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INVESTMENT **POLICY** REVIEW

REPORT ON THE IMPLEMENTATION
OF THE INVESTMENT **POLICY** REVIEW



TAJKISTAN

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



INVESTMENT POLICY REVIEW

REPORT ON THE IMPLEMENTATION
OF THE INVESTMENT POLICY REVIEW

TAJKISTAN



**United
Nations**

Geneva, 2023

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Geneva, December 2022



NOTES

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The following symbols have been used in the tables:

- **Use of an en dash (–) between dates** representing years, for example, 2020–2021 signifies the full period involved, including the beginning and end years.
- **Reference to dollars (\$)** are to United States of America dollars, unless otherwise indicated.
- **Annual rates of growth or change**, unless otherwise stated, refer to annual compound rates.
- **Details and percentages** in tables do not necessarily add to totals because of rounding.



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ABBREVIATIONS

BIT	bilateral investment treaty
CCI	Chamber of Commerce and Industry
CIS	Commonwealth of Independent States
CIT	corporate income tax
DIAE	Division on Investment and Enterprise
DTA	double-taxation agreement
FDI	foreign direct investment
FEZ	free economic zone
GDP	gross domestic product
IIA	international investment agreement
IL	investment law
ILO	International Labour Organization
IPFSD	investment policy framework for sustainable development
IPA	investment promotion agency
IPR	Investment Policy Review
SCISPM	State Committee on Investment and State Property Management
SEZ	special economic zone
SME	small and medium-sized enterprise
UNCAC	United Nations Convention Against Corruption
UNCTAD	United Nations Conference on Trade and Development
VAT	value-added tax



INVESTMENT POLICY REVIEW SERIES

1. Egypt (1999)
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37. Republic of the Congo (2015)
38. Sudan (2015)
39. Bosnia and Herzegovina (2015)
40. Kyrgyzstan (2015)
41. Madagascar (2015)
42. Tajikistan (2016)
43. The Gambia (2017)
44. South-East Europe (2017)
45. Lebanon (2018)
46. Cabo Verde (2018)
47. Chad (2019)
48. Angola (2019)
49. Armenia (2019)
50. Côte d'Ivoire (2019)
51. Seychelles (2020)



INTRODUCTION

In recent years, particularly since the publication of its Investment Policy Review (IPR) in 2016, the Government of Tajikistan has adopted several policy measures to enhance the business environment. Reforms were notably adopted to improve the strategic, legal and institutional framework affecting investment attraction and entrepreneurship development.

In 2021, the Government requested UNCTAD to conduct an assessment of the implementation of the recommendations in the IPR. This Report evaluates the progress made to strengthen the investment environment and highlights additional actions to support the country's objectives and foster sustainable development based on the Investment Policy Framework for Sustainable Development (IPFSD; UNCTAD, 2015).

Since 1999, the IPR programme has conducted assessments of the strategic, legal and institutional framework for investment in more than 55 economies. The IPRs propose action-oriented and tailored recommendations with the aim of enhancing an economy's investment climate, in line with sustainable development and national development objectives. Reports to assess the degree of implementation of the recommendations are conducted a few years after the publication of the IPR at the request of the country. These reports also help to evaluate the need for additional technical assistance and suggest additional actions to further assist economies.



1. KEY FDI TRENDS

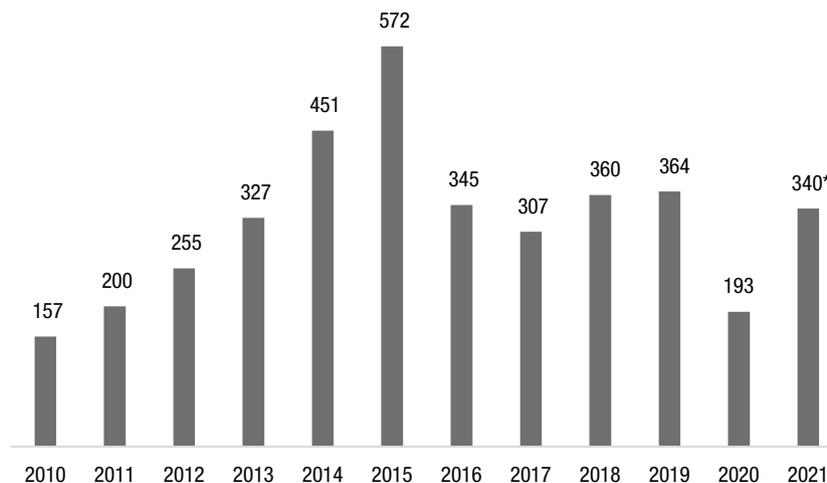
The period 2010–2015 was marked by rapidly growing and relatively diversified foreign investment (FDI) flows to the country. Registered at \$157 million in 2010, FDI almost quadrupled in 2015 when it reached its all-time high of \$572 million (figure 1). Supported by Government's initiatives to improve investment attraction in the subsoil use, the extractive sector received in that period more than 45 per cent of FDI (\$0.9 billion). Geological exploration, mining of metal ores, semi-precious stones and building materials significantly intensified. Apart from the extractive industry, important amounts of foreign capital were derived to manufacturing, telecommunications, construction and financial activities (19, 14, 11 and 6 per cent of FDI respectively). Although investors from more than 20 economies were investing in Tajikistan, China, Russian Federation, United Kingdom, Türkiye and the Islamic Republic of Iran were, respectively, the principal ones.

Since 2016, FDI inflows have declined moderately, remaining at a level of around \$345 million annually. The only exception is the pandemic-responsible downturn of 2020, when FDI dropped by 47 per cent compared to the previous year (figure 1). However, flows showed signs of recovery in 2021 and FDI remained a steady source of financing for the country, averaging 4.1 per cent of the gross domestic product (GDP) in 2016–2020, while overall domestic private investment stood at 3.5 per cent.

Since the completion of the IPR in 2016, the country has improved its ratings both for the absolute and relative indicators of FDI performance. As a result of the stability of FDI flows in the second half of the 2010s, with the exception of 2020, Tajikistan managed to avoid a wide gap in the average FDI flows and derived ratios (FDI per capita, per \$1 000 of gross domestic product (GDP) and as percentage of gross fixed capital formation (GFCF) between 2012–2016 and 2017–2021 (table 1), which a few landlocked countries which are also exporters of mineral resources experienced over the last decade. Indeed, between the two periods 2012–2016 and 2017–2021, FDI dropped by 94 per cent in Bolivia, by 90 per cent in Kyrgyzstan, by 42 per cent in Turkmenistan and almost zeroed out in Bhutan, while in Tajikistan the fall was less than 20 per cent. Tajikistan currently overperforms more than half of comparators, including neighbouring Kyrgyzstan and Uzbekistan, in the FDI contribution to GDP and to the gross fixed capital formation. Nevertheless, the country lags behind other Asian economies, such as Mongolia and Lao (People's Democratic Republic) in all the indicators. At the end of 2021, the FDI inward stock of Tajikistan stood at \$3.2 billion, which is the smallest in the Commonwealth of Independent States (CIS).



