



## Kazakhstan: Countercyclical Support

Project Name	Countercyclical Support				
Project Number	49083-001				
Country	Kazakhstan				
Project Status	Closed				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2"><b>Loan 3272-KAZ: Countercyclical Support</b></td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 1,000.00 million</td> </tr> </table>	<b>Loan 3272-KAZ: Countercyclical Support</b>		Ordinary capital resources	US\$ 1,000.00 million
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Ordinary capital resources	US\$ 1,000.00 million				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development				
Sector / Subsector	<b>Public sector management</b> - Decentralization - Public administration - Public expenditure and fiscal management - Social protection initiatives				
Gender Equity and Mainstreaming	Some gender elements				
Description	<p>The proposed loan will help the government mitigate the unanticipated and significant negative economic impact caused by the steep fall in oil prices and the economic slowdown in neighboring countries. The government's planned fiscal stimulus expenditure will help Kazakhstan stabilize and continue its economic growth trajectory while targeting fiscal sustainability in the medium term. The proposed loan will contribute to employment creation, social services provision, and low-income household support; expand and modernize physical infrastructure; and promote inclusive private sector development.</p> <p>The impact will be sustained pro-poor economic growth. The outcome will be improved fiscal sustainability.</p> <p>The loan will have three outputs: (i) measures to promote non-oil and private sector development implemented, (ii) measures to increase employment implemented, and (iii) priority expenditures to sustain jobs and social expenditure maintained.</p> <p>ADB will release the loan in two equal tranches of \$500 million. The first tranche will be released upon loan effectiveness. ADB management will authorize release of the second tranche once the government has met disbursement conditions.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>In 2014, two significant external factors impaired economic growth, revenue performance, and the government's ability to mitigate these effects. The first was the Russian Federation's economic slowdown, which triggered a downward adjustment in the tenge exchange rate. The second was the steep fall in world oil prices, which fell by more than 50% from the end of 2013 to the end of 2014. Kazakhstan's economy is heavily dependent on oil, which accounts for about 20.0% of GDP, 50.0% of budget revenues, and 76.0% of exports.</p> <p>Countercyclical Response by the Government: The government has introduced measures to mitigate the significant negative impacts of Russian Federation's economic slowdown and steep fall in world oil prices, and to deliver the conditions for sustainable, long-term, inclusive economic growth.</p> <p>Measures to Ensure Sound Macroeconomic Management, Including a Sound Fiscal Position: The government and the National Bank of Kazakhstan have taken proactive monetary, fiscal, and regulatory measures to address the significant negative external pressures on the economy.</p>				
Impact	Sustained pro-poor economic growth (State Program of Infrastructure Development Nurlı Zhol for 2015_2019, Employment Roadmap 2010)				

### Project Outcome

Description of Outcome	Improved fiscal sustainability
Progress Toward Outcome	

## Implementation Progress

Description of Project Outputs	1. Measures to promote non-oil and private sector development implemented 2. Measures to increase employment implemented 3. Priority expenditures to sustain jobs and social expenditure maintained
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

## Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	Categorized as 'C' since the project is likely to have minimal or no adverse environmental impacts.
Involuntary Resettlement	Categorized as 'C' since the project has no involuntary resettlement impacts.
Indigenous Peoples	Categorized as 'C' since the project is not expected to have impacts on Indigenous Peoples.

## Stakeholder Communication, Participation, and Consultation

During Project Design	The proposed loan results from extensive ADB policy dialogue with the government and development partners on economic developments, policy reform, anti-crisis measures, management and monitoring of reform efforts, and other related actions.
During Project Implementation	ADB will release the loan in two equal tranches of \$500 million. The first tranche will be released upon loan effectiveness. ADB management will authorize release of the second tranche once the government has met disbursement conditions. The MOF will be the executing agency for the loan. The implementing agencies will be the Ministry of National Economy, the Ministry of Healthcare and Social Development, the Ministry of Energy and the NBK. Macroeconomic and financial sector conditions will be monitored to determine the impact of countercyclical measures.

## Business Opportunities

Consulting Services	Not applicable.
Procurement	Not applicable.

## Responsible Staff

Responsible ADB Officer	Song, Dai Chang
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	<i>Ministry of Finance 11, Pobeda Avenue Astana 010000 Kazakhstan</i>

## Timetable

Concept Clearance	-
Fact Finding	23 Feb 2015 to 05 Mar 2015
MRM	22 Apr 2015
Approval	21 Aug 2015
Last Review Mission	-
Last PDS Update	25 Aug 2015

## Loan 3272-KAZ

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
21 Aug 2015	18 Nov 2015	29 Dec 2015	31 Dec 2016	-	05 Jan 2016

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	1,000.00	Cumulative Contract Awards			
ADB	1,000.00	21 Aug 2015	1,000.00	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	21 Aug 2015	1,000.00	0.00	100%

Project Page <https://www.adb.org/projects/49083-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=49083-001>

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