

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

## Kazakhstan: 2017 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
213.49	-	5.63	-	219.12

-- = 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<sup>a, b, c</sup>

Sector	No.	Total Amount (\$ million) <sup>d</sup>	% <sup>d</sup>
Agriculture, Natural Resources, and Rural Development	16	187.96	3.81
Education	7	66.34	1.34
Energy	8	43.54	0.88
Finance	21	995.39	20.16
Health	1	0.50	0.01
Industry and Trade	3	1.35	0.03
Multisector	3	60.18	1.22
Public Sector Management	19	1,506.23	30.51
Transport	28	2,037.59	41.27
Water and Other Urban Infrastructure and Services	7	37.85	0.77
<b>Total</b>	<b>113</b>	<b>4,936.93</b>	<b>100.00</b>

<sup>a</sup> Grants and technical assistance include ADB-administered cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Using primary sector in reporting of commitments.

<sup>d</sup> Numbers may not sum precisely because of rounding.

## Kazakhstan: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007-2017

No. of Transactions Signed	Amount (\$ million)
Loans	128.65
Equity Investments	-
Guarantees	100.00
<b>Total</b>	<b>228.65</b>

-- = nil.

ADB operations in Kazakhstan help to open up transport routes, foster private enterprises, promote social equality and inclusive growth, and develop knowledge products and services.

## KAZAKHSTAN

Since the early 2000s, Kazakhstan has been pursuing economic diversification and actively fostering private sector development.

Following the global financial crisis of 2007-2008, the Government of Kazakhstan was compelled to access concessional resources to support its economic programs. The Asian Development Bank (ADB) responded with a countercyclical loan of \$500 million. In 2015, ADB approved another countercyclical loan of \$1 billion to help Kazakhstan counter the steep decline in oil prices and the economic slowdown in its major trading partners, including the Russian Federation. The loan helped the government modernize infrastructure and maintain job creation, deliver social services, support low-income households, and develop the private sector.

ADB began supporting Kazakhstan in 1994. ADB has since approved over \$5 billion in sovereign loans, nonsovereign loans, and guarantees for the country. It also contributes to Kazakhstan's active participation in the Central Asia Regional Economic Cooperation (CAREC) Program.

Cumulative disbursements to Kazakhstan for lending and grants financed by ordinary capital resources (OCR), the Asian Development Fund, and other special funds amount to \$3.97 billion.

### ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB operations in Kazakhstan are helping open up transport routes, foster private enterprise, address social and geographic inequalities, promote social equality and inclusive growth, and deliver knowledge products and services.

ADB has been helping Kazakhstan improve its transit potential, integrate into global transport networks, and develop its logistics facilities. In 2016, works were completed on more than 600 kilometers 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 assistance has helped reconstruct 400 kilometers of the road from Aktau to Beineu, reducing the average travel time between the cities from 12 hours to 5 hours. In October 2017, works commenced on the road from Aktobe to Makat. Supported by an ADB loan, the project 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 by providing financial institutions with liquidity in local currency. Improved access to finance is expected to drive investment, increase employment, and generate income for small and medium-sized enterprises, particularly those located in regions outside Astana and Almaty and operated by women entrepreneurs. In late 2017, a new ADB loan became effective to extend this financial support program to micro enterprises, providing much-needed access to finance for rural entrepreneurs.

Recognizing the added value of knowledge products for Kazakhstan's development agenda, the government and ADB have forged a joint Knowledge and Experience Exchange Program. The program delivers policy advisory services and capacity building in the areas of public

audit, services, accrual budgeting, public-private partnerships, and governance.

## NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector transactions in the form of direct loans, equity investments, guarantees, B loans, and trade finance. In 2017, \$3.17 billion of financing for 29 nonsovereign transactions funded by ADB's own resources were approved. Total commitments achieved in 2017 amounted to \$2.29 billion for 27 transactions. Both OCR approvals and commitments were at record highs in 2017. Around \$5.9 billion of cofinancing from commercial and official sources were mobilized. Total OCR outstanding balances and commitments of ADB's nonsovereign transactions as of 31 December 2017 amounted to \$10.9 billion.

ADB's Trade Finance Program (TFP) fills market gaps by providing guarantees and loans through partner banks in support of trade. Since 2009, ADB's TFP has supported more than 12,000 small and medium-sized businesses across developing Asia—through over 16,500 transactions valued at over \$30 billion—in sectors ranging from commodities and capital goods, to medical supplies and consumer goods. In 2017, the TFP supported approximately \$4.5 billion

in trade through approximately 3,500 transactions.

## 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 TFP and Supply Chain Finance Program.

From 2000 to the end of 2017, cumulative direct value-added official cofinancing commitments for Kazakhstan amounted to \$3.83 billion for five investment projects and \$2.95 million for five technical assistance projects. Cumulative direct value-added commercial cofinancing for Kazakhstan amounted to \$12.42 million for one investment project.

A summary of projects with cofinancing from 1 January 2013 to 31 December 2017 is available at [www.adb.org/countries/kazakhstan/cofinancing](http://www.adb.org/countries/kazakhstan/cofinancing).

## PARTNERSHIPS

ADB fosters knowledge partnerships with the government, local universities,

### Kazakhstan: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2008	0.0	1
2011	50.0	2
2014	0.0	1
2016	0.0	1
2017	100.0	2
<b>Total</b>	<b>42.9</b>	<b>7</b>

Note: "Year" refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years' *Fact Sheet*, the success rate reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and does not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2017.

