



# REPORT

**SECRETARIAT OF THE BUSINESS  
DEVELOPMENT AND INVESTMENTS  
COUNCIL UNDER THE GOVERNMENT  
OF THE KYRGYZ REPUBLIC  
2021 ANNUAL REPORT**

The Secretariat of the Business Development and Investments Council under the Government of the Kyrgyz Republic is  
financed by the EBRD shareholders

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## Introduction

2021 in Kyrgyzstan has become the year of political transition from parliamentary-presidential to presidential form of governance. Two referendums were held in Kyrgyzstan; in January 2021 the citizens of the country supported the presidential form of government; in April 2021 a new Constitution was adopted by referendum. Presidential powers were significantly strengthened, the President became the head of the executive power, gained the legislative initiative, right to appoint the local state administration and a number of other powers.

Also in 2021, Kyrgyzstan elected a president in January and a parliament in November and held a number of local government elections.

During the year, there were repeated changes in the composition, structure and functions of the government. During this time, there were three changes in the composition of the government in Kyrgyzstan. In February 2021, the first major reorganization of the government took place, with the merger of many ministries and agencies, often with various non-relevant functions, which hampered the work of the executive branch for several months. Later this structure was abolished.

After the adoption of the new Constitution, the government of Kyrgyzstan was transformed into the Cabinet of Ministers. The head of the Cabinet of Ministers from now on is also the head of the Presidential Administration, according to the rules laid down in the Constitution. The Government office and the Presidential apparatus were merged into one structure, the Presidential Administration.

All these events led to constant changes in the work of the Investment Council and public-private dialogue process. Despite this, there were 2 meetings of the Investment Council with participation of the Head of the Government in Bishkek, an investment forum chaired by the Chairman of the Cabinet of Ministers in Batken oblast, and one meeting with participation of the Deputy Chairman of the Cabinet of Ministers in the Ministry of Economy. The Investment Council meetings addressed such issues as introduction of pre-trial system of tax disputes resolution, development of insurance market, reforming the system of social contributions, introduction of new types of individual entrepreneurial activities, development of creative economy, attracting investments to the regions and a number of others.

Taking into account reorganization of branches of power in Kyrgyzstan and the fact that now the head of executive power according to the Constitution is the President, the draft Decree on creation of the Investment Council under the President of Kyrgyzstan was developed. The corresponding action was included in the approved action plan of the Cabinet of Ministers.

The COVID-19 pandemic situation continued to have a significant impact on the economy and the investment climate. First of all, we are talking about the continued restrictions on the free movement of goods, services and labor across the borders of neighboring states. Thus, the free movement of Kyrgyz citizens across the land border into Kazakhstan is still not allowed, and the flow of goods from China and a number of other countries has not been restored to its previous level. The emergence of new strains of the virus increases the risks to the recovery of economic activity. The Investment Council continues to take into account the risks associated with the pandemic, including the partial transition of public-private dialogue into an online format. Many events have been held remotely, such as an international conference on the creative economy in May 2021.

Also in 2021, the government launched a number of initiatives that raised significant concerns from the business community. First of all, it is a new Tax Code, under which simplified types of tax administration for small and medium businesses are abolished, the powers of the tax service in terms of monitoring and conducting investigations and inquiries are significantly expanded. Rates for withholding licenses in the mining industry were increased many times, restrictions were introduced on the development of large deposits, which can now be used only with the participation of a state company, and external management was introduced at the largest gold mine, Kumtor. Entrepreneurs in Kyrgyzstan fear that the process of public-private dialogue, which has been successfully implemented in previous years, is currently exposed to the risks associated with the decreased transparency of decisions and less consideration of the business community's opinion. Formation of the public-private dialogue taking into account the new Constitution, strengthening of the President and the new structure of the executive power under these conditions becomes even more important.

The Secretariat of the Investment Council has developed a work plan taking into account the priorities specified in the National Development Program of Kyrgyzstan and the EBRD country program. The priorities of the Investment Council will be the development of digital economy, attraction of sustainable investments and support of small and medium-sized businesses.

## Development of economic policy aimed at improving the country's investment climate through a broad consultation process

### Work plan of the Investment Council 2021

On 29 October 2020, the Council Secretariat had an on-line meeting with business associations to discuss the Council's work plan for 2021. The meeting was attended by the representatives of business associations, such as IBC, Association of Suppliers, Chamber of Industry and Commerce of the KR, Union of Constructors, Association of Small HPPs, Association of Silk Way Tourism, JIA Association, Association of Communication Operators of the KR, Association of the KR Insurers, etc. In addition, the request to send proposals for the Council's work plan of 2021 was sent to all members of the Council by e-mail and in the internet communities. Business associations submitted about 12 items for the Council's agenda of 2021. The Council's work plan included such matters as 'improved regulatory framework of the tourism sector of the KR'; 'reforms of the judicial system to consider tax disputes (tax tribunal)'; 'industrial safety and efficiency of drilling and blasting operations of mining companies'; 'the problems of practical implementation of urban development documents and operations of the Urban Development Council of Bishkek city'; 'the problematic issues of communication operators', etc.

The Council's work plan was sent for consultations to the Council members from public bodies. There additionally arrived proposals and were included questions from the Chamber of Industry and Commerce on the development of small and medium-sized businesses (based on the survey of entrepreneurs carried out jointly with the Secretariat of the Council for Business Development and Investments) and from the Association of Customs Brokers on the monopolization of the customs services market, and some other.

### Meetings of the Investment Council

9 March, 2021	<ul style="list-style-type: none"><li>• Chaired by the Prime-minister of the KR</li><li>• 4 issues raised</li></ul>
24 June, 2021	<ul style="list-style-type: none"><li>• Chaired by the Prime-minister of the KR</li><li>• 3 issues raised</li></ul>
22 October, 2021	<ul style="list-style-type: none"><li>• Chaired by 1st Deputy of the Head of the Cabinet of the Ministers</li><li>• 32 issues raised</li></ul>

*The following issues as per the Council's work plan for 2021 were considered at the Council's meetings:*

*On the issues of industrial safety and the efficiency of drilling and blasting operations of mining companies*

According to the new Safety Rules for Blasting Operations (Decree of the Government of the Kyrgyz Republic of September 30, 2016 No. 521), the dimensions of the prohibited zone for blasting operations from the nearest charge were set at 20 meters. In cases of a 20-meter limitation, it is not always possible to carry out explosions on an open face.

