

Monitoring Matrix
Implementation of decisions of the 15th Session of the Consultative Council on Improvement of Investment
Climate under the President of the Republic of Tajikistan, from August 20154, №1C/22-7

Content of the official assignment	Due date of Implementation	Implementation progress (Action taken by ministries and agencies towards executing decisions)	Notes
<p>1. The Executive Secretary and Secretariat of the Consultative Council must control and monitor progress of the implementation of decisions taken during sessions and ensure that they are successfully executed.</p>	<p>On a continual basis</p>	<p>Completed</p> <ul style="list-style-type: none"> - the Secretariat of the Consultative Council regularly monitored the implementation of decisions from the last Session and has prepared a Matrix of Monitoring on the results for the upcoming 16th Session of the Council. - the Executive Secretary of the Council will deliver a report at the upcoming 16th Session on the progress made in implementing decisions from the 15th Session of the Consultative Council. 	
<p>1. The Ministry of Industry and Innovation:</p> <ul style="list-style-type: none"> - in a joint effort with the Ministry of Economic Development and Trade, the State Committee on Investment and State Property Management, the State Unitary Enterprise Talko, and other relevant ministries, agencies and local enterprises, shall <i>undertake necessary measures on processing aluminum for export. Present information on results to be submitted to the Government of Tajikistan.</i> - in a joint effort with the Ministry of Economic Development and Trade, the State Committee on Investment and State Property Management, shall <i>draw up a list of existing raw materials which can be produced locally, and determine the competitiveness of locally sourced materials in the international and local</i> 	<p>Regularly</p> <p>2015</p>	<p>Progress of implementation</p> <p>As per the decision taken according to № 648 from 30th Decmber 2007, the following was supposed to be done:</p> <ol style="list-style-type: none"> 1) “Talko Cable” llc (120 jobs), “Tajprof” (80 jobs), “Shuhrat” Llc., “Jarayon Plus” llc and “Pairav &Co.” to be set up. 2) Setting up companies proved unfeasible since “TALKO” sells aluminium to the above companies at \$250 more (premium) than on the London Stock Exchange. <p>The above situation has led to the following:</p> <ol style="list-style-type: none"> a) Of the planned production of 40 000 tonnes, only 7300 tonnes of aluminium were produced (18.3% of planned production). <ul style="list-style-type: none"> - The Consultative Council has prepared an action plan for the improvement of the investment climate in industry. The action plan will be considered and ratified at the upcoming Government meeting with the President on December 2015. <p>The action plan consists of:</p> <ol style="list-style-type: none"> 1) The production of goods and services which can be produced locally in Tajikistan from existing raw materials. 	

<p>market. Present information to be submitted to the Government of Tajikistan;</p> <p>- <i>shall improve the draft of the Action Plan</i> of the Government of the Republic of Tajikistan for the improvement of the investment climate in industry, supporting entrepreneurship and the development of national production, <i>with proposals and suggestions expressed at today's session</i>. The draft shall be submitted to the Government of Tajikistan as soon as possible.</p> <p>- undertake necessary measures for urgent resolving problems of industrial enterprises and eliminate barriers that hinder the development of the sector.</p>		<p>2) The Ministry of Industry must undertake to remove the aforementioned obstacles and submit a timely report to the Government.</p> <p>Ministry of Finance (recommendation): “TALKO” must provide local enterprises with raw materials for increased domestic production.</p>	
<p>2. The Ministries of Industry and Innovation, Finance, Economic Development and Trade, the State Committee on Investment and State Property Management, the Tax Committee, the Customs Service and the “Tajikstandard” Agency, <i>together with industrial enterprises exporting their products</i>, must do the following:</p> <ul style="list-style-type: none"> - reduce export costs and compete in the local market; - replace imported goods with locally sourced products in the domestic market; - results must be presented to the Government of Tajikistan. 	<p>2015</p>	<p><i>Progress of implementation</i></p> <p>Ministry of Economic Development and Trade The program for the development of export and import substitution, for the years 2016 – 2020, was prepared and submitted to other ministries for coordination. The program indicated 20 main products for export and import.</p> <p>Ministry of Finance and Tax committee</p> <ol style="list-style-type: none"> 1) Tax on profits was reduced from 15% to 14% in 2015 and will be reduced to 13% in 2017 for manufacturers. 2) Enterprises that import products and services for their own consumption are exempted from VAT and Custom Duties. <ul style="list-style-type: none"> - Newly established enterprises that export products are exempted from VAT and Customs Duties; - Newly established enterprises are exempted from profit and 	

