

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Kazakhstan: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	120.00	4.33	-	124.33

-- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

Kazakhstan: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	17	189.16	3.74
Education	7	66.34	1.31
Energy	9	163.54	3.23
Finance	25	996.57	19.69
Health	1	0.50	0.01
Industry and Trade	3	1.35	0.03
Multisector	3	60.18	1.19
Public Sector Management	21	1,508.48	29.80
Transport	28	2,037.79	40.26
Water and Other Urban Infrastructure and Services	7	37.85	0.75
Total	121	5,061.76	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

Kazakhstan: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007–2018

No. of Transactions Signed	Amount (\$ million)
Loans	248.65
Equity Investments	-
Guarantees	100.00
Total	348.65

-- = nil.

ADB operations in Kazakhstan aim to help lessen the country's dependence on commodity exports, reduce inequalities, and address vulnerabilities associated with climate change.

KAZAKHSTAN

The Asian Development Bank (ADB) began supporting Kazakhstan in 1994, shortly after the country became independent. To date, the bank has approved over \$5 billion in sovereign loans, nonsovereign loans, and guarantees in support of Kazakhstan's development. It also contributes to Kazakhstan's active participation in the Central Asia Regional Economic Cooperation (CAREC) Program.

Following the global financial crisis in 2007–2008, the Government of Kazakhstan requested access to concessional resources to support its programs. ADB provided a countercyclical loan of \$500 million. In 2015, ADB disbursed another countercyclical loan of \$1 billion to help Kazakhstan respond to a steep decline in oil prices and the economic slowdown in its major trading partners, including the Russian Federation, European Union member countries, and the People's Republic of China. The loan has helped the government modernize infrastructure and foster job creation, deliver social services, support low-income households, and develop the private sector.

Cumulative loan disbursements to Kazakhstan amount to \$4.11 billion. These were financed by regular and concessional ordinary capital resources.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB operations in Kazakhstan are implemented under the country partnership strategy, 2017–2021 and follow three strategic pillars: economic diversification, inclusive development, and sustainable growth.

In 2018, ADB provided a local currency loan equivalent to \$120 million to Samruk-Energy, Kazakhstan's largest power generation company, to support its overall business restructuring and transformation plan.



ADB has been helping Kazakhstan improve its transit potential, integrate into global transport networks, and develop its logistics facilities. The bank's assistance has helped complete works on more than 600 kilometers (km) of roadway in Zhambyl oblast and between Shymkent and Tashkent along the international transit corridor running between Western Europe and the west of the People's Republic of China. In Mangistau oblast, ADB has helped reconstruct 400 km of the Aktau–Beineu road, reducing the average travel time between the cities from 12 hours to 5 hours, while works on an additional 70 km of the Zhetybay–Zhanaozen road are due for completion by 2020. In October 2017, ADB-supported works commenced on reconstructing 299 km of road from Aktobe to Makat. The bank is also currently preparing a loan for 156 km of roadway between Aktobe and Kandyagash, for approval in 2019. These projects will help Kazakhstan increase its trade links with markets in East Asia, Europe, and the Caspian Sea subregion.

ADB is continuing to support the growth of Kazakhstan's small and medium-sized enterprises (SMEs) by improving access to finance to drive investment, increase employment, and generate income for SMEs, particularly those located outside major cities and/or operated by women entrepreneurs. In late 2017, ADB extended this financial support program to microenterprises, providing much-needed

access to finance for rural entrepreneurs. At the request of the Kostanay region authorities, ADB is also providing technical assistance and analytical support to the local government to foster SME creation and entrepreneurship.

In 2013, ADB and the Government of Kazakhstan forged the joint Knowledge and Experience Exchange Program (KEEP), which delivers policy advisory services and capacity building in areas such as agriculture, public audit, services, accrual budgeting, and governance. In 2018, the bank also completed a country diagnostic study for Kazakhstan focusing on how agriculture, manufacturing, and services can contribute to economic diversification.

To combat climate change and promote the use of clean and renewable resources, ADB recently began technical assistance to prepare a low-carbon growth strategy and an integrated water masterplan for the Kazakhstani capital, Astana.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness.

ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program and Supply Chain Finance Program.

ADB began cofinancing operations in Kazakhstan in 2000. Since then, cumulative direct value-added official cofinancing commitments for Kazakhstan have amounted to \$3.83 billion for five investment projects and \$4.15 million for six technical assistance projects. Cumulative direct value-added commercial

Kazakhstan: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2008	-	1
2011	50.0	2
2014	-	1
2016	-	1
2017	100.0	2
2018	66.7	3
Total	50.0	10

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Kazakhstan: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	3	1,283.28
Official loans	2	1,273.00
Commercial cofinancing	1	10.28
Technical Assistance Grants	2	2.20

^a A project with more than one source of cofinancing is counted once.

Kazakhstan: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

	2017 (\$ million)		2018 (\$ million)	
	2017 (\$ million)	2018 (\$ million)	2017 (\$ million)	2018 (\$ million)
No. of Ongoing Loans ^a (as of 31 Dec 2018)	3			
Contract Awards ^{b,c}	228.44	110.79	-	-
Disbursements ^b	112.22	132.48	-	-
No. of Ongoing Grants ^a (as of 31 Dec 2018)	-			
Contract Awards ^{b,c}	-	-	-	-
Disbursements ^{b,d}	-	-	-	-
Actual Problem Projects (%) (as of 31 Dec 2018)	-			

- = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Kazakhstan: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	-	-	19.91	0.16	2,140.67	1.18
Consulting Services	1.17	0.16	2.20	0.32	15.08	0.12
Total Procurement	1.17	0.01	22.11	0.17	2,155.75	1.11

- = nil.