Figure 1. FDI inflows to Tajikistan, 2010–2021
(millions of dollars)



Sources: UNCTAD (2022); National Bank of Tajikistan and State Committee on Investment and State Property Management (SCISPM) for 2021 (investcom.tj/ru/invest/investicionnaja-dejatelnost/107-statistika-inostrannyh-investicij.html)

Note: * – preliminary data

Mining and quarrying have gradually reinforced their position as the first foreign investment attractive sector in Tajikistan. Over the last five years, the sector has further strengthened its position in the total FDI inflows against the backdrop of contracted FDI in manufacturing, construction, telecommunications, agriculture, and some other sectors (figure 2). Its share in the total FDI inflows increased to the average 57 per cent in 2017–2021, while the volumes of investment remained practically unchanged. However, this comes with some challenges given the impact of the sector on environment and in terms of job creation as it is mainly a capital-intensive sector. Indeed, in Tajikistan mining creates 20 per cent of industrial output but employs less than 12 per cent of people working in industry (EITI, 2020).



Table 1. FDI inflows to Tajikistan and selected countries

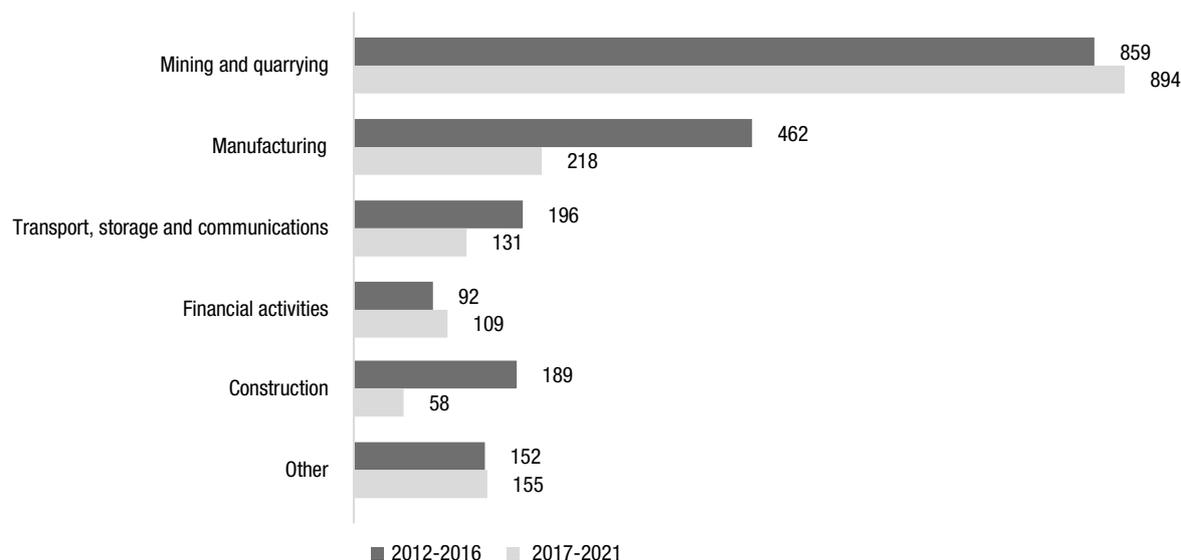
Country	Average inflows of foreign direct investment								Foreign direct investment stock		
	Millions of dollars		Per capita (dollars)		Per \$1 000 gross domestic product		As percentage of gross fixed capital formation		Total (millions of dollars)	Per capita (dollars)	Percentage of gross domestic product
	2012–2016	2017–2021	2012–2016	2017–2021	2012–2016	2017–2021	2012–2016	2017–2021	2021		
Tajikistan	390	313	47	34	47	39	14	12	3 198	328	40
Bhutan	14	0	20	0	8	0	1	0	409	524	16
Bolivia, Plurinational State of	871	53	82	5	29	1	15	-2	10 734	907	28
Botswana	250	145	119	64	16	8	5	3	5 100	2 128	29
Kyrgyzstan	585	57	99	9	85	5	27	-1	4 233	639	50
Lao People's Democratic Republic	836	1 168	125	164	63	64	21	23	12 208	1 654	64
Mongolia	522	1 994	203	618	35	148	-10	53	26 346	7 914	172
Republic of Moldova	227	274	56	68	26	23	11	10	4 780	1 188	36
Turkmenistan	3 021	1 767	554	299	79	42	16	9	40 775	6 665	79
Uzbekistan	990	1 702	32	52	13	29	6	8	11 278	332	17

Sources: UNCTADstat (unctadstat.unctad.org/FR/); National Bank of Tajikistan and SCISPM for 2021.

The share of FDI in manufacturing has declined since 2015. The data from the National Bank of Tajikistan and the SCISPM show that several sectors have experienced an increase in their FDI presence in the last five years. These include financial activities, hotels and restaurants, trade and repair. However, manufacturing's share went from 45 per cent of the total FDI in 2015 to 10 per cent in 2021, thus affecting the country's ability to process domestic raw materials and creating high-quality value chains (NS, 2021).



Figure 2. FDI inflows by economic activity, 2012–2016 and 2017–2021
(millions of dollars)



Sources: National Bank of Tajikistan and SCISPM for 2021.

The geography of key investors has not changed. China is the main investor in the Tajik economy (primarily in mining and enrichment of metal ores and mining of semi-precious stones). Since 2012, it has invested in Tajikistan more than \$2 billion FDI, accounting for two-thirds of the total FDI in 2017–2021. Even at the onset of the pandemic in 2020, China's share remained the highest (73.5 per cent of the total FDI or \$142 million out of \$193 million). The second largest investor is the Russian Federation, whose investment is quite diversified in terms of economic activity but varies greatly from year to year and follows a downward trend. Indeed, the Russian cumulative FDI flows shrank from \$186 million in 2012–2016 to \$110 million in 2017–2021, representing 9.5 and 7 per cent of the total FDI, respectively. Significant fluctuations are also inherent in investment from other countries. In Europe, the United Kingdom (financial intermediation and mining), Switzerland (hotel services, mining and enrichment of precious metal ores) and France (retail trade and real estate development) dominate, while among the Asian economies, the Islamic Republic of Iran (financial services and transport) and Türkiye (manufacturing of food, beverages, machines and equipment) are the most present.



