

## SUMMARY RECORD

# OECD EURASIA WEEK 2017

OPENNESS FOR SHARED PROSPERITY

**23-25 October 2017**

Almaty, Kazakhstan



## About OECD Eurasia Week

OECD Eurasia Week is an annual event organised by the OECD Eurasia Competitiveness Programme which serves as a platform for dialogue between the countries of the Eurasia region and the OECD, and provides an opportunity for peer learning and the exchange of information. The Programme works with 13 countries in Eastern Europe, the South Caucasus and Central Asia to assist in the implementation of policies to enhance competitiveness, improve the business climate and support the transition from planned to market economies.

## Eurasia Week 2017

Eurasia Week 2017 was hosted by the government of the Republic of Kazakhstan in Almaty on 23-25 October. It was the first time that the event took place in the Eurasia region. It also provided the occasion for the first official visit of an OECD Secretary-General to an OECD Eurasia Programme country.

The event brought together over 450 participants from the governments of Eurasia countries, representatives from 22 OECD member economies, the European Union, academia, businesses, international organisations, and civil society. Participants included the Prime Minister of Kazakhstan, four deputy or first deputy prime ministers, 30 ambassadors and 24 ministers and deputy ministers. The private sector was represented by 102 companies and five business associations.

In addition to being the largest OECD Eurasia Week to date, it was also the most digitally visible and the greenest. In the three months preceding Eurasia Week, the event website saw a 239% year-on-year traffic increase, and garnered 122 000 Twitter impressions, a 125% increase. In an attempt to lessen the carbon footprint of the event, the OECD made use of the Poken system, replacing most paper documents with digitised versions, which were available at designated stations throughout the event. The switch proved popular amongst participants, with the Poken system recording over 4 500 interactions and 2 974 downloads of OECD publications.



**MONDAY 23 OCTOBER****Pre-Conference Event Organised by the EBRD**

Opening the EBRD pre-conference event, **Mr Karim Dahou**, Senior Counsellor, OECD Global Relations Secretariat, evoked two themes that recurred throughout the week – the integral role of the private sector in developing sustainable and inclusive economies, and the necessity of addressing gender inequality to improve inclusiveness.

**Dr Ralph de Haas**, Director of Research, Office of the Chief Economist, EBRD, then reviewed the main messages of the Bank's 2016-17 Transition Report, *Transition for All: Equal Opportunities in an Unequal World*, and presented the main findings of the forthcoming Transition Report 2017-2018, *Sustaining Growth in Middle-Income Economies*. The key message of the latter is that while there is no evidence of a middle income trap, many countries must reinvent themselves in order to sustain productivity growth by investing more in education and infrastructure, and by paying greater attention to improving labour-market inclusivity.

**Ms Barbara Rambousek**, Associate Director for Economic Inclusion in the EBRD's Department of Country and Sector Economics, then chaired a panel on how the private sector can open opportunity to all, particularly women. Panellists included **Ms Natalia Petrovicheva**, Head of Human Resources, Shell Kazakhstan; **Ms Yana Matviichuk**, General Manager of Arena CS (Kyiv); **Ms Yulia Kovaliv**, Head of the National Investment Council of Ukraine; and **Ms Munkhtuya Altangerel**, Deputy Resident Representative, UNDP Kazakhstan. The participants recalled their own experiences and those of their employers in dealing with this challenge. Some good practices mentioned were leadership support, the operation of a talent identification system, appropriate job advertisement policies, business education for women, the removal of legal barriers to women's participation and raising awareness of the benefits of diversity.

**TUESDAY 24 OCTOBER****Opening of OECD Eurasia Week**

**H.E. Mr Angel Gurría**, Secretary-General of the OECD, officially opened Eurasia Week with an address in which he thanked the government of Kazakhstan and the city of Almaty for allowing the event to be brought, for the first time, to Eurasia. He highlighted that the event was a sign of the deepening engagement between the region and the OECD, which increasingly extends beyond activities focused specifically on the Eurasia region to other OECD instruments and global initiatives. The Secretary-General called for further structural reforms to foster investment, innovation, entrepreneurship, productivity growth, better governance and inclusiveness to recover pre-crisis growth momentum, and further efforts to improve connective infrastructure and pursue openness. He concluded that openness is worth preserving and promoting, and underlined the commitment of the OECD and the role it could play in helping regional governments to achieve it (see full speech [here](#)).

