

GLOBAL RELATIONS SECRETARIAT

SUMMARY RECORD OF OECD EURASIA WEEK – Paris, 22-24 November 2016

OECD Eurasia Week 2016 was held at OECD Headquarters in Paris on 22-24 November 2016, bringing together over 400 representatives from 13 Eurasia countries, OECD members, the business community and international organisations. The event created opportunities to further strengthen relations between the countries of the Eurasia region and the OECD, and provided a platform for discussing policies to enhance productivity and strengthen resilience across the region.

OFFICIAL OPENING OF OECD EURASIA WEEK

Mr Ángel Gurría, Secretary-General of the OECD, launched Eurasia Week 2016, highlighting the region's numerous achievements since the millennium as well as its growing co-operation with the OECD. The Secretary-General insisted on the OECD's commitment to continued, effective support at regional and country levels. Mr Piotr Gliński, Deputy Prime Minister and Minister of Culture and National Heritage of Poland, emphasised the importance of Eurasia Week as a means to share OECD good practices in the region and to give a voice to Eurasia countries in the OECD. Mr Oleg Pankratov, Vice Prime Minister of Kyrgyzstan, expressed his willingness to further strengthen co-operation with the OECD and the EU in areas such as competitiveness, green growth and trade, and his appreciation for the opportunity for Kyrgyzstan to become co-chair of the Central Asia Initiative of the OECD Eurasia Competitiveness Programme. Mr Erlan Idrissov, Minister of Foreign Affairs of Kazakhstan, communicated Kazakhstan's pride in engaging deeply with the OECD, particularly through the Kazakhstan Country Programme signed in 2015. Finally, Mr Bakytzhan Sagintayev, Prime Minister of Kazakhstan, delivered a video message to participants, announcing Kazakhstan's readiness to develop an action plan to implement OECD recommendations. The Prime Minister invited participants to Astana for EXPO-2017 and expressed his country's desire to host Eurasia Week 2017 in Almaty.

MINISTERIAL PANEL: PRODUCTIVITY AND RESILIENCE IN EURASIA

Mr Douglas Frantz, Deputy Secretary-General of the OECD, underlined the importance of striving to increase productivity and resilience in Eurasia in light of the challenging economic conditions that are likely to endure over the coming years. Mr Piotr Gliński, Deputy Prime Minister and Minister of Culture and National Heritage of Poland, gave an overview of the structural reforms currently underway in his country and noted that the OECD has played an essential role in facilitating Poland's transition over the past 20 years. Mr Abdul Sattar Murad, Minister of Economy of Afghanistan, discussed the progress achieved by his government in implementing business climate reforms in spite of a challenging security situation. Mr Oleksandr Danyliuk, Minister of Finance of Ukraine, outlined a long list of reforms that have been introduced to tackle the challenge of low productivity in Ukraine.

Ms Catherine Mann, OECD Chief Economist, shared insights from recent OECD research on productivity and resilience and offered her perspective on the implications for countries in Eurasia. Mr Vladimir Zinovskiy, Minister of Economy of Belarus, explained the work being done by his government to attract investment, foster innovation, improve the business climate, and facilitate integration in global and regional value chains. Mr Jan Mládek, Minister of Trade and Industry of the Czech Republic, spoke of the development of the investment promotion agency CzechInvest as a cornerstone of the Czech Republic's strategy to attract FDI and enhance productivity. Mr Purev Sergelen, Minister of Food, Agriculture and Light Industry of Mongolia, emphasised the importance of diversification in reducing the country's dependence on the mining sector. Finally, Mr Erlan Idrissov, Minister of Foreign Affairs of Kazakhstan, spoke of Kazakhstan's progress in implementing institutional reforms and supporting diversification.

REGIONAL DIALOGUE LUNCH SESSIONS

Central Asia: Ms Gabriela Ramos, OECD Chief of Staff, G20 Sherpa and Special Counsellor to the Secretary-General, offered opening remarks, focusing on productivity and resilience in Central Asia and the need for ongoing OECD support. Mr Pierre Amilhat, Director of DG DEVCO at the European Commission, described the EU's objectives and support in the region in line with the United Nations Sustainable Development Goals. Mr Sergei Guriev, Chief Economist of the EBRD, moderated the discussions. Lead discussants included Ms Madina Abylkassymova, Vice Minister of National Economy of Kazakhstan, Mr Daniyar Imanaliev, Deputy Minister of Economy of Kyrgyzstan, Mr Luvsandash Dashdorj, Economic Advisor to the President of Mongolia, and Mr Azizbek Urunov, Head of Department at the Ministry of Economy of Uzbekistan. The lead discussants offered insights on their countries' approaches to cross-governmental co-ordination of policy-making, SME competitiveness and resilience to shocks.