Mining enterprises successfully use electronic initiation systems for blasting operations (safety measures against accidental operation and have additional protection against stray currents), which allow solving the problem without stopping production.

Based on the results of consideration at the meeting of the Council on March 9, 2021, the following decision was made:

The Ministry of Energy and Industry of the Kyrgyz Republic should consider the issues of reducing the size of the exclusion zone of blasting operations from the nearest charge.

*On the Tax Tribunal" and "On Amendments to the Tax Code of the Kyrgyz Republic" (introduction of an independent institute for pre-trial consideration of tax disputes)*

The purpose of this draft law is to reform the pre-trial tax dispute resolution system in the Kyrgyz Republic based on international best practice. The law proposes to define in the Tax Code the concept of a tax tribunal and the basic principles of its work. In order to ensure the independence of the Tax Tribunal, it is planned to place it at the International Arbitration Court and to finance it independently of the budget. The members of the tax tribunal will be qualified specialists in the field of tax law.

*Development of insurance market*

An analysis of the development of the insurance market in Kyrgyzstan over the past few years shows that it has not yet become stable. In general, since 2014, the volume of insurance has not changed much and is at the level of 1 billion soms. The main problem in the field of insurance in Kyrgyzstan is that the state does not ensure the implementation of the adopted laws on various types of compulsory insurance. It was recommended to adopt necessary Government Decrees and implement other measures for introduction of some types of compulsory insurance in the Kyrgyz Republic.

*On the prevention of customs services nationalization*

The Parliament adopted the resolution to transfer to the balance of the state activities on the provision of foreign economic customs services to economic entities. The Association of Customs brokers suggested to cancel that decision that is contrary to legislation and will lead to the disappearance of private operators

*On updating the list of the labor activities that can be carried out on the basis of a voluntary patent*

The existing list of professions for which it is allowed to work on the basis of a voluntary patent for self-employment is outdated and many citizens are deprived of the opportunity to work legally, since their type of activity is not on the list approved by the Government. It was recommended to update the list of such activities according to the modern conditions on labor market.

*On increasing the efficiency of employers' insurance premiums to improve the health of workers*

Funds sent by employers on a mandatory basis to the Workers' Health Improvement Fund are transferred to a public organization involved in corruption scandals and are used ineffectively, not ensuring equal access of workers to health services. It was recommended to create the working group in order to reform the system of workers' health improvement.

*On development of creative industries in the Kyrgyz Republic*

Until now, representatives of the creative industries have practically not been supported by the state, occupying about 1% of GDP in the national economy. The Ministry of Economy was recommended to include proposals of the participants of the international forum "Creative Economy - a Necessary Condition for the Sustainable Development of the Country", held on May 11, 2021 in Bishkek to the Concept for the development of the creative economy of the Kyrgyz Republic.

*Extended meeting of business-community with 1<sup>st</sup> Deputy of the Head of the Cabinet of Ministries*

On 22 October, 2021 the 1<sup>st</sup> Deputy of the Head of the Cabinet of the Ministries of the Kyrgyz Republic initiated the extended meeting with business-community with support of Secretariat of Investment Council of the Kyrgyz Republic. 32 issues were raised business-community at the meeting on different topics incl.: women entrepreneurship, digitalization, High-tech Park, on simplification of the land transformations procedures, on cancelation of the license on groundwater, energy issues, import of honey, development of insurance and many others. More than 40 representative of business-community at the meeting. At present the Secretariat is monitoring the implementation of the Minutes of the meeting.

## Agenda of the IC meetings in connection with response to Covid-19 situation

*Issues of SME Development in the Kyrgyz Republic amid the COVID-19 Crisis  
(based on a survey of entrepreneurs)*

The Chamber of Commerce and Industry, together with the Secretariat of the Council, conducted a survey of entrepreneurs on the development of SMEs in the Kyrgyz Republic in the context of the



crisis associated with the COVID-19 pandemic. Based on the results of the survey, key findings and recommendations were proposed at the meeting of the Council.

Business criminalization, a weak system of protection of entrepreneurs and their property, barriers to lending, taxation and other problems do not provide an opportunity for the development of SMEs.

The interests of large companies are lobbied in parliament. The opinion of small businesses is practically not taken into account when passing bills.

There are also internal problems of SMEs - a weak level of professionalism, a lack of specialists, a lack of planning of financial indicators, lack of knowledge in the development and management of an enterprise, in the use of innovations in the production of products and the provision of services.

Based on the results of the consideration of this issue at the meeting of the Council on March 9, 2021, the following decisions were made:

1. Take note of the results of the survey.

This report was sent for review to the relevant government agencies.

2. The Ministry of Economy and Finance of the Kyrgyz Republic to submit to the Office of the Government of the Kyrgyz Republic a draft law on the possibility of outsourcing government licensing functions.

The draft Law on Self-Regulatory Organizations has been submitted to the Parliament and is under consideration.

3. The State Service for Digital Development under the Government of the Kyrgyz Republic to review the relevance and timing of the implementation of the “Roadmap” measures for the implementation of the Concept of digital transformation “Digital Kyrgyzstan 2019-2023”.

Minutes of the meeting with the Chairman of the Cabinet of Ministers of the Kyrgyz Republic U. Maripov dated 11.05.21. approved the draft Concept "Digital Economy of the Kyrgyz Republic for 2021-2023."

4. The Ministry of Agriculture of the Kyrgyz Republic shall conduct an inventory of sources of financing for agriculture, develop a draft plan for financing priority areas of the agricultural sector.

A draft Investment plan for large investment projects has been submitted to the Office of the Government of the Kyrgyz Republic.

The Ministry took into account the draft Concept on the competitive selection of projects for preferential financing in priority areas of development of the agricultural sector, developed by the Association of the Agro-Industrial Complex.