**H.E. Mr Bakytzhan Sagintayev**, Prime Minister of Kazakhstan, welcomed the participants and thanked the OECD and the Secretary-General for holding the event in Kazakhstan. He provided an overview of Kazakhstan's positive development dynamics and its efforts to promote regional openness. He mentioned that Kazakhstan is progressing with the implementation of its Third Modernisation programme to face the global development paradigm shift. Finally, the prime minister emphasised that extended co-operation with the OECD is of special importance,

particularly under the aegis of the OECD Kazakhstan Country Programme, and confirmed Kazakhstan's determination to facilitate the sharing of best practices within Eurasia (see full speech [here](#)).

**H.E. Mr Dimitry Kumsishvili**, First Vice Prime Minister of Georgia, noted the positive trajectory of the Georgian economy, which has outperformed regional peers since the crisis of 2008-09, and outlined the four-pillar programme being undertaken by Georgia as part of its long-term development strategy, which covers tax reform, education, infrastructure and public governance.

**H.E. Mr Azim Ibrohim**, Deputy Prime Minister of Tajikistan, highlighted the importance of economic openness for Tajikistan's post-independence development trajectory. He also mentioned the country's development priorities, including raising the level of social and economic development and becoming a transit country by 2030. The deputy prime minister listed areas of work with the OECD, and welcomed further co-operation with Eurasia countries.

**H.E. Mr Nodir Otazonov**, Deputy Prime Minister of Uzbekistan, described the implementation of the country's five-point reform programme covering economic liberalisation, investment climate, steady growth, competitiveness, and investment in advanced technology. He expressed appreciation for support received from the OECD on its reform priorities.



## Ministerial Panel: Openness for shared prosperity

**Mr William Tompson**, Head of the Eurasia Division, OECD Global Relations Secretariat, introduced the speakers and moderated the panel. The speakers discussed the challenges and opportunities facing Eurasia countries when harnessing economic openness and competitiveness.

Speaking first, **H.E. Mr Timur Suleimenov**, Minister of National Economy of Kazakhstan, talked about Kazakhstan's challenges, including dependence on oil and gas revenues, climate and geography, and highlighted the need to spend vast amounts on infrastructure. He also drew attention to Kazakhstan's strategic development plans, which aim to shift the country towards a growth model that relies more on productivity gains and innovation, and less on resource rents.

**H.E. Ms Lilia Palii**, Secretary-General of the Government of the Republic of Moldova, mentioned that her country had passed through a series of external and internal shocks, and thanked international partners including the OECD for their continued assistance with the implementation of Moldova's reform agenda. She emphasised that Moldova remains committed to the path of European integration.

**H.E. Dr Mohammad Mustafa Mastoor**, Minister of Economy of Afghanistan, detailed the particular challenges facing his country as it seeks stable and sustainable economic growth, as well as the opportunities which the government hopes to exploit. He mentioned in particular a programme of 11 priority reforms developed together with the private sector, as well as the investment potential of the telecommunications industry. Like many other dignitaries at OECD Eurasia Week 2017, Dr Mastoor stressed the importance of regional connectivity and integration in terms of the country's and the region's economic development, as well as for the long-term strategy for peace and prosperity in Afghanistan.

**Ms Dana Meager**, Deputy Minister of Finance of the Slovak Republic, also evoked the theme of connectivity, and in particular the importance of investing in physical infrastructure so as to create new economic corridors between Eurasian countries. The deputy minister also underscored the importance of improving the business climate for SMEs in the Slovak Republic, within the broader context of the government's vision for the country's economic future – that of an integral facilitator of both East-West and North-South connectivity.

Like his regional peers, **Dr István Mikola**, Minister of State for Security Policy and International Co-operation of Hungary, spoke of the importance of connectivity and economic integration in the region, highlighting the importance of transport. At the same time, the minister emphasised the critical importance of the internationalisation of SMEs for developing economies, and reaffirmed Hungary's commitment to achieving this.

**Mr Luc Devigne**, Deputy Managing Director for Europe and Central Asia of the European External Action Service, rounded off the panel interventions by underlining the fact that Central Asia and the Eastern Partnership are two key priorities for the European Union, and thanked the OECD and the government of Kazakhstan for organising OECD Eurasia Week 2017 in Almaty. He highlighted that the Central Asia region has achieved considerable progress and has demonstrated regional co-operation in areas of security and the management of resources, and that the EU wishes to enhance further the partnership with the region through an inclusive process that includes civil society and business. He also mentioned the benefits of the Deep and Comprehensive Free Trade Areas (DCFTA) and of further deepening relations with other countries of the Eastern Partnership, with a desire to contribute to a lasting and peaceful partnership.