2. SUMMARY OF FINDINGS

Since 2016, as a part of the recent reforms undertaken in Tajikistan to enhance the business climate, some e-government tools were launched, and several new legislative acts and amendments were passed. The key changes are the following:

- **Adoption of a new investment law (IL).** The bill was proposed in early 2016 when UNCTAD was preparing the IPR, and was adopted on 15 March 2016. The Law on Investment includes most of the IPR recommendations, in particular the provisions on treatment and protection. For instance, non-discrimination is now added as a condition for expropriation, including for foreign investors. Nevertheless, some issues remain (see below).
- **Amendment of several key legislation.** A new Tax Code, which entered into force on 1st January 2022, lowered the rate of the corporate income tax (CIT) and of the social security tax, and simplified the value-added tax (VAT) refund procedure. By adopting a new Law “On protection of competition” in 2017, the Government further defined the key concepts of monopolistic activity and unfair competition. The Land Code was also amended to include the alienability of use rights and the Criminal Code aligned its definition of the public official who shall be convicted for corruption with the one in the United Nations Convention Against Corruption (UNCAC).
- **Reform of the business inspection system.** Amendments were introduced in 2017 to the Law “On inspections of businesses activities” which allowed to reduce the number of inspection bodies from 31 to 25 units, with an objective of 20 units.
- **Access to information.** One of the objectives of the ongoing reform is to ensure that all parties have easy free of charge access to information. In this regard, all legal acts, laws, regulations, decrees and resolutions of the Parliament of the Republic of Tajikistan, President of the Republic of Tajikistan and the Government of the Republic of Tajikistan are available online on a dedicated website, in Russian and Tajik languages (portali-huquqi.tj/publicria/ibtido.php). In addition, this website has a register of draft laws and other legal acts, and contains information on their regulatory impact assessment and legislative process developments.
- **Simplification of several business procedures and adoption of e-government tools.** Since 2016, many reforms were implemented to reduce the time, cost and number of procedures required to start a business, declare and pay taxes, import and export, obtain electricity and manage insolvency. Among the most important ones are



the removal of the State fee for business registration, e-systems to connect to the electric grid, the declaration and payment of taxes online, the removal of certain customs duties and VAT fees, including regarding animal feed and beef cattle, the establishment of single windows for construction permits, property registration and import and export procedures.

However, while these reforms have contributed to improving the position of Tajikistan in international rankings, they were not sufficient to completely change the investment climate of the country. In view of the recommendations that have not been fully addressed, the following challenges persist:

- **Issues remain with the Law on Investment.** The new IL lacks clear entry restrictions for foreign investment. Article 5 includes the general safeguard clause that allows to limit or prohibit the foreign investments based on national interest considerations. However, the law does not clarify what constitute these national interests. Also, neither the IL nor any other legal acts provide a list or other criteria for the limited or prohibited areas for FDI. Furthermore, its content is not fully aligned with other legislation, including in terms of how the investment and the investor are defined. Finally, the Law on Investment maintained the 10-year stability clause, albeit it excludes changes related to national security, health, environmental protection, morality and ethics.
- **Investment agreements remain a key instrument and many incentives are granted without a cost-benefit analysis.** The Law on Investment Agreements has not been modified and in practice, there remains as many incentives regimes as there are investment agreements. A draft decree “on the list of priority industries for which tax benefits are provided in accordance with the Tax Code and additional benefits in accordance with relevant regulatory legal acts” is being prepared to streamline the sectors eligible for investment agreements and incentives.
- **Despite amendments, issues continue to affect the Tax Code.** It has retained multiple CIT rates, and has further constrained the possibility for non-resident companies to benefit from the double taxation agreements (DTAs), as in the case of dividends, interests and royalties when a special application must first be submitted. Finally, the VAT continues to overlap with the sales tax, albeit only on primary aluminium and, in practice, obtaining VAT refund remains very difficult.
- **No access to agricultural lands.** According to the provisions of the Land Code of the Republic of Tajikistan, the foreign individuals and companies are not allowed to obtain a land plot from the agricultural lands for any type of use. This limitation to land access may significantly affect the development of agricultural sector of the Republic of Tajikistan, considering that the country is mostly agrarian, and the agriculture is the prioritized sector for investments.



- **No significant change has affected the Labour Code.** An amendment was introduced to expand the protection of minors, but the issues of compliance with the International Labour Organization and the inclusion of effective tripartite consultations for the setting of the minimum wage and the conditions of the redundancy continue to persist.
- **Trainings were conducted for judges, but their independence is still in question.** The assistance of development partners has allowed judges to receive trainings in several areas. Furthermore, an electronic court case management system was introduced to simplify the public access to the case information. However, it is reported that many investors share the opinion that the judicial authority tends to favour the State whenever it is involved either as plaintiff or defendant.
- **Investment promotion remains of a traditional nature.** While institutional changes have affected TajInvest, it is not the leading institution in investment promotion, and free economic zones (FEZs) remains under the Ministry of Economic Development and Trade's authority. Furthermore, the SCISPM and TajInvest continue to rely on marketing and promotion via fairs and trade shows, and information is scattered over several websites. The IL provides for the establishment of a one-stop-shop for investors, however it is not in place yet, and most procedures conducted by investors need to be made physically in the country.
- **Insufficient efforts are deployed to build absorptive capacities.** The reforms to promote entrepreneurship, human resources development and business linkages between local and foreign companies were very limited. Several efforts were made to simplify the business establishment and the payment of taxes for individual entrepreneurs. However, the State continues to rely on development partners' assistance for the capacity building and financing of entrepreneurship. Issues still remain with regards to access to finance and no significant reforms were made to conduct a national skills gap survey or to expand business schools' network and their trainings, or to include entrepreneurship in school curricula. TajInvest and the Chamber of Commerce and Industry (CCI) adopted a less proactive approach and most of the initiatives are request-based.



CONCLUSION AND RECOMMENDATIONS

The implementation of the recommendations of the IPR by Tajikistan took place during the COVID-19 pandemic. This has undoubtedly affected the extent to which reforms have taken place, as globally the crisis forced countries to cater to essential needs. Nevertheless, several efforts were made to improve the investment and business climate of the country, for example to streamline the procedures affecting the establishment and operations of businesses. These have included both legislative amendments and institutional measures with a view to reduce the time, cost and number of procedures, and to simplify the operating environment for companies.