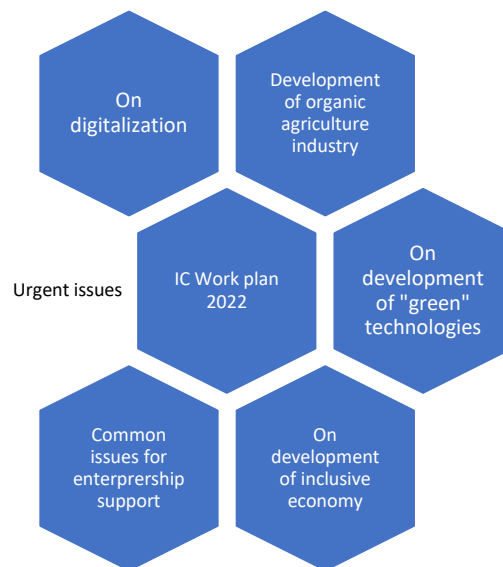
## Work plan of the Investment Council for 2022

On September 25, 2021 Secretariat of Investment Council circulated the letter among business-associations with request to propose initiatives to the Work Plan 2022 of the Council. Based on the proposals Secretariat organized two online meetings with business-community to discuss all proposals, on October 29 and November 11. 25 questions in the IC's work plan for 2022 were suggested by associations such as: IBC, The E-Commerce Association, Association of Suppliers



(Manufacturers and Distributors) of Kyrgyzstan, Union of Banks of Kyrgyzstan, RES Association and 14 more business associations.

In general, the Secretariat of the Investment Council has developed a work plan taking into account the priorities specified in the National Development Program of Kyrgyzstan and the EBRD country program. The priorities of the Investment Council will be the development of digital economy, attraction of sustainable investments and support of small and medium-sized businesses.



## Interaction with the Parliament of the Kyrgyz Republic

**On June 10, 2021**, in the Jogorku Kenesh of the Kyrgyz Republic, expert A. Seitbekov took part in a meeting of the Council under the Speaker of the Parliament. He participated in the discussion of the draft amendments to the Criminal Code, which provide for tougher measures against businesses. As a result, the General Prosecutor's Office decided to finalize the draft amendments, taking into account the views of business. The meeting was attended by members of Parliament, representatives of state bodies and business associations.

**21 October 2021** Secretariat organized meeting between representatives of the business community and JKR deputy C.D. Makeshov, leader of the "Kelechek Future" party, to discuss improvements to investment legislation in the new tax code and draft Criminal Code and Criminal Procedure Code.

## Interaction at the regional level

In 2021 the works related to the PPD based on regional business eco-systems have been continued. In order to successfully launch of the new PPD initiative in the regions, PPD expert made presentation to the different potential stakeholders.

Foundation stone of the initiative is an appropriate funding. Therefore, PPD expert conducted a meeting with the Head of the analytical department of the Kyrgyz-Russian Development Fund and made a proposal to start a regional business eco-system project in the regions. Made a presentation

of the idea of PPD based cluster development in the regions. Explained the methodology and the role of the PPD and the Secretariat in this scheme. After an exchange of views, agreed to develop an interaction mechanism with various stakeholders to develop this issue.

Also, there was a meeting with the Deputy Head of the Aiy Bank, where the initiative also been presented. Accepted assurance of the financing regional projects based on the PPD cluster development.

As the pilot project targeted in Batken oblast, the regional PPD Expert held a meeting with the entrepreneurs of the Batken region. Where he has presented the idea of the PPD in Batken region based on the cluster development for the apricot business. All business representatives related to the apricot business agreed to be a member of the PPD network to develop Batken apricot business eco-system.

The key institute of the regional development with the new government structure is the Ministry of the Agriculture and the Regional Development. Meeting with the adviser to the Minister of the Agriculture and the Regional Development was successful as the Ministry also decided to be a member of the stakeholder of the initiative.

This idea won't work without the leader of the business eco-system. The biggest holding in the Kyrgyz Republic Kaganat Invest has started building the apricot processing plant and logistic center in the Batken region. Regional PPD expert conducted a meeting with the Head of the Kaganat Invest. Presentation of the idea of the PPD in Batken region based on the cluster development for the apricot business was accepted with enthusiasm. After discussions, both parties agreed to make presentation in the Batken investment and business forum the activity of the building the processing and logistic center of Batken Apricot and the plans to operate it under the Batken Oruk (Apricot) Business with the component of PPD.



### Investment Forum “Development of Batken – Development of the country”

Within the Decree of the President of the Kyrgyz Republic "On priority measures for rehabilitation and development of border villages of Batken oblast" and in accordance with the protocol order of the First Deputy Chairman of the Cabinet of Ministers of the Kyrgyz Republic A.K. Aaliev from

September 17, 2021 № 24-79, national forum "Batken development - development of the country" was held in Batken on October 14, 2021.

The forum was supported by the Secretariat of the Business Development and Investment Council and acted as a platform for public-private dialogue. The main objective of the forum was to attract investment to the region through the disclosure of its entrepreneurial potential, and to demonstrate the investment opportunities of Batken Oblast.

The forum was attended by the Chairman of the Cabinet of Ministers, Mr. A. Zhaparov, deputies of the Jogorku Kenesh, ministers, representatives of business, public organizations, private entrepreneurs, heads of district administrations - akims, heads of aiyl okmotu.

B. Asanov, an expert of the Secretariat of the Business Development and Investment Council, made a presentation on the development of the Batken Oblast within the framework of the new concept of public-private dialogue in the regions "Development of the Batken Business Ecosystem".

This forum not only provided a platform for the discussion of topical issues of social and economic development of Batken oblast, but also made it possible to reach important agreements.

8 memorandums were signed as a result of the forum.

## Analytical support to a process of public-private dialogue

In 2021, the Secretariat experts were involved in various analytical works that included the participation in research conferences, various working groups to develop recommendations, prepare analytical materials for business associations, public agencies and other organizations. In particular, the Secretariat experts were involved in the following analytical surveys:

1. On January 2021 Investment Council jointly with The Chamber of Commerce and Industry of the KR conducted a special survey aimed at collecting the views of entrepreneurs on the development of SMEs in Kyrgyzstan, the conditions for doing business and identifying negative factors for business development associated with the COVID-19 pandemic (<http://cci.kg/>). The results of the survey was presented at the meeting of the Investment Council on March 9, 2021 chaired by the Prime-minister of the KR. Based on the survey experts of the IC developed 6 recommendations, which were included to the Protokol of the meeting.
2. Conducting of a survey for individual entrepreneurs and self-employed on the introduction of new types of patents (especially for creative industry) (March-April 2021). Based on the results of the study, a question was prepared for the meeting of the Investment Council in June 2021
3. Strategy for attracting investments to the Kyrgyz Republic for 2021-2025. Assisting the Ministry of Economy and the Ministry of Investment in developing a strategy covering the main areas of investment policy aimed at reducing barriers and creating conditions for investors.

