

REPORT

**SECRETARIAT OF THE BUSINESS
DEVELOPMENT AND INVESTMENTS
COUNCIL UNDER THE GOVERNMENT
OF THE KYRGYZ REPUBLIC
2018 ANNUAL REPORT**



Content

Introduction	1
Development of economic policy aimed at improving the country's investment climate	3
Identification of barriers through a broad consultation process	3
Development of economic policy aimed at improving the country's investment climate	4
Interaction of the Secretariat with Parliament and Regions.....	11
Interaction of the Secretariat with the Parliament of the Kyrgyz Republic	11
Interaction of the Council's Secretariat at the regional level	14
Other activities of the Investment Council's Secretariat	17
Analytical support to a process of public-private dialogue.....	18
Interaction with stakeholders	20
Communication and publicity	22
Evaluation of results of activities	24
Conclusion	0
Annex 1.....	2
Annex 2.....	0

Introduction

The Report presents activities and achievements of the Secretariat of the Business Development and Investments Council under the Kyrgyz Republic (hereinafter - ICS) in 2018. The IC was established in 2007 and during that period has shown its effectiveness in building a public-private dialogue (hereinafter - the PPD) in Kyrgyzstan as a leading platform coordinating efforts of the Government, business community, international partners and other stakeholders to improve an investment climate and business environment in the country.

In addition to its main objective in providing dialogue between the Government and business during 2018 the ICS also implemented a number of activities aimed at raising the capacity of business community, delivering consultative and analytical support to business associations and state agencies, strengthening interaction with the Parliament and development of PPD at the regional level.

ICS adheres to principles of transparency, inclusiveness and objectivity in its work.

The Secretariat of the Business Development and Investments Council

Daily activity of the Business Development and Investments Council is coordinated by the Secretariat of the Council and experts of the Secretariat perform the following duties:

- Experts of the secretariat hold regular working meetings with representatives of business associations, informing them about adopted decisions and their implementation.
- The Secretariat also constantly provides an opportunity to business associations, projects of international organizations to hold meetings to discuss problems of private and public sector.
- The Secretariat constantly provides its platform for meetings with the business community to all interested parties.

- Monthly monitoring of the taken decisions jointly with the Office of the Prime-minister of the Kyrgyz Republic
- Report to the members of the Council on implementation process
- Experts of the Secretariat participate at the working groups on improvement of investment climate and business environment
- Experts of the Secretariat of the Council held regular meetings with members of the IC to discuss agenda of the forthcoming meetings of the Investment Council, an implementation of the adopted decisions, and clarification on proposed topics for consideration by the Council.
- The Secretariat of the Council on a regular basis updates its website, as well as leads a page of the Investment Council in Facebook social network. All news and documents received are promptly posted on these resources, as well as announcements of events, news and achievements of the Council are sent the e-mail addresses of all association members.

Mandate

The Business Development and Investments Council is established under the Prime Minister of the Kyrgyz Republic and is a consultative-deliberative body under the Government of the Kyrgyz Republic responsible for developing and preparing recommendations and suggestions to the Government of the Kyrgyz Republic and other state agencies concerning problems of improving the business environment and investment situation in the Kyrgyz Republic and implementing projects necessary to accelerate the social-economic development of the country.

The working languages of the Investment Council are Russian and Kyrgyz. Simultaneous translation into English is provided.

Development of economic policy aimed at improving the country's investment climate

Identification of barriers through a broad consultation process

The work of the ICS in 2018 was based on the Work Plan of the Investment Council for 2018, adopted at a meeting of the Council on December 21, 2017 and based on proposals received from Council's members, government agencies and business associations. The work plan was formed on a basis of meetings with members of the Investment Council. It stipulates topics for the subsequent meetings of the Investment Council.

The work plan is based on 4 principles:

1. Continuous monitoring of an implementation of adopted decisions
2. Significance and relevance of raised issues
3. Feasibility of raised issues in the medium term
4. Problem setting by the business itself

The prepared plan includes both measures aimed at further improving an investment climate, as well as activities to implement specific projects. In general, the Council's work plan for 2018 includes 27 proposals from 13 business associations, ministries and international donor partners. At the same time, it should be noted that the Plan is flexible, and at any time it may be amended by a decision of any member of the Council. Most of the activities are included in the plan in order to continuously monitor an implementation of ongoing reforms.

The following 5 meetings of the council were held in 2018 for the topics indicated below.



Meetings of the Investment Council:

Main issues:

- | | | |
|---------------------|---|---|
| - April 4, 2018 | | - On development of tourism sector |
| - May 24, 2018 | | - Development of jewelry sector |
| - June 28, 2018 |  | - Access to EEU market |
| - October 17, 2018 | | - Simplification of procedures for installing base communication stations |
| - November 14, 2018 | | - Development of the compulsory insurance market |
| | | - Simplification of tax administration |
| | | - Construction sector development |

Development of economic policy aimed at improving the country's investment climate

Identification of barriers through a broad consultation process

During the reporting period, there were five IC meetings conducted to address the following issues:

1. Simplification of procedures for installing base communication stations
2. Development of the compulsory insurance market in the Kyrgyz Republic.
3. Suggestions to the Government Action Plan for 2018
4. Introduction of the online platform for entrepreneurs on the web-site of the Ministry of economy

5. Introduction of a moratorium on inspections of entrepreneurs
6. Introduction of virtual cash registers
7. On problems in circulation of products of the Kyrgyz Republic to the EEU market
8. On the liberalization of civil aviation
9. On strategy for development of the construction industry of the Kyrgyz Republic for 2019-2025
10. On the sale of gold and silver to domestic jewelers
11. Proposals of the business community to the Action Plan for 2018-2020 for the implementation of the Government program “Unity. Trust. Creation.”

Three meetings of the IC were held in the Government House and were chaired by the Prime-Minister and two outbound meetings were chaired by the Vice-Prime minister.

Simplification of procedures for installing base communication stations

One of the significant barriers for telecommunication operators to expand communication networks is the procedure for obtaining permits for the construction of communication facilities. Authorized state bodies consider communication facilities (base stations, antenna-mast structures), which are light construction objects, equally to capital construction objects (for example, multi-store complexes). As a result telecommunication operators have to go through the same complicated procedures for getting permits. The passage of procedures takes many months and requires significant costs, both from the operators and from the state bodies. It impedes the fulfillment of commitments to expand communication networks established by license obligations of operators.

The association of telecommunication operators initiated this issue on the Council's meeting in April 2018. They suggested introducing simplified procedure for getting necessary permits for communication facilities. As a result of Council's recommendation the State architecture agency together with representatives of Association of telecommunication operators developed changes to the Regulation for construction permits. According to new rules operators don't have to get and implement architectural and planning conditions but only engineering specifications. The process of getting necessary approval will be reduced to 10 days. The ISC moderated the process. The draft of the Government Decree was agreed with ministries and agencies and submitted to the Prime-minister office on July 4, 2018.

