style="list-style-type: none"> - The draft concept of new edition of the Tax Code was developed by the interdepartmental WG and approved by the First Deputy Prime Minister on January 3, 2020 5. Implemented <ul style="list-style-type: none"> - The decree of the President of the Republic of Tajikistan on extension of the period of simplified taxation (5% VAT) for private educational facilities was signed on July 19, 2019. The decree extends incentive up to December 31st, 2023.
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	<p>incentives, considering feedback of Council's Session</p> <p>5. to take necessary measures to extend simplified taxation period (e.g. 5% VAT) for businesses in education sector</p>		
4	<p>Ministry of Economic Development and Trade jointly with Ministry of Finance and relevant ministry and agencies discharge domestic producers in fishery and poultry industry from all kinds of taxes, with exception to social tax, provide relevant incentives and submit well-argued proposals to the government of the Republic of Tajikistan</p>		<p>1. Implemented</p> <ul style="list-style-type: none"> - In accordance with amendments adopted to the Tax Code and Customs Code (June 20, 2019) domestic producers in fishery and poultry industry are discharged from income tax, VAT, road users' tax, real estate tax and land tax for six years. Moreover, according to the article 169 of the Tax Code import of technology, equipment and materials for fishery and poultry is free from VAT. • Exemption of import the breeding and meat livestock, as well as all types of feed stock from VAT and customs payments from 1.08.2019 have been submitted with amendment to the Law "On State Budget of Tajikistan for 2019" dated October 8, 2019.
5	<p>Ministry of Education and Science:</p> <p>1. in coordination with respective government institutions to improve state programs on training of teachers from any level education institution</p>		<p>1. Not implemented</p> <ul style="list-style-type: none"> - The Ministry provided general information on provision of IT and new technologies to education facilities. However, in order to implement the given assignment, it is necessary to draft/improve state programs for skill enhancement of teachers. <p>2. Under implementation</p>

	<p>2. take effective measures for education of high-level specialists of IT sector in secondary and higher education institutions;</p> <p>3. to improve the draft Action Plan of the Government of the Republic of Tajikistan on improvement of investment climate in education sector, including Council's session proposals and submit to the government of the Republic of Tajikistan</p>		<ul style="list-style-type: none"> - In accordance with the Ministry the process of preparation of high-level specialists is ongoing. By the decree (November, 2016) of the Minister of Education and Science 126 teachers of Tajik Technical College named after M. Osimi passed computer training course - To the moment IT sector specialists are being prepared by a number of education facilities throughout Tajikistan: IT and technological college, pedagogical college, Tajik Technological University and similar education entities in Khujand, Kulob, Konibodom, Vahdat. In general, annually there are 400 students from secondary education institutions graduating IT specialities - The general information on this indicator was received by the Investment Committee from the Ministry of labour, migration and Employment of the Republic of Tajikistan and submitted to the Executive Office of the President <p>3. Under implementation</p> <ul style="list-style-type: none"> - The revised draft Action Plan of the Government of the Republic of Tajikistan on improvement of investment climate in education sector was submitted to the ministries and agencies for feedback. 	
6	<p>National Testing Center: review qualifying exam tests for higher education institutions considering education conditions of rural population;</p>		<p>Not implemented</p> <p>In accordance with the Government decree as of March 1, 2018 the qualification examination and procedures for enrollment to higher and secondary education institutions are equal for Tajik citizens regardless of students' location. In order to complete the assignment, there is a need to make amendments to mentioned above decree</p>	
7	<p>Ministries of Agriculture, Industry and New Technologies, Economic</p>		<p>Implemented</p> <ul style="list-style-type: none"> - The Working Group on development of clusters in agro-industry was established under 	