## Other activities of the Investment Council's Secretariat

***Secretariat of the Investment Council participated in co-organization and made a presentation in the different forums, conferences and round tables. As an example:***



***On May 11, 2021*** in Bishkek, the Secretariat of the Investment Council jointly with the Kyrgyz-Russian Slavic University named after B.N. Yeltsin (KRSU) organized an international scientific and practical conference "Creative economy - the most important factor in the country's sustainable development." The participants discussed the theoretical aspects of the creative economy, factors determining the development of the creative economy, communication of innovative technologies and creative industries, impact of creative industries on sustainable development, international practice of supporting the development of creative industries, practical issues of creative industries development: barriers and opportunities. The conference was

dedicated to the year 2021, declared by the UN General Assembly as the Year of Creative Economy.

***On 15 April, 2021*** Meeting of business associations to discuss a Charter on state support for SME development was organized. In January 2021, a special annual survey of the Chamber of Commerce and Industry of the Kyrgyz Republic with Investment Council was conducted to collect the opinions of entrepreneurs regarding the business environment in Kyrgyzstan and to identify negative factors hindering business development. Based on the results of the survey, key conclusions and recommendations were proposed. Signing the Charter on state support for SME development is one of the recommendations made by entrepreneurs. The SME Charter was forwarded to the Administration of the President of the Kyrgyz Republic and the Ministry of Economy of the Kyrgyz Republic.

***On 2-3 June, 2021*** IC expert A. Akeneev presented on the Virtual EBRD Investment Councils Conference 2021, Building a Resilient and Sustainable Future: the role of Investment Councils on the topic "Digitalization of public services for business in the Kyrgyz Republic".

***On 3 June, 2021*** Secretariat of the Council jointly with the Institute of Business-Ombudsmen organized a Roundtable on the impact on business of the new editions of the Criminal Code and the Criminal Procedure Code of the Kyrgyz Republic with the participation of business associations and representatives of public authorities. The resolution of the round table was forwarded to the Presidential Administration of the Kyrgyz Republic and the Prosecutor General's Office of the Kyrgyz Republic.

***On 21 October 2021*** in the conference hall of the Park Hotel Talaibek Koichumanov, Head of the Council Secretariat made a welcome speech at the presentation of the "Analysis of legislation and law enforcement practice and judicial practice in the sphere of economic activity and protection of rights and interests of entrepreneurs against unreasonable and unregulated inspections by law



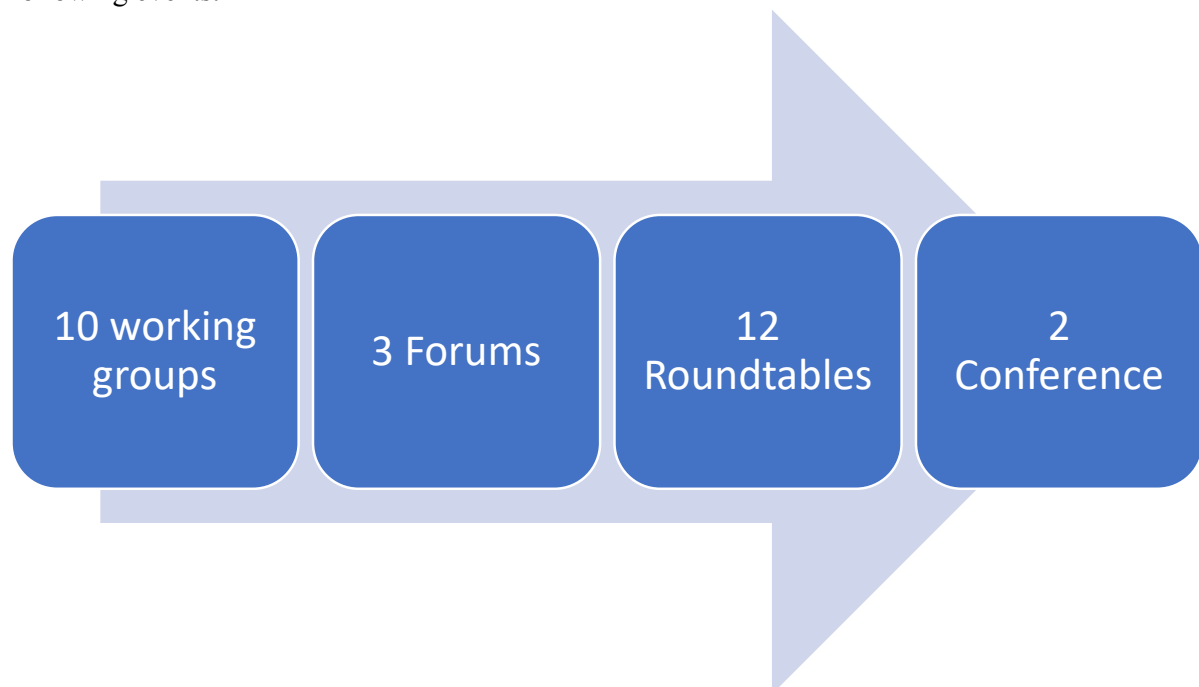
enforcement and other authorized bodies and creation of fair and favourable judicial and legal environment for business".

**October 27, 2021** held a forum "Development of ecosystem of intellectual property and innovation in the Kyrgyz Republic", as part of the Official Opening of the SI "Innovation Centre". At the session "Creative Economy: Legislation and Methodology" the participants discussed the prospects for developing the creative economy in the Kyrgyz Republic, the need for a Creative Industries Park, the Association of Creative Industries of the Kyrgyz Republic introduced the participants to the creative economy roadmap developed by the Association members, and the participants discussed the methodology for calculating the creative economy of the Kyrgyz Republic.

**On November 5, 2021**, the Head of the Council Secretariat, Talaibek Koichumanov, made a presentation at the session "Creative and Green Economy. New Realities." within the framework of the Business Forum "Business Partnership between the European Union and Central Asia" on "Development of Creative Economy in the Kyrgyz Republic". At present the Government of the Kyrgyz Republic has developed the Concept of Development of Creative Economy of the Kyrgyz Republic. The aim of the Concept is to increase the contribution of the creative industries in the economy of the Kyrgyz Republic through the formation of a comprehensive public policy.

