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ACCESSION OF KAZAKHSTAN

Domestic Support and Export Subsidies

Revision

The following revised information on Domestic Support and Export Subsidies in Agriculture has been received from the Ministry of Industry and Trade of the Republic of Kazakhstan with the request that it be circulated to the members of the Working Party.

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Measures exempt from the reduction commitment – "Green Box"

Name of measures with reference to criteria on exemption from reduction commitments of Annex 2 of the Agreement on Agriculture	Monetary value of measures		Program Description
	KZT 000s	US\$ 000s	
1	2		3
Paragraph 2: General Services			
para 2 b. Measures for pest control, plant diseases protection, and veterinary measures			Development and implementation of preventive veterinary, sanitary, and anti-epizootic measures; diagnostics and control of infectious diseases of livestock; state veterinary control over imports, exports, transit, and intra-Republican movements of products and raw materials of animal origin, fodder, chemicals, pharmaceutical products, other cargo subject to control, as well as control over movements of cattle. Analysis of phytosanitary conditions, natural spreading of pests and diseases of crops, their migration patterns, and possibilities to use various plant protection products with the view to prevent their further spreading; quarantine measures, liquidation of focuses of infection; plant protection measures.
1996	1,635,779	24,313.0	
1997	1,995,324	26,463.2	
1998	1,813,784	22,672.3	
average for 3 years	1,814,962	24,482.8	
para 2e. Assessment and control of quality of seeds and new seed varieties			Intergovernmental state control over quality, and storage of crop seeds, as well as measures taken by agricultural enterprises as preparation for sowing; fulfilment of the national standards on seeds, improvement of the quality of works relating to seed production and certification; control and documenting of sowing characteristics of seeds of all agricultural crops. Reliable assessment of new varieties of agricultural crops selected in the Republic of Kazakhstan or abroad aimed at the selection of varieties best suited for regionalization and production purposes.
1996	222,266	3,303.6	
1997	145,455	1,929.1	
1998	129,000	1,612.5	
average for 3 years	165,574	2,281.7	
para 2 g. Operation of water reservoirs, channels, implementation of protecting, commissioning, adjusting, anti-sludge, anti-flood works connected with administering and regulation of water usage			Operation of water reservoirs; operation of national, oblast, and rayon channels, and other facilities relating to water supply of consumers; implementation of protecting, commissioning, adjusting, anti-sludge, anti-flood works connected with administering and regulation of water use.
1996	285,469	4,243.0	
1997	192,494	2,553.0	
1998	462,712	5,783.9	
average for 3 years	313,558	4,193.3	

Name of measures with reference to criteria on exemption from reduction commitments of Annex 2 of the Agreement on Agriculture	Monetary value of measures		Program Description
	KZT 000s	US\$ 000s	
1	2		3
para 2 g. Development of forecasting and regional programs on land use and protection. Implementation of topographic, geodetic, and other research works, soil survey and geobotanical prospecting, land monitoring			Implementation of land relations in the sphere of state control over land resources. Creation, development, and modernization of national geodetic networks; development and updating of paper-based topographic maps of all scales, design and compilation of political administrative maps, and atlases. Management of land rights in the Republic of Kazakhstan, including introduction of measures on improvement of land legislation to allow expansion of leasing and mortgage operations. Introduction of the national land register and land monitoring. Compilation and management of the data bank on the state of land resources in the Republic of Kazakhstan; land zoning, and state control over land use and protection under set procedures, protection of rights of owners of land lots and land users, by issuing documents certifying their rights; creation of favorable conditions for the development of the land market; land organization of settlements.
1996	321,000	4,774.1	
1997	628,614	8,337.0	
1998	572,155	7151.9	
average for 3 years	507,256	6,754.3	
para 3. State stocks for food security purposes			Grain procurement for the national reserve of the Republic of Kazakhstan. The national reserve serves to meet mobilization needs and ensure food security of the Republic of Kazakhstan. Grain of the national reserve has been sold in the domestic market at market prices to winning bidders of open biddings or marketed in the commodity exchange.
1996	6,000,600	89,188.5	
1997	0	0	
1998	0	0	
average for 3 years	2,000,200	29,729.5	
Total:			
1996	8,465,114	125,822	
1997	2,961,887	39,282	
1998	2,977,651	37,221	
average for 3 years	4,801,551	67,441.7	