However, despite the noticeable efforts conducted, issues continue to affect the investment climate. In the National Development Strategy 2016–2030, of the \$118 billion budgeted to achieve its objectives, 46 per cent is earmarked to be mobilized by the private sector. Against this background and on the basis of the IPFSD, this report recommends the following area of actions to further strengthen investment policymaking and institutions in Tajikistan:

- **Adopting key legislative amendments.** The Law on Investment lacks key provisions, including the adoption of a negative or positive list for the entry of foreign investors. While the 10-year stability clause has the benefit of reassuring investors, it also limits the State regulatory power in challenging global context. These time-limited clauses can have a negative impact on longer-term reforms directed to gain investors' confidence and improve the general business climate. Other amendments should be considered in relation to the access of foreign investors to land in the Land Code, streamlining the CIT rates in the Tax Code, allowing the automatic implementation of DTAs' provisions and facilitating the VAT refund. Finally, efforts should be pursued with a view to align the Criminal Code with the UNCAC to include all key offenses that are currently missing.
- **Effectively implement the one-stop-shop for investors, including its e-version.** The IL provides for it, but it is not yet in place and most procedures involving foreign businesses still need to be conducted on-site in the country, while they could be provided from abroad, in particular regarding visas.
- **Progressively phase out the use of investment agreements and rationalize incentives.** Up until now, the Law on Investment remains in competition with the Law on Investment Agreements and investment agreements have also been used as a tool for investment attraction. While these are reserved for investors of a large size, they contain incentives that are not subject to a cost-benefit analysis and are granted on a case-by-case basis. Their monitoring and evaluation are also difficult since each agreement creates its own regime, making it difficult for



the public administration to follow up on. In parallel to the improvement of the investment climate, the progressive phasing out of these agreements should be considered, with a view to focusing potential incentives on priority sectors within a common regime which impact and benefits could be assessed.

- **Strengthening the institutions which deal with investment.** This includes the role of the SCISPM to design and implement the investment policy, and for TajInvest to promote and facilitate investment. In addition, the Antimonopoly Service continues to have a mandate focused on price controls. In practice, the adoption of the Law on protection of competition should provide an opportunity to expand its role in managing competition issues. With regards to the judiciary, efforts should be made to rebuild confidence. In this regard, publishing judicial decisions once they are final could be envisaged, while preserving the anonymity of parties when required.
- **Increasing the capacities for investment promotion.** Tajikistan has a strong institutional framework for investment promotion, and the roles of the SCISPM and TajInvest are clearly defined. In practice, the activities of TajInvest should be organized around four key functions: image-building, targeting, facilitation and aftercare. In a first stage, it should focus on the priority sectors identified by the Programme of State Investments for 2021–2025. In a longer-term perspective, a specific investment promotion strategy should be developed that would include how it operates vis-à-vis other entities with sectoral mandates, such as the Ministry of Economic Development and Trade and ministries, departments and agencies in charge of agriculture. It would also include the Ministry of Foreign Affairs, which network of embassies and consulates abroad could participate in the investment promotion efforts. Finally, the communication strategy of TajInvest should also include developing websites and other material in widely used languages, including, in particular, English.
- **Fostering measures to build absorptive capacities.** While efforts are conducted, these should be streamlined and focused on reinforcing entrepreneurship, human resources, business linkages and innovation. This will require strategic decisions, legislative and regulatory changes, in particular regarding the residence and work permit of foreigners and the reexamination of the quota system.
- **Including sustainable development features in international investment agreements (IIAs).** The Government should consider designing and modernizing its investments treaties in line with national development objectives and sustainable development principles. UNCTAD's tools, including the IPFSD, the Reform Package for the International Investment Regime and the IIA Reform Accelerator, could provide useful guidance in this area and form the basis to train negotiators on sustainable development-oriented approaches to IIAs (UNCTAD, 2015, 2018, 2020).

UNCTAD stands ready to provide assistance to the Government of Tajikistan for the implementation of these recommendations.



ANNEX: IMPLEMENTATION MATRIX

What	Why	How	Status	Findings
<p>1. Improve foreign investment specific regulation</p>	<p>Tajikistan has adopted a modern FDI regime, but clearer objectives and definitions are required in the legislation. In principle, the country is open to foreign investors, and no entry barriers are legally in place. However, some establishment restrictions apply. Increased coherence and alignment of international investment treaty provisions with existing development plans should be encouraged. In particular, the sustainable development dimension of bilateral investment treaties (BITs) could be strengthened.</p>	<p>I.A.1. Amend the core legislation on investment to clarify objectives, definitions and investors' rights and obligations, in particular with respect to FDI, including to:</p> <ul style="list-style-type: none"> – Explain the role of FDI in the overall development strategies, related goals and/or priority sectors; – Adopt a definition of FDI and harmonize all legislations accordingly. 	<p>○</p>	<p>I.A.1. The new Law on Investment (hereafter, IL) was adopted in March 2016, which applies to domestic and foreign investors. The IL introduces separate definitions of investment and direct investment. Investment is defined broadly and refers to the capital invested in the form of tangible and intangible assets in the country for the purpose of generating a profit. Direct investment is identified as ownership, acquisition by an investor of at least 10 per cent of a share, contribution in the reserve capital of a commercial organization (established or new one) in Tajikistan in accordance with the legislation, as well as capital investment in fixed assets of a branch of a foreign legal entity, created on the national territory. The term “investment”, while not defined, is used in the Law on Investment Agreements, the Law on Concessions and the Law on Public-Private Partnerships. The Law on Investment Agreements refers to “investment project”.</p> <p>The IL maintains a guarantee of the equality of rights between domestic and foreign investors and non-discrimination, including to participate in the privatization of State property. It also provides more information on the implementation of investment projects, the legal stability clause and on expropriation.</p>

● = implemented; ◐ = substantially implemented; ◑ = partially implemented; ○ = not implemented.



What	Why	How	Status	Findings
		<p>I.A.2. Explore options of legal and/or institutional reforms to improve access to land and real estate by improving land use rights for foreign investors and creating a land bank of specific plots for agriculture investment projects, including by foreign investors.</p> <p>I.A.3 Enhance treatment and protection of foreign investors by ensuring that the core legislation includes non-discrimination as a condition for expropriation.</p>	<p>○</p> <p>●</p>	<p>The IL does not contain any explicit reference or link to the country's overall development strategies, related goals and/or priority sectors. In addition, it does not specify a negative or positive list clarifying prohibited areas for FDI.</p> <p>I.A.2 Several reforms were conducted, in particular with the establishment of single window for the property registration. Electronic databases systems to register borders, checking plans and providing cadastral information, including the geographical information system, were also developed. Launched in 2020, they are available at: baqaydgiri.tj and geoportal.tj. The legislation retains the same conditions for foreign investors to access land and real estate. No land bank of specific plots for agriculture investment projects, including by foreign investors, was put in place.</p> <p>I.A.3 Article 7 of the IL guarantees equality of rights between foreign and domestic investors, not allowing discrimination of the rights of investors in connection with their citizenship, nationality, language, gender, race and religion. It is completed by article 14, which prohibits any type of expropriation, except in the public interest, on a non-discriminatory basis, and in accordance with the procedure established by the national legislation, with timely, adequate and efficient compensation payment.</p>

● = implemented; ◐ = substantially implemented; ◑ = partially implemented; ○ = not implemented.