		<p>property taxes.</p> <p>3) As of 1st of January 2015, road tax for trade producers and trade providers was reduced to 0,25% and for others it was reduced to 1%. This tax will be completely annulled as of January 2017.</p> <p>4) The list of equipment and technologies exempted from VAT and Custom Duties was widened. (Decision №93, from 2nd March 201, has been updated.)</p>	
<p>3. The Ministry of Finance and the Tax Committee, jointly with other ministries and agencies, should develop a Draft of Legislative Acts for the development of mining and the processing of minerals, including procedures for determining rates and the payment of signing bonuses and commercial discovery bonuses. The results are to be presented to the Government.</p>	2015	<p>Progress of implementation</p> <p>Ministry of Finance and Tax Committee The <i>Draft of the Amendment of Legislative Acts</i>, №426 from 30th August 2011 (about the payment of signing bonuses), was prepared and is currently being considered for approval by the relevant ministries and agencies.</p>	
<p>4. The Ministries of Economic Development and Trade, Finance, Industry and Innovation, the Customs Service and the Tax Committee, should undertake urgent measures to prevent the illegal importation of weaving, sewing and knitting products; they should ensure that customs clearance is not based simply on weight, but on size, quantity, price and quality. The information should be submitted to the Tajik Government. They must consider the introduction of customs tariffs, which will further the development of domestic production and the exportation of goods.</p>	2015	<p>Progress of implementation</p> <p>Ministry of Economic Development and Trade:</p> <p>Customs Service</p> <p>1) A working group was set up to monitor and prevent the illegal importation of weaving, sewing and knitting items; customs clearance is no longer based on weight; 2) Monitoring of imported products in local markets was undertaken.</p> <p>Recommendation from Customs Service: keep existing customs duties for the time being.</p> <p>Ministry of Industry and Innovation Border 2. Recommendation: introduce customs duty of up to 25% for imported shoes, furniture, carpets, clothes, school uniforms, cotton items.</p> <p>Ministry of Finance and Tax Committee - support the prevention of illegal importation of items pertaining to weaving, sewing and knitting and a customs clearance policy based not</p>	

		<p>on weight but on the size, quantity, price and quality. However, they highlighted the importance of comprehensive analysis in this case.</p> <ul style="list-style-type: none"> - the current issue of the decreasing VAT rate, that may support domestic producers, is under consideration by the relevant ministries and agencies. - the Ministry of Economic Development and Trade and the Customs Service should implement these plans. 	
<p>5. The Open Joint Stock Holding Company "Barqi Tojik", the Ministries of Economic Development and Trade, Energy and Water Resources, Finance, and Industry and Innovation, along with the State Committee on Investments and State Property Management, should develop a simple and transparent procedure for connecting enterprises to the electrical grid. The results must be submitted to the Government.</p>	2015	<p><i>Has been implemented.</i></p> <p>OJSHC "Barqi Tojik" prepared regulations for the session concerning "simplified and transparent procedures for connecting manufacturing enterprises to the electrical grid".</p> <p>Ministry of Finance Supports the regulation concerning "simplified and transparent procedures for connecting manufacturing enterprises to the electrical grid".</p>	
<p>6. Agency "Tajikstandart", the Ministries of Economic Development and Trade, Industry and Innovation, and the Chamber of Commerce and Industry, should undertake measures for the widespread implementation of international quality standards, sectoral membership of Tajikistan in international organizations, should promote the export of domestic goods, as well as regularly monitor legislative changes in World Trade Organization member countries and other trading partner countries. They should provide information to the relevant ministries and agencies, entrepreneurs and investors.</p>	<p>Regularly during the year</p> <p>2015</p>	<p><i>Progress of implementation.</i></p> <p>Agency "Tajikstandart":</p> <ul style="list-style-type: none"> - became a member of the Interstate Council for standardization, certification and metrology of the CIS; - is a corresponding member of the ISO; - accepted more than 21 thousand interstate, state and international standards. Currently, Tojikstandart is in the process of transiting from national standards to international standards. - is working with the United Nations Economic Commission for Europe (UNECE) on developing joint standards for the exportation of Tajik goods (persimmon, dried apricots, fruits) to European markets. <p>Chamber of Commerce and Industry:</p> <ul style="list-style-type: none"> - established a National Service Bureau. So far 30 applications of domestic and foreign entrepreneurs have been processed by the Bureau. - the National Service Bureau conducted training programmes on implementing NASSR and ISO standards in Tajikistan and discussed the technical requirements of the trade, sanitary and phytosanitary standards 	