Data source: budgetary documents of the Ministry of Agriculture of the Republic of Kazakhstan. Subsidies of these categories have been based on budgetary programs, and have not been granted to farms. Operating costs have not been subsidized. Subsidies have not been connected with consumer prices.

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Measures exempt from reduction commitments - Special and Differential Treatment – "Development Programs"

	Measure Type	Name and description of measures with reference to criteria of Paragraph 2 Article 6 of the Agreement on Agriculture	Monetary value of measures		Program Description	Data Sources
			KZT 000s	US\$ 000s		
	1	2	3		4	5
(a)	"Investment subsidies generally available to agriculture"	1. Preferential credit to agriculture			Subsidies have been granted in the framework of the Loan Agreement concluded between the Republic of Kazakhstan and the Asian Development Bank on 11 December 1995 to fund purchase of agricultural production and processing facilities, agricultural machinery, establishment of wholesale markets and other market infrastructure, necessary to sell agricultural products, as well as to finance the required working capital.	Ministry of Agriculture, ExImBank, ADB
		1996	2,683,149	39,880		
		1997	829,242	10,998		
		1998	3,130,952	39,137		
		2. State guarantees on external non-governmental loans			In 1996 state guarantees have been settled under the Resolution of the Government of the Republic of Kazakhstan No.1022 of 14 September 1994 'On Implementation of the Investment Project of Purchase of Agricultural Machinery by JSC 'Ken Dala' in the Framework of the Loan Granted by the American ExImBank for Supply of Combine Harvesters and Cotton Harvesters "John Deere"	Ministry of Finance
		1996	7,719,236	114,733		
		1997	0	0		
		1998	0	0		
		3. Provision of Agricultural Machinery on a leasing basis			Budgetary funds have been allocated to provide agricultural producers with agricultural machinery on a leasing basis in order to replace existing obsolete machines and tractors.	Ministry of Agriculture
		1996	605,520	9,000		
		1997	800,000	10,610		
		1998	529,100	6,614		
	Total:	1996	11,007,905	163,613		
		1997	1,629,242	21,608		
		1998	3,660,052	45,751		

	Measure Type	Name and description of measures with reference to criteria of Paragraph 2 Article 6 of the Agreement on Agriculture	Monetary value of measures		Program Description	Data Sources
			KZT 000s	US\$ 000s		
	1	2	3		4	5
(b)	Input subsidies generally available to low-income or resource-poor producers	1. Subsidies through the Foundation for Support of Small and Medium Businesses			Soft loans allocated to small businesses from the Republican budget, incl. low-income and resource-poor agricultural producers for agricultural production purposes and for the purchase of equipment and mini-technologies, for a term of 10 years at the interest rate of 11 per cent per annum	Foundation for Support of Small and Medium Businesses
		1996	3,364,000	50,000		
		1997	1,629,242	21,608		
		1998	4,787,876	7,044		
	Total:					
		1996	14,371,905	213,613		
		1997	3,258,484	43,216		
		1998	8,447,928	52,795		
		average for 3 years	8,692,772	103,208		

DOMESTIC SUPPORT: KAZAKHSTAN
Reporting Period: 1996-1998

Measures exempt from the reduction commitment - Direct Payments under Production-Limiting Programs- "Exempt Direct Payments"

Measure Type	Name and description of measure with reference to criteria in Article 6:5	Monetary Value of Measure		Data Source
		KZT 000s	US\$ 000s	
1	2	3		4
(a) payments based on fixed areas and yields				-
(b) payments based on 85% or less of the base level of production		Such type of subsidies were not granted		-
(c) livestock payments made based on a fixed number of heads				-