Having concluded their panel discussion, **Mr Tompson** opened the discussion up for interventions from the floor, which focused mainly on the Belt-and-Road Initiative, SME development, and prospects for better connectivity.



## Regional Dialogue Lunches

Two parallel regional dialogue lunches were held in the early afternoon, focusing on Central Asia and Eastern Europe and the South Caucasus (EESC).

### **Central Asia regional lunch**

The Central Asia regional lunch was moderated by **William Tompson**. Participants made interventions regarding policy reforms to enhance competitiveness and diversification.

Opening the discussion, **H.E. Mr Traian Larentiu Hristea**, Ambassador, Head of the European Union Delegation to Kazakhstan, emphasised that regional co-operation strengthens regional stability, highlighted the role of the private sector and SMEs for economic development, and said that the European Union would continue to partner with governments to improve the business climate and private sector development. **Mr Tompson** then presented the main findings of the forthcoming OECD report, *Enhancing Competitiveness in Central Asia*.

**H.E. Mr Erbolat Dossaev**, Deputy Prime Minister of Kazakhstan, noted that in order to maintain and improve the country's competitiveness, the government needs to stay abreast of technological trends and innovation, and to improve its professional training and education systems accordingly. **H.E. Mr Azim Ibrohim**, Deputy Prime Minister of Tajikistan, underlined the importance to the Tajik economy of migrant remittances and the need for better use of remittances for improving finance and productive entrepreneurship – which will only be possible by improving the structure and institutional trust in the banking sector. **H.E. Mr Nodir Otazonov**, Deputy Prime Minister of Uzbekistan, contended that Uzbekistan's ostensibly inauspicious geographical position can be used to its advantage, especially by allowing the country to contribute to the region's transport and transit potential. He underlined the recent progress made by the government in introducing a raft of new reforms.

**Mr Daniyar Imanaliev**, Deputy Minister of Economy of Kyrgyzstan and Co-chair of the OECD Central Asia Initiative, highlighted the success of initiatives that have been undertaken in co-operation with the OECD, and mentioned that economic stabilisation and reduction of trade barriers were some of the priorities. **Mr Damdinsuren Davaasuren**, State Secretary of Foreign Affairs of Mongolia, outlined some of the key challenges facing the Mongolian economy, in particular the weak banking structure and limited access to finance, and mentioned that some of the main priorities are trade facilitation and the reduction of the cost of exports to businesses. **H.E. Dr Mohammad Mustafa Mastoor**, Minister of Economy of Afghanistan, spoke of an ambitious new project being undertaken in the country to reduce poverty and the high unemployment rate, and highlighted the promotion of the private sector as a government priority.

**Mr Naoyuki Yoshino**, Executive Director of the Asian Development Bank Institute, highlighted that private investment in infrastructure projects should be encouraged and stimulated. **Mr Andris Pelšs**, Under-Secretary of State – Political Director of Foreign Affairs of Latvia, concluded the interventions by returning to the central theme of OECD Eurasia Week 2017, connectivity and openness, by noting that economic development depends on access to markets and the furthering of regional co-operation, and underlined Latvia's continuing commitment to assisting Central Asian governments achieve this by sharing best practices.

### ***Eastern Europe and South Caucasus regional lunch***

Moderated by **Mr Dominique Menu**, BNP Paribas Representative in Ukraine and Kazakhstan, the EESC regional lunch saw participants discuss the question of how best to steer the EESC region back to a strong growth trajectory. OECD Secretary-General **Angel Gurría** opened the event with brief remarks in which he outlined the central growth challenges facing EESC countries, emphasising the role of trade and openness. Since 2009, growth in the EESC economies has in almost all cases fallen far below pre-crisis levels and is too slow to allow progress in income convergence with the advanced economies. Following Mr Gurría's opening remarks, **Mr Menu** turned to the floor for interventions.