What	Why	How	Status	Findings
		<p>I.A.4 Review and assess the use of investment contracts.</p> <p>I.A.5 Consider examining the international investment policy regime, including taking into account national development strategies.</p>	<p>○</p> <p>○</p>	<p>I.A.4 The Law on Investment Agreements, adopted in 2013, was amended in 2017 to align its definition of investor to the one in the IL. It provides that the terms of the investment agreement should be contained in the agreement itself, and its provisions are in force during its validity period. This means that agreements remain the main instrument for FDI and domestic investment attraction, and that there are as many regimes as agreements in force. Since the publication of the IPR in 2016, five agreements were concluded based on the information provided by the SCISPM. The website of the Ministry of Justice (adlia.tj) indicates that the texts of these agreements are available (in Tajik language).</p> <p>I.A.5 The Concept of the State policy of attracting and protecting investment in the country, adopted in 2013, has not been updated. In 2021, the Government adopted the Programme on State Investments 2021–2025. Created to mobilize domestic and foreign investment, and to develop the local economy, it includes the List of State Investment Projects, divided by priority sectors. Five new BITs were concluded since 2016, with Algeria, Hungary, Jordan, Saudi Arabia and Uzbekistan.</p>

● = implemented; ◐ = substantially implemented; ◑ = partially implemented; ○ = not implemented.



What	Why	How	Status	Findings
2. Facilitate company operations	Business facilitation has improved, but challenges remain due to insufficient institutional capacity. The cost of business registration remains high, and enforcement of licensing and inspections is not adequate due to weak supervision and coordination. Reforms to develop a land market need to be accelerated.	<p>I.B.1. Finalize the centralization of business registration procedures into a single window, lower the costs of registering businesses, and adopt measures to simplify procedures for the closing of businesses to increase the transparency and efficiency of administrative requirements.</p> <p>I.B.2. Consider options to improve land markets, including regulations to ensure the alienability of use rights; continue reforms to extend the unified registration system; consider abolishing the monopoly for notary services.</p>	<p>●</p> <p>●</p>	<p>I.B.1 A physical one-stop-shop was established for creating business, obtaining construction permits, getting electricity, registering property, and conducting import-export and transit operations, with the objective of simplifying operations and increasing the transparency and efficiency of administrative procedures. The fee for the State registration was cancelled, the number of registering structures was lowered from four to one, and the registration time was reduced from 49 days to three to five days. Additional e-service portals (available at: andoz.tj) were introduced for taxpayers, including for declaring and paying taxes and for VAT refund. The portals also contain other information services and the registration of foreign internet service providers operating in Tajikistan. Another feature includes the registration of business, however this function is not yet operational. The procedure for closing a business remains complex and can take six months or more.</p> <p>I.B.2 With the exception of the amendment of the Land Code in 2012, which included the alienability of land use rights for Tajik citizens and legal persons, no additional regulation could be identified. In addition to Register of Immovable Property, a Unified Register of Mortgage was established. The State Public Notary Offices are involved in the registration or certification of transactions related to land plots and immovable property. The Law on State Notary Services opened to some other government officials (e.g. embassies, State representatives in villages) the right to conduct certain notary services.</p>

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What	Why	How	Status	Findings
		I.B.3. Implement a modern inspection regime to prevent the inappropriate interference by public authorities in business operations.	●	I.B.3. To reform business activities inspections, a law “on inspections of the activity of business entities” was adopted in 2015. Since then, the number of inspection bodies has gone from 31 to 25 with a goal to further reduce them to 20. This new legislation imposes on the authorities the obligation to submit reports in electronic form on all inspections. The reports are then submitted to the newly created Coordinating Council of Supervisory Bodies, and posted online.
3. Simplify the tax regime and tax administration.	The current fiscal regime makes up for a high level of tax rates and complexity by offering a large number of disparate incentives. It creates high administrative costs for the Government and high compliance costs for business, particularly small and medium enterprises (SMEs). Overlapping and frequent inspections by tax inspectors is another challenge, which should be addressed.	I.C.1. Improve overall tax competitiveness and reduce complexity, including by adopting a unified corporate income tax rate. The review of dividend withholding rates, depreciation rates and social contributions should take into account regional regimes.	●	I.C.1. A new tax code was adopted in 2021 and entered into force in January 2022. Despite their reduction, different rates of CIT continue to apply depending on the activity. The general CIT rate was reduced to 18 per cent (from 23 per cent since 2017), the CIT rate for financial institutions and mobile operators is at 20 per cent, and at 13 per cent for manufacturing. The simplified tax regime did not change significantly but eligible taxpayers may opt to pay VAT while staying under this regime. A simplified regime for the taxation of technological and innovative activities was introduced, whereby they are exempted from all taxes, except the social, personal income tax and withholding taxes (interest, dividends and other income). The definition of what qualifies as a technological and innovative activity has yet to be adopted. The social tax rate was reduced from 25 per cent to 20 per cent, except for employers which are governmental organizations. For employees, the social tax rate increased from 1 per cent to 2 per cent. The withholding tax on dividends remained unchanged at 12 per cent. The depreciation rates have not been modified.

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What	Why	How	Status	Findings
		<p>I.C.2 Rationalize incentives and align them to focus on national development priorities, including by granting incentives on the basis of a set of pre-determined, objective, clear and transparent criteria, administered by a government unit that does not have investment promotion responsibilities; carry out periodic reviews of their effectiveness.</p> <p>I.C.3. Reduce the incidence of indirect taxation by avoiding overlaps between the VAT and sales tax, and ensuring promptness in granting VAT refunds; consider setting up a fast-track system for companies that meet predetermined criteria.</p>	<p>●</p> <p>●</p>	<p>I.C.2. The new Tax Code has not substantially modified incentives even if efforts were made to limit their scope. Incentives are time-bound and cannot be granted outside the scope of the tax code. However, additional incentives can still be provided through investment agreements, which are not accessible to small investors (domestic and foreign), without a cost-benefit analysis and on a case-by-case basis. Despite the IL referring to priority sectors, incentives remain accessible to a wide array of sectors and the criteria in place to access them are not precise. On the basis of part 6 of Article 32 of the new tax code, a draft Decree “On the List of priority industries for which tax benefits are provided in accordance with the Tax Code, and additional benefits in accordance with relevant regulatory legal acts” was developed. The draft decree is under consideration by ministries and departments. In addition, a procedure for granting and assessing the effectiveness and expediency of tax incentives was adopted.</p> <p>I.C.3. The new tax code has simplified the VAT refund procedure by abolishing audits by the authorities prior to granting the refund. In practice, obtaining the VAT refund remains very difficult for companies. The latest Tax Committee instruction on this subject dates back to 2012, and needs to be updated to comply with the new tax code and allow its implementation. The new tax code does not provide for a fast-track system for companies that meet predetermined criteria, and the sales tax still overlaps with VAT on the primary aluminium at a rate of 3 per cent.</p>