Supporting Table DS:4

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: 1996-1998 Calendar Years

Calculation of the Total Aggregate Measurement of Support

Description of basic products (including non-product specific AMS)	Calendar year	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)		Product-specific measurements of support (from Supporting Table DS:8 below)	Current Total AMS (aggregate)		Gross Output		Current Total AMS to Gross Output (de minimis)	
		KZT 000s	US\$ 000s		KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	%	<i>de minimis</i>
1	2	3		4	5		6		7	
1. Seeds of grain crops	1996	211,800	3,147		211,800	3,147	5,284,500	78,545	4.0	<i>de minimis</i>
	1997	364,920	4,840		364,920	4,840	2,366,000	31,379	15.4	
	1998	400,000	5,000		400,000	5,000	2,267,800	28,348	17.6	
2. Seeds of potatoes	1996	58,800	874		58,800	874	311,600	4,631	18.9	
	1997	0	0		0	0	-	-	-	
	1998	0	0		0	0	-	-	-	
3. Maize seeds	1996	141,500	2,103		141,500	2,103	988,932	14,699	14.3	
	1997	0	0		0	0	-	-	-	
	1998	0	0		0	0	-	-	-	
4. Sugar-beet seeds	1996	2,500	37		2,500	37	10,800	161	23.0	
	1997	0	0		0	0	-	-	-	
	1998	0	0		0	0	-	-	-	
5. Fruits	1996	13,400	199		13,400	199	874,921	13,004	1.5	<i>de minimis</i>
	1997	13,000	172		13,000	172	772,628	10,247	1.7	<i>de minimis</i>
	1998	0	0		0	0	-	-	-	
6. Cattle	1996	350,300	5,205		350,300	5,205	5,015,433	74,546	7.0	<i>de minimis</i>
	1997	510,000	6,764		510,000	6,764	5,293,223	70,202	9.6	<i>de minimis</i>
	1998	456,000	5,700		456,000	5,700	2,324,420	29,055	19.6	
7. Sheep Breeding	1996	536,500	7,972		536,500	7,972	3,494,440	51,939	15.3	
	1997	540,000	7,162		540,000	7,162	3,618,006	47,984	14.9	
	1998	413,000	5,163		413,000	5,163	1,467,590	18,345	28.1	

Description of basic products (including non-product specific AMS)	Calendar year	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)		Product-specific measurements of support (from Supporting Table DS:8 below)	Current Total AMS (aggregate)		Gross Output		Current Total AMS to Gross Output (de minimis)	
		KZT 000s	US\$ 000s		KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	%	<i>de minimis</i>
1	2	3		4	5		6		7	
Total: Product-specific measures (sum of all measures)	1996				1,314,800	19,536				
	1997				1,427,920	18,938				
	1998				1,269,000	15,863				
Total: Product-specific measures (noting <i>de minimis</i>)	1996				739,300	10,985				
	1997				904,920	12,002				
	1998				813,000	10,163				
Non-product-specific measures (from Table DS:9)	1996				32,530,510	483,366	312,814,660	4,649,445	10.4	
	1997				73,320,854	972,426	298,950,000	3,963,803	24.5	
	1998				89,376,370	1,117,206	238,500,000	2,981,250	37.4	
Total: Current Total AMS	1996				33,269,810	494,351				
	1997				74,225,774	743,417				
	1998				90,189,370	901,138				
Average for 3 years					65,894,985	712,969				

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Product-Specific Measures of Support: Market Price Support

Description of basic products	Calendar year	Measure type(s)	Applied administered price	External Reference Price	Eligible Production	Associated Fees/Levies	Total Market Price Support	Data Source
1	2	3	4	5	6	7	8 ((4-5*6)-7)	9
Such type of subsidies were not granted								

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Product-specific Measures of Support: Non-Exempt Direct Payments