**H.E. Mr Dimitry Kumsishvili**, First Vice Prime Minister of Georgia, noted that one of the Georgian national bank's largest challenges was the high rate of dollarisation, and, turning to trade, pointed to Georgia's transit potential as an East-West corridor. **H.E. Ms Lilia Palii**, Secretary General of the Government of Moldova, emphasised the importance of the EU as both an export destination for Moldovan goods and as a source of FDI. **Mr Hovhannes Azizyan**, Deputy Minister of Economic Development and Investments of Armenia, noted that improving Armenian exports is a central component of the country's economic development strategy, alongside better utilising remittances for economic growth. **Mr Luc Devigne**, Deputy Managing Director for Europe and Central Asia of the European External Action Service, highlighted that the EU would like to facilitate trade with Eurasia and mentioned that the Union is open to contacts with the Eurasian Economic Union. **Ms Vusala Jafarova**, Strategic Analysis and Planning Manager at the Centre for Analysis of Economic Reforms and Communications of Azerbaijan, concluded the interventions by noting that since the collapse in global oil prices, Azerbaijan has been compelled to work on a new economic model, focused on improving the investment climate and diversifying exports. Echoing the comments made by Mr Kumsishvili regarding Georgia's intention to maximise its location as an East-West trade corridor, Ms Jafarova expressed a similar desire, but extended this to the idea of also being a facilitator of North-South trade.

### **Meeting of the OECD Eurasia Competitiveness Programme Steering Committees – Closed session**

#### **OECD Eurasia Business Forum**

##### ***Opening Panel: Improving competition in Eurasia to foster productivity and growth***

The OECD Eurasia Business Forum opening panel looked at how competition can stimulate productivity and contribute to wider economic growth in Eurasia. **Ms Natalia Khanjenkova**, the EBRD's Managing Director for Central Asia and Russia, moderated the session. She underlined the importance of improving competition, especially for the Eurasia region, and noted OECD tools available. The keynote speaker, **Mr Frédéric Jenny**, Chairman of the OECD Competition Committee and Professor of Economics at ESSEC Business School in Paris, provided an instructive overview of the importance of competition in any economy, and in particular in those of Eurasia. **Dr Wolfgang Heckenberger**, Senior Advisor on Competition and Head of Siemens Competition Group, made the observation that companies have become far more reluctant to engage in territories where clean business cannot be guaranteed. **H.E. Mr Zhenis Kassymbek**, Minister of Investments and Development of Kazakhstan, reiterated the government's commitment to its 2050 strategy and noted the need to change not just the structure of the national economy, but also the legislative framework that surrounds it and the

mentality of the business culture. The minister mentioned that Kazakhstan has become the 48<sup>th</sup> country to adhere to the OECD Investment Declaration, underlining the country's commitment to co-operation with international partners. **Mr Yuriy Terentyev**, Chairman of the Anti-Monopoly Committee (AMC) of Ukraine, noted the approaching 25<sup>th</sup> anniversary of the creation of the AMC, and suggested that working on the root causes of competition problems often yields better results than addressing individual cases. **H.E. Mr Petr Gandalovič**, Ambassador and Permanent Representative of the Czech Republic to the OECD, underlined the importance of improving transparency in public procurement for tackling corruption, as well as the role of competition in mitigating this issue.



### ***Business speed-networking***

The 2017 OECD Eurasia business speed networking was organised in co-operation with business associations from both OECD and Eurasia partner countries. The business speed-networking event provided an opportunity for businesses to hold bilateral meetings with high-level representatives of Eurasia countries: 25 companies, 13 of which were from OECD countries, held 96 meetings over the course of the event. On average, the participant companies held four meetings with Eurasia government representatives, making use of the event as a platform for private-public sector dialogue in the Eurasia region.

**WEDNESDAY 25 OCTOBER**

## **OECD Eurasia Competitiveness Roundtable**

The OECD Eurasia Competitiveness Roundtable was established in 2013 as a joint platform involving OECD members and Eurasia partner countries in peer reviews on competitiveness reform implementation. At OECD Eurasia Week 2017, the Roundtable was chaired by **H.E. Ms Annika Markovic**, Ambassador and Permanent Representative of Sweden to the OECD.

### ***Monitoring Review of Armenia: Supporting SME competitiveness in Armenia***

The monitoring of Armenia focused on peer reviews conducted in 2014 on *Connecting Armenian SMEs to Global Value Chains, the Case of Agribusiness* and *Linking Multinational Enterprises and Armenian SMEs, the Case of the Construction Materials Sector*, with both handbooks published in 2015.