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What	Why	How	Status	Findings
		I.C.4. Strengthen mechanisms to avoid double taxation.	○	I.C.4. The new tax code cancelled the possibility for non-residents to apply for the implementation of a DTA without prior submission of a special application in the case of dividends, interests and royalties. This means that foreign companies wishing to apply a DTA have to undertake a special procedure (defined in the Tax Code) and submit an application for consideration by the tax authorities. In most cases, it is reported that this application is refused. Since 2016, Tajikistan has concluded DTAs with India, Malaysia, Qatar and Uzbekistan.
		I.C.5. Adopt measures to improve tax collection.	◐	I.C.5. Tajikistan has launched online portals to declare and pay taxes (see above). However, many entrepreneurs report that tax collection still relies on audits and cameral controls, in spite of legal moratoriums on inspection of businesses. The new tax code introduced a monitoring based on an agreement between the taxpayers and tax authorities. Under this agreement, the authorities shall consult the taxpayers to eliminate errors and omissions, and provide detailed explanations on their tax obligations. This provision also prohibits the collection of taxes based on incorrect information or errors, as well as periodic tax audit and cameral control. Since this is a new measure, its effectiveness and impact should be assessed after a certain period of time. Finally, the taxation mechanism of State-owned enterprises and State-related companies still affects the revenue collection of the Government as these enterprises get generous and numerous incentives and benefits.

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What	Why	How	Status	Findings
<p>4. Improve commercial justice and governance</p>	<p>Further steps to provide greater transparency of the judiciary and anti-corruption measures are needed to improve the rule of law. Also, legal information is not easily accessible, and the judiciary lacks commercial specialization. Finally, civil society has a limited role in anticorruption initiatives.</p>	<p>I.D.1 Strengthen the commercial justice system by promoting specific commercial training for first-degree judges as well as alternative dispute resolution mechanisms.</p> <p>I.D.2 Develop a regulatory framework to improve the statutory independence of the judiciary; consider making judicial decisions accessible to the public; make judicial decisions and other legal information accessible to the public at an affordable cost.</p>	<p>●</p> <p>●</p>	<p>I.D.1. All Tajikistan judges, including of economic courts, receive trainings on different aspects of the national legislation, including commercial law, on a regular basis. They also include alternative dispute resolution mechanisms, including mediation and arbitration. These trainings are delivered with the assistance of development partners and conducted by international experts. No specific training on commercial justice has taken place and efforts are yet to be undertaken to promote alternative dispute resolution mechanisms.</p> <p>I.D.2 Several economic courts in Tajikistan, including the one in Dushanbe, have launched websites with information about their activities, composition and schedule of hearings to simplify access to users, who can also ask for help and leave feedback. However, judicial decisions remain inaccessible for the wide public, be it in electronic or hard copy. There is also no information available on government measures to address it. The judiciary is also not fully independent given appointments and approvals by the executive and legislative powers. Stakeholders reported that when the State is a party to a court hearing a decision favouring the State, in particular when it relates to tax, property and collection of debts from State-owned enterprises and State-related companies, is often taken.</p>

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What	Why	How	Status	Findings
		<p>I.D.3 Improve public sector governance by aligning definitions of the Criminal Code and other national legislation with international standards as recommended by the UNCAC; take measures to incentivize staff of the anti-corruption agency, including by reviewing compensation for senior officials; increase the involvement of civil society in fighting corruption.</p>	<p>●</p>	<p>I.D.3. In February 2017, article 314 of the Criminal Code was amended to comply with article 2 of the UNCAC regarding the definition of the public official who shall be convicted for corruption. The penalties for corruption-related offenses were also increased. Under the Decree of the President of the Republic of Tajikistan No. 222 of 2021, a State strategy to counter corruption was adopted for the period until 2030. The document is the continuation of the Strategy 2013–2020, and will be implemented in cooperation with government agencies, civil society and international organizations. Its action plan aims to create the foundations for strengthening transparency in public administration processes, introduce preventive restrictions in the public service, establish responsibility for all corruption acts, and identify and prevent them. It also contains measures on the implementation of the provisions of the UNCAC. Several laws were amended to comply with UNCAC provisions, in particular the laws to counter corruption and on civil service, for the definitions of conflict of interest, public interest and personal interest. A training module titled “Global experience in combating corruption” was developed and is delivered to all public officials, in cooperation with development partners.</p>

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What	Why	How	Status	Findings
<p>5. Review and refocus the Competition regime</p>	<p>The antimonopoly agency lacks independence to deliver on its mandate. Important exceptions to antimonopoly rules are in place, and investors are subject to price-setting constraints.</p>	<p>I.E.1. Review existing exceptions to the competition rules; design effective complaint and remedy mechanisms, including an ombudsman; facilitate access to information about price regulation to firms.</p>	<p>○</p>	<p>Regularly, awareness raising campaigns are presented in the media. The national legislation nevertheless continues to have some gaps, including regarding solicitation, offers and promise of bribes. Also, some offences do not lead to the confiscation of illegally obtained assets, including exceeding official powers, illegal participation in entrepreneurial activity or provocation of a bribe. Finally, no specific measure to stimulate the work of the staff of the anti-corruption agency could be identified.</p> <p>I.E.1. The exceptions to the competition rules did not change since the IPR, and no change has happened in terms of complaint and remedy mechanisms. All decrees and resolutions of the Antimonopoly Service can be appealed in court. In practice, these disputes are usually not solved in favour of the private party, due to the lack of knowledge of judges and to the support provided to the State bodies decisions and resolutions in court. The Antimonopoly Service adopted a “Procedure for public discussion of draft tariffs for goods (work, services) of subjects of natural monopoly”. According to it, the draft tariffs for goods (work, services) of subjects of natural monopoly shall be considered and discussed with the public. In practice, no information about how this was effectively conducted is available, albeit sometimes these prices are publicized in the media, while they are not available in other cases. The website of the Antimonopoly Service does not provide such information.</p>

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What	Why	How	Status	Findings
		<p>I.E.2. Focus the antimonopoly agency's mandate on sanctioning anticompetitive practices and document its action; review the efficiency of the agency and consider refocusing its mandate on enforcing competition rules; build capacity of the agency and strengthen its resources; introduce the practice of publishing decisions and annual reports.</p>	<p>●</p>	<p>I.E.2. A new law on the protection of competition was adopted in 2017. It introduced more detailed definitions of key concepts, such as monopolistic activity and unfair competition, dominant position, types of limitation of monopolistic activity, types of anticompetitive agreements and concerted practices of the business entities, eligibility of vertical agreements, monopolistically high or low price, group of persons, affiliated persons, regulated markets, government acts and regulations directed to limit competition and types of unfair competition. The mandate of the Antimonopoly Service remains the same and its main effort is focused on the intervention in business activity through the regulation and fixation of minimal and maximal prices, and the cost of goods and services. The Service lacks the ability and readiness to limit or cancel the States authorities' decisions affecting competition. Finally, decisions and annual reports are not published.</p>
<p>6. Reconsider labour regulations</p>	<p>Labour regulations are in line with international practices but some aspects are not regulated clearly, and compliance with the International Labour Organization (ILO) Conventions has lagged. In particular, youth unemployment and other social concerns remain pressing.</p>	<p>I.F.1. Explore options for revising the Labour Code to extend tripartite consultations for the setting of the minimum wage and clarify the conditions for redundancy termination; improve compliance with ILO conventions.</p>	<p>●</p>	<p>I.F.1. The Labour Code was amended in 2022, mainly to introduce a new provision restricting certain persons to work with minors. No substantial change was made regarding the issues discussed in the IPR in 2016. A Resolution No. 701 "On approval of the General Agreement between the Government of the Republic of Tajikistan, the Federation of Independent Trade Unions of Tajikistan and the Association of Employers of the Republic of Tajikistan for 2021–2023" was adopted at the end of 2020. The draft of the General Agreement is attached to the Resolution.</p>