**Response to business reorganization assessment request from EBRD.** Research data insolvency in Kyrgyz Republic such as insolvency law/s (or any other law providing for the reorganization or restructuring of businesses), insolvency specific data, company register, insolvency practitioners and authorities responsible for insolvency proceedings.

Overall, Secretariat of IC participated in different working groups and was co-organisers of following events:



## Communication and publicity

**PR-activities conducted during the reporting period: a total of 39 articles, interviews and publications in the mass media.**

Publications in  
online media  
21

Interview in  
online media  
12

Analytical  
papers in special  
publication  
3

Articles in  
newspapers  
2

TV Interview  
1



Facebook:  
1.5 thousand subscribers



Instagram:  
220 subscribers

Экономист: Увеличение отчислений в Соцфонд плохо скажется на экономике

Азамат Акенеев считает, что предлагаемый законопроект приведет к снижению инвестиций в экономику. Акенеев в интервью с Sputnik Кыргызстан заявил, что увеличение отчислений в Соцфонд приведет к снижению инвестиций в экономику.

Сколько денег будет вложено в экономику? 27,25 млрд, а в бюджет - 17,25 млрд, в то время как в 2020 году в бюджет было вложено 17,25 млрд, а в экономику - 17,25 млрд. Поэтому увеличение отчислений в Соцфонд приведет к снижению инвестиций в экономику.

Что мешает развитию бизнеса? - Итоги ежегодного опроса

Читайте и смотрите нас в

Бизнес, 12.02.21 Жибир, Козлово  
Представитель палаты КР при взаимодействии с Секретариатом Совета по развитию бизнеса и инвестициям при КР подает инициативу о создании государственного сервиса по типу «Мой бизнес».

Сложность, что много привнесет методов государственного регулирования, будет много проблем. Сложность, что много привнесет методов государственного регулирования, будет много проблем.

В КР предлагают принять Хартию о господдержке МСБ

Разработка Хартии о господдержке МСБ является важной задачей, которая должна быть выполнена в ближайшее время. Разработка Хартии о господдержке МСБ является важной задачей, которая должна быть выполнена в ближайшее время.

Власти Кыргызстана  
обещают защитить бизнес



Премьер заверил, что проводится работа по искоренению фактов давления на предпринимателей со стороны правоохранительных и фискальных органов.

Бизнес, 10 мар - Sputnik. Премьер-министр Кыргызстана Азамат Акенеев заверил, что проводится работа по искоренению фактов давления на предпринимателей со стороны правоохранительных и фискальных органов.

Азамат Акенеев: "КР интегрировался в ЕАЭС более 5 лет. Рывка не произошло"

24 октября 2021 21:10 - Sputnik Кыргыз

Facebook Twitter YouTube

Докторы считают ЕАЭС и постамтам неким экономическим

По его словам, если посмотреть на объем нашего экспорта, на его структуру, то мы видим, что мы имеем экспорт сырья, товаров легкой промышленности и переработки, а также сельхозпродукции.

Куда уйдет миллиарды средств на возмещение ущерба?

Азамат Акенеев



Вопрос о возмещении ущерба является очень важным, и мы должны его решить. Вопрос о возмещении ущерба является очень важным, и мы должны его решить.

"Это законодательный деструктив".  
Бизнес просит отозвать проект новых кодексов

Общество 2144 1 3 июня 2021 16:42 Мария Мережан

Все самое интересное в Telegram

Facebook Twitter YouTube

На днях заканчивается срок общественного обсуждения проектов четырех новых кодексов: Уголовного, Уголовно-процессуального, Кодекса КР об административных правонарушениях, а также изменений в Уголовно-исполнительный кодекс КР. Свои позиции по этому поводу высказали в Международном деловом совете. Приведем некоторые из них.

Широкая общественность вряд ли в курсе масштаба изменений и ошибок, которые в них содержатся. По мнению бизнес-сообщества, они направлены на усиление полномочий правоохранительных органов и создают коррупционные риски.

У президента и кабмина попросили  
больше внимания малому и среднему  
бизнесу (хартия)

Экономика 1021 20 мая 2021 12:12 Saktus

Все самое интересное в Telegram

Facebook Twitter YouTube

Торгово-промышленная палата совместно с секретариатом Совета по развитию бизнеса и инвестициям при кабинете министров и рядом бизнес-ассоциаций подготовила хартию о поддержке малого и среднего бизнеса. Об этом говорится в сообщении пресс-службы ТПП.

## Evaluation results of activities

### **Assessment of Outputs to date**

***Output 1: The Secretariat approves an annual work-plan to support policy dialogue on priority issues***

***Target Value: 1***

***Achieved: The 2022 work plan was discussed with business-associations and developed***

On September 25, 2021 Secretariat of Investment Council circulated the letter among business-associations with request to propose initiatives to the Work Plan 2022 of the Council. Based on the proposals Secretariat organized two online meetings with business-community to discuss all proposals, on October 29 and November 11. 25 questions in the IC's work plan for 2022 were suggested by associations such as: IBC, The E-Commerce Association, Association of Suppliers (Manufacturers and Distributors) of Kyrgyzstan, Union of Banks of Kyrgyzstan, RES Association and 14 more business associations.

In general, the Secretariat of the Investment Council has developed a work plan taking into account the priorities specified in the National Development Program of Kyrgyzstan and the EBRD country program. The priorities of the Investment Council will be the development of digital economy, attraction of sustainable investments and support of small and medium-sized businesses.

***Output 2: IC Secretariat's studies on priority domestic and foreign investment issues are presented***

***Target value: 2***

***Achieved: In 2021 Secretariat participated at developing of 3 studies***

The project budget provides for the allocation of 20,000 euros annually for studies. However, since 2016, these funds have never been used including 2021. Despite this, experts participate or support at developing studies initiated by the government agencies or other donor organizations in 2021.

1. On January 2021 Investment Council jointly with The Chamber of Commerce and Industry of the KR conducted a special survey aimed at collecting the views of entrepreneurs on the development of SMEs in Kyrgyzstan, the conditions for doing business and identifying negative factors for business

development associated with the COVID-19 pandemic (<http://cci.kg/>). The results of the survey was presented at the meeting of the Investment Council on March 9, 2021 chaired by the Prime-minister of the KR. Based on the survey experts of the IC developed 6 recommendations, which were included to the Protocol of the meeting.