**Ambassador Markovic** opened the Roundtable and introduced the monitoring review of Armenia. She noted that Eurasia countries are showing more commitment and ownership of the peer-review process. **Mr Petros Sourmelis**, Head of Unit, DG Trade, European Commission, highlighted the relevance of SME policies in Armenia's reform agenda as an essential part of EU-Armenia co-operation and confirmed EU support for the region, with a focus on trade.



*Connecting Armenian agribusinesses to global value chains*

In his opening remarks, **Mr Hovhannes Azizyan**, Deputy Minister of Economic Development and Investments of Armenia, outlined the importance of OECD support to implement and monitor reforms in the development and internationalisation of the agribusiness and construction materials sectors in Armenia. He noted the recent launch of the OECD project on “Improving business statistics in Armenia”, and commented that Armenia plans to join the OECD FDI Regulatory Restrictiveness Index to improve the country’s investment environment.

**William Tompson** of the OECD’s Eurasia Division presented the monitoring results on behalf of the Secretariat. In regards to the agribusiness sector, he noted modest progress in export promotion and export-related infrastructure, and significant improvement in export financing. **Mr Armen Harutyunyan**, Deputy Minister of Agriculture of Armenia, outlined four umbrella issues currently being tackled by the Ministry of Agriculture: legal and institutional reforms, improving education for producers, improving access to finance for SMEs, and developing physical infrastructure. The deputy minister also spoke of the importance of using innovative technologies in rural agricultural business. **Professor Richard Pomfret**, Professor of Economics, University of Adelaide, Australia, agreed with an earlier comment made by Mr Tompson that one of the key priorities for Armenia had to be reducing the fragmentation of the market, which would be achieved only if Armenia improved the infrastructure crucial to inter-business connectivity.

During the open discussion, **H.E. Mr Petr Gandalovič**, Ambassador and Permanent Representative of the Czech Republic to the OECD, shared his experience as former Minister of Agriculture and highlighted the success of co-operatives in the Czech Republic, while the government implemented important reforms to increase competition among large producers. **Professor Salvatore Zecchini**, Former Chair of the OECD Working Party on SMEs and Entrepreneurship, commented on the difficulty for Armenia of reconciling varying product standards in its two principle export markets. An intervention from **Mr Anar Huseynov**, Director, Department of Economic Co-operation and Development, Ministry of Foreign Affairs of Azerbaijan, noted the similarity of the problems it also faced, and inquired as to how countries with EEU membership but which possess ties to the OECD, such as Armenia, reconcile the requirements of both. **Ms Dana Meager**, Deputy Minister of Finance of the Slovak Republic, noted the difficulty of encouraging people to work in the agricultural sector, and underlined the need to overcome sectoral preconceptions given the importance of agriculture domestically and internationally.

*Linking multinational enterprises and Armenian SMEs*

Following introductory comments by **Ambassador Markovic**, **Mr Tompson** presented the results of the monitoring. He noted that important steps have been taken to trigger local demand for construction materials. However, more work remains to be done to attract investment and upgrade SME capabilities. **Mr Azizyan** pointed out that, in line with OECD recommendations, Armenia has made efforts to increase local demand for construction materials, and for local consumption more generally. **Dr Declan Murphy**, Director of Strategy Partners Ireland, stated that the monitoring report provides a foundation for better processes for linking multinational companies with domestic enterprises and provided advice for attracting FDI. **Mr Azizyan** concluded by reiterating his optimism for the future given the results discussed, underlined the importance of investment promotion going forward, and stated Armenia’s commitment to continued co-operation with the OECD.



The Chair reminded participants about a new project on improving statistics with Armenia and requested that written comments on the monitoring report be submitted by 8 November 2017.