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What	Why	How	Status	Findings
		I.F.2. Move forward with reforms to implement the Decent Work Programme 2015–2017.	○	According to it, the Agreement was concluded, among other topics, to regulate social and labour relations, increase the income of workers, reduce unemployment, ensure a minimum social standard, protect rights and interests of migrant workers. No information is available on the participation of trade unions or any other representative of employees, or on tripartite consultations regarding issues related to the minimum wage and the conditions for redundancy. I.F.2. No information is available on the adoption of reforms for the implementation of the Decent Work Programme 2015–2017, with the exception of the documents mentioned above.
7. Modernize investment promotion efforts	Tajikistan has put in place the institutional structure for investment promotion, but the absence of an effective action plan to develop promotion functions hampers its effectiveness. TajInvest, the agency tasked with investment promotion, lacks sufficient resources. In particular, marketing and branding capability is weak. It is also not built on Tajikistan's comparative strengths. The adoption of specific targets would facilitate the establishment of performance measurement indicators.	II.A.1. Adopt an action plan to implement the Concept of the State policy for attraction and protection of investment. It should include the following action: – Selecting target sectors and activities based on attributes, locational and competitive advantages; – Identifying target markets and working to develop an investment product.	●	II.A.1. The Concept of the State policy for attraction and protection was adopted in 2012 and the Programme of State Investments for 2021–2025 in 2021. These documents present the main policies for the key sectors of the economy where investment is needed. They comprise: agriculture and irrigation, energy, transport, education and science, medical healthcare and social protection, labour, migration and employment. When preparing this Implementation Report, no investment promotion strategy or action plan, nor target markets or investment products could be identified. Investment promotion continues to be characterized by a general marketing approach that does not contain specific proposals and information. Typically, investment action plans include marketing, national branding and investor relations based on a detailed step-by-step assessment of the needs of the economy.

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What	Why	How	Status	Findings
		<p>II.A.2. Develop effective investment promotion functions with adequate resources (i.e. facilitation, marketing and investor targeting, research); in the longer run, TajInvest should also aim at developing investment aftercare.</p> <p>II.A.3. Strengthen marketing and branding activities by producing an investor-friendly website and other sector-based marketing materials; develop an investment product database to store, analyze and produce information; improve brand awareness.</p>	<p>○</p> <p>◐</p>	<p>In the absence of a strategy to coordinate the activities of the various investment-related entities, information addressed to investors is scattered and sometimes inconsistent, in particular for priority sectors.</p> <p>II.A.2. Investment promotion still relies mostly on traditional methods. The SCISPM and TajInvest engage in wide-ranging events (industry presentations, business forums, trade shows), welcoming of foreign delegations as well as bilateral meetings with potential investors. The SCISPM holds exhibitions, organizes trips for business delegations, and concludes cooperation agreements with other countries. Many events are organized by other State bodies. For example, the CCI regularly holds exhibitions in which the SCPSIM participates, engaging in further interaction with investors who have an interest in the country. Other entities, such as the Ministry of Agriculture, participate in activities relevant to their field of activity.</p> <p>II.A.3. Several websites provide information about investment opportunities in Tajikistan (including, investcom.tj, tajinvest.tj, investmentcouncil.tj). Unfortunately, information is scattered, making it difficult to get a uniform picture of investment opportunities in the country. Also, the information is often not available in any foreign language. The sites also provide information on the services investors can get. Since there are no services available online and no one-stop-shop, the services offered to investors presuppose their physical presence in the country.</p>

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What	Why	How	Status	Findings
		<p>II.A.4. Launch professional investor-targeting activities, including a lead tracking database.</p>	<p>○</p>	<p>Some other information is also available online, for example overviews of the country's economic performance or administrative procedures. Other marketing materials include presentations made at business forums or other events organized where investors are present.</p> <p>II.A.4. The structure of TajInvest has expanded since the completion of the IPR. In addition to the department for coordination of investment activity, for international relations department and the marketing and promotion unit, it now comprises four more departments –analysis and information, investment promotion and advancement, marketing and advertising, and development and analysis of investment projects. This structure could allow, if adequately staffed, to conduct investment targeting activities. However, the information provided showed that targeting specific countries or investors is not part of investment promotion efforts. To facilitate such efforts, the Agency in cooperation with other government entities, could establish and update regularly a pipeline of bankable projects in priority sectors.¹ The Agency also did not put in place a database identifying the contacts of potential investors.</p>

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¹ For example see the list of existing projects in hydropower, tajinvest.tj/en/investors/investment-projects/hydropower.



What	Why	How	Status	Findings
		<p>II.A.5. Upgrade investor facilitation services by adopting, within a single window system, clear procedures for handling enquiries and visits of investors; adopt a client charter (services agreement) detailing the services available and commitments on quality standards; prepare investor visits and post-visit follow-up activities.</p> <p>II.A.6. Introduce monitoring, evaluation and reporting mechanisms, including by setting input targets (e.g. number of meetings, business plans received) and output targets (e.g. number of projects secured, new jobs created); publish annual reports assessing the agency's performance</p> <p>II.A.7. Support FDI attraction to FEZs; adopt a coordinated approach by making TajInvest the entry point for all foreign investors; enable the Agency to offer its services to line ministries (e.g. mining, tourism, agriculture).</p>	<p>●</p> <p>○</p> <p>○</p>	<p>II.A.5. Article 23 of the IL provides for investment-related authorities to assist investors in accessing public services and for the creation of a one-stop-shop. To date, no one-stop-shop, either physically or online, has been established. TajInvest's website provides information on some business procedures. These procedures require the physical presence of investors and are not available online.</p> <p>II.A.6. The SCISPM periodically publishes on its website information about its investment activities, as well as on the FDI flows to the country. Up to now, no dedicated monitoring, evaluation and reporting mechanism is in place.</p> <p>II.A.7. TajInvest, the investment promotion agency, remains one of several entry points for investors. The FEZs are under the Ministry of Economic Development and Trade and while TajInvest and the SCISPM participate in the promotional efforts in this regard, they are not leading them. Other ministries and regional organizations also conduct their own investment promotion efforts.</p>