Top 5 Contractors/Suppliers from Kazakhstan Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
Akkord OJSC & Ak Zhol Kurylys LLP (JV)	TRA	19.91
Grundfos Kazakhstan LLP	WUS	0.17
Others		1,000.00
Total		1,020.07

TRA = transport, WUS = water and other urban infrastructure and services.

Top 5 Consultants from Kazakhstan Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Borlas Kazakhstan LLP	ENE	2.29
Ulmad LLP	ANR	0.63
Kazakhstan Highway Research Institute	TRA	0.54
KPMG Tax and Advisory LLC	ENE	0.44
Deloitte TCF, LLP	PSM	0.10
Individual Consultants		2.97
Others		0.08
Total		7.04

ANR = agriculture, natural resources, and rural development; ENE = energy; PSM = public sector management; TRA = transport.

cofinancing for Kazakhstan has amounted to \$12.42 million for one investment project.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/kazakhstan/cofinancing.

PARTNERSHIPS

In 2019, ADB and Kazakhstan celebrate 25 years of partnership.

ADB fosters knowledge partnerships with the country's government, universities, development partners, and civil society organizations. The bank is also working closely with the United Nations to provide support to Kazakhstan in achieving the [Sustainable Development Goals](#).

Since 2001, ADB has promoted cooperation between Kazakhstan and other CAREC countries in transport, energy, and trade. With the adoption of the [CAREC Strategy 2030](#), these partnerships have now expanded to supporting regional economic and financial stability as well as initiatives in developing regional tourism, human capital development, agriculture, water resources, health, and education. Through the CAREC program, ADB is also assisting with the creation of regional economic corridors.

Since 2012, Kazakhstan has contributed \$8.6 million to the [Asian Development Fund](#), which assists poor and disadvantaged people in Asia and the Pacific.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member

countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Kazakhstan, 205 contracts worth \$2.14 billion have been awarded to contractors and suppliers since 1994.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Kazakhstan, 309 contracts worth \$15.08 million have been awarded to consultants since 1994.

OPERATIONAL CHALLENGES

Kazakhstan requires significant investments to modernize its outdated infrastructure in transport, energy, irrigation, water supply, and urban

development. ADB is working with the government, the World Bank, and other development partners to identify modalities to finance such infrastructure investments.

ADB is helping the government to reduce freight costs as well as better distribute goods and services across Kazakhstan. It is also working closely with the Ministry of Agriculture on promoting agriculture development.

With ongoing instability in oil and other commodity prices, and moderate expectations for Kazakhstan's economic growth, the government is working to accelerate economic diversification by improving the country's infrastructure, fostering private enterprise, promoting digitalization, and ensuring good governance.

The government has articulated its preference for nonsovereign and subsovereign financing by international financial institutions in the local currency, rather than sovereign borrowing. ADB is responding to this request through enhanced flexibility in its lending modalities.

FUTURE DIRECTIONS

Future ADB operations will help lessen Kazakhstan's dependence on commodity exports, reduce inequalities, and address vulnerabilities associated with climate change.

ADB will support the government in promoting diversification, developing the private sector, and increasing economic competitiveness. ADB will help finance

Kazakhstan's infrastructure investment needs, better deliver public and social services, promote structural reforms, and implement state-owned enterprises reforms and privatization plans. Operations

will be complemented by extensive knowledge collaboration under KEEP.

ADB will also help Kazakhstan introduce innovative solutions and modalities for

project finance, promote public-private partnerships, improve development partner coordination, and further encourage regional cooperation and integration through the CAREC Program.

ABOUT KAZAKHSTAN AND ADB

ADB Membership

Joined 1994

Shareholding and Voting Power

Number of shares held:	85,608 (0.805% of total shares)
Votes:	125,305 (0.942% of total membership, 1.449% of total regional membership)
Overall capital subscription:	\$1.19 billion
Paid-in capital subscription:	\$59.55 million

Contributions to Special Funds Resources

Kazakhstan has contributed to the Asian Development Fund (ADF), which is ADB's window for concessional lending to its borrowing members up to 31 December 2016 and retaining the ADF support as a grant-only operation from 1 January 2017, and to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies.

Contributions to the ADF (committed):	\$7.66 million
Contributions to the TASF (committed):	\$0.94 million

Paul Dominguez is the Director and **Shahid Mahmood** is the Alternate Director representing Kazakhstan on the ADB Board of Directors.

Giovanni Capannelli is ADB's Country Director for Kazakhstan. The Kazakhstan Resident Mission was opened in 1998 and provides the primary operational link for activities between ADB and the government, the private sector, civil society, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Kazakhstan and the Central Asian region. The resident mission has its head office in Astana and one branch in Almaty. The Almaty branch hosts regionwide private sector operations and knowledge work.

The Kazakhstan government agency handling ADB affairs is the Ministry of National Economy.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org

Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.