## Thematic Panel: Investment promotion and business linkages in Eastern Europe and South Caucasus

The EESC Thematic Panel, moderated by **H.E. Mr Aleksander Surdej**, Ambassador and Permanent Representative of Poland to the OECD, looked at how to promote regional investment, focusing on policies to attract investment that can help foster inclusive growth for the local economy. **Ms Mathilde Mesnard**, Deputy Director of OECD Directorate for Financial and Enterprise Affairs (DAF), spoke of the OECD's work in this area, mentioning in particular the OECD Policy Framework for Investment and the lessons learnt from the investment policy reviews conducted so far. **Ms Yulia Kovaliv**, Head of Office of the National Investment Council of Ukraine, shared insights into Ukraine's strategy for attracting investors. She noted that the majority of foreign investment in Ukraine originates from EU countries, and that in addition to furthering SOE privatisation efforts in line with OECD standards, the priority of the Ukrainian government is increasing FDI growth. **Mr Aleksandre Papiashvili**, Senior Investor Advisor for Enterprise Georgia, echoing comments made by Ms Kovaliv, stressed the need to improve the investment climate in Georgia and enumerated a raft of reasons why the country is an attractive investment destination, such as its proximity to the EU. **Mr Declan Murphy**, Director, Strategy Partners Ireland, listed some features of successful investment promotion agencies. He commented that whilst it is important for countries to have a strong investment promotion agency, they should avoid focusing too heavily on trying to recreate past advantages and industries, and instead look to addressing present day challenges and opportunities.

## OECD Eurasia Competitiveness Roundtable

### *Peer Review of Uzbekistan: Boosting SME internationalisation through better export promotion policies*

Following opening remarks from the Chair, **Ms Anja Nagel**, Head of Sector Global Initiatives, DG DEVCO, EU Commission, noted that the EU has been supporting and collaborating with the OECD on SME competitiveness in Eurasia since 2009. In his opening remarks, **H.E. Mr Nodir Otazonov**, Deputy Prime Minister of Uzbekistan, thanked the OECD for its support, underlined the strategic importance of SMEs in Uzbekistan, and noted that enhancing trade with regional countries has become a priority issue for the government. **William Tompson**

underlined the need for Uzbekistan to improve the general business climate and to promote SME exports, outlined the report's main recommendations, and cited the examples from the agricultural and home appliances sectors. **Mr Mubin Mirzaev**, First Deputy Minister of Economy, Uzbekistan, commented on the key recommendations. He drew particular attention to measures being taken on currency liberalisation and the abolition of the requirement for firms to sell foreign currency to the state, steps that are critical for the development of export activities.

**Mr Wilhelm Berg**, Senior Export Promotion Expert, Germany, presented best practices on export promotion, including building awareness of export markets, gathering and distributing information, developing guidance and support structures, and building awareness of Uzbekistan abroad. **Professor Richard Pomfret**, Professor of Economics at the University of Adelaide, spoke of the need to develop Uzbekistan's soft infrastructure, for example its customs procedures and regulations, as well as the physical infrastructure requirements facing the country.

During the open discussion that followed, **Mr Daniyar Imanaliev**, Deputy Minister of Economy of Kyrgyzstan, commented that his country has significantly increased trade with Uzbekistan, and that the government stands ready to engage with international partners and regional governments to further develop the necessary export infrastructure, soft and hard, from which the entire region can benefit. Echoing these comments, **Mr Saidrahmon Nazrizoda**, First Deputy Minister of Economic Development and Trade of Tajikistan noted that, in 2016, trade between Tajikistan and Uzbekistan increased more than five-fold. **Mr Hovhannes Azizyan**, Deputy Minister of Economic Development and Investments of Armenia, commented on the necessity to learn from other countries' mistakes and successes, and noted that the Armenian government had identified five priority markets and is focusing on developing these. **Ms Mariana Morgoshia**, Director of Enterprise Georgia, noted the importance of not focusing too narrowly on certain technical facilitators of trade, but on the broader business environment – improvements in technical trade instruments are only useful against a backdrop of a healthy regulatory environment and harmonious taxation systems.

Responding to the interventions and providing final remarks, **H.E. Mr Nodir Otazonov** thanked the delegates for their recommendations and noted that the experience showed what could be gained through peer learning for Eurasia countries. Having enumerated the sweeping reforms currently being undertaken by the government of Uzbekistan, the deputy prime minister noted the tendency for import substitution in Uzbekistan, and the need to continue to produce commodities needed for domestic businesses, rather than importing them.

The deadline for written comments on the peer review report was set as 15 November 2017.

### ***Monitoring Review of Tajikistan: Enhancing access to finance for SMEs and increasing export in agriculture***

The monitoring of Tajikistan focused on peer reviews conducted in 2014 on *Enhancing access to finance for SME development in Tajikistan* and on *Increasing exports in Tajikistan: The case of agribusiness*, with both handbooks published in 2015.