		of the member states of the WTO.	
7. The Ministries of Economic Development and Trade, Education and Science, Industry and Innovation, in a joint effort with other ministries, agencies and institutions of higher and vocational education, <i>should plan to develop and implement specific measures for producing a demand</i> for specialization and, in this context, <i>should train specialists</i> in the industry. They should take into account the requirements of today's industry, conduct practical exercises for students and establish close contact between educational institutions and various enterprises.	2015	<p><i>Progress of implementation</i></p> <p>Ministry of Education and Science</p> <ul style="list-style-type: none"> - sent analytical information to the Government of the Republic of Tajikistan for the provision of highly trained teachers for middle schools up to the year 2018. - the program entitled "Preparing specialists with high educational degrees for the years 2016 – 2020" was drawn up and is being coordinated between various agencies. - the concept of "Professional training of specialists with higher education for the period up until 2025" was prepared and sent to other relevant agencies for discussion and coordination. - an action plan of close cooperation between educational entities and enterprises is in the process of being drawn up. 	
8. The Ministry of Finance, jointly with other ministries and agencies: <ul style="list-style-type: none"> - should undertake measures for involving private insurance companies in executing compulsory insurance and should prepare the law "On compulsory medical insurance of employees", and "On transport insurance passengers"; - should undertake measures enabling the State Unitary Enterprise "Tajinsurance" to expand its services and become more competitive; - should improve the activities of the Insurance Sector Supervisor ("Gosstrakhnadzor"). 	2015	<p><i>Progress of implementation</i></p> <p>Minsitry of Finance</p> <ul style="list-style-type: none"> - draft drawn up of the law "On obligatory insurance of passenger carriers"; - draft of the law "On insurance activity" prepared by working group and submitted to the Government; - draft of the law "On obligatory medical insurance of employees" currently under consideration. 	
9. State Committee on Investment and State Property Management jointly with other ministries and agencies, should take into account the <i>proposals and suggestions</i> expressed in the session about the Law of	2015	The draft of the law "On investment", which was considered in the 15 th Session, is under the consideration of the "Majlisi Oli" (Parliament).	

<p>the Republic of Tajikistan “On Investment” and <i>submit</i> it to the Government of the country.</p>			
<p>10. The State Committee on Investment and State Property Management, the Ministries of Economic Development and Trade, Industry and Innovation, the Tax Committee and the Customs Service, should implement additional measures for developing effective investment projects within the framework of the Law of the Republic of Tajikistan “On Investment Agreements”.</p>	<p>МУНТАЗАМ</p>	<p><i>Progress of implementation</i></p> <p>Minsitry of industry and new technologies - 17 investment projects were prepared (together with the State Investment Committte) and submitted to the Development Bank of China for their support.</p> <p>Tax Committee - exempted the following companies from taxes: “Behruzi Murod” Llc., “Juntai Dangara Sin Silu Textile” llc., “Adolat A” Llc., “Eurasia extile” Llc., as per the decsion of №284 from 30.04.2015; - as per the investment agreement, the following companies received additional tax exemptions: “Coca Cola IcheChek” Llc., “Huaksin Cement Co. Llc., “Tajik China Mountain industry Venture” Llc., “Tajik Cement” OSC., “Oil processing enterprise Regar” llc.</p>	
<p>11. The State Committee on Land Management and Geodesy, and the Committee on Architecture and Construction, should take measures for the full introduction of a "Single Window" system for the registration of real estate entities and obtain a permit to start construction work. Information on results to be submitted to the Tajik Government.</p>		<p><i>Progress of implementation</i></p> <p>State Committee on Land Management and Geodesy Changes were made in legislation, according to the Government decree #432 from 2nd June 2015, “on the introduction of a single window for the registration of properties and of rights for such registered properties”. These changes were piloted in the following cities: Khujand, Istaravshan, Rasht, Hissor, Bokhtar, Kulyab and Khorog.</p> <p>Committee on Architecture and Construction Orders for carrying out administrative procedures related to effective town planning were adopted, as per the Government decree #192 from 2nd April 2015 on “Single Windows”.</p>	
<p>12. The Tax Committee, the Agency of Social Insurance and Pensions should undertake measures to implement a “Single Windows” system for the registration of individuals and legal entities and should simplify the process of</p>		<p><i>Progress of implementation</i></p> <p>Tax Committee and Agency on Social Insurance and Pensions Entrepreneurs and legal entities can receive an online social insurance registration number, starting from October 2014; To simplify the process of starting up businesses, changes were</p>	