2. Conducting of a survey for individual entrepreneurs and self-employed on the introduction of new types of patents (especially for creative industry) (March-April 2021). Based on the results of the study, a question was prepared for the meeting of the Investment Council in June 2021
3. Strategy for attracting investments to the Kyrgyz Republic for 2021-2025. Assisting the Ministry of Economy and the Ministry of Investment in developing a strategy covering the main areas of investment policy aimed at reducing barriers and creating conditions for investors.

### ***Output 3: Number of IC meetings at the regional level***

***Target value: 4***

***Achieved: 4 of IC meetings at the regional level conducted***

During the reporting period, the Regional Coordinator of the Secretariat of the Council together with the regional representatives (the Secretaries) of the Regional Investment Councils (RIC) and with the Office of the Plenipotentiary Representatives of the Government in the areas conducted 4 RIC Council meetings in 4 oblasts of oblasts of the Kyrgyz Republic.

The entrepreneurs voiced their concerns regarding financing for the creation and development of a business, sales of products, transformation of land plots, and the movement of goods. They also touched upon energy issues, disbursement of funds from local budgets, powers of local authorities and others.

Some of the recommendations given to the Government during these meetings:

- to establish a transparent system for the distribution of loans from the Russian Kyrgyz Development Fund in the regions.
- to boost the economic activity in the Kyrgyz economy after the pandemic, the regional business recommended to develop the policy of the interregional trading between rayons and oblasts.
- Proposal for the opening of accredited centers for the issuance of phytosanitary and other certificates for the export of products from the regions.
- A number of recommendations for inclusion in the law on the special status of the Batken region.



- Difficulties arise with the veterinary inspection, with controversial leased pastures, there are bureaucratic barriers in issuing permits, because of which they are forced to travel to Bishkek for approvals.
- The issue of wool and leather processing is an acute issue - processing capacities are needed, given that in mountainous regions entrepreneurs are mainly engaged in cattle breeding
- Effectiveness of the use of funds received from mining companies in regional development funds. Entrepreneurs need the necessary trainings to improve financial literacy, in particular, on the use of funds from regional development funds.

***Output 4: Number of meetings between the Parliament representatives and the business associations***

***Target value: 4***

***Not Achieved: 2 meetings between the Parliament representatives and the business associations conducted.***

Despite the Parliament Liaison Officer left the Secretariat on December 2019 and the new expert was not hired, the Secretariat of the Council continued its activities on public-private dialogue with the Parliament members and had a following meetings:

- On June 10, 2021, in the Jogorku Kenesh of the Kyrgyz Republic, expert A. Seitbekov took part in a meeting of the Council under the Speaker of the Parliament. He participated in the discussion of the draft amendments to the Criminal Code, which provide for tougher measures against businesses. As a result, the General Prosecutor's Office decided to finalize the draft amendments, taking into account the views of business. The meeting was attended by members of Parliament, representatives of state bodies and business associations.
- 21 October 2021 Secretariat organized meeting between representatives of the business community and JKR deputy C.D. Makeshov, leader of the "Kelechek Future" party, to discuss improvements to investment legislation in the new tax code and draft Criminal Code and Criminal Procedure Code.

***Contribution to intended Outcome to date***

***Outcome Indicators***

***Outcome Indicator 1: Number of relevant laws and regulations presented by the Secretariat for adoption/amendment***

**A. 4 normative legal acts were developed or adopted by the initiatives of the Business Development and Investment Council under the Government of the Kyrgyz Republic in 2021**



The Decree of the Cabinet of Ministers of the Kyrgyz Republic “On Amendments to the Decree of the Government of the Kyrgyz Republic “On Approval of the Standards for the Cost of Compensation for Agricultural Production Losses and the Use of Funds Coming in the Order of their Compensation”.



Draft Concept for the Development of the Creative Economy for the next three years was developed. The business community proposed a number of recommendations for the development of creative industries to the government strategic document at the meeting of the Council.



Eliminate the existing Fund for the Improvement of Workers, direct funding for the payment of benefits for temporary disability, for pregnancy and childbirth and for the improvement of workers . At the same time, the costs of benefits for temporary disability, pregnancy and childbirth should be partially borne by both the employer and the republican budget



Withdraw the draft Law of the Kyrgyz Republic “On Amendments to the Law of the Kyrgyz Republic “On the High Technology Park”. This NLA, initiated by the Ministry of Digital Development of the Kyrgyz Republic, significantly worsened the situation and had a negative impact on the activities of the Hi-Tech Park and on the development of the IT industry in general.

## Conclusion

According to the results of the first 11 months of 2021, the GDP in Kyrgyzstan amounted to 102.4% compared to the same period of 2020. The level of investments for the same period amounted to 96.1% by 2020. Thus, it can be stated that the recovery of economic growth and investor confidence is at a slow pace, and the indicators of economic development and investment attraction have not reached the pre-crisis values. In order to achieve the goals of socio-economic development it is necessary to significantly increase investments in the economy.

Also, a new Tax Code and a draft medium-term budget were adopted in 2021, aimed at a significant reduction of the informal sector of the economy and growth of state budget revenues. Increase of tax revenues from business can be realized only in case of increased confidence of entrepreneurs and investors in the actions of state bodies.

Considering all these factors, it is necessary to reformat and strengthen the dialogue between the government and entrepreneurs, restore investors' trust and carry out a number of reforms aimed at improving the business environment. In the current conditions only the President of the country, as the head of the executive power according to the new Constitution can ensure the adoption of decisions, which will be trusted by the business community. Establishment of the Investment Council under the President of the Kyrgyz Republic as a single platform for public-private dialogue and partnership will contribute to the implementation of all the above-mentioned objectives for the development of the economy, reduction of the informal sector of the economy, improvement of the investment climate, elimination of duplication of decisions taken. In its work, the Investment Council will focus on such priorities as development of digital economy, attraction of green investments and support of small and medium businesses.