Development of the compulsory insurance market in the Kyrgyz Republic

A developed insurance market creates one of the foundations for sustainable economic development. As international experience shows, insurance can attract monetary savings of the population and organizations into the national economy and is one of the most stable sources of medium-term and long-term investments. Compulsory insurance is one of the ways to accelerate the development of the insurance system in the country. It also allows reducing budget expenditures upon the occurrence of natural and man-made losses.

In order to develop the insurance market in the Kyrgyz Republic, a number of laws on compulsory insurance were adopted including the Law “On compulsory insurance of residential premises against fire and natural disasters” dated July 31, 2015 No. 209. Representatives of insurance companies actively participated in the development of this law. However, during the adoption of the law in the Parliament, some changes creating discriminatory conditions for insurance organizations were made. In particular parliament members added a provision that only the State Insurance Organization may engage in compulsory insurance of residential premises, which contradicts rules on competition and ensuring equal conditions for business entities and insurance legislation. In addition the monopolization of the market for compulsory insurance of residential premises leads to an unacceptably high accumulation of risks for the State Insurance Organization. In the event of a serious disaster, the State Insurance Organization will go bankrupt, which will lead to a steady distrust of citizens to the entire insurance institution in Kyrgyzstan and the inability to develop the insurance market.

The association of insurance companies suggested raising this problem on Council’s meeting in April 2018. The Council recommended to the State agency on regulation of financial market to develop necessary changes to legislation in order to provide access for non-state insurance companies to the compulsory insurance of residential premises. The agency together with association of insurance companies prepared the draft of the Government Decree, agreed it with ministries and agencies and submitted to the Prime-minister office.

Introduction of the online platform for entrepreneurs on the web-site of the Ministry of economy

On Council's meeting in June 2018 business suggested creating an online platform where entrepreneurs could get necessary information more operational and transparent. Ministry of Economy has developed an online platform that allows submitting electronic appeals to the ministry. All submitted appeals and responses to them are visible on the site to all users. The system also gives the possibility to assess the quality of answers from the Ministry.

Introduction of virtual cash registers

Changes were made to the legislation of the Kyrgyz Republic in 2016, obliging entrepreneurs to gradually move to cash registers, from which information on cash payments will be transmitted online to the State Tax Service.

Representatives of the business community have repeatedly raised the issue that all costs of switching to new cash registers that meet the requirements of the Tax Service are borne by businessmen. As an alternative, entrepreneurs proposed the introduction of virtual cash registers, for which cell phones or computers can be used after software installation.

As a result of consideration of this issue at a meeting of the Council in October 2018, government agencies developed technical requirements for virtual cash registers, agreed with the business community.

On problems in circulation of products of the Kyrgyz Republic to the EEU market

With the entry of Kyrgyzstan into the EAEU in 2015, many domestic enterprises were not ready to work in the new conditions according to the EAEU requirements. The facts of return of agricultural products of domestic producers from the EAEU member countries have become more frequent. Thus, in January 2018, the Municipal Office of Mordovia urges residents of the region to limit the purchase of food products manufactured in Kyrgyzstan due to the fact that dairy products, confectionery, sausage and meat products do not meet the requirements. The Ministry of Health through negotiations with Rospotrebnadzor of Mordovia found out that this was erroneous information and this information was removed from the official site of Rospotrebnadzor.

Based on the results of consideration of this issue, the following decisions were taken at the Council meeting:

- The Ministry of Agriculture, Food Industry and Land Reclamation to develop procedures for conducting veterinary and sanitary examination of unprocessed animal products in accordance with requirements of technical regulations of the EAEU. On this issue, the Order “On approval of acts in the field of veterinary-sanitary examination” has been developed by the Veterinary Inspectorate, which is published on the Government website and sent for examination to the Ministry of Justice.
- The Ministry of Health to submit to the Government a draft decision of the Government on maintaining a register of production facilities for production of food products not subject to state registration. On this issue, the Ministry of Health has developed a draft resolution, which has been submitted to the Government Office for approval.
- Veterinary Inspectorate to finalize the official website to inform the public about the requirements of technical regulations and other documents of the EAEU. The State Inspectorate has published a list of EAEU documents on its website.
- Ministry of Economy to make proposals to attract trainers to train local entrepreneurs on export products. The Ministry of Economy together with the business community decided to organize training with the involvement of experts from government agencies and the business community.

On the liberalization of civil aviation

Development of the “open sky” regime of the Kyrgyz Republic has been discussed for many years. This question has been repeatedly submitted by the business community. However, local airlines were against the "open sky" as it was supposed to create strong competition to local airlines. Despite the fact that the “open sky” would allow to increase passenger traffic, it would positively affect both the economy of the country and the development of the tourism industry. Such a confrontation was accompanied by the position of the Ministry of Transport of the Kyrgyz Republic that the state may lose its civil aviation due to the fact that local companies cannot compete. Based on the results of many meetings and discussions, the Ministry of Transport changed its negative position and the Government of the Kyrgyz Republic adopted the Step-by-Step Plan for the Development of Civil Aviation through the liberalization of the air transportation market, where one of the measures was the provision of the 5th degree of "freedom

of air" ("open sky") by the Kyrgyz Republic. At a meeting of the Council, when considering this issue, the following decisions were given:

- The Ministry of Transport of the Kyrgyz Republic to complete implementation of the Plan, including the adoption of the Law of the Kyrgyz Republic on the introduction of the 5th degree regime of "air freedom". This Law was adopted by the Jogorku Kenesh of the Kyrgyz Republic on December 6, 2018.
- The Ministry of Foreign Affairs to conduct negotiations with foreign airlines on opening flights to the Kyrgyz Republic. Since April 2018 Air Arabia has been considering the issue of opening an air route Sharjah-Bishkek-Osh-Sharjah. Work is underway with the airline "Aeroflot" to open a regular flight Moscow-Osh-Moscow.

On strategy for development of the construction industry of the Kyrgyz Republic for 2019-2025

For many year in the country there was no any strategic document providing the main directions of development in construction industry. The strategy is designed to identify the main and priority areas for the development of the construction industry, which is fundamental to the development of the country's economic potential. Accordingly, for many year construction industry was developing in a chaotic state.

In this connection, according to the request of Business Associations State agency developed and submitted to the Government KR a draft Strategy on development of construction industry of the Kyrgyz Republic for 2019-2025 by December 31, 2018 at the meeting of the Council.

On the sale of gold and silver to domestic jewelers

One of the problems of the jewelry industry in Kyrgyzstan is its excessive regulation. Thus, the products of jewelers of the country fall under the branding. Business associations raised the issue of exemption from branding lightweight gold products weighing up to 1 gr. and silver-up to 3 gr., as well as exemption from branding products for export. In addition, the business associations raised the issue of exemption of gold cash registers from an obligatory procedure for refining of placer gold. As a result, at the meeting of the Council decisions were made:

- The Ministry of Finance to submit to the Government Office of the Kyrgyz Republic a draft law which provides for a release of entrepreneurs from testing, analyzing and branding by government stamp of lightweight jewelry. Currently, the Ministry of Finance has sent draft law for approval to the state authorities.