Description of basic products	Calendar Year	Measure type(s)	Applied Administered Price	External Reference Price	Eligible Production	Total price-related direct payments 7 ((4-5)*6)	Other Non-Exempt Direct Payments		Associated fees/levies	Total direct payments		Data Source
							KZT 000s	US\$ 000s		KZT 000s	US\$ 000s	
1	2	3	4	5	6	7 ((4-5)*6)	8		9	10 (7+8-9)		11
1. Seeds of grain crops	1996	Countervailing					211,800	3,147.1		211,800	3,147.1	Ministry of Agriculture
	1997	Budgetary					364,920	4,839.8		364,920	4,839.8	
	1998	Payments					400,000	5,000.0		400,000	5,000.0	
2. Seeds of potatoes	1996	Countervailing					58,800	873.7		58,800	873.7	Ministry of Agriculture
	1997	Budgetary					0	0.0		0	0.0	
	1998	Payments					0	0.0		0	0.0	
3. Maize seeds	1996	Countervailing					141,500	2,102.5		141,500	2,102.5	Ministry of Agriculture
	1997	Budgetary					0	0.0		0	0.0	
	1998	Payments					0	0.0		0	0.0	
4. Sugar-beet seeds	1996	Countervailing					2,500	37.1		2,500	37	Ministry of Agriculture
	1997	Budgetary					0	0.0		0	0	
	1998	Payments					0	0.0		0	0	
5. Fruits	1996	Soft Loans					13,400	199.1		13,400	199	Ministry of Agriculture
	1997						13,000	172.4		13,000	172	
	1998						0	0.0		0	0	
6. Cattle	1996	Countervailing					350,300	5,205.1		350,300	5,205	Ministry of Agriculture
	1997	Budgetary					510,000	6,763.9		510,000	6,764	
	1998	Payments					456,000	5,700.0		456,000	5,700	
7. Sheep breeding	1996	Countervailing					536,500	7,971.8		536,500	7,972	Ministry of Agriculture
	1997	Budgetary					540,000	7,161.8		540,000	7,162	
	1998	Payments					413,000	5,162.5		413,000	5,163	

Supporting Table DS:7

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic product	Calendar Year	Measure type(s)	Other product-specific budgetary outlays	Other product-specific support (include calculation details)	Associated fees/levies	Total other product-specific support	Market Price Support (from Table DS:5)	Non-exempt direct payments (Supporting Table DS:6)		Total AMS	
								KZT 000s	US\$ 000s	KZT 000s	US\$ 000s
1	2	3	4	5	6	7 (4+5-6)	8	9		10 (7+8+9)	
1. Seeds of grain crops	1996	Countervailing						211,800	3,147.1	211,800	3,147.1
	1997	budgetary						364,920	4,839.8	364,920	4,839.8
	1998	payments						400,000	5,000.0	400,000	5,000.0
2. Seeds of potatoes	1996	Countervailing						58,800	873.7	58,800	873.7
	1997	budgetary						0	0	0	0
	1998	payments						0	0	0	0
3. Maize seeds	1996	Countervailing						141,500	2,102.5	141,500	2,102.5
	1997	budgetary						0	0	0	0
	1998	payments						0	0	0	0
4. Sugar-beet seeds	1996	Countervailing						2,500	37.1	2,500	37.1
	1997	budgetary						0	0	0	0
	1998	payments						0	0	0	0
5. Fruits	1996	Soft loans						13,400	199.1	13,400	199.1
	1997							13,000	172.4	13,000	172.4
	1998							0	0	0	0
6. Cattle	1996	Countervailing						350,300	5,205.1	350,300	5,205.1
	1997	budgetary						510,000	6,763.9	510,000	6,763.9
	1998	payments						456,000	5,700.0	456,000	5,700.0
7. Sheep breeding	1996	Countervailing						536,500	7,971.8	536,500	7,971.8
	1997	budgetary						540,000	7,161.8	540,000	7,161.8
	1998	payments						413,000	5,162.5	413,000	5,162.5

