



**World Bank Group's Country Partnership Framework for Tajikistan 2026–2031
Private Sector Consultations Summary
December 15, 2025
Crowne Plaza Dushanbe Hotel**

The consultations on the World Bank Group's proposed Country Partnership Framework (CPF) 2026–2031 with Tajikistan was held on December 15, 2025, with 33 representatives from the private sector (see Annex).

Key Points Discussed:

Governance, Regulatory Environment, Access to Finance, and Public–Private Dialogue

- Participants focused on the need for predictability and fairness in Tajikistan's business environment, a theme that featured prominently throughout the discussions. Several cited how inconsistent enforcement of tax, customs, and licensing regulations — including uneven treatment across different regions and arbitrary application of rules — undermines investor confidence and deters both domestic and foreign investment. This lack of uniformity creates uncertainty, makes it difficult for businesses to plan, discourages expansion, and in some cases fosters mistrust between the private sector and regulatory bodies.
- Participants also raised questions regarding the monitoring and evaluation of projects— particularly those funded by the Bank in tourism and services. They asked whether implemented projects in these sectors had meaningfully changed the lives of local communities and stressed the importance of tracking results to demonstrate impact.
- Representatives highlighted that the process of establishing a business in Tajikistan is more time-consuming than in neighboring countries. Additionally, both the procedures for starting and closing a business are protracted and expensive, often requiring up to 1.5 years to complete. These lengthy timelines restrict opportunities for reinvestment and stifle entrepreneurial activity. Participants urged the creation of a more efficient and transparent process to reduce these burdens.
- Participants have advocated for stronger public–private dialogue to guarantee thorough consultations, ensuring that laws and regulations take sector feedback into account before they are adopted. They referenced a 2008 draft law on public–private consultation that was never put into effect.
- Concerns were raised about issues of corruption and oversight of the use of WBG grant allocations, as well as ensuring the funds are used for the purposes they are intended for .
- Several participants noted about the access to finance challenges and linked to the governance environment — participants reported that SMEs face unacceptably high interest rates and stringent collateral requirements, which deter business growth, particularly in rural areas.
- Suggestions included legislating cash transaction limits (e.g., $\geq 10,000$ somoni processed via banking channels) to improve transparency, enhance tax compliance, and ensure fair competition.

- Stakeholders drew attention to Value Added Tax (VAT) exemption policy, noting that current exemptions are primarily for green-technology machinery. While supportive of sustainable transition, they recommended expanding the exemption list to cover a wider range of modern machinery and equipment — particularly for agriculture, manufacturing, agro-processing, and industrial upgrading — to enhance productivity and competitiveness, while maintaining incentives for environmentally friendly technologies.
- Participants also called for the harmonization of property and land-use regulations to create a consistent, transparent framework for investment projects.
- Calls were made to strengthen the Consultative Council on business development, addressing declining activity levels and limited capacity among some private sector representatives to fully engage in policy processes.

Human Capital, Education, Employment, and Labor Mobility

- Another important subject was human capital—the quality of Tajikistan’s workforce and its link to productivity and competitiveness. Many participants spoke of a notable decline in education quality, as well as a growing gap between school curricula and the skills needed in high-growth sectors like tourism, ICT, logistics, manufacturing and agriculture.
- Emphasized the critical importance of human capital development and the education sector in Tajikistan and highlighted the need for World Bank Group support to strengthen the country’s education system.
- Representatives highlighted shortages of highly qualified specialists, which continue to constrain job creation and expansion. Low salaries — especially in health and education — are prompting skilled professionals to seek opportunities abroad or with donor organizations.
- The voluntary commitment by businesses to contribute to social, environmental, and economic goals — Corporate Social Responsibility— was highlighted as a valuable tool for strengthening human capital, with calls for tax incentives to encourage private sector investment in education, skills training, and gender equality programs.
- Stakeholders pointed out gaps in the health system that affect workforce productivity and noted that labor mobility between regions is limited by cultural and socio-economic barriers.
- Participants recommended revisiting the draft employment legislation to better address skills shortages, mobility challenges, and private sector requirements.
- Many supported the development of a national high-skilled labor export program to prepare specialists for international markets, supported by certification and accreditation frameworks.

Digitalization, E-Commerce, and Logistics

- Digital transformation, trade facilitation, and infrastructure upgrades were discussed as interconnected priorities. Participants stressed the need for comprehensive digitization of tax, customs, licensing, and certification processes to reduce discretion, minimize delays, and eliminate opportunities for informal payments.
- Stakeholders observed that fragmented logistics systems and the absence of unified e-certification for cross-border trade slow compliance and increase operational costs.
- Infrastructure and logistics gaps, particularly in rural areas and at cross-border points, limit agricultural export potential and regional market integration.

Infrastructure, Green Economy Transition, and Sector-Specific Support

- Infrastructure was linked directly to both competitiveness and environmental sustainability. Participants noted that reliable energy supply, modern municipal services, and efficient transport/logistics infrastructure are essential foundations for private sector growth.
- Agro-exporters and hospitality sector representatives stressed the importance of integrated infrastructure planning and municipal support to meet global quality standards and expand market access.
- Stakeholders connected infrastructure development to the green economy transition, recommending targeted incentives — such as tax breaks and subsidies — to accelerate green technology adoption.

Business Protection, Dispute Resolution, and Institutional Cooperation

- Participants commented that effective mediation and arbitration mechanisms are vital to protect investments and resolve commercial disputes efficiently. Work is ongoing to revive mediation centers and draft a mediation law.
- Stakeholders underlined the importance of strong cooperation with Chambers of Commerce and active engagement of both large and small enterprises to ensure reforms are inclusive and practical.

Other Points:

- The Asian Development Bank (ADB) and European Bank for Reconstruction and Development (EBRD) confirmed their alignment with CPF priorities and readiness to co-finance initiatives in infrastructure, competitiveness, governance, and the “private sector champion” role.
- Participants reiterated that reform priorities should integrate predictable regulation, modern physical infrastructure, competitive financing options, and strengthened human capital to enable sustainable private sector growth.

Annex:

Number of Participants:	Organizations attending:
33 participants	<ul style="list-style-type: none">• AFOT• Alif Bank• M-Vector Research Tajikistan• E-Commerce Association• SME Association• Digital Development Association• TojInvest• Avvalin JSC• Pochtai Asr• OJSC ‘Bank Eskhata’• 55 Group

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| | <ul style="list-style-type: none">• Association of Dry Fruit Exporters• Tajik Community Based Tourism Association (TATOS)• LLC "Sayohat Travel"• Private Sector Development Union• ACT Development Group LLC• AmCham Tajikistan• CASE• TGEM “Tojikgidroelektromontazh”• Z - Analytics Group• Chamber of Commerce and Industry of the Republic of Tajikistan• Yovar Company• Schiever Tajikistan Closed Joint Stock• Noncommercial Cooperative Sarob• Association of restaurants and service• Neksigol Mushovir Company• European Bank for Reconstruction and Development (EBRD)• Asian Development Bank (ADB)• OJSC TajikSGEM• LLC “Behruz Tower”• Global Link Logistics• NASMB RT• ECPAT — International Child Protection Network |
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