



Kazakhstan: Promoting Digital Technologies for Sustainable Development

Project Name	Promoting Digital Technologies for Sustainable Development				
Project Number	53330-001				
Country	Kazakhstan				
Project Status	Active				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 9946-KAZ: Promoting Digital Technologies for Sustainable Development</td> <td></td> </tr> <tr> <td>Republic of Korea e-Asia and Knowledge Partnership Fund</td> <td>US\$ 500,000.00</td> </tr> </table>	TA 9946-KAZ: Promoting Digital Technologies for Sustainable Development		Republic of Korea e-Asia and Knowledge Partnership Fund	US\$ 500,000.00
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Republic of Korea e-Asia and Knowledge Partnership Fund	US\$ 500,000.00				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development				
Sector / Subsector	Public sector management - Public administration				
Gender Equity and Mainstreaming	No gender elements				
Description	<p>The proposed Promoting Digital Technologies Sustainable Development in Kazakhstan knowledge and support technical assistance (TA) will complement the country's efforts to improve peoples' quality of life and promote sustainable economic development through the improved use of digital technologies. The proposed TA will support: (i) mapping of existing constraints and opportunities to adopting digital technologies; (ii) developing the capacity of local stakeholders; and (iii) conducting feasibility studies for possible future investment projects.</p> <p>The proposed TA is aligned with key operational priorities of Strategy 2030 of the Asian Development Bank (ADB) by mainstreaming the use of high-level technologies in Developing Member Country (DMC). The TA is also fully aligned with the country partnership strategy for Kazakhstan 2017-2021, which highlights ADB's role in supporting the social impact of technology solutions in areas such as municipal services, e-commerce, agri-business, green economy, and finance.</p> <p>The TA is included in the ADB country operations business plan (COBP) for Kazakhstan, 2020 -2022. Its implementation is aligned with ADB's focus on supporting economic diversification through technological change and capacity development of DMC stakeholders.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>Kazakhstan is seeking to transform its economy and improve people's living standards by promoting the use of information and communication technology (ICT) as outlined in the State Program <u>"Digital Kazakhstan"</u> (footnote 1). The country's digitalization agenda is managed and monitored by the Ministry of Digital Development, Innovations and Aerospace Industry (MDDIAI) of the Republic of Kazakhstan. However, the information available for development partners and other external stakