

THE EBRD IN KAZAKHSTAN

Private sector development, SMEs and competitiveness

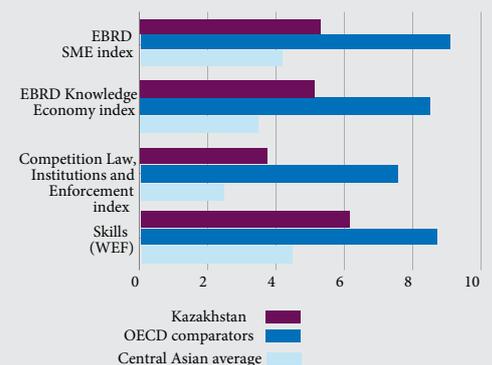
2015-20

Related SDGs



Kazakhstan has reacted to the difficult economic environment caused by the volatility of oil prices by accelerating the implementation of pressing structural reforms. However, a number of major challenges remain. These include the need to boost private-sector competitiveness to generate balanced, sustainable growth that extends beyond Kazakhstan's hydrocarbon resources and increase the country's resilience. Further steps are also required to reduce the state's still-outsized role in the economy, develop the banking sector as a financial platform and boost regional connectivity and inclusion. Moreover, more needs to be done to ensure adherence to good business standards to create a more vibrant and competitive private sector, particularly in the non-extractive industries.

EBRD score (1-worst, 10-best)



How we work

The EBRD works to enhance competitiveness by promoting a better balance between the public and private sectors, improving corporate governance and supporting the growth of private firms. We seek to increase SMEs' productivity by improving access to finance through debt and equity financing, credit lines and local currency financing. Our work includes targeted programmes, such as Women in Business, or advisory services through the Advice for Small Businesses (ASB) and Blue Ribbon programmes. Recently, most of the EBRD's loans to Kazakhstan have been in local currency, reducing recipients' foreign-exchange rate risk and improving the creditworthiness of clients that generate local currency income.

In numbers

€2.2 billion

Total local currency financing provided by the EBRD

€71.4million

Amount of EBRD Women in Business programme funding provided to local banks (in local currency)

1,296

SME advisory projects delivered

Over 1 million

SME loans disbursed via EBRD partner banks

Quick links

- > [Advice for Small Businesses programme](#)
- > [Blue Ribbon programme](#)
- > [EBRD Star Venture programme](#)

The EBRD Women in Business programme provides finance, business advice, training and mentoring to female-led SMEs.



Achievements and results: Private-sector development, SMEs and competitiveness

We helped to improve access to finance and SME skills, also for women, by:

- ▶ working with six partner banks and microfinance institutions on providing more than 22,000 loans to women-led micro, small and medium-sized enterprises (MSMEs) through the Women in Business programme
- ▶ providing advice and finance in remote areas, for example, through an SME education and consultancy e-platform with Accenture Development
- ▶ supporting women entrepreneurs through mentorship outreach programmes.

We promoted better public governance by:

- ▶ advising the government on improving skills and employment opportunities (for example, by developing national occupational skills standards and removing 75 of 287 positions from the list of jobs banned for women)
- ▶ improving the corporate governance of the state-owned enterprises (such as the Samruk-Kazyna National Welfare Fund)
- ▶ improving arrangements for the private operation of services in Nur-Sultan's logistics hub through a service management contract (Express Sakura).

We helped to improve financial resilience by:

- ▶ advising (the National Bank, the Kazakhstan Stock Exchange and financial market participants) on money-market reference rates, leading to the reform of the tenge (KZT) overnight interbank average rate (TONIA) to support the development of a broader set of products for financial-sector participants
- ▶ training regulators and practitioners on legislation for derivatives, drafting a legal framework for derivatives and repos and advising the government and the Astana International Financial Centre (AIFC) on the transition to emerging-market status
- ▶ issuing the equivalent of €1.9 billion in local currency bonds (in 31 transactions). All issues were in Eurobond format and included inflation-linked transactions, primarily targeting the Kazakh Unified Pension Fund
- ▶ working with the Agency for Banking Sector Regulation and local banks to address non-performing loans (NPLs).

SME growth

Fifty-four per cent of SMEs advised by the EBRD hired more people. In total, 7,613 new jobs were created. Seventy-two per cent of SMEs increased their turnover. Overall, the Bank's advisory services contributed to €748 million of additional turnover.*

Exports and productivity

SMEs advised by the EBRD grew their exports by a total of €65 million. Sixty-two per cent of them became more productive.*

Women entrepreneurship

More than 1,000 women accessed EBRD-led educational and coaching programmes.

Better skills

We helped strengthen the national qualification framework with the approval of four national occupational skills standards and improved skills standards for 22 professions in the power and mining sectors.

Better corporate governance

The EBRD advised Samruk-Kazyna on the adoption of a corporate governance plan for the equal treatment of shareholders and better board composition.

Stronger banking sector

The EBRD helped to improve the existing framework and to draft legislation on derivatives and bankruptcy rules.

Banking skills

More than 700 loan officers from partner financial institutions were educated on gender awareness and SME lending.

Our case study:

Towards equal opportunities for all in Kazakhstan's energy and mining sectors



Watch how the EBRD helped a Kazakh beverage producer expand into new markets to double its sales and triple exports.



*within a year of the advisory project ending.