Eastern Europe and South Caucasus: Ms Mari Kiviniemi, Deputy Secretary-General of the OECD, opened the session, underlining the relevance of strengthened co-operation between the OECD and the Eastern Partner countries. Mr Lawrence Meredith, Director of Neighbourhood East at DG NEAR at the European Commission, introduced the discussion outlining the four major priorities of EU neighbourhood policy: improving market opportunities, governance, mobility and policy dialogue. The discussions were moderated by Mr Dominique Menu, Senior Advisor for Central Asia and CIB Country Head for Ukraine at BNP Paribas. Lead discussants included Ms Yuliya Kovaliv, Head of Office of National Investment Council under the President of Ukraine, Ms Lilia Palii, Secretary General of the Government of Moldova, Mr Roman Waschuk, Ambassador of Canada to Ukraine, Ms Sevinj Hasanova, Deputy Minister of Economy of Azerbaijan, and Mr Robert Grey, Undersecretary of State, Ministry of Foreign Affairs of Poland. They described their countries' efforts to address structural reforms linked to SME competitiveness, trade and market access, and entrepreneurship.

MEETING OF THE OECD EURASIA COMPETITIVENESS PROGRAMME STEERING COMMITTEES (Closed session)

EURASIA THEMATIC PANELS

Improving trade and transport connectivity: The session was moderated by Ms Natasha Khanjenkova, Managing Director for Turkey and Central Asia, EBRD. Ms Evdokia Moïsé, Senior Trade Policy Analyst, OECD Trade and Agriculture Directorate, and Mr. Jari Kauppila, Head of Outlook and Statistics Unit, International Transport Forum, presented the main issues discussed, including the need to reduce logistics costs in Eurasia and to improve trade regulations and border procedures. Ms Zaiga Liepina, Deputy State Secretary for Economics, Latvia, underlined the importance of four key factors: trade facilitation, transport networks and connectivity, international co-operation, and policy co-ordination. Mr Murat Arabov, Chairman of the Agency for Protection from Economic Risks of Turkmenistan, outlined a number of initiatives currently underway in Turkmenistan to foster regional integration through strengthened infrastructure and transport systems.

Labour market resilience and productivity: The session was moderated by Mr Aleksander Surdej, Ambassador of Poland to the OECD. Mr Alessandro Goglio, Senior Policy Analyst, OECD Employment, Labour and Social Affairs Directorate, opened the discussion, which focused on policies to promote flexible and inclusive labour markets and facilitate labour force participation from under-represented and vulnerable groups. Mr Sergei Guriev, Chief Economist at the EBRD, presented insights on labour market performance across the Eurasia region from the new 2016-17 EBRD *Transition Report*. Mr Yelzhan Birtanov, Vice Minister of Healthcare and Social Development of Kazakhstan, shared Kazakhstan's experience in undertaking labour market reforms to promote inclusiveness and raise workforce skills levels.

OECD EURASIA BUSINESS FORUM

Mr Hans Christiansen, Senior Economist, OECD Directorate for Financial and Enterprise Affairs, spoke of the OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOEs) and the need for countries in Eurasia to ensure high standards of efficiency and competitive conditions in the SOE sector. Ms Lisa Kubiske, Deputy Assistant Secretary of State of the United States, stressed the importance of SOE reforms as an essential factor in the development of a favourable investment climate. Mr Christophe Fontaine, Managing Director of the Identity Division at Oberthur Technologies, stressed the importance of developing and improving the legal framework in the Eurasia region. Ms Irma Kavtaradze, Deputy Minister of Economy and Sustainable Development of Georgia, shared her government's experience in using state privatisation programmes to support private sector development and facilitate the economic transition. Mr Yerlan Khairov, Vice Minister for Investments and Development of Kazakhstan, concluded with a presentation of Kazakhstan's plans for large-scale privatisation reforms. The opening panel was followed by a business speed-networking session, providing the opportunity for meetings between high-level policy makers from the Eurasia region and senior business executives. Representatives of the 13 Eurasia countries held a total of 136 bilateral meetings with companies and business associations.

OECD EURASIA COMPETITIVENESS ROUNDTABLE

Mr Pavel Rozsypal, Ambassador of the Czech Republic to the OECD, emphasised the relevance of the Roundtable for OECD members and Eurasia countries, as a platform for peer reviews and competitiveness reform monitoring. Mr Christos Kyriatzis, Deputy Head of Unit, International Affairs of DG GROW of the European Commission, highlighted the importance of the work and expressed support for the region. This year peer reviews focused on *"Strengthening SME capabilities through a sustainable market for business development services in Belarus"*, *"Monitoring SME policy reforms in the Republic of Moldova"*, *"Enhancing access to finance for micro, small and medium-sized enterprises in Mongolia"*, and *"Monitoring competitiveness reforms in Kyrgyzstan"*.