**Mr Maciej Madalinski**, Head of Co-operation, EU Delegation to Tajikistan, noted that much was already being done between the EU and Tajikistan, and that this event was an excellent opportunity to review the performance of that which had already been put into place. **Mr Saidrakhmon Nazrizoda**, First Deputy Minister of Economic Development and Trade of Tajikistan, provided opening remarks on behalf of his government. He commented that the economy was growing, with trade being a key factor in Tajikistan's economic development. The

first deputy minister noted that the two main priorities for the government are improving access to finance for SMEs and increasing agricultural export volumes.

#### *Enhancing access to finance for SMEs*

**William Tompson** presented the results of the monitoring on behalf of the OECD Secretariat. He mentioned that Tajikistan has made progress on the demand side, including training programmes for migrants, and has attempted programmes on the supply side, but should further focus on rebuilding trust in the financial system. **Mr Nazrizoda** expressed the government's commitment to implementing OECD recommendations, noting the introduction of a number of measures, including efforts to improve the financial training centres for labour migrants and an action plan based on the recommendations. **Ms Diana Russu**, SMEs and Migration Expert from Moldova, underlined the fact that well-controlled migration is positive for an economy, and drew attention to measures taken in Moldova to better educate departing and returning labour migrants. **Ms Aleksandra Lange**, Labour Migration Expert, Poland, noted that Tajikistan, like Poland, is a country of emigration, and that the question that policy makers in both countries have to answer is how to encourage migrants to return and to harness remittances more effectively for economic development. **Mr Nazrizoda** gave closing remarks.

#### *Increasing exports in agriculture*

**Mr Nazrizoda** presented the measures being taken to promote export in agriculture, including simplification of the tax system, with a view to realising the nation's export potential. **Mr Tompson**, while presenting the results of the monitoring, spoke of the progress being made by Tajikistan in improving its "soft" export infrastructure but also drew attention for the need to focus on implementation. Responding, **Mr Nazrizoda** commented that concrete signs of progress are demonstrated by the fact that Tajikistan has risen 43 places in the World Bank Ease of Doing Business Index since 2015, and listed a number of concrete measures being taken to improve the country's exports, including the creation of a national fund for export support.

**Mr Philippe Yvergniaux**, Export Promotion Expert of Business France, discussed good practices for an export promotion agency with an explanation of how the French agency works. **Mr Narmuhan Sarybaev**, CEO of Agrarian Credit Corporation, Kazakhstan, noted the importance of having one Central Asian country act as peer reviewer to another and noted the need to consolidate agricultural products to improve the export potential of Tajikistan.

Concluding proceedings, **Mr Nazrizoda** thanked the various experts who had assembled at the Roundtable, before thanking the OECD and international partners. **Ms Anja Nagel**, Head of Sector Global Initiatives, DG DEVCO, EU Commission, thanked and congratulated the Uzbek and Tajik governments, before thanking the OECD and participants for their contributions and collaboration. Finally, Ms Nagel noted that the EU and the OECD are starting a project on Afghanistan, with the results of a peer review to be presented at OECD Eurasia Week 2018.

**H.E. Ms Annika Markovic** provided final remarks and stated that the deadline for written comments on the monitoring report was set as 15 November 2017.

## **Ministerial Panel on the Kazakhstan Country Programme**

The final event of OECD Eurasia Week 2017 saw a panel discussion of the OECD Kazakhstan Country Programme (KCP), the flagship platform for OECD-Kazakhstan co-operation, which has been renewed until the end of 2018. **Mr Karim Dahou**, Senior Counsellor, Global Relations

Secretariat, OECD, moderated the panel. Beginning the discussion, **H.E. Mr Timur Suleimenov**, Minister of National Economy, outlined how the KCP has helped Kazakh policy makers analyse the domestic situation. Mr Suleimenov explained that the country programme, with its holistic approach and its wide interaction with government institutions, has resulted in an action plan based on the main OECD recommendations and concrete actions.

Responding to Mr Dahou's question concerning the experience of going through an OECD investment policy review, **H.E. Mr Zhenis Kassymbek**, Minister of Investments and Development, commented that the process had been hugely rewarding, with an action plan and legislative acts having been adopted as a result, and that the government was pleased to have expanded its co-operation with the OECD further through its participation in OECD bodies and committees. Moreover, Mr Kassymbek highlighted the introduction of a visa-free regime for investors and expressed a belief that the recent review will give greater impetus to the reform programme.

