Press Release

OECD recommends reforms to strengthen agricultural co-operatives in Kazakhstan

Astana, Kazakhstan, 21 April 2015

An OECD Policy Handbook released today provides recommendations to strengthen agricultural co-operatives in Kazakhstan, and help small-scale producers benefit from increased bargaining power, greater efficiency and easier access to supply chains and marketing channels.

A team from the OECD Eurasia Competitiveness Programme presented the final report at a meeting chaired by the Minister of Agriculture, H.E. Mr. Asylzhan Mamytbekov. The meeting was also attended by H.E. Ms. Aurélie Bouchez, Ambassador of the European Union to the Republic of Kazakhstan, and Dr. Hagen Henrÿ, Research Director and Adjunct Professor of Comparative Law at the University of Helsinki, Finland, who presented a set of guidelines and good practices on co-operative legislation.

Agricultural co-operatives can support farmers in a number of areas, including marketing, processing, input supply, access to credit, access to farm machinery and agricultural extension. OECD recommendations to strengthen agricultural co-operatives in Kazakhstan include:

1. **Policy environment**: reform the legal framework for co-operatives, reform the Tax Code, reduce the tax burden for co-operatives and simplify registration procedures.
2. **Awareness and trust**: educate small farmers in rural areas on the benefits of co-operatives and provide information services and technical assistance to those setting up co-operatives.
3. **Targeted financial support**: develop targeted financing instruments for cooperatives, and encourage greater private sector participation in co-operative financing.

The Policy Handbook was developed within the framework of the Kazakhstan Regional Competitiveness Project, which is co-financed by the European Union and the government of Kazakhstan. The report was drafted in 2014 in collaboration with the government of Kazakhstan and benefited from contributions from policy makers, farmers, farmers’ associations, private sector representatives, research institutes and other relevant stakeholders. A number of international experts also provided input to the report, including Dr. David Sedik, Senior Agricultural Policy Officer, Food and Agriculture Organization (FAO) of the United Nations; Dr. Richard Pomfret, Professor of Economics, University of Adelaide, Australia; and Dr. Zvi Lerman, Professor of Agricultural Economics, Hebrew University of Jerusalem, Israel. The report was peer reviewed on 27 November 2014 at the OECD Eurasia Competitiveness Roundtable, a policy network that gathers OECD members and partner countries from the Eurasia region for knowledge sharing on the implementation of competitiveness reforms.

The OECD Eurasia Competitiveness Programme will continue to support the Government of Kazakhstan through capacity building and monitoring of the implementation of these recommendations. In 2016, the Government of Kazakhstan will be invited to present progress achieved in the implementation of these recommendations at the fourth meeting of the OECD Eurasia Competitiveness Roundtable.

The electronic version of the Policy Handbook is freely accessible at:

For more information on the OECD Eurasia Competitiveness Programme, please visit:
www.oecd.org/globalrelations/eurasia.htm

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