### Kazakhstan: Projects Cofinanced, 1 January 2013–31 December 2017

Cofinancing	No. of Projects	Amount (\$ million)
Projects <sup>a</sup>	4	1,481.39
Official loans	3	1,469.50
Commercial cofinancing	1	11.89
Technical Assistance Grants	2	2.00

<sup>a</sup> A project with more than one source of cofinancing is counted once.

### Kazakhstan: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2016–2017

	2016 (\$ million)		2017 (\$ million)	
	2016 (\$ million)	2017 (\$ million)	2016 (\$ million)	2017 (\$ million)
No. of Ongoing Loans <sup>a</sup> (as of 31 Dec 2017)			3	
Contract Awards <sup>b,c</sup>	200.67	228.44		
Disbursements <sup>b</sup>	124.62	112.22		
No. of Ongoing Grants <sup>a</sup> (as of 31 Dec 2017)			-	
Contract Awards <sup>b,c</sup>	-	-		
Disbursements <sup>b,d</sup>	-	-		
Actual Problem Projects (%) (as of 31 Dec 2017)			-	

- = nil.

<sup>a</sup> Based on commitments.

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

<sup>c</sup> Excludes policy-based lending/grants.

<sup>d</sup> Includes only Asian Development Fund and other ADB special funds.

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

Item	2016		2017		Cumulative (as of 31 Dec 2017)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	-	-	-	-	2,120.76	1.25
Consulting Services	0.35	0.06	1.17	0.16	12.88	0.11
<b>Total Procurement</b>	<b>0.35</b>	<b>0.00</b>	<b>1.17</b>	<b>0.01</b>	<b>2,133.64</b>	<b>1.18</b>

- = nil.

### Top 5 Contractors/Suppliers from Kazakhstan Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2013–31 December 2017

Contractor/Supplier	Sector	Contract Amount (\$ million)
Grundfos Kazakhstan LLP	WUS	0.17
Others		1,000.00
<b>Total</b>		<b>1,000.17</b>

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 2013–31 December 2017

Consultant	Sector	Contract Amount (\$ million)
Borlas Kazakhstan LLP	ENE	2.29
Kazakhstan Highway Research Institute	TRA	0.54
Deloitte TCF LLP	PSM	0.10
Junussova P.E.	MUL	0.04
Sange Research Center	PSM	0.02
Individual Consultants		5.64
<b>Total</b>		<b>8.63</b>

ENE = energy, MUL = multisector, PSM = public sector management, TRA = transport.

development partners, and civil society organizations in Kazakhstan. It is doing so by contributing to shaping the Partnership for Sustainable Development Forum, helping create the Kazakhstan Knowledge Center on Integrated Water Resources Management, and signing a Memorandum of Understanding with Nazarbayev University to support the implementation of ADB projects.

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 are now expanding to supporting regional economic and financial stability as well as regional initiatives in developing tourism, economic corridors, agriculture, water resources, health, and education.

ADB partnered with the World Bank, the Islamic Development Bank, the European Bank for Reconstruction and Development, and the Japan International Cooperation Agency to help reconstruct road sections along the international transit corridor between Western Europe and the west of the People's Republic of China.

In 2017, Kazakhstan contributed \$3.1 million to the Asian Development Fund, which benefits 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 \$11.28 billion in 2016 and \$10.43 billion in 2017. Cumulative procurement since 1966 was \$169.12 billion covering 211,316 contracts.

In Kazakhstan, 204 contracts worth \$2.12 billion were 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 \$627.79 million in 2016 and \$741.84 million in 2017. Cumulative procurement since 1966 was \$12.02 billion covering 55,420 contracts.

In Kazakhstan, 261 contracts worth \$12.88 million were 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 these investments.

Modernizing the agriculture sector and improving crossborder connectivity are national priorities. ADB is helping the government find ways to reduce freight costs into neighboring countries as well as better distribute goods and services across Kazakhstan.

Given recent instability in oil and other commodity prices, as well as lower expectations for Kazakhstan's economic growth, the need for structural reforms is urgent. The government is working to accelerate economic diversification and the transition to a knowledge-based economy by improving the country's infrastructure backbone, fostering private enterprise, and promoting good governance.

Kazakhstan needs innovative solutions to realize its vision of becoming one of the world's 30 most-advanced economies by 2050, and to implement its Strategic Development Plan 2025, which includes system reforms and priority policies aimed at achieving inclusive and sustainable economic growth.

## FUTURE DIRECTIONS

Future development cooperation for Kazakhstan will be guided by the ADB country partnership strategy, 2017–2021 as well as the country operation business plan, 2018–2020. ADB investments will help lessen the country's dependence on commodity exports, reduce inequalities and lessen 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. These operations will be complemented by extensive knowledge collaboration

under the Knowledge and Experience Exchange Program and through partnerships with local universities, think-tanks, and other development partners. ADB will also help Kazakhstan introduce innovative finance solutions,

and modalities for project finance, promote public-private partnership, improve development partner coordination, and 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 (0.806% of total shares)
Votes:	125,215 (0.944% of total membership, 1.448% of total regional membership)
Overall capital subscription:	\$1.22 billion
Paid-in capital subscription:	\$60.98 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

**Shahid Mahmood** is the Director and **Paul Dominguez** 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 67 members, 48 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 2017, lending volume was \$18.72 billion (111 projects), with technical assistance at \$200.53 million (246 projects) and grant-financed projects at \$597.49 million (24 projects). In addition, \$11.92 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 2013 to 31 December 2017, ADB's annual lending volume averaged \$14.55 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$617.74 million and \$166.28 million over the same period. As of 31 December 2017, the cumulative totals excluding cofinancing were \$255.14 billion in loans for 2,955 projects in 44 countries, \$8.36 billion in 328 grants, and \$4.27 billion in technical assistance grants, including regional technical assistance grants.

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### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

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