## Annex 1:

PR-activities conducted during the reporting period:

### **1. Mass media about the Meeting of the 48th Business Development and Investments Council under the Government of the Kyrgyz Republic**

<https://www.akchabar.kg/ru/news/kabmin-kr-obeshal-mds-podderzhivat-biznes/>

<https://ru.sputnik.kg/economy/20210310/1051728544/maripov-biznes-vlast-zashchita-obeshchanie.html>

[https://kaktus.media/doc/433429\\_vlasti\\_provodiya\\_raboty\\_po\\_iskoreneniu\\_faktov\\_davleniya\\_na\\_biznes.html](https://kaktus.media/doc/433429_vlasti_provodiya_raboty_po_iskoreneniu_faktov_davleniya_na_biznes.html)

[https://24.kg/ekonomika/186017\\_premier\\_uveryaet\\_chno\\_idet\\_masshtabnaya\\_rabota\\_poiskoreneniy\\_u\\_davleniya\\_nabiznes/](https://24.kg/ekonomika/186017_premier_uveryaet_chno_idet_masshtabnaya_rabota_poiskoreneniy_u_davleniya_nabiznes/)

<https://www.akchabar.kg/ru/news/monopolizatsiya-okolotamozhennyh-uslug-sozdast-risk-korruptsii-ord-smit/>

<https://rus.azattyk.org/a/pravitelstvo-kyrgyzstana-obeschaet-polnoe-iskorenenie-faktov-davleniya-na-biznes/31117234.html>

<http://kabar.kg/news/chno-meshaet-razvitiyu-biznesa-itogi-ezhegodnogo-oprosa/?fbclid=IwAR3O2eN6BfvglgHzGz1uCyvFD7AbubiTFZir0bBRYmxi7K8LIGXzaMQxGV E>

### **2. Mass media about the Meeting of the 49th Business Development and Investments Council under the Government of the Kyrgyz Republic**

<https://elgezit.kg/2021/06/26/maripov-kabmin-budet-rabotat-v-rezhime-chns-dlya-resheniya-problem-biznesa-i-zashhity-predprinimatelej/>

[https://24.kg/ekonomika/198978\\_ulukbek\\_maripov\\_podderjal\\_ideyu\\_uvelichit\\_sferyi\\_gde\\_mojno\\_rabotat\\_popatentu/](https://24.kg/ekonomika/198978_ulukbek_maripov_podderjal_ideyu_uvelichit_sferyi_gde_mojno_rabotat_popatentu/)

[https://kaktus.media/doc/441331\\_idet\\_ottok\\_investitsiy\\_ylykbek\\_maripov\\_zaiavil\\_chno\\_biznes\\_nyj\\_no\\_zashishat\\_ot\\_reyderstva.html](https://kaktus.media/doc/441331_idet_ottok_investitsiy_ylykbek_maripov_zaiavil_chno_biznes_nyj_no_zashishat_ot_reyderstva.html)

<https://www.tazabek.kg/news:1687300>

<https://kg.akipress.org/news:1712727/?from=kgnews&place=maincats&fbclid=IwAR1KVhfVrRSdPyQxNv4vJzurdDhYejIbO-xRZngYl3qTt8xX6jzOINgDC-8>

<https://knews.kg/2021/06/25/sushhestvuyushhij-perechen-ustarel-maripov-podderzhivaet-rasshirenie-vidov-predprinimatelstva-na-osnove-dobrovolnogo-patenta/>

### **3. Interviews:**

<http://center.kg/article/364>

<https://www.tazabek.kg/news:1673180>



<https://economist.kg/2021/01/26/chto-zhdet-ekonomiku-kyrgyzstana-posle-pandemii-prognoz-na-2021-j/>

[https://24.kg/vlast/182460\\_novaya\\_struktura\\_pravitelstva\\_plyusov\\_malo\\_minusov\\_mnogo/](https://24.kg/vlast/182460_novaya_struktura_pravitelstva_plyusov_malo_minusov_mnogo/)

<https://vesti.kg/zxc/item/87419-ekonomist-uvelichenie-sotsotchislenij-v-sotsfond-plokho-skazhetsya-na-ekonomike.html>

[http://mnenie.akipress.org/unews/un\\_post:22357?fbclid=IwAR0XMkjE\\_rYRn3J9zTKELvjFweiQKBKBFcJYc\\_Pi2Lp7u\\_E9FqMgXzBaX9I](http://mnenie.akipress.org/unews/un_post:22357?fbclid=IwAR0XMkjE_rYRn3J9zTKELvjFweiQKBKBFcJYc_Pi2Lp7u_E9FqMgXzBaX9I)

[https://kaktus.media/doc/445632\\_perspektivy\\_sotrydnichestva\\_kazahstana\\_i\\_kyrgyzstana.html](https://kaktus.media/doc/445632_perspektivy_sotrydnichestva_kazahstana_i_kyrgyzstana.html)

[https://kaktus.media/doc/445888\\_ekspert:\\_novaia\\_srednesrochnaia\\_tarifnaia\\_politika\\_mojet\\_prives\\_ti\\_k\\_katastrofe\\_v\\_energosektore.html](https://kaktus.media/doc/445888_ekspert:_novaia_srednesrochnaia_tarifnaia_politika_mojet_prives_ti_k_katastrofe_v_energosektore.html)

[https://24.kg/ekonomika/207279\\_novaya\\_tarifnaya\\_politika\\_komu\\_vyigodno\\_sozdavat\\_usloviya\\_d\\_lya\\_korruptsionnyih\\_shem/](https://24.kg/ekonomika/207279_novaya_tarifnaya_politika_komu_vyigodno_sozdavat_usloviya_d_lya_korruptsionnyih_shem/)

[https://www.vb.kg/doc/406949\\_azamat\\_akeneev:\\_kr\\_integrirovalsia\\_v\\_eaes\\_bolee\\_5\\_let\\_ryvka\\_n\\_e\\_proizoshlo.html](https://www.vb.kg/doc/406949_azamat_akeneev:_kr_integrirovalsia_v_eaes_bolee_5_let_ryvka_n_e_proizoshlo.html)

<https://vesti.kg/zxc/item/87419-ekonomist-uvelichenie-sotsotchislenij-v-sotsfond-plokho-skazhetsya-na-ekonomike.html>

<https://kloop.kg/blog/2022/01/08/centerra-vydvynula-usloviya-kyrgyzstanu-dlya-mirovogo-soglasheniya-po-voprosu-kumtora-razbiraemysya-chto-oni-oznachayut/>

## **5. TV Interview**

Interview at TV-show “Perekrestok” Azattyk Media on Kumtor gold mine.

<https://fb.watch/4zN43iwI0A/>

## **4. Articles in newspapers**

2 articles in the State official newspaper of the Kyrgyz Republic "Erkin Too regarding the Decree of the President on further improvement of investment climate and business environment.