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Product Specific Equivalent Measures of Support

Description of basic products	Calendar year	Measure type(s)	Applied Administered Price	Production eligible to receive the applied administered price	Market price supporting budgetary outlays	Equivalent measures of support (including calculation details)	Non-Exempt Direct Payments	Other Product-Specific Support	Associated fees/levies	Total monetary value of equivalent commitment	Data Source
1	2	3	4	5	6	7	8	9	10	11	12
Such type of subsidies were not granted											

Supporting Table DS:9

DOMESTIC SUPPORT: KAZAKHSTAN
REPORTING PERIOD: Calendar Years 1996-1998

Non-Product-Specific AMS

Measure type(s)	Program Description	Calendar year	Non-product-specific budgetary outlays		Other non-product-specific support (include calculation details)	Associated fees/levies	Total Non-Product-Specific Support		Data Source
			KZT 000s	US\$ 000s			KZT 000s	US\$ 000s	
1	2	3	4		5	6	7		8
1. Fertilizers	Reduction of fertilization costs for agricultural producers	1996	242,100	3,597			242,100	3,597	Ministry of Agriculture
		1997	200,528	2,660			200,528	2,660	
		1998	100,000	1,250			100,000	1,250	
2. Plant Protection	Reduction of costs incurred by agricultural producers using pesticides	1996	436,100	6,480			436,100	6,480	Ministry of Agriculture
		1997	425,000	5,637			425,000	5,637	
		1998	400,000	5,000			400,000	5,000	
3. Mixed Fodder	Reduction of costs incurred by agricultural producers by the purchase of mixed fodder	1996	22,250	331			22,250	331	Ministry of Agriculture
		1997	0	0			0	0	
		1998	31,000	388			31,000	388	
4. Farm Development	Soft loans granted to farms for a term of five years at the interest rate of 10 per cent per annum for implementation of new production technologies, purchase of agricultural machinery, breeding stock, and selected seeds, etc.	1996	299,200	4,446			299,200	4,446	Ministry of Agriculture
		1997	150,000	1,989			150,000	1,989	
		1998	536,604	6,708			536,604	6,708	
5. Deferred Debts	Given the current grave conditions and insolvency of agricultural producers, their debts relating to centralized and target-oriented loans, loans for wages payments and working capital, purchase of petroleum products and electric energy, extrabudgetary funds, etc. have been rescheduled	1996	5,333,373	79,248			5,333,373	79,248	Ministry of Agriculture, Ministry of Finance, Ministry of Economy, ExImBank, KazMunaigas, etc.
		1997	72,545,326	962,140			72,545,326	962,140	
		1998	88,308,766	1,103,860			88,308,766	1,103,860	

Measure type(s)	Program Description	Calendar year	Non-product-specific budgetary outlays		Other non-product-specific support (include calculation details)	Associated fees/levies	Total Non-Product-Specific Support		Data Source
			KZT 000s	US\$ 000s			KZT 000s	US\$ 000s	
1	2	3	4		5	6	7		8
6. Forgiven Debts	Under the Resolution of the Government of the Republic of Kazakhstan of 28 May 1995, 50 per cent of the principal and the overall amount of past due interest, fines, and penalties have been forgiven.	1996	26,197,487	389,264			26,197,487	389,264	Ministry of Agriculture
		1997	0	0			0	0	
		1998	0	0			0	0	
Total non-product-specific support		1996					32,530,510	483,366	
		1997					73,320,854	972,426	
		1998					89,376,370	1,117,206	

