

PUBLIC

DOCUMENT OF THE EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT

**STRATEGY FOR KAZAKHSTAN**

**REPORT ON THE INVITATION  
TO THE PUBLIC TO COMMENT**

PUBLIC

## TABLE OF CONTENTS

<b>ABBREVIATIONS AND ACRONYMS</b> .....	3
<b>INTRODUCTION</b> .....	4
<b>ANNEX 1 – SUMMARY FROM CSOs CONSULTATION</b> .....	5
<b>LIST OF CSOs PARTICIPATING TO THE CONSULTATION PROCESS</b> .....	7

## ABBREVIATIONS AND ACRONYMS

AIP	Access to Information Policy
CSOs	Civil Society Organisations
EBRD	European Bank for Reconstruction and Development
FDI	Foreign Direct Investment
SME	Small and Medium sized Enterprise

## INTRODUCTION

The objective of this report is to summarise key comments received from stakeholders during the consultation period on the Bank's Strategy for Kazakhstan and provide the Bank's management responses.

In accordance with the EBRD Access to Information Policy (AIP), the draft strategy for Kazakhstan was posted on the EBRD website in English for 45 calendar days starting from 23 December 2021. The public was invited to comment on the draft strategy provided with an extension to 27 February 2022 due to January events. The previous strategy was also made available on the EBRD website at <https://www.ebrd.com/what-we-do/strategies-and-policies.html>.

Information about the public consultation process was posted on the EBRD's dedicated "Have your say" webpage, which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review. Targeted notifications of the consultation process were sent to local and international civil society organisations (CSOs) that have expressed interest in the Bank's work in the country.

During the consultation period, one written response was received by the EBRD.

In line with the Bank's increased efforts to involve civil society at an early stage of country strategy development, the EBRD organised a virtual consultative meeting with civil society organisations on 5 November 2021. The objective of the meeting was to gather civil society's feedback during the preparatory phase for developing the draft strategy. 8 participants from different civil society organisations have participated in the consultation.

The EBRD was represented by the Head of the Resident Office; the Economic, Policy and Governance team; the Country Strategy team and the Civil Society Engagement team. The summary of the meeting and the list of CSO participants to the consultation process are provided in the Annex 1 to this report.

**EBRD Strategy for Kazakhstan  
Consultation with civil society, 5 November 2021  
(Virtual Meeting)**

**Summary of key messages from CSOs:**

Civil Society Organisations endorsed the general directions of the strategy. Especially, the priority on supporting Kazakhstan's green pathway to carbon neutrality and climate resilience is welcomed as a significant necessity of the country.

For CSO representatives, key challenges include the development of infrastructure, the improvement of the judiciary system, the importance of gradual green transition, and enhancing women entrepreneurship.

For the Civil Society, Kazakhstan is facing, among other, monopolisation, corruption, in-work poverty, and violation of human rights, the Government's influence on markets, discriminatory approach towards different commercial and non-profitable organisations, complexity in the Small and Medium sized Enterprise (SME) sector, and gender inequality. The CSOs urged the EBRD to respond to these challenges, through its operations in the country in line with its mandate.

**Good Governance and Transparency**

- Civil society representatives raised concerns of high levels of quasi-monopolies across the economy and its severe repercussions on competitiveness, including barriers to growth for SMEs, which will however be key to developing a strong private sector.
- Civil society organisations expressed concerns regarding the strong government presence in the economy, reported attempts to control communication platforms as well as a systemic corruption across all sectors. They further noted the administrative burdens for commercial organisations/non-profitable associations, with the latter being treated with a discriminatory approach and often subject to the authorities' influence.
- CSOs noted that further development of infrastructure is necessary and of utmost importance, along with judiciary, political and constitutional reforms. They suggested that the EBRD loan policy would support efforts to raise economic complexity and recommended to focus more on diversifying the areas to anchor Foreign Direct Investment (FDI). For them, transport infrastructure, utilities, SME, and agriculture are all EBRD comparative advantages on the market.
- The EBRD management emphasised the Bank's commitment to strengthen the private sector in the economy and its competitiveness through increased digitalization, attractiveness for FDI and improved governance policies. In order to enhance financing in municipal infrastructure, the Bank will also continue to support government in designing cost reflective tariff policies in regulated sectors, as well as further develop money and capital market infrastructures.

**Gender Equality and Economic Inclusion**

- CSOs highlighted the importance of addressing the problem of low wages, especially in the female labour force, and encouraged support of women entrepreneurship in the micro business sector.
- Acknowledging the challenges in terms of gender inequality in Kazakhstan, the EBRD management stressed the Bank's standards and commitments for supporting women, youth and regional economic inclusion through improved access to finance and skills development.

**Sustainable Energy and Resources**

- The focus on green transition was welcomed by the Civil Society as a key enabler for the transformation of the economy.
- The EBRD confirmed that Kazakhstan's urgent need of green economy transition is already highlighted in the Country Strategy, and the Bank plans to further support the country's pathway to carbon neutrality and climate resilience.

**List of CSOs participating to the consultation process (alphabetically)**

1. Almaty Business Association (Almaty Association of Entrepreneurs)/ Sodbi Association
2. EcoForum of the Republic of Kazakhstan
3. International Legal Initiative (ILI Foundation)
4. Network of Experts for Sustainable Development in Central Asia (NESDCA)
5. Public Policy Research Centre
6. Soros Foundation Kazakhstan
7. Transparency Kazakhstan
8. Zertteu Research Institute