<p>liquidating businesses. A report on the results must be submitted during Council sessions.</p>		<p>introduced to the draft of the law of the Republic of Tajikistan on “Registration of entrepreneurs and legal entities”; Currently, the termination of business activities by the Tax Committee is implemented without seeking official customs data.</p>	
<p>13. Ministries, agencies and State Authorities in the Badakhshan, Sughd and Khatlon regions, the city of Dushanbe and RRS must:</p> <ul style="list-style-type: none"> - undertake urgent measures to satisfy the requests of businesses to establish new enterprises; they must address such requests within the current framework of legislations. 		<p><i>Progress of implementation</i> Under the instruction of the President working group was established under the chairmanship of first deputy of prime minister. Working group consisted from high level representative from: a) State committee on investment b) Land and geodesy committee c) Tax Committee d) Customs e) Antimonopoly services f) Tajikstandard Agency g) SE «Support Fund for entrepreneurship» and Chairmen of GBAO, Khatlon, Sogd regions, cities and districts. The purpose of working group was to meet entrepreneurs to discuss issues related to ease export barriers, increase export potential, substitution of import. Meeting with entrepreneurs took place in custom services, Hisar valley, Tursunzoda cities, Khatlon and Sogd regions. The following issues were discussed during the meeting</p> <ul style="list-style-type: none"> a) regular tax checking and high tax fines for businesses b) advanced tax payment from enterprises c) higher VAT rate comparing other countries in the region d) regulation of customs value of goods considering support of domestic producers e) preventing contraband of imported low quality goods f) export difficulties, including agricultural products g) and other related problems in business development <p>State Authority of Rogun:</p> <ul style="list-style-type: none"> - 15 decrees were adopted for establishing small and medium - sized enterprises and 2 decrees were executed to create competitive enterprises with 65 jobs. Of these, 5 enterprises, valued at 579,440 Somoni and with 20 jobs, were set up. An additional 7 enterprises are close to creation; - 50 service enterprises were created during the year; - 8 construction projects are being implemented at a cost 922,000 Somoni; - 4 other projects will begin to operate by the end of 2015. 	

		<p>State Authority of Nurobod:</p> <ul style="list-style-type: none"> - Several services were established in the current year under the State authority of Tavildara; - “Vuromun” Llc. extracted 1,500 tonnes of coal up to October 2015. An additional 2,300 tons are expected to be extracted. 	
<p>14. The State Authorities of the Badakhshan regions, cities and districts should conduct regional sessions on the improvement of the investment and business climate, led by the heads of local executive bodies. Information about the results should be submitted to the Secretariat of the Consultative Council.</p>		<p><i>Progress of implementation</i></p> <p>The Consultative Council in Rogun was set up with a membership of local authorities, private businesses and development partners.</p>	
<p>15. The Ministry of Energy and Water Resources, jointly with the Secretariat of the Consultative Council and representatives of relevant ministries and agencies, the private sector and development partners, must establish a working group to conduct a comprehensive analysis on improvement of the investment climate in the energy sector, a regular supply of electricity services, widely implemented electrical and energy-saving technologies and renewable energy sources. They must submit the results at the next sessions of the Council.</p>		<p><i>Ministry of energy and water resources</i></p> <ul style="list-style-type: none"> - A working group will be set up by the end of December to offer a comprehensive analysis on the improvement of the investment climate in the energy sector, on the prospect of a regular supply of electricity services, of widely implemented electrical and energy-saving technologies and renewable energy sources. The findings of the working group will be submitted by next session. 	
<p>16. Ministries and agencies must undertake measures and submit reports at the next Session of the Council:</p> <ul style="list-style-type: none"> - on the implementation of action plan results from the meeting of the President of the Republic with investors on 14 October 2014; on the improvement of the indicators of Tajikistan in the World Bank report 		<p>Implementation of the action plan was prepared at a separate table at the meeting of the President of the Republic with investors from the October 14, 2014.</p>	

<p>"Doing Business". - and must celebrate the first anniversary of the "Day of entrepreneurs" and conduct a variety of activities in support of it.</p>			
<p>17. The State Committee on Investments and State Property Management and the Secretariat of the Council should collaborate with development partners on addressing the issues in the aforementioned Protocol and celebrate the first anniversary of the "Day of entrepreneurs".</p>		<p>The International Entrepreneurship Forum Dushanbe-2015 «Entrepreneurship And Investment For Sustainable Development» was held on 14th October 2015 under the patronage and participation of the President of the country H.E Emomali Rahmon to celebrate “Entrepreneurship Day”. More detailed information on the results achieved was submitted to the Government of the Republic of Tajikistan.</p>	