ANNEX 1

Deferred and Overdue Debts of Agricultural Producers

Organization	1996		1997		1998		Description	Deferral/Forgiveness Mechanisms
	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s		
Forgiven Debts								
Forgiven Debts, under the Resolution of the Government of the Republic of Kazakhstan No. 651 of 28 May 1996 'On Agreement of 17 May 1996 Concluded Between the Ministry of Finance of the Republic of Kazakhstan and the State Foundation for Agricultural Support'	26,197,487	389,264	0	0	0	0	100 per cent of past due interest and 50 per cent of the entire amount of debts of agricultural producers has been foregiven, namely: principal of agricultural producers, debt relating to target-oriented loans secured by the Ministry of Finance, debts relating to target-oriented loans secured by oblast administrative bodies, overdue debts relating to short-term loans accounted for in banks on the balance account No. 620, loans issued for payment of wages of agricultural producers, loans issued to meet debit balance of the intra-republican netting of enterprises.	The Ministry of Finance takes a unilateral decision on cancellation of debts of agricultural producers before the State Foundation for Agricultural Support, regarding debts for which it has received the right of reclaim.
Deferred Debts								
Decree of the President of the Republic of Kazakhstan No. 1578 of 14 February 1994 'On Support of Agricultural Enterprises in 1994'		0	1,161,100	15,399	1,161,100	14,831	Deferral has been granted to debts of agricultural producers, irrespective of the form of ownership, overdue debts relating to bank loans (except target-oriented loans for the renewal of working capital) allocated from centralized credit resources of the National Bank of the Republic of Kazakhstan as of 1 January 1994.	Settlement of debts shall start on 1 January 1999 in the form of equal instalments for a term of five years. No interest shall be accrued.
Resolutions of the Government of the Republic of Kazakhstan No. 671 of 3 June 1996 'On Measures Relating to State Support of Energy Supply and Agricultural Enterprizes of the Republic of Kazakhstan' and No. 1076 of 22 October 1998 'On Rescheduling of Fines and Penalties Payable by Agricultural Producers'			4,271,184	56,647	4,949,134	63,215	Tax arrears of agricultural producers payable to the budget rescheduled for collection in 1 year.	

Organization	1996		1997		1998		Description	Deferral/Forgiveness Mechanisms
	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s		
Overdue debts								
Resolution of the Government of the Republic of Kazakhstan No .651 of 28 May 1996 'On Agreement of 17 May 1996 Concluded between the Ministry of Finance of the Republic of Kazakhstan and the State Foundation for Agricultural Support'	5,333,373	79,248	5,286,460	70,112	5,256,128	67,137	The Ministry of Finance has transferred to the State Foundation for Agricultural Support the right to claim that end borrowers pay 50 per cent of the principal, in particular: principal of agricultural producers, target-oriented loans, secured by oblast administrative bodies, overdue debts relating to short-term loans, accounted for in banks on the balance account No. 620, loans issued for payment of wages of agricultural producers, loans issued to meet debit balance of the intrarepublican netting of enterprises as of 1 March 1995.	The Foundation concludes individual contracts with borrowers on their obligations to settle debts relating to the specified loans.
Resolution of the Government of the Republic of Kazakhstan No. 1719 of 14 December 1995 'On Transfer of Debts for Centralized and Target-Oriented Loans to the State Foundation for Agricultural Support'		0	796,900	10,569	796,268	10,171	The Ministry of Finance, the Ministry of Agriculture, the State Foundation for Agricultural Support of the Ministry of Agriculture, jointly with the National Bank of the Republic of Kazakhstan have effected the transfer to the above Fund of the entire volume of debts relating to centralized and target-oriented loans issued to JSCs Selmash, Ken Dala, Onim, Kazagroremmash, Republican Association 'Kazzoovetsnab', the National Joint-Stock Company 'Kunarlylyk', as well as enterprises - former parts of the National Joint-Stock Company 'Tagam', the settlement of which is due after 1 March 1995.	The Foundation concludes individual contracts with borrowers on their obligations to settle debts relating to the specified loans.