**H.E. Ms Tamara Duisenova**, Minister of Labour and Social Protection of the Population, spoke of the policies implemented to achieve the precipitous drop in poverty and inequality, including the improvements in the labour code, the programme of productive employment, the occupational standards and an independent qualification framework. Ms Duisenova underlined the government's continued commitment to working with and learning from the OECD.

**H.E. Mr Kanat Bozumbayev**, Minister of Energy, commented on how Kazakhstan promotes energy efficiency and green growth. He spoke specifically about Kazakhstan's environmental legislation and engagement with the OECD on the topic, including Kazakhstan's adherence to the OECD Declaration on Green Growth and the OECD Declaration on Risk Reduction for Lead, and work on cleaner public transport.

Finally, **H.E. Mr Yerlan Sagadiyev**, Minister of Education and Science, spoke of the numerous areas where Kazakhstan has made strides in improving the standard of its education system, some of which are a result of OECD recommendations.



After the initial interventions, the chair opened the discussion to comments and questions from participants and international partners. **H.E. Mr Rupert Schlegelmilch**, Ambassador and Permanent Representative of the European Union to the OECD and Chair of the OECD Eurasia Advisory Board, made an intervention regarding whether the KCP could be understood to have

met its expectations and inquired as to how the renewed programme offers or plans to offer more implementation, monitoring and evaluation. **H.E. Mr Ulrich Lehner**, Ambassador and Permanent Representative of Switzerland to the OECD and Chair of the OECD External Relations Committee, expressed appreciation for the education reforms that had been presented by the Minister of Education and Science and was heartened by the progress the country had made, before asking what more might be done to improve the quality of vocational education in Kazakhstan.

**Mr Sagadiyev**, responding, commented that his ministry was pursuing a two-fold approach to the question of vocational education: allowing large enterprises to move into college management, with the condition of facilitating professional training programmes for students, and allowing colleges to directly pay companies to obtain professional experience for their students. Finally, **Mr Daniyar Imanaliev**, Deputy Minister of Economy of Kyrgyzstan, was curious to learn more about the recommendations on economics from the Minister of Economy. Concluding, **Mr Suleimenov** commented that the economic aspect of the KCP has been the most fruitful, underlining in particular the importance of the competitiveness topic covering many areas. Reiterating a comment made during the Central Asia Roundtable events, he noted, however, that there was no one-size-fits-all approach. **Mr Kassymbek** noted that reforms to the legal environment were the easiest stage of the reform process, and highlighted the need for Kazakhstan to focus now on implementation. **Ms Duisenova** brought up an additional training fund. **Mr Bozumbayev** reiterated the commitment to implement green recommendations, and **Mr Sagadiyev** also reiterated his commitment to continuing with reforms and implementation of recommendations.

## Closing of OECD Eurasia Week

Closing the official proceedings of OECD Eurasia Week 2017, **Ms Mathilde Mesnard**, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD, thanked the government of Kazakhstan and the city of Almaty on behalf of the OECD for their hospitality, and all the speakers and participants for their contributions. Ms Mesnard commented that the importance of openness, one of the central themes of Eurasia Week, is not limited to trade financial flows, but extends to other topics including information and environmental action. Ms Mesnard reminded participants about the EU Central Asia Invest Networking Meeting on 26 October and the OECD GREEN Action Programme Meeting on 26-27 October.

**Ms Madina Abylkassymova**, Vice Minister of National Economy of Kazakhstan, thanked the OECD and all the delegations. The vice minister noted that all the nations present shared the common goal of bettering the lives of their citizens and improving competitiveness. She mentioned that Kazakhstan valued its co-operation with the OECD and hoped to continue close co-operation while being ready to share experience.

**Ms Kumi Kitamori**, Head of Division, Green Growth and Global Relations, OECD Environment Directorate, noted that the OECD work on green growth now involves 10 OECD committees, which is testament of the importance of the topic as an economic issue, as opposed to solely an environmental one. Ms Kitamori reminded the participants about the OECD GREEN Action Programme Meeting over the following two days.

**Mr William Tompson**, Head of Eurasia Division, Global Relations Secretariat, OECD, concluded the proceedings, commenting on the importance of the Eurasia Week platform continuing, and on the role it will continue to play in facilitating learning and the exchange of information between countries in the Eurasia region and beyond.