	<p>Development and Trade, Committee for Investments and State Property Management, Export Agency in coordination with the secretariat of the Consultative Council in a framework of separate working group - to review development of clusters in agro-industry sector and provide well-argued proposals to upcoming Council's session</p>		<p>Investment Committee on June 18, 2019. Three working meetings were completed on July 12, September 19 and October 7, 2019. The draft Concept, Action Plan and Program for inclusion of Global GAP standards was submitted to the Government of the Republic of Tajikistan.</p>	
8	<p>Communication Service:</p> <ol style="list-style-type: none"> 1. to establish working in coordination with the secretariat of the Consultative Council group from representatives of respective government institutions and analyze improvement of investment climate in IT and telecommunications sector and provide well-argued proposals to upcoming Council's session. 2. conduct additional activities to support to the Ministry of Education and Science in education of high-level experts in IT sector as well as introduction of IT systems in government institutions and executive authority of regions and cities 3. to take measures in order to improve public services and 		<p>1. Under implementation</p> <p>- The Working Group for analysis of IT sector under the Communication Service of the Republic of Tajikistan was established on July 23, 2019. To the moment there was conducted two meetings of the Working Group on July 30 and September 3, 2019. Currently, the final content of IT sector analysis was approved in coordination with Working Group members and the Communication Service. The next step of the analysis is collection of necessary information and desk research. The next meeting of the Working Group will be conducted upon the first draft of the analysis is ready</p> <p>The information on implementation of the 2nd and 3rd instruction points is not available</p>	

	ensure high quality Internet provision throughout Tajikistan and provide report to the government of the Republic of Tajikistan on semiannual basis.			
9	Respective government institutions and local executive authorities of cities and regions - to ensure population and entrepreneurs' access to high quality public services with wide usage of IT technologies.		<p>Under implementation</p> <ul style="list-style-type: none"> - In order to simplify the construction permit procedures within Dushanbe, the regulation provisions of the Main Department of Architecture and Urbanization of Dushanbe city and official instructions of its head were adopted on April 11, 2019. In accordance with the regulation the Main Department of Architecture and Urbanization of Dushanbe city will develop the charter and tasks for the Implementation Center of the "Single Window, Monitoring and City Planning Cadastre" as well as the pricelist of the center to be adopted. The process of cooperation with respective entities including OJSC "Dushanbe City Electric Networks", SUE "Dushanbe Water Supply", Dushanbe Heating Company, OJSC "Tojiktelekom" and OJSC "Dushanbegaz" is being established. This mechanism is being supported by the World Bank Group and it will save 40% of time spent for permit procedures and reduce 74% of permit expenses - The OSHC "Barki Tojik" starting from March 1, 2019 the application for electricity supply can be submitted through the company's website. The applications are being reviewed in 10 days. The company is also posting the notifications at special website in case of electricity shortage. - To determine the average number of power failures per customer during the calendar year and annual average rates of disruptions per customer OSHC "Barki Tojik" developed the «Rules for determining the normative indicators of reliability of energy supply». The document was shared with local electricity operators for implementation - The implementation of "Dushanbe Electricity Transmission Rehabilitation and Introduction of Automatic Electricity Metering and Supervision Project" is started which will increase the quality of electricity provision within the city - On April 25, 2019, the e-commerce portal of the Ministry of Economic Development and Trade was launched 	
10	State Committee for Investment and			

State Property Management in coordination with the secretariat of the Consultative Council:

1. to strengthen activity of Consultative Councils in the regions in order to collect proposals from private sector representatives and resolve their challenges

1. Under implementation

- In 2018-2019 the total number of regional Consultative Councils was increased up to 69:

- 3 Consultative Councils under heads of three main regions
- 1 Consultative Council of Rasht valley
- 65 Consultative Councils under heads of cities and districts

The draft Charter for regional Consultative councils is under development and will be released in accordance with existing procedures.

The regional Consultative Councils conducted a number of meetings where following main investment and business climate issues were discussed with Private Sector representatives:

1. Tourism sector challenges for private sector
2. FEZ “Ishkoshim” activity
3. Further directions of business development and mechanism for support of entrepreneurs
4. Support of entrepreneurs engaged in tourism sector through State Fund for Entrepreneurship Support
5. Application to a single visa regime under the “Silk Road Visa”
6. Development of traditional sectors of processing industry - light industry and agricultural products;