Organization	1996		1997		1998		Description	Deferral/Forgiveness Mechanisms
	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s		
Resolution of the Government of the Republic of Kazakhstan No. 1130 of 17.1996 'On Settlement of Financial Obligations in the Agricultural and Energy Sectors of the Republic of Kazakhstan'		0	22,775,795	302,066	16,307,035	208,290	One of the main constraints to the development of the agricultural and energy sectors of the national economy crippling all efforts to overcome the ongoing crisis is represented by vast amounts of accumulated payables and receivables for petroleum products and energy, produced and consumed between 1993 and 1995. In order to settle debts of agricultural producers for electric energy and petroleum products consumed in 1994-1995, create optimal conditions for their post-privatization operation, as well as to enable privatization of enterprises operating in the energy and oil and gas sectors, the Government of the Republic of Kazakhstan has transferred the entire volume of debts of agricultural producers before enterprises of the Ministry of Energy and Coal Industry accumulated between 1994-1995 for consumption of heat and electricity to the State Foundation for Agricultural Support, based on comparative checks with subsequent write-off as losses of energy enterprises following their privatization.	Debts for consumed energy transferred to the State Foundation for Agricultural Support are written off balance of the Fund following privatization of energy enterprises by offsetting them against financial performance of the latter.
Resolutions of the Government of the Republic of Kazakhstan No. 1147 of 22 July 1997 'On Measures Relating to Supply of Petroleum Products for Sowing and Harvesting Activities in 1997', and No. 187 of 9 March 1998 'On Measures Relating to Supply of Petroleum Products for Sowing Activities in 1998'		0	4,417,998	58,594	4,151,923	53,033	Overdue debts of agricultural producers for petroleum products, supplied by the National Company 'KazakhOil', OJSC 'Mangystaumunaygas', OJSC 'Karazhanbasmunaygas', OJSC 'Kaztransoil' for sowing and harvesting activities.	At present, given the insolvency of agricultural producers, debts of this category have not been settled and remain on balance of specified national oil companies. The Government of the Republic of Kazakhstan has taken no decisions to address the issue.

Organization	1996		1997		1998		Description	Deferral/Forgiveness Mechanisms
	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s	KZT 000s	US\$ 000s		
Overdue debts of agricultural producers before the Fund of Economic Reforms of the Ministry of Economy of the Republic of Kazakhstan.		0	2,100,085	27,853	5,555,205	70,957	Overdue debts of agricultural producers for loans granted by the Fund of Economic Reforms of the Ministry of Finance of the Republic of Kazakhstan. The Fund of Economic Reforms has been founded to provide investment support of the ongoing process of economic reforms targeted at the development of an efficient society-oriented market economy and enhancing its competitive power. The loans in question have been granted under Resolutions of the Government of the Republic of Kazakhstan No.614 of 15 July 1993 'On Use of Resources of the Fund of Economic Reforms of the Republic of Kazakhstan in 1993' and No. 105 of 27 January 1994 'On Use of Resources of the Fund of Economic Reforms of the Republic of Kazakhstan in 1994'.	At present, given the insolvency of agricultural producers, debts of this category have not been settled and remain on balance of the CJSC Rehabilitation Fund of the Ministry of Finance of the Republic of Kazakhstan. The Government of the Republic of Kazakhstan has appointed an intergovernmental committee charged with collection and restructuring of loans granted from the Republican budget and funds allocated from the Republican budget in the framework of nongovernmental external loans, secured by the Republic of Kazakhstan. The Committee is engaged in debts rescheduling on a case-by-case basis for each economic agent.
Debts of agricultural producers before state energy distribution companies for electricity, consumed in 1993-1995.		0	4,126,943	54,734	7,453,640	95,206	Outstanding debts of agricultural producers before state energy distribution companies for electricity, consumed in 1993-1995	At present, given the insolvency of agricultural producers, debts of this category have not been settled and remain on balance of the Fund of Economic Reforms. The Government of the Republic of Kazakhstan has taken no decisions to address this issue.
Debts of agricultural producers before the Republican budget for non-governmental external loans, secured by the State			17,979,045	238,449	32,977,467	421,222	Outstanding debts of agricultural producers before the Republican budget relating to non-governmental loans, secured by the Government of the Republic of Kazakhstan	At present, given the insolvency of agricultural producers debts of this category have not been settled. The Republic of Kazakhstan has appointed an intergovernmental committee charged with collection and restructuring of loans granted from the Republican budget and funds allocated from the Republican budget in the framework of nongovernmental external loans, secured by the Republic of Kazakhstan. The Committee is engaged in debts rescheduling on a case-by-case basis for each economic agent.
Debts of agricultural producers before the national extrabudgetary funds (Road Fund, Employment Promotion Fund, Social Insurance Fund, Pension Fund)			13,901,000	184,363	14,650,000	187,125	Outstanding debts of agricultural producers before extrabudgetary funds (Road Fund, Employment Fund, Social Insurance Fund, Pension Fund). For description of the above funds, see attachment.	The Government has taken no decisions on debts of this category.
Total	5,333,373	79,248	76,816,510	1,108,787	93,257,900	1,165,724		