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What	Why	How	Status	Findings
8. Build absorptive capacities to improve attractiveness and increase the benefits of FDI	<p>In the context of growing international competition for investments, building absorptive capacities could influence Tajikistan's attractiveness and the potential benefits that can be obtained from FDI. Policies to promote skills, entrepreneurship and knowledge transfer are crucial to reap benefits in terms of increased employment, promotion of value chain and integration of domestic suppliers, and transfer of technology.</p>	<p>II.B.1. Enhance education and skills development systems, by conducting a periodical national skills gap survey, and improving multi-stakeholder consultations in the design of curricula; consider tax deductions for expenses relating to on-the-job training.</p> <p>II.B.2. Rationalize the quota system for foreign skills, including by creating a single application process for work visa and work permit, and revising the residence through investment scheme.</p>	<p>●</p> <p>○</p>	<p>II.B.1. No information could be identified regarding a national skills gap survey or improvement of multistakeholder consultations to design the curricula. Specific trainings are sometimes organized by government entities, for instance the Tax Committee on certain aspects of the legislation and explanations on changes. The latest version of the Tax Code does not provide for any deduction related to on-the-job trainings, and employers are still reluctant to provide training to employees.</p> <p>II.B.2. The single application process for work visa and work permit was not adopted, and the residence through investment scheme was not revised. Investment agreements or bilateral agreements on the implementation of joint projects may provide for specific provisions regarding access to foreign labour. However, these quotas are not always followed by the authorities.</p>

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What	Why	How	Status	Findings
		<p>II.B.3 Improve the 2012–2020 Programme for State Support for Entrepreneurship as follows:</p> <ul style="list-style-type: none"> – Identify country-specific entrepreneurship opportunities and challenges; – Promote a more extensive involvement of international financial institutions and the donor community in the implementation of the Programme; – Ensure that all aspects of enterprise development are well coordinated and that all relevant ministries are regularly consulted on policymaking decisions; – Consultations with the private sector should take place regularly; – Adjust SME classification to distinguish between micro and small enterprises; – Operationalize the programme of creating business incubators and technology parks. 	<p>●</p>	<p>II.B.3. Several efforts have been made in this area, although improvements are still possible. Reforms to implement the Programme have included, in particular, legal amendments and simplification of procedures. Some financial institutions and donors provide financial and institutional support to entrepreneurs, for instance the European Bank for Reconstruction and Development (EBRD) which supports local entrepreneurs by covering most of the expenses required to improve their business operations and accounting standards, as well as adopt international standards and new technologies. At the national level, the Government adopted a Resolution “On Action Plan of the Government of the Republic of Tajikistan to improve the investment climate in the industry, support industrial entrepreneurship and development of national production for the period 2016–2018” in 2016 and a Resolution “On Action Plan for the implementation of 300 days of reforms to support entrepreneurship and improve the investment climate in the Republic of Tajikistan” in 2019 (available in Tajik language). A State Enterprise Incubator was also established in 2018 with the aim to support start-ups and the development of SMEs through information, consultations, training, and financial and legal advice. In this context, a competition is regularly organized during which products are sold. The Business Incubator has five branches in Bokhtar, Kulyab, Khudjand, Khorog and Kanibadam.</p>

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What	Why	How	Status	Findings
		<p>II.B.4 Foster the teaching and dissemination of entrepreneurial skills, for example by adding entrepreneurship to the national curriculum and promoting the establishment of a world-class business school.</p>	<p>●</p>	<p>The executive state body of Dushanbe and SUE Smart City launched an initiative to establish the first information technology Park of the country, however it had not been launched at the time of writing this report. Finally, with regards to women entrepreneurship, the Rules for allocating grants to support and develop women's entrepreneurship for 2021–2025 were adopted in 2021. The Rules however do not target any specific sectors and is granted for only six months after which if the project is not implemented or the grant allocated is not disbursed, the projects is suspended, which seems very short.</p> <p>There are also no clear criteria for the grant allocation. Furthermore, other elements are still missing. Indeed, no clear information on specific entrepreneurship opportunities and challenges are available, and the Law “On state protection and support of the entrepreneurship” defines small, medium and huge entrepreneurship differently than the Tax Code, and would therefore require an alignment.</p> <p>II.B.4. The Tajik University of Law, Business and Politics remained the only one with specialized business education in the country. Others provide courses on the fundamentals of entrepreneurship and business, but entrepreneurship was not integrated in the school curricula.</p>

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What	Why	How	Status	Findings
		<p>II.B.5 Take more measures to ensure access to finance for SMEs, including by removing bottlenecks to collateralization and promoting financing through mechanisms such as factoring and leasing; strengthen capacity of the Enterprise Support Fund staff; improve the financial literacy of loan takers; set up a pilot project, including with the support of international financial institutions, for promoting the transformation of remittances into entrepreneurship financing.</p>	<p>●</p>	<p>II.B.5. Accessing finance remains a major bottleneck for SMEs, and the collateral mechanisms have not been modified. Mechanisms established included the State Entrepreneurship Support Fund put in place in 2013 to provide financial support for SMEs development in the manufacturing industry in remote areas of the country. The Fund was dependent on government subsidies, and specific programmes and projects implemented by development partners. It was converted to the State Unitary Enterprise Sanoatsodirotbank (Industry and Export Bank), which was granted operation licence in 2020². Finally, a National Financial Inclusion Strategy (2022–2026) was launched in September 2022 with the aim to accelerate the development of digital financial services, diversify the financial services offered by banks, support innovative financial services for SMEs and women entrepreneurs, spur the development of an integrated system for protecting the rights of financial consumers, and promote financial literacy and help people make more informed financial decisions³.</p>

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² See: asiaplustj.info/en/news/tajikistan/power/20210126/rahmon-approves-new-members-of-sanoatsodirotbank-board for more information.

³ See: pressroom.ifc.org/all/pages/PressDetail.aspx?ID=27183 for more information.



What	Why	How	Status	Findings
		<p>II.B.6. Promote a triple-helix approach in policy formulation and in the implementation of innovation policies, including by adopting a coordinated strategy for State support of innovation activities; involve universities in technology transfer; set up public-private innovation centres as well as business incubators through a dedicated PPP.</p> <p>II.B.7 Introduce a business linkages support programme between foreign firms and local suppliers.</p>	<p>○</p> <p>○</p>	<p>II.B.6. No policy or actions were taken with a view to implement a triple-helix approach.</p> <p>II.B.7. TajInvest and CCI deal with establishing business linkages between foreign firms and local suppliers. However, they are not proactive in this field and act on a case-by-case basis, when foreign companies apply for support.</p>

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