Mr Vladimir Zinovskiy, Minister of Economy of Belarus, provided opening remarks for the peer review of Belarus and emphasised the importance of SME development for the economy. Ms Irina Kostevich, Deputy Minister of Economy of Belarus presented an ambitious three-point action plan to reform the market for business development services in Belarus. Comments and feedback were provided by the two peer reviewers for Belarus: Mr Karel Lember of the Estonian Ministry of Economic Affairs and Communications, and Mr Wojciech Sudoł of the Ministry of Economic Development of Poland. During the discussion, Mr Jakub Skaba of the SME association of the Czech Republic pointed out that SME support should be designed in a sustainable way in order to benefit businesses in the long run. Professor Salvatore Zecchini, former Chair of the OECD Working Party on SMEs and Entrepreneurship, added that SME support must be part of a broader approach to support private sector development.

During the monitoring of the Republic of Moldova, Ms Lilia Palii, Secretary General of the Government of Moldova, stated that important progress has been made in implementing the initial recommendations on access to finance and business development services, despite the challenging policy environment created by the recent banking crisis in Moldova. Ms Lulia Iabanji, General Director of the Moldovan Organisation for SME Sector Development (ODIMM), outlined a series of important reforms that have recently been introduced by the government of Moldova to reform the financial sector, increase SME lending and strengthen business support infrastructure. Ms Virginie Poncet, Head of International Consulting Activities at BPI France, shared good practices in the operation of credit guarantee schemes, emphasising the need for sufficient budgetary funds and stronger corporate governance and risk management practices. Dr Kevin Mole, Associate Professor of Enterprise and Assistant Dean of the Enterprise Research Centre at the University of Warwick, discussed the development of more complex services and certification schemes, outlining key features of successful programmes from OECD member countries. Mr Kris Boschmans from the

OECD Centre for Entrepreneurship, SMEs and Local Development invited Moldova to consider joining the OECD Scoreboard on SME Financing and to follow the G20-OECD Principles on SME Financing. Ms Michaela Hauf, Policy Officer of DG GROW of the European Commission highlighted the importance of establishing sectoral business support organisations to provide assistance on standardisation and access to EU markets.

Ms Bérénice Muraille, Head of Sector, Development Co-ordination Central Asia and Mongolia of DG DEVCO of the European Commission, opened the discussion on Mongolia with Mr Purev Sergelen, Minister of Food, Agriculture and Light Industry of Mongolia, who underlined the readiness of his government to implement the OECD's recommendations and the willingness to enact policies to foster the sustainable development of SMEs in Mongolia. Mr Luvsandash Dashdorj, Economic Advisor to the President, added that Mongolian officials are interested in joining the OECD Scoreboard on SME Financing and the OECD International Network for Financial Education. Two peer reviewers, Mr Vincent di Betta, Head of International Consulting Activities at BPI France, and Mr Kanysh Tuleushin, Chairman of the DAMU Entrepreneurship Development Fund of Kazakhstan, discussed their countries' experiences and opportunities to support Mongolia in enhancing the efficiency of its public credit support programmes for SMEs.

During the monitoring of Kyrgyzstan, Mr Oleg Pankratov, Vice Prime Minister of Kyrgyzstan affirmed his support for continued implementation of reforms on access to finance, human capital development and investment promotion. One peer reviewer per policy area commented on the level of reform implementation and provided good practice examples from OECD countries. The peer reviewers were Mr Jonathan Coulter, senior expert on agricultural finance, Dr Cornelia Oertle and Mr Erik Swars from the Swiss Federal Institute for Vocational Education and Training, and Mr Necmettin Kaymaz, Chief Project Director at the Investment Support and Promotion Agency of Turkey. Mr Saidrakhmon Nazrizoda, First Deputy Minister of Economic Development and Trade of Tajikistan congratulated Kyrgyzstan on the results and mentioned that the topic of warehouse receipt finance was also of critical relevance to his country. Mr Daniyar Imanaliev, Deputy Minister of Economy of Kyrgyzstan provided detailed information on the status of reform implementation and planned next steps. Ms Muraille closed the session and expressed support for the work and results obtained as part of the Roundtable.

CLOSING OF OECD EURASIA WEEK

During his closing remarks Mr Douglas Frantz, Deputy Secretary-General of the OECD, outlined a number of highlights from OECD Eurasia Week, including Belarus' policy reform roadmap for developing the market for Business Development Services and Mongolia's endorsement of OECD recommendations on enhancing access to finance for MSMEs. For the first time, a Eurasia partner country, Kazakhstan, took on the role of peer reviewer for another country of the Programme. The Roundtable also included the first monitoring of two partner countries, the Republic of Moldova and Kyrgyzstan, on the implementation and impact of the reforms recommended in past reviews. Mr Frantz concluded by noting that OECD Eurasia Week is increasingly becoming the platform of choice for policy makers to discuss common challenges, exchange good practices and support a productive policy dialogue for the benefit of the region. He also announced that 2017 Eurasia Week will take place in Almaty, Kazakhstan, before introducing the inaugural meeting of the Green Action Programme. During this session, Deputy Minister of Economy and Sustainable Development of Georgia, Ms Irma Kavtaradze, signed the OECD Declaration on Green Growth.