## **5. Articles in mass media about other events**

<https://medium.com/@azisabakirov/%D0%B2%D1%80%D0%B5%D0%BC%D1%8F-%D1%82%D0%B2%D0%BE%D1%80%D0%B8%D1%82%D1%8C-ecbd39285e93>

[http://www.ibc.kg/ru/news/members/5649\\_onlainkonferenciya\\_po\\_kreativnoi\\_ekonomike\\_proidet\\_11\\_maya\\_](http://www.ibc.kg/ru/news/members/5649_onlainkonferenciya_po_kreativnoi_ekonomike_proidet_11_maya_)

<https://www.tazabek.kg/news:1709228/?from=tazabek&place=search&sth=2ada15cf3062992f52b666489e0835c1>

[https://kaktus.media/doc/439793\\_eto\\_zakonodatelnyy\\_destryktiv.\\_biznes\\_prosit\\_otozvat\\_proekt\\_n\\_ovyh\\_kodeksov.html](https://kaktus.media/doc/439793_eto_zakonodatelnyy_destryktiv._biznes_prosit_otozvat_proekt_n_ovyh_kodeksov.html)

<https://www.tazabek.kg/news:1707120>

<https://www.akchabar.kg/ru/news/v-kr-predlagayut-prinyat-hartiyu-o-gospodderzhke-msb/>

<http://ecopartner.org/%D1%82%D0%BE%D1%80%D0%B3%D0%BE%D0%B2%D0%BE-%D0%BF%D1%80%D0%BE%D0%BC%D1%8B%D1%88%D0%BB%D0%B5%D0%BD%D0%BD%D0%B0%D1%8F-%D0%BF%D0%B0%D0%BB%D0%B0%D1%82%D0%B0-%D0%BA%D1%80-%D0%B1%D0%B8%D0%B7%D0%BD%D0%B5/>

[https://kaktus.media/doc/438729\\_y\\_prezidenta\\_i\\_kabmina\\_poprosili\\_bolshe\\_vnimaniia\\_malomy\\_i\\_srednemy\\_biznesy\\_hartiia.html](https://kaktus.media/doc/438729_y_prezidenta_i_kabmina_poprosili_bolshe_vnimaniia_malomy_i_srednemy_biznesy_hartiia.html)

## **6. Analytical papers:**

Publication in the international academic economic journal “Reforma”, paper based.

2 publications in the Proceedings of the International Scientific and Practical Online Conference "Creative Economy - a Critical Factor in the Sustainable Development of the Country. Published by Kyrgyz-Russian Slavic University – Bishkek.

Approved by the members of the Business Development and Investment Council  
under the Government of the Kyrgyz Republic dated \_\_ " \_\_\_\_\_

**WORK PLAN**  
**of the Business Development and Investment Council under the Government of the Kyrgyz Republic for the year 2022.**

<b>Council meeting and date (approximate)</b>	<b>Issues for consideration</b>	<b>Initiator</b>
1. January - March 2022	<b>On the digitalisation of business activities</b> <ul style="list-style-type: none"> <li>- on the establishment of an e-commerce park;</li> <li>- on electronic payments;</li> <li>- on facilitating the use of electronic digital signatures and virtual cash registers;</li> <li>- on electronic reporting to tax authorities and the Social Fund;</li> <li>- on venture capital financing of start-ups.</li> </ul>	E-Commerce Association, Association of Suppliers (Manufacturers and Distributors) of Kyrgyzstan, Union of Banks of Kyrgyzstan, Kyrgyz Association of Software and Services
2. April - June 2022	<b>On the development of organic agriculture</b> <ul style="list-style-type: none"> <li>- on extension of preferential credit payments to organic farmers;</li> <li>- on prevention of disconnection of electricity to enterprises maintaining temperature regime round the clock (storages of agricultural products);</li> <li>- conversion of agricultural land to industrial land (logistics centres, processing plants, etc.)</li> <li>- extension of soft loan repayments for organic farmers;</li> <li>- allowing cultivation and processing of technical hemp for industrial purposes;</li> <li>- on the VAT refund mechanism for import of raw materials for production of poultry and fish fodder;</li> <li>- on the promotion of the draft Law of the Kyrgyz Republic "On Internal Trade";</li> </ul>	Association for the Development of Agro-industrial Complex of the Kyrgyz Republic, Bast Crops Association, "Eco-Farm" peasant farm
3. July - September 2022	<b>On the development of green technologies</b> <ul style="list-style-type: none"> <li>- on issues of water use permits for the needs of small HPPs;</li> <li>- on the draft Law of the Kyrgyz Republic "On Allocation of Water Fund Land for Construction of Small HPPs";</li> <li>- on calculation and collection of royalty payments from representatives of hotel and</li> </ul>	Association of Small Hydro Power Plants, RES Association, Silk Road Tourism Association, Horeca Association; "Green Alliance" Association

	<ul style="list-style-type: none"> <li>restaurant business; - on energy efficiency of public buildings</li> <li>- on energy efficiency of public buildings; - on definition of rules and procedures for establishing an institute of independent certified specialists;</li> <li>- micropower generation (sale and netting of electricity);</li> <li>- on reducing administrative procedures for obtaining permits for import of green technologies.</li> </ul>	
4. October-December 2022	<p><b>On the development of an inclusive economy</b></p> <ul style="list-style-type: none"> <li>- on the implementation of the Women's Entrepreneurship Support Programme 2021-22;</li> <li>- on the draft "Creative Industries Park" legislation.</li> <li>- on the draft Work Plan of the Council for 2023</li> </ul>	Kurak Women's Forum, Creative Industries Association
Unscheduled meeting	<p><b>General business support issues</b></p> <ul style="list-style-type: none"> <li>- on issues related to improvement of tax administration;</li> <li>- on simplification of procedures for the licensing and permit system in the telecommunications industry (check with the Association of Communications Operators);</li> <li>- on new retention fee rates for mineral prospecting, exploration and exploitation licences;</li> <li>- on state support for the installation of solar panels, construction of sewage treatment plants and removal of rubbish by tourism facilities.</li> </ul>	International Business Council, Association of Suppliers (Manufacturers and Distributors) of Kyrgyzstan, E-Commerce Association, Association for the Development of the Agro-Industrial Complex of the Kyrgyz Republic, Association of Communication Operators, Council Secretariat

*Note: This Plan may be amended and supplemented, at the discretion of the Council members, to take note of stakeholder initiatives, as well as the possibility of postponing consideration of certain issues.*