

THE EXPERIENCE OF CIS COUNTRIES IN SUPPORTING AGRICULTURAL SECTOR DURING COVID-19 CRISIS¹⁵¹⁶

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Abstract. *This paper presents the main policies and measures implemented, adopted or still only planned in CIS countries in order to support the agricultural sector from the negative consequences of COVID-19 pandemic, including the imposed restrictions to counteract the spread of SARS-CoV-2 coronavirus.*

Keywords: *agricultural sector, CIS countries, COVID-19, international experience, support measures.*

JEL Classification: *Q13, Q14, Q18*

The spread of the SARS-CoV-2 coronavirus in the most countries has affected many social, economic and other types of human activities, including the agricultural sector. It also affected the CIS countries with their struggling economies. The purpose of the work is to identify the support measures adopted and/or implemented in the agricultural sector during the COVID-19 crisis in CIS countries. Therefore, in order to realize this purpose a review of existing literature was done.

The Azerbaijani government has taken a number of measures to facilitate trade and marketing of food products in the context of the COVID-19 pandemic. These include: simplifying the import and export of agricultural and food products and resources, organizing the uninterrupted sale of agricultural products in local markets, free movement of freight transport with agricultural products between regions and the release of agricultural producers, suppliers and specialists. from restrictions on movement. The Agency for Agricultural Credit and Development has increased the amount of funds allocated for the provision of unsecured microloans in the agricultural sector from US \$12 million to US \$15 million (Мониторинг, 2020).

Armenia introduced interest-free loans for the creation of modern irrigation systems, protective nets against hail, the development of intensive fruit orchards and “smart farms” for livestock breeding and the rental of agricultural machinery and equipment.

In Moldova were allocated 300 million MDL for partial compensation of the farmers' losses to ensure the country's food security. Other support measures included: extension of subsidization of farmers' loans, reimbursement of the accrued VAT for the subsidization of tax payments related to salaries and compensation for land tax, simplification of the procedure for obtaining aid for farmers, a moratorium on fiscal control of economic operators in agriculture until the end of 2020 (Guvernul, 2020).

In Kazakhstan in order to support agricultural producers were adopted: exemption from land tax for all agricultural producers, a reduction in VAT on some agricultural products, a three-month deferral in the repayment of loans (both the main part of the loan and interest on the loan), exemption from taxes and other mandatory payments from the wage bill for SMEs in 29 production sectors – measures valid until October 1, 2020. Also were announced plans to create a national network of wholesale distribution of food products, including 20 wholesale centers throughout the country, a system to be completed by 2022.

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Uzbekistan has offered state support to strategic enterprises by providing interest-free budget loans to repay loans received under the guarantee of the government. On March 19, 2020, tax rates were reduced by 50% on the use of water resources for irrigation of agricultural land until October 31, 2020. Another measure is the creation of new intensive orchards and vineyards until December 31, 2020. The State Fund for Supporting the Development of Entrepreneurship has expanded the provision of guarantees and compensations for the payment of interest on loans issued primarily for the production, purchase and sale of socially significant consumer goods until December 31, 2020.

The government of Tajikistan imposed a temporary ban on the export of some agricultural products produced in the country. Government measures are taken to stabilize prices, including the sale of basic foodstuffs from strategic reserves in the country's markets at low prices and the imposition of restrictions on the size of purchases to dampen rush demand. A plan has been approved to strengthen the preparedness and response of the social safety net in the face of the COVID-19 pandemic. The plan includes three main areas of support (cash transfers, social services and in-kind support). The government also introduced an additional temporary cash benefit to certain categories of beneficiaries of the targeted social assistance program (ФАО, 2020).

Commodity interventions with the sale of grain from the state fund are being carried out in the Russian Federation since April 13, 2020. For additional support of the agro-industrial sector of the economy were allocated more than 31 billion rubles, from which 27.2 billion rubles to partially reimburse interest payments on investment loans in the agro-industrial complex. The program of concessional loans at 2% per year for the resumption of production activities is aimed at supporting over 3 million jobs in the Russian Federation.

In Ukraine anti-crisis measures in the agricultural sector aim to facilitate access to finance, markets and better regulation. To improve access to finance, it's planned to introduce programs for formation of local added value and improving the efficiency of state subsidy programs. To improve market access, it was planned to stimulate remote marketing of agricultural products and establishment of distribution channels for small farmers. To achieve a reasonable regulation, such initiatives have been established as: ensuring the provision of administrative services; restricting the scope of quarantine certificates; refusal to declare "vacant plots"; introduction of transparent land relations. The Government's economic stimulus program to overcome the consequences of the COVID-19 pandemic provides that an online platform for the sale of agricultural products will be created in the fourth quarter of 2020. It's also planned to allocate funds for the implementation of projects for online sales and digitization of processes.

As is seen above, the majority of the CIS countries adopted provisions to make loans to be on more favourable terms for agricultural enterprises (Armenia, Azerbaijan, Kazakhstan, Moldova, Russian Federation, Uzbekistan), some of them (for example, Kazakhstan) began infrastructure creation projects, others imposed bans on the export of some agricultural products (Tajikistan) or focused on allocating funds in particular for digitization of economic activities (Ukraine). While some countries see the negative effects of this crisis which need to be somehow compensated, others see it as a step to take agricultural sector to a new level of development.

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