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**DOCUMENT OF THE EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT**

# **STRATEGY FOR KAZKHSTAN**

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

PUBLIC

## 1. INTRODUCTION

The objective of this report is to summarise key comments received from stakeholders during the consultation period dedicated to the Bank's strategy for Kazakhstan and provide the Bank's management responses to these. The comments received during the public consultation period were reviewed by the Bank's management and reflected in the strategy as appropriate.

In accordance with the EBRD Public Information Policy (PIP), the draft strategy for Kazakhstan was posted on the EBRD website in English and Russian for 45 calendar days from 7 April 2017. The public was invited to submit comments on the draft strategy no later than 22 May 2017. For information, the previous strategy was also made available on the website in English and Russian at <http://www.ebrd.com/where-we-are/kazakhstan/overview.html>.

Information about the public consultation process was posted on the EBRD's dedicated webpage "Have your say", which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review. In addition, 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.

No written comments on the draft strategy for Kazakhstan were received during the public consultation period.

In line with the Bank's increased efforts to involve civil society at an early stage of country strategy development, the EBRD organised a consultative meeting with civil society organisations on 28 October 2016 in Almaty to gather civil society's feedback during the preparatory phase leading to the draft strategy. The consultation provided a platform for dialogue between civil society representatives and EBRD staff and management involved in the strategy preparation process. A summary of the meeting and a list of participating organisations are provided in the Annex.

## **Summary of EBRD meeting with civil society on 28 October 2016 in Almaty**

As part of the public consultation process, the EBRD held a consultation meeting on 28 October in Almaty with representatives of local civil society organisations. The consultation provided an opportunity to discuss strategic aspects including the Bank's envisaged operational responses under the forthcoming strategy for Kazakhstan and was attended by six civil society representatives.

### ***Strategic directions***

During the consultation meeting civil society representatives expressed their overall agreement with the Bank's envisaged approach for the forthcoming strategy period in Kazakhstan.

In particular, CSO representatives were supportive of the Bank's strategic objective to promote green economy transition in Kazakhstan in order to alleviate the country's CO<sub>2</sub> intensity and help meet its COP21 commitments. CSOs advocated for the Bank to continue to prioritise financing of renewable energy and resource efficiency, which would also contribute to economic diversification in CSOs' view. Civil society participants also stressed the importance of the Municipal and Environmental Infrastructure sector in meeting the objective to support Kazakhstan in its transition towards a low-carbon economy and practices of sustainable energy use. Similarly, CSOs emphasised the EBRD's role in developing an appropriate regulatory framework.

Participants broadly welcomed the proposed strategic priority of balancing the role of the state and the private sector. In particular, CSOs highlighted the Bank's role in supporting institutional reform and capacity building. With regards to the Bank's objective under this strategic priority to provide support to private corporates along the agribusiness value chain and to provide advice to farmers, CSOs recommended supporting small farmers, including through value chain investments to integrate local farmers, and through collaboration platforms.

In relation to the proposed strategic objective of broadening access to finance and facilitating MSME development in the non-extractive sector by strengthening the banking sector, participants discussed the Bank's Advice for Small Businesses Programme and recommended further strengthening its work with women entrepreneurs.

In view of the Bank's objective to provide investments, policy dialogue and technical assistance in order to enhance intra-regional connectivity and international integration, CSOs commented on the need to establish and/or improve e-commerce and e-customs systems, which, according to CSOs, would particularly benefit SMEs. In addition, CSOs stressed the importance of the Bank's trade facilitation work, also taking into account the growing influence of China in the region.

### ***Operating conditions for civil society and democratic reform progress***

CSOs shared some of their concerns about regulations that could restrict the operating environment for civil society, about progress in applying the principle of pluralism and about the functioning of democratic institutions in view of political transformation. As one of the upcoming challenges in Kazakhstan's political system, participants discussed the uncertainty around presidential succession. CSOs encouraged the EBRD to continue its efforts in promoting the rule of law and good corporate governance in Kazakhstan. CSOs also mentioned the challenges in accessing donor funding as a consequence of the country having attained upper-middle-income status.

**List of CSOs represented at the consultation meeting**

- Business Women of Kazakhstan and Women Entrepreneurs of Kazakhstan
- EcoForum Environmental NGO Network
- Eurasia Foundation of Central Asia
- Institute of Ecology and Sustainable Development
- Kazakhstan International Bureau for Human Right and Rule of Law
- Soros Foundation