ANNEX 2

Extrabudgetary Funds of the Republic of Kazakhstan

The National Employment Fund (Resolution of the Cabinet of Ministers of the Kazakh Soviet Socialist Republic of 30 April 1991 No. 277 "On Establishment of the National Employment Fund") (hereafter – the Employment Fund) was established to finance measures taken to implement state policies on employment and enhancement of efficiency of state employment services. The Employment Fund represented an independent financial and banking system with a single current account. Its funds did not comprise a part of the State budget. Enterprises, agencies, organizations, and other employers, irrespective of the form of ownership and type of economic activities, were required to transfer monthly mandatory contributions to the Employment Fund. The amount of contributions was calculated based on the wage-bill and adjusted annually by the Government of the Republic of Kazakhstan, while the costs incurred by employers were charged against production costs of goods (works, services).

The National Social Insurance Fund of the Republic of Kazakhstan (the Decree of the President of the Republic of Kazakhstan No. 2837 of 18 March 1992 "On Establishment of the National Social Insurance Fund of the Republic of Kazakhstan") was established to effect payment of temporary disablement benefits, maternity benefits, child benefits, death allowances, treatment and rehabilitation allowances, provide services to the employed population of the Republic of Kazakhstan and their families, and for other purposes relating to the state social insurance. The Fund was managed by the Ministry of Social Protection of the Republic of Kazakhstan. Enterprises, agencies, organizations, and other employers, irrespective of the form of ownership and type of economic activities, were required to transfer monthly mandatory contributions to the Fund. The amount of contributions was adjusted annually by the Government of the Republic of Kazakhstan, while the costs incurred by employers were charged against production costs of goods (works, services).

The Pension Fund of the Republic of Kazakhstan (Resolution of the Cabinet of Ministers of the Republic of Kazakhstan No. 1120 of 6 October 1994) formed an integral part of the system of social protection of the population of the Republic of Kazakhstan, its funds being used for pension payments to workers of retirement age. The Fund was managed by the Ministry of Social Protection of the Republic of Kazakhstan. Enterprises, agencies, organizations, and other employers, irrespective of the form of ownership and type of economic activities, were required to transfer monthly mandatory contributions to the Fund. The amount of contributions was adjusted annually by the Government of the Republic of Kazakhstan, while the costs incurred by employers were charged against production costs of goods (works, services).

The Road Fund of the Republic of Kazakhstan (the Decree of the President of the Republic of Kazakhstan No. 2701 of 21 December 1995 "On Road Fund") was established to finance costs relating to maintenance, construction, and reconstruction of motorways, and facilities. The Road Fund received mandatory contributions of enterprises, agencies, organizations, and other employers, irrespective of the form of ownership and type of economic activities. The value of contributions was calculated based on the annual aggregate income. All of the above were required to effect payments at a rate of 0.1 per cent of the annual aggregate income of a legal entity, irrespective of the type of economic activities.