2. Under implementation

- The monitoring reports on implementation of XVIII Council’s Session protocol

	2. to establish monitoring system for assessment of implementation of Consultative Council's decisions and provide report to the government of the Republic of Tajikistan on semi-annual basis		were submitted to the EOP on January 26, June 19 and December 6, 2018. The implementation report of the XIX Session of the Consultative Council to be submitted in accordance with existing procedure - The table with information about unimplemented decisions from previous Consultative Council Sessions was developed and presented on the First Intersession Meeting of the Consultative Council on November 22, 2019	
11	Committee for Tourism Development in coordination with respective government institutions – to wide spread tourism opportunities and incentives in this sector including e-visa through Internet network and media		Under implementation - The Committee for Tourism Development developed and broadcasting introductory video clips through TV and internet channels. The video clips include information on Tajikistan's nature, tourism opportunities as well as regulatory procedures for tourists entering to the country (E-visa, customs duties etc.). - In early 2019 Tajikistan was included to top 8 countries to visit by the "Financial Times". According to a survey by the DestinationRecomended.com website, Tajikistan is in the top ten Asian destinations which also includes Azerbaijan, Japan, Sri Lanka, Singapore, India, China and Indonesia. Moreover, the "Global Finance" magazine put Tajikistan to the list of most safe countries worldwide. - The Tourism Committee promoted incentives for 11 tourism infrastructure projects and more than 30 new tourism companies were created in first half of 2019.	
12	Agency for export under the Government of the Republic of Tajikistan in coordination with Ministry of Industry and New Technologies, Committee for Investments and State Property Management and local executive authorities of regions - to establish logistics and gross sale centers in order to raise export capacity of entrepreneurs and improve their awareness of international level standards. To develop and implement		Under implementation Agency for Export - The agreement on gross sale centers was signed between Ministry of Agriculture of the Republic of Tajikistan and Ministry of Agriculture of the Russian Federation. Establishment of the centers is under discussion. - The establishment of gross sale centers is also being discussed within activity of Intergovernmental Working Group between the Republic of Tajikistan and the Republic of Kazakhstan. - On April 17, 2019 the agreement between Costoms Service under the Government of the Republic of Tajikistan and Federal Customs Service of Russian Federation. The agreement opens the "Green Channel" for agricultural products.	

	investment projects in this field		<p>Committee for Investments and State Property Management</p> <ul style="list-style-type: none"> - The Investment Committee developed 55 investment projects for the amount of \$2.3 billion US Dollars. The projects were distributed among potential investors from Russian Federation and China and posted at the Committee website. - The Investment Committee developed B2B portal for private sector which is being updated and revised on regular basis. 	
13	<p>Heads of regional Consultative Councils - to take necessary measures for reinforcement of the public and private dialogue and submit proposals on the basis of consideration of the existing obstacles and challenges of the private sector to the Consultative Council Secretariat.</p>		<p>Under implementation</p> <p><i>The information on this assignment is described in the line with details of 10th instruction points</i></p>	
14	<p>Management of LLC “Behamto” - to complete construction of sausage production facility by September 9, 2020</p>		<p>Under implementation</p> <ul style="list-style-type: none"> - The land request letter for LLC “Behamto” was submitted to the Government of the Republic of Tajikistan on behalf of the Investment Committee. The request is being reviewed by the Government. LLC “Behamto” needs 3ha in Rudaki district for construction of flaying house for 4,000 birds per hour, construction of additional poultry breeding center in Yavan district (8 ha) and poultry feed production facility (4 ha) in Shahrinav district. <p>The executive body of the Khatlon region</p> <ul style="list-style-type: none"> - The LLC “Behamto” received concessional loan from State Fund for Entrepreneurship Support in amount 17,6 million Somoni for construction of sausage production facility and reconstruction of the poultry facility. 	
15	<p>Recommendations for development partners:</p> <p>1. to support Export Agency,</p>		<p>1. Under Implementation</p> <ul style="list-style-type: none"> - <i>The information on this assignment is described in the line with details of 12th instruction point</i> <p>2. Under implementation</p>	

	<p>Ministry of Industry and New Technologies, Committee for Investments and State Property Management, local executive authorities and private sector in development and implementation of investment projects on improvement of export capacity of entrepreneurs and establishment of logistics and gross sale centers</p> <p>2. to support relevant government bodies in implementation of Government Action Plan on improvement of Tajikistan Indicators in the Doing Business Report with introduction of international practices</p>		<p>- The World Bank Group within the project «Increasing the competitiveness of the private sector», the Asian Development Bank within the project «Creating a single window for export, import and transit of goods», UNDP within the project «Facilitation of business development» contribute to improvement of Tajikistan's position in the World Bank's Doing Business Report for 2019-2022</p>	
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