- The Industry Department of the Government Office of the Kyrgyz Republic to submit for signature to the Prime Minister of the Kyrgyz Republic a draft resolution providing for the exclusion of gold cash registers from an obligatory procedure for refining of placer gold. This draft resolution was submitted for signature to the Prime Minister of the Kyrgyz Republic.

- The Ministry of Finance of the Kyrgyz Republic to complete the procedure of intra-state approval by December 15, 2018 and send to the Eurasian Economic Commission a draft Agreement providing for mutual recognition of branding. The Ministry of Finance has completed the procedure of intra-state approval and sent a draft Agreement to the Eurasian Economic Commission.

Proposals of the business community to the Action Plan for 2018-2020 for the implementation of the Government program “Unity. Trust. Creation.”

After the change of Government in April 2018 the new Government in accordance with requirements of Constitution presented its program that was approved by the Parliament. During May-June 2018 the Secretariat organized the collection of proposals from business-associations to be included into the Government Action Plan. In total business associations submitted 20 proposals, of which 6 were included into the Action Plan that was approved by the Government Decree in August 2018.

The following proposals are included in the Action Plan:

1. Problems in the poultry industry;
2. Simplification of statistical reporting for business entities;
3. Organization of a permanent exhibition of light industry of the Kyrgyz Republic on the territory of the VDNKh in Moscow;
4. On the harmonization of customs legislation of the EAEU and the Kyrgyz Republic;
5. Promotion of the draft resolution of the Government of the Kyrgyz Republic “On amendments to the Resolution of the Government of the Kyrgyz Republic

“On approval of the Temporary Regulations on the procedure for issuing permits for the purchase of placer gold and gold-bearing concentrate in the Kyrgyz Republic” dated December 29, 2015 No. 894”;

6. Promotion of the draft Law of the Kyrgyz Republic “On Precious Metals and Precious Stones” and the draft resolution of the Government of the Kyrgyz Republic “On certain issues in the field of operations with precious metals and precious stones”.

Interaction of the Secretariat with Parliament and Regions

Interaction of the Secretariat with the Parliament of the Kyrgyz Republic

As a consistent policy of the previous years, the Secretariat of the Investment Council in 2018 continued active interaction with the Parliament and performed the following duties to strengthen the public private dialogue with involvement of the Parliament of the Kyrgyz Republic.

Parliamentary coordinator of the IC has participated at the Round Table on introducing electronic fiscalization. The Round Table was organized by the Parliament profile committee on fiscal and economic policy. The main objective was to explain and discuss draft law on electronic fiscalization, which means introduction of e-invoices, electronic VAT records and claims, as well as electronic tax patents. The business community has welcomed new initiatives, however raised few concerns about e-invoices. As a result of the meeting and on the base of the business community’s proposals there were amendments for the draft law elaborated. Further the draft law was registered and passed approval procedures in the Parliament.

In order to strengthen cooperation with Business and entrepreneurship development council under the Speaker of the Parliament of the Kyrgyz Republic, the IC has signed Memorandum of Understanding and Cooperation. The main objective of the MoU is to build closer cooperation between two Councils aimed at raising efficiency and avoiding duplication and misunderstanding within business communities and partners.

IC is continuing actively participate at the working meetings of the Expert consultative council under the Parliament committee on economic and fiscal policy. The Parliament coordinator of the Investment Council as a member of the

Expert consultative council is regularly participating at the working meetings. The meetings are chaired by deputy chairperson MP Asylbaeva. The issues on the agenda were as the following: letter of appeals from business companies, new draft laws on Tax Code, argues between tax inspection and private companies, discussion of the draft Code on non-tax incomes, discussion of draft law on outsourcing, letters of appeals from private companies, draft law on customs regulation, transfer of social insurance payments from Social fund to the State Tax Inspection, draft law on state social insurance.

As a follow up of the cooperation with MP Baipakbaev, the IC has organized and conducted working meeting of representatives of business community with MP Baipakbaev. The main agenda of the meeting was to define and discuss proposals on further improvement of the investment climate in Kyrgyzstan. As a result, all proposals were finalized and submitted for further consideration as amendments for the package of draft laws submitted earlier.

The Parliament profile committee on fiscal and economic policy has organized and conducted Parliament hearings on the new draft law on Public Private Partnership. The current law on PPP was redesigned taking into consideration experience, advantages and bottlenecks of the first PPP agreement signed between Ministry of Healthcare of the KR and German private enterprise. As a result of the hearings with participation of business community, expert society and international partners, the draft law was discussed; new amendments developed and draft law was approved for further legislative procedures.

The Business Council under the Speaker of the Parliament has conducted meetings in the Parliament chaired by the Speaker of the Parliament. Parliament coordinator of the Investment Council is regularly participating at the meetings in the Parliament. During the meeting participants discussed law on internal trade, introduction of the “open sky” policy, as well as obligatory insurance of residential housing. In addition some barriers for the enterprises operating as subjects of the Free Economic Zones were discussed as well. Other issues such as regulatory impact assessment practices of the legislative process, as well as problems of the jewelry industry in Kyrgyzstan were raised.

The IC together with other business associations has participated at the working meeting organized by the Chamber of Commerce and Industry of the Kyrgyz Republic. The main objective was to discuss initiative of the Government on new draft law on normative and legislative procedures. The new initiative of the

Government has raised a lot of concerns of the business community. Later the joint appeal letter from Investment Council and Business associations to the President, Government and Parliament of the Kyrgyz Republic was issued. The main request of the letter was to cancel new initiative of the Government providing amendments to the legislative process. As a result of the appeal letter and conducted working meeting with stakeholders the Government terminated initiative of new draft law.

The IC has distributed letters to all Members of Parliament providing information on Regional Investment Councils. MPs were invited to take part at the regular meetings of the Regional Investment Councils. Some of MPs responded and expressed their interests to participate at the meetings of RIC in the regions. The Parliamentary coordinator has met with MP Karimov to discuss participation of MPs in the RIC meetings.

The Parliament profile committee on fuel energy and mining industry has conducted Parliament hearings on the new draft law on renewable sources of energy. Parliamentary coordinator has participated together with representatives of the Association of small hydro power plants and Association of renewable sources of energy. As a result of active discussions, participants agreed to elaborate amendments to the draft law and further submit for plenary discussion.

As a follow up of the meeting in the Parliament, the Business council under the Speaker has organized Round Table on Open Sky policy. The key stakeholders from the Government, Parliament and business community have participated and discussed initiative on introduction of Open Sky policy for Kyrgyzstan. The Ministry of Transportation informed that in frame of commitments of the Investment Council meetings the Government's decree was signed and amendments for the Air Code submitted to the Parliament.

During the Parliamentary summer holidays Parliament coordinator has conducted few meetings with Members of Parliament. There were meetings with the following MPs: Tulendybaev Parhat, Asylbaeva Gulshat, Nazarov Aitmamat, Ryspaev Kojobek, Altybaeva Ainuru, Baipakbaev Ekmam, Karimov Nodirbek. The main agenda of the meetings was discussion of the general cooperation with the Investment council as well as current legislative initiatives.

In 2018, as a follow up of the initiative in 2017, the regular monthly issue of the electronic digest "Parliament Initiatives" was developed and distributed. As total 12 issues of Parliament Initiatives were developed and distributed among business

community in 2018. The main objective of the digest is to provide information on current ongoing initiatives in the Parliament on legislation affecting the business environment and investment climate. The legislative initiatives will cover just newly registered draft laws, laws in the process of hearings within the profile committees and already approved and signed laws. In addition all issues of the Parliament Initiatives are publishing through the Investment council web-site and social media.

Interaction of the Council's Secretariat at the regional level

As part of the Year of Regional Development, announced by the President of the Kyrgyz Republic, the Investment Council is working to improve the investment climate of the regions through the introduction of public and private dialogue platforms.

We believe that regional platforms for public-private dialogue (regional investment councils) play an important role in building interaction between the authorities and entrepreneurs in the field in order to create the region's investment attractiveness, but also, ultimately, in solving important public tasks. First of all, it concerns such a problem as the inefficiency of public administration, namely the existence of a gap between the "good" laws adopted by the authorities and their implementation in practice.

It's no secret that many entrepreneurs work in the "shadow" because of difficulties in administering laws, because of unclear interpretation of legislation and excessive bureaucratization, as a result of which corruption is growing - it is easier for an entrepreneur to pay a bribe to an official than to comply with the law, to carry out the necessary procedures. There are different mechanisms for solving these problems, both economic and organizational mechanisms.

One of the tools is the organization of a dialogue between the government and businessmen. Without creating a feedback between the central government and regional state structures, between the authorities and the business community, it is impossible to find out which laws do not work, what hinders their implementation, what could be improved.

Investment councils have been created to address the issue of organizing a dialogue in all regions of the country. These are advisory bodies under the plenipotentiaries of the Government of the Kyrgyz Republic in the regions. It is

very important that, firstly, the plenipotentiary representatives themselves are personally interested in the work of investment councils, understand the need for such a platform to form the investment attractiveness of the region entrusted to them, and that such a dialogue with the business will help to better understand the problems of entrepreneurs, find solutions to solve problems and form proposals for the government to improve business laws. Secondly, it is equally important that the business be interested in participating in the work of investment councils. To do this, there must be motivation, and the main motivation should be the solution of issues raised by the business to improve the business environment in the region and in the country as a whole. The effective work of the regional investment councils will give impetus to the overall improvement in public administration in creating conditions for doing business in the Kyrgyz Republic.

The President of the Kyrgyz Republic Sooronbay Zheenbekov, being the PM of the Kyrgyz Republic, instructed (protocol of the Business Development and Investment Council at the CAP of 2017) to create a PPD platforms in all oblasts of the Kyrgyz Republic.

Currently, regional investment councils are established in each oblast. Councils in Naryn, Osh, Issyk-Kul regions work on a permanent basis. Recently, the Councils became more active in the Chui and Jalal-Abad regions. Unfortunately, the Councils in the Batken and Talas oblasts so far exist formally. From 2019, PPD expert will actively work with these oblasts. Detailed information on meetings of the RIC in oblasts is provided in Annex 2.

Local secretaries and his team play an important role in the work of the regional investment councils. At the beginning of this initiative, due to lack of funding, the role of the secretariat was performed by the regional development departments of the Office of the Plenipotentiary Representative of the Government in the regions, the Secretary was the head of the department. But in the course of work, it became clear that the departments could not cope with the additional work of organizing the work of investment councils in the region.

ICS has begun to attract international development partners for the implementation of public-private dialogue in the regions. Thus, with the support of the IFC project, active works have been implemented to consolidate the business community of the Issyk Kul region by the different sectors. Currently, more than 10 sectorial committees have been organized: gardeners, tourism, livestock breeders, etc. <http://shady11.github.io/sovet/about.html> (web site is under the

construction), <https://www.facebook.com/businessunionissykkul/>

The USAID BGI project funded the activities of the Coordinators of the Naryn and Osh oblasts. Negotiations are underway with donors to support the Secretaries- Coordinators of other areas. Also, attempts are being made to determine the sustainability of the work of the Councils, by financing the activities of the Secretariats at the expense of the business itself.

As part of the methodological work, together with the IFC project, a manual on public-private dialogue for regional investment councils was issued.

This manual presents the basic principles of public-private dialogue and the procedural features of its organization at the regional level. It used both international experience and the experience of organizing the work of the IC of the Kyrgyz Republic.

The relevance of the publication of such a guide is due not only to the need to build interaction between the government and local businesses to create investment attractiveness of the region, but also, ultimately, to solve important state tasks. First of all, this concerns such a problem as the inefficiency of state administration, namely, the existence of a gap between the “good” laws adopted by the authorities and their implementation in practice.

This guide was developed for employees of regional state administrations, employees of local self-government, members of regional business associations for organizing and managing public-private dialogue sites in the regions. It provides an overview of the goals, objectives, structure and process of the implementation of public-private dialogue to improve the business environment and investment climate in the regions of the Kyrgyz Republic.



Other activities of the Investment Council's Secretariat

1) Open Government Partnership:

In 2017 Kyrgyzstan has joined the International initiative Open Government Partnership (OGP). The main objective of the OGP is to provide transparency, accountability and civil participation through the active cooperation of public and civil societies. The IC is actively involved into the OGP initiative mainly representing initiatives and ideas of the business community aimed at building friendly business environment and attractive investment climate in Kyrgyzstan. Thus, the IC has organized working meeting with representatives of business associations in order to present OGP initiative. Representative of the OGP secretariat Bakyt Satybekov has provided OGP presentation with objectives, principles and main working approaches of the initiative. IC proposed more proactive involvement of the business community in OGP initiative. As a follow up IC has distributed information to all business associations and invited to propose initiatives for the National Action Plan in frame of the OGP initiative.

Keeping active role in representing private sector within the OGP initiative the IC has conducted meeting of the business associations and members of the OGP Coalition. The main objective of the meeting was to discuss and elaborate proposals for the National Action Plan committed to strengthen business environment and improve investment climate in Kyrgyzstan. As a result of the meeting participants agreed to define and submit proposals to the OGP Secretariat. In addition, the final set of proposals was submitted to the Government of the KR as well as disseminated among the mass media.

Later, with the decree of the Prime minister of the KR #226 dated 27 June 2018 the OGP National Forum was established with tasks to develop National Action Plan. The IC has proposed nine initiatives to be included into the OGP National Action Plan, two of which were selected and included into the final Plan. The initiatives for the OGP National Action Plan consider raising transparency of the law making procedure through more proactive involvement of the civil society and private sector into the discussion of the draft laws. The second initiative of the IC is considering access to the data of the state owned enterprises, through inventory and publishing on open source web sites.

In order to keep close cooperation the Secretariat of the IC and the Secretariat of the Open Government Partnership Initiative has signed the Memorandum of Understanding and Cooperation on increase of transparency, responsibility, accountability and efficiency of the state organizations interacting with business community of the Kyrgyz Republic. The main objective of the signed document is to improve cooperation between parties of the MoU on legal aspects regulating business environment, as well as raise awareness of the stakeholders on importance of the Open Government Partnership Initiative's mission and objectives.

In October the Kyrgyz Government has organized presentation of the final OGP National Action Plan for state organizations, civil society and business associations. The Prime minister has presented National Action Plan and submitted letter of appreciation to the organizations who actively contributed to the development of the plan. The IC received letter of appreciation from the Government of the KR.

Analytical support to a process of public-private dialogue

In 2018 the ICS implemented different kinds of analytical work including organization of practical scientific conferences, analytical publications, participation in different working groups, preparation of analytical materials for business-association and government agencies and others.

- In 2018 the IC in cooperation with the Kyrgyz Russian Slavonic University has conducted International Scientific Conference “Eurasian perspectives: new sources of the economic growth”. In frame of the conference the IC has developed and published digest of analytical articles, covering practical analysis and overview of the economic cooperation of EAEU countries including analytical article prepared by ISC experts “Kyrgyzstan in the EEU: problems of adaptation and opportunities for growth”
- As a follow up of the decision of the IC meeting, the IC in cooperation with Bishkek Business Club has conducted analytical research on development of criteria for the business associations involved in the process of Public Private Dialogue. The additional task of the research was development of Road map on strengthening of the business associations. In frame of the research 62 business associations were questioned and on the base of results number of recommendations elaborated.

- ICS experts participated in the working groups on improvement of Doing Business Indicators in the Kyrgyz Republic, on creation of Business-Ombudsmen Institute, on development of Anticorruption Plan for the Kyrgyz Republic/
- Upon the request from the National Council on Sustainable Development the ICS prepared suggestions for the improvement of investment climate and PPD in Kyrgyzstan that were included in the National Development Strategy 2018-2040/

Interaction with stakeholders

Determination of members of the Investment Council from International Institutions

According to the Council's Provision, international donor organizations select Council members from international institutions at a donor council for every two or three meetings of the Council. Members of the Council from donor organizations are currently representatives of the Asian Development Bank and the Embassy of the Federal Republic of Germany in the Kyrgyz Republic. In order to raise awareness and more proactive involvement of international development partners into IC's activities Secretariat invites the representatives of donors' community to the regular meetings of the Investment Council with the role of observers. In 2018 the representatives of EU delegation, OSCE, JICA, USAID, DFID, Aga-Khan Foundation, UNIDO took part at the meetings of the Council in addition to the members of the Investment Council from international institutions. The Secretariat of the Council together with other projects on improving the investment climate and business environment continues the work of the Working Group on donor's coordinating group in order to improve an investment climate and the business environment. Four meetings of the group were held in 2018.

Cooperation with the Ministry of Economy of the KR and UNDP

Ministry of economy of the Kyrgyz Republic and UNDP project "Capacity building for sustainable development financing in the CIS region" is realizing project on Sustainable development projects Fund. At the first meeting of stakeholders there was presentation of Sustainable development projects Fund, as well as selection members of the Oversight council on selection of perspective projects for further support from Fund. The IC has become member of the Oversight Council. As a follow up of the working meeting in the Ministry of economics, IC in cooperation with UNDP have conducted information awareness

meeting on newly founded Sustainable development projects Fund. The main objectives of the meeting were presenting and discussing information on Sustainable development projects Fund for business community representatives. The key activity of the Fund is to increase access for financing of the business development, expanding of production, acquisition and modernization of equipment, implementation of new technologies, innovation activity and launch of new enterprises, as well as increase occupancy level and number of jobs.

Cooperation with the Asian Professional Education Network (APEN)

As a follow up of the 2017 APEN activity the IC continued working with local beneficiaries and stakeholders in order to promote implementation of APEN initiative in KG. There were meetings with educational institutions, as well as government representatives. The official request for support letter was obtained from the Government and submitted to JICA for consideration. Moreover IC has conducted negotiations with JICA local office and APEN office in Japan. The IC will further follow up on APEN initiatives implementation in KG.

Cooperation with Department for International Development (DFID)

The IC has actively cooperated with the DFID funded “Support for Jogorku Kenesh” project implemented by the Palladium Group. In frame of the cooperation, IC jointly with SFJK project has been actively working on thematic experts meetings covering issues on tourism industry, sewing industry, internal trade and others. Moreover IC and SFJK joined efforts to efficiently outreach business environment improvement issues to the Members of the Parliament and state organizations of the KR.

Cooperation with UNIDO

The IC jointly with UNIDO presented the Draft of Industrial development strategy to the business community, ministries and Parliament representative.

Communication and publicity

Web-site and page in social media

The IC Website (www.investmentcouncil.kg) has been managed by the Secretariat since - its launch in February 2007 and was updated twice. The web-site was launched with financial support of OSCE and USAID. The website provides essential information about the Investment Council such as IC meetings (agenda, minutes of meeting, PPT presentations, technical notes etc.), press releases after every IC Meeting, IC & Secretariat's activities such as important meetings with stakeholders and focus group meetings, publications in the media, etc. in English, Russian and Kyrgyz languages.

The IC also created the Facebook page (Investment Council) to update the followers on different activities of the Investment Council. The page has 1392 followers and actively reposted, which allow widening the number of readers.



Media appearance

All meetings of the Investment Council are open for mass media and widely covered in mass media. Secretariat of the IC actively cooperates with the Press-

secretary of the Office of the Government to prepare the analytical articles, news and TV-programmes with involvement of the experts of the Secretariat.

Links to some of the published articles:

On the importance of Chinese investment for the development of the economy of Kyrgyzstan

<https://ru.sputnik.kg/Radio/20180910/1041048195/otnoshenie-k-kitayu-v-kyrgyzstane.html>

The single market of EEU services: opportunities and challenges for Kyrgyzstan

<https://kaktakto.com/analitika/edinyj-rynok-uslug-eaes-vozmozhnosti-i-vyzovy-dlya-kyrgyzstana/>

Mechanisms for coordinating the macroeconomic policy of Kyrgyzstan within the EEU

<https://kaktakto.com/analitika/mexanizmy-koordinacii-makroekonomicheskoy-politiki-kyrgyzstana-v-ramkax-eaes/>

Tax policy of the EEU. Advantages and disadvantages for taxpayers.

http://www.abc.kg/ru/analysis/articles/3409_nalogovaya_politika_eaes_plyusy_i_minusy

Kyrgyzstan 2018: Results of the Year

<http://center.kg/video/89>

Evaluation of results of activities

Direct performance evaluation

The Work Plan of the Investment Council for 2018 was developed and approved at the meeting of the Investment Council dated December 21, 2017. In general, the Council's work plan for 2018 included 27 proposals from 13 business associations, ministries and international donor partners.

During 2018 5 meetings of the Investment Council were conducted. Three meeting of the IC were held in the Government House and were chaired by the Prime-Minister and two outbound meetings were chaired by the Vice-Prime minister. Deputies of the Jogorku Kenesh, members of the Investment Council took an active part at the regular meetings of the Investment Council. (number of deputies who took part in meetings of the Invest Council - 2 people in each of 4 meetings).

About 25 roundtables, seminars, conferences with the participation of state structures, business and international partners were organized and conducted in 2018, with an assistance of the Secretariat of the Council.

More than 14 normative legal acts, strategies and concepts on decisions of the Council with the participation of the Secretariat of the Council have been prepared and adopted. More than 84 normative legal acts with assistance of the Council for over 10 years were adopted based on decisions of the Council. In general, 37 working groups were created during an existence of the Council to resolve various issues brought up in decisions from the Council's meetings.

There were regular meetings and negotiations with members of the parliament during the year on improving the business environment and the investment climate (the total number of individual meetings and negotiations - more than 15).

Cooperation with the Council for the Development of Entrepreneurship and Business under the Speaker of the JK continued (signed the Memorandum of Cooperation, meetings with new leadership of the Secretariat and mutual participation in meetings of the Councils, 3 meetings of the Council for the Development of Entrepreneurship were held in 2018).

Participation in the RIC meetings in Osh (2), Naryn (2), Jalal-Abad (2), Issyk-Kul (2), Chui (2) oblasts (a total of 10 meetings were held in 2018). The following issues were raised at these meetings: improving the efficiency of government bodies in the regions (5 issues), improving the infrastructure for doing business (5 issues), regulatory and audit issues (3 issues), organizational issues for doing business (2), interaction with projects of international partners (4 issues).

In 2018 the ICS implemented different kinds of analytical work including organization of practical scientific conferences, analytical publications, participation in different working groups, preparation of analytical materials for business-association and government agencies and others.

Conclusion

Over the ten years of its work, the Council has established itself as an effective institution for dialogue between the state and business, and made a significant impact in improving the business environment in the Kyrgyz Republic. In all, 65 business associations are currently members of the Council, uniting more than 2,000 companies and enterprises in various sectors of the economy. The development level of the business community has grown extensively over the years of the Council's work, as noted by observers. The Secretariat of the Council succeeded in consolidating business associations due to dynamic and flexible responses to the requests of the business community. An important activity of the Secretariat of the Council is an expansion of activities in regions to establish a dialogue between local authorities and the business community. A development of regional dialogue platforms strengthens a potential of the local business community, fosters creation of business associations, helps to establish feedback loop between the government and the local community.

The Secretariat will continue its work to strengthen business associations and expand their representation as members of the Council from the business community, to participate in the PPD both at the national and regional level, and to perform analytical work for business associations through an involvement of specialists and provision of training.

One of the main factors in effective work of the Secretariat is a well-established procedure for organizing PPD, primarily reporting to the business community on an implementation of the decisions of the Council. The Secretariat of the Council will continue to monitor previously adopted decisions of the Council and will promote current business requests, demonstrating openness of the PPD platform.

The Secretariat continues a process of interaction with the country's parliament to expand PPD capabilities, involving parliamentarians in the Council's activities, and

organizing interaction between parliamentarians and the business community on draft laws that affect the business environment.

The Secretariat of the Council will strengthen its work with international partners in order to deepen their involvement in supporting the business community, especially in the regions of the country.

Annex 1.**2018 Main results of work of Business Development and Investment Council
under the Government of the Kyrgyz Republic**

Regulatory legal acts adopted based on initiatives and /or with participation of the Business Development and Investment Council under the Government of the Kyrgyz Republic in 2018

1. The Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts of the Kyrgyz Republic (to the Laws of the Kyrgyz Republic“ On External Labor Migration”, “On the Licensing System”, “On State Duties”)” from March 14, 2018, No.29 (**simplification and improvement of procedures for obtaining permission to hire highly qualified foreign labor**). The issue was considered at a meeting of the Council on June 23, 2017.
2. The Law of the Kyrgyz Republic on Amendments to Certain Legislative Acts in Implementation of the **Electronic System of Taxation Procedures** from April 13, 2018, No.39. The issue was considered at a meeting of the Council on October 11, 2016 (**the concept of on-line data transmission was introduced, implementation mechanism is currently being developed, the by-laws are being prepared**).
3. The Law of the Kyrgyz Republic on Amendments to the Tax Code of the Kyrgyz Republic from August 4, 2018, No. 86 **on introduction of virtual cash registers**. *The issue was considered at a meeting of the Council in October 11, 2016.*
4. The 2018-2040 National Development Strategy of the Kyrgyz Republic, approved by the Decree of the President of the Kyrgyz Republic from October 31, 2018, Order of the President No.221. ***The proposals of the business community collected by the Secretariat of the Council were included in the National Strategy.***
5. A Decree of the Government of the Kyrgyz Republic “**On Regulation of Private Veterinary Practices** in the Kyrgyz Republic from January 15, 2018, No.17 (in approval process: provisions on a procedure for implementing private veterinary practices in the Kyrgyz Republic; procedure for registering / re-registering and maintaining the Registry of veterinarians and para-veterinary specialists in the Kyrgyz Republic; on delegation of certain state powers in the area of veterinary medicine). ***The issue was discussed at the meeting of the Council on June 27, 2014***

6. The 2018-2020 National Action Plan for building of the Open Government Partnership (OGP) in the Kyrgyz Republic was approved by Government's Decree from October 16, 2018, No.360-r. The Secretariat of the Council officially joined the OGP initiative on January 31, 2018. ***Business proposals are included in the National Plan to build Open Government Partnership in the Kyrgyz Republic.***
7. A Decree of the Government of the Kyrgyz Republic "On Recall of the Draft Law of the Kyrgyz Republic" On Normative Legal Acts of the Kyrgyz Republic "No. 231 from May 14, 2018. This issue was discussed in March of 2018 at the Secretariat of the Council meeting with a participation of the business community and the Justice Ministry. ***An appeal was made, as a result, to the Government with a request to withdraw the law due to the fact that proposed changes increase a regulatory burden on the business.***
8. A 2018 Plan of activities of the Government of the Kyrgyz Republic to implement the Program of the Government of the Kyrgyz Republic on "Unity. Trust. Creation", approved by the Government of the Kyrgyz Republic, No. 413 from August 30, 2018 (entered into force after its official publication on October 9, 2018). This issue was considered at a meeting of the Council on June 28, 2018. ***The proposals of the business community were included in the Action Plan of the Government of the Kyrgyz Republic.***
9. A Decree of the Government of the Kyrgyz Republic "On Approval of the Draft Law of the Kyrgyz Republic "On Amendments to Certain Legislative Acts of the Kyrgyz Republic in the construction field" (introduction of stage-by-stage design and construction), No. 584 from December 17, 2018. ***The proposal of the business community for parallel construction and design was approved by the government and sent to parliament.***
10. A Decree of the Government of the Kyrgyz Republic "On introduction of a temporary ban (moratorium) on conducting inspections of business entities" from December 17, 2018, №586. ***The issue was considered at a meeting of the Council on June 28, 2018.***
11. A Decree of the Government of the Kyrgyz Republic "On measures to transfer the functions of administering insurance contributions for state social security", No. 648 from December 31, 2018. The issue was initiated at a meeting of the Council on May 26, 2011 and was repeatedly considered at meetings of the Council. ***The functions of administering insurance contributions for state social security were transferred from the Social Fund to the State Tax Service.***
12. A Decree of the Government of the Kyrgyz Republic "On the official person for the protection of rights of business entities (Business Ombudsman)". The issue was considered at a meeting of the Council on June 28, 2018. A

Government Resolution, on the establishment of a position of business ombudsman was adopted on December 31, 2018.

13. A Decree of the Government of the Kyrgyz Republic “On the procedure for keeping the register of production facilities for the production (manufacturing) of food products not registered by the government” from December 25, 2018, No. 614. The issue was considered at a meeting of the Council on April 4, 2017. ***This resolution was adopted in order to ensure safety of food production and regulates roster of production facilities for the production of food products.***
14. A Decree of the Government of the Kyrgyz Republic “***On approval of the rules for cutting especially valuable tree species in the Kyrgyz Republic***” from December 31, 2018 No. 652.

Annex 2.

Detailed information about meetings of the Regional Investment Councils in Oblasts

Jalal-Abad Council

In April 2018, the second meeting of the Council for Business Development and Investment under the Plenipotentiary Representative of the Government of the Kyrgyz Republic in the Jalal-Abad region was held in Jalal-Abad region. The meeting was held with the participation of the new Secretary of the Council Boroshov Bakyt, who was elected at the last meeting by a majority vote of the Council. The Office of the Plenipotentiary Representative of the Government in the Jalal-Abad Oblast made changes to the Regulations of the Council and signed a new Order on the Council.

The following issues were addressed at this meeting:

1. On increasing the staff of the Representative Office of the State Expertise Department
2. On registration of legal entities with foreign participation at their location (in the regional offices of the Ministry of Justice)
3. On the transfer of authority to regional offices to issue work permits to foreign nationals.
4. On the opening an industrial zone for domestic and foreign entrepreneurs in the Jalal-Abad city.

Following the meeting of the Council, the issue of registration of legal entities with foreign participation at the place of their location was not within the competence of the management of Jalal-Abad oblast, respectively, it was recommended to submit the issue to the Business Development and Investment Council Under the Government of the Kyrgyz Republic.

After a thorough analysis of the recommendations by experts of the Secretariat, the issue was submitted to an enlarged meeting of the Business Development and Investment Council under the Government of the Kyrgyz Republic, which was held in June 2018. Bakyt Boroshev, Secretary of the Council of Jalal-Abad Oblast, made a report at the meeting, where he reported that registration (re-registration) of legal entities with foreign participation is currently carried out only by the Ministry of Justice of the Kyrgyz Republic in Bishkek head office, with the exception of companies operating in the subsoil registration (re-registration) is carried out by

territorial bodies of the Ministry of Justice of the Kyrgyz Republic. This requirement is established by Article 5 of the Law of the Kyrgyz Republic “On State Registration of Legal Entities, Branches (Representative Offices)”. As a result, entrepreneurs when registering a legal entity, if there are foreign persons in the composition of the founders, have to incur additional expenses for traveling to the city of Bishkek. Further, in the course of the company's activities, in the event of any changes requiring re-registration, entrepreneurs also need to travel to Bishkek and bear the relevant costs.

Entrepreneurs of Jalal-Abad oblast offered the Government of the Kyrgyz Republic to allow registration (re-registration) of legal entities with foreign participation not only in the Ministry of Justice of the Kyrgyz Republic in Bishkek, but also by territorial bodies of the Ministry of Justice at the place of legal address.

Following the discussion, the issue was included in the list of proposals of the business community for inclusion in the action plan to the program of the Government of the Kyrgyz Republic “Unity. The trust. Creation ”, where it was recommended to the Ministry of Justice of the Kyrgyz Republic in two months to submit to the Government Office of the Kyrgyz Republic in the prescribed manner a draft resolution of the Government giving the opportunity to register (re-register) legal entities with foreign participation, as well as branches (representative offices) of foreign legal entities and legal entities foreign participation by territorial bodies of the Ministry of Justice of the Kyrgyz Republic.



Issyk Kul Council

A meeting of the Council for Business Development and Investment under the Plenipotentiary Representative of the Government of the Kyrgyz Republic in Issyk-Kul Region was held in Issyk-Kul region.

The following issues were addressed at this meeting:

1. On the execution of decisions of the meeting of the Business Development and Investment Council under the Plenipotentiary Representative of the Government of the Kyrgyz Republic in Issyk-Kul Oblast;
2. On the observance of food safety during the transportation of raw milk through the establishment of an appropriate mechanism of control over the "milk collectors";
3. On the formation of a working group on interaction with representatives of the fruit and berries sector of the Issyk-Kul region on the development of the sector;
4. Development of a "Roadmap" for exporters of agricultural products of the Issyk-Kul region, in particular fruits and berries to the EEU countries.



After listening to the recommendations of representatives of the business community of Issyk-Kul oblast, Co-Chair of the Council, Plenipotentiary Representative of the Government of the Kyrgyz Republic in Issyk-Kul Oblast, U. Zhylybayev and Co-Chair of the Council from the business community A. Dzhanibekov gave relevant instructions on the implementation of decisions made at the Council.

The Secretariat of the Issyk-Kul Oblast Council continues the practice of coordinating donor assistance in Issyk-Kul Oblast through the organization of the Donor Assistance Coordination Council. On June 8, 2018, a regular meeting of representatives of international projects was held, where everyone made reports on the activities of projects in the territory of Issyk-Kul region. The following issues were addressed at this meeting:

1. Presentation of interim results of the GIZ project, “Development Project Development Fund Together with Civil Society”;
2. Presentation of the FAO project, “Towards Sustainable Aquaculture and Fisheries Development in the Kyrgyz Republic”;
3. Acquaintance with the “Road Map”;
4. Cooperation of local authorities with donors and international development partners;
5. Sustainability of projects implemented by donors and international development partners and their multiplication.

Osh oblast

In June 2018, a regular meeting of the Regional Investment Council (RIS) under the Plenipotentiary Representative of the Government in the Kyrgyz Republic was held in the Osh Oblast Administration. At the expanded meeting of the Council, all heads-mayors of the Osh region and heads of regional business associations of Osh oblast were invited, which were created by the decision of the RIS of the Osh region, as well as representatives of the business associations of the Osh region. The main topic of the meeting was a discussion of the preliminary results of the implementation of the presidential decree S. Zheenbekov declaring 2018 the Year of Regional Development. At the beginning of the meeting, the report of the Deputy Plenipotentiary Representative of the Government of the Kyrgyz Republic in the Osh region Mr. Makhamadov on the results of the work on the decisions of previous meetings of the RIS of the Osh region was heard. The following persons spoke on behalf of representatives of business associations: Chairman of the Regional Council of Entrepreneurs, Askar Mamedzhanov, Executive Director of Osh-JIA, Zhasur Parpiev.

The Chairman of the Council, T. Sarybashev, after hearing all the members of the Council, made relevant instructions and recommendations to the heads of local governments.



On October 18, 2018, a regular meeting of the Regional Investment Council under the PPPKR was held in the Osh region.

The agenda of the meeting included the following issues:

1. Information of the PPPKR in the Osh region of Zhylykybayev on the events held in the Osh region, in the framework of the implementation of the Decree of the President of the Kyrgyz Republic on declaring the year of development of the regions;
2. On the problems of entrepreneurs with inspection bodies;
3. Information on the activities of the Center for the Support of Entrepreneurship of the Osh region.

In addition, various issues of individual entrepreneurs from different districts of the Osh region were discussed outside the agenda of the meeting. For example, a representative of the Association of Entrepreneurs of Kara-Suu district told about the problems with the delivery of machines and other fixed assets to the territory of the Kyrgyz Republic. In response, the representative of the State Tax Service of the Osh region gave an explanation on this issue.

Also, a representative of the Association of Entrepreneurs of the Nookat District shared information about the development of gardening in the Nookat District. Unfortunately, there are problems with the sale of products and the expansion of areas for gardening. The representative of the Kyrgyz-Russian Development Fund informed that the Fund has a gardening development program and provides special funding. The representative of the Fund asked to contact him on this issue.



Naryn oblast

A regular meeting of the Regional Investment Council was held under the Plenipotentiary Representative of the Government of the Kyrgyz Republic in the Naryn Oblast in Jumgal, Jumgal region in May 2019.

The following issues were discussed on the agenda of the meeting:

1. Barriers in the development of small and medium-sized businesses and recommendations for their improvement in the Jumgal raion, Naryn oblast. During the discussion, it was revealed that the main barrier in the development of small and medium-sized businesses is access to financing, high interest rates, and lack of collateral. By the decision of the Council it was recommended to apply to the Russian-Kyrgyz Development Fund to consider the possibility of lowering interest rates, financing start-ups without collateral. Previously, the same recommendations were obtained from other decisions of the Council of Naryn Oblast. In view of the peculiarities of banking legislation, this issue remains unresolved.

2. The issue of tourism development in the Jumgal raion and barriers in the development of tourism business. Having heard the report of private entrepreneur A. S. Kadyrov, the Council decided to instruct the heads of local governments to take measures to improve the road infrastructure and improve the sanitary condition of the toilets in the tourist zones of the Zhumgal district.

3. Question on the activities of the LLC "Emel Suu". A presentation was made by E.Kochorova, the head of the company, who asked the Council to support the allocation of rental land for the expansion of the company's activities. The Council recommended the relevant authorities to consider the allocation of land in accordance with the legislation of the Kyrgyz Republic, and also to satisfy the

company's complaint about the unlawful interference of the authorities in the company's activities.



On October 31, 2018, a regular meeting of the Regional Investment Council was held in Aktala district, Naryn region.

The following issues were discussed on the agenda of the meeting:

1. Following to the presentation of the First Deputy Head of Ak-Talaa raion regarding to the socio-economic situation of the Ak-Talaa raion and other issues supporting investment climate in the raion, meeting made a decision 1) to ask assistance of the Business Development and Investment Council under the Government of the KR in increasing the volume of the internal investments to the raion, in the development of the local business, establishing industrial projects in raion. 2) Suggestion to establish special Fund to finance «start-up» projects. 3). To assist in the land transformation for the purpose of the business development.
2. After the presentation of the representative of the Ministry of the Agriculture of the Kyrgyz Republic regarding to the implementation of the Government plan in developing agriculture the meeting made a decision to ask Ministry of the Agriculture the following issues: 1) To provide productive wheat seeds to Ak-Talaa raion. (Ak-Talaa raion is famous for its wheat in the Kyrgyz Republic. But lack of proper seeds and assistance from the Government, the wheat business in the raion is struggling.) 2) Assistance in sales of the products of the local farmers. 3) To assist a business to open agriculture logistic centers with laboratories which help farmers to export their products.
3. Following to the presentation of the business environment and investment

climate of the Ak-Talaa raion, the meeting made a decision 1) Advice to the heads of local governments of the Ak-Talaa raion for the further development of the business environment and investment climate in their territories and ask to establish seed cooperatives in each villages 2) Advice to the heads of the raions of the Naryn oblast and Naryn city administration a) in order to develop public private dialogue between local government, state government bodies and business community in the Naryn oblast advice to establish PPD councils in each raion and Haryn city. 2) To organize the meetings of the Councils and send information about the activity to the Office of the Plenipotentiary Representative of the Government of the KR in Naryn oblast.



Chui oblast

In March 2018, the Plenipotentiary Representative of the Government of the Kyrgyz Republic in Chui oblast has met with representatives of the business community of Chui oblast. On the agenda of the meeting was the issue of the reorganization of the Regional Investment Council into the Business Development and Investment Council under the Plenipotentiary Representative of the Government of the Kyrgyz Republic in the Chui region.

In order to support the activities of the RIS of the Chui region, on May 16, 2018, the Secretariat of the Business Development and Investment Council under the Government of the KR organized a meeting with the heads of large enterprises of the Chui region. During the meeting, Head of the Secretary T. Koichumanov

introduced the work of the established Business Development and Investment Council at the Plenipotentiary Representative of the Chui Region. In order to ensure sustainable development of the Council, Koichumanov proposed the idea of financing the Secretariat of the Council of Chui Oblast by the funds from large enterprises of the Chui Oblast. In view of the specificity of the questions, representatives of the large business of the Chui region rejected the request, but expressed a desire to actively participate in the activities of the Council in the Chui region.

In April 2018, the Office of the Plenipotentiary Representative of the Government of the Kyrgyz Republic in the Chui Oblast and the Secretariat of the Council of the Chui Oblast organized the first meeting with representatives of international development partners, which is actively involved in development of the Chui oblast, with the goal of creating a Coordinating Donor Council in the Chui oblast. Project representatives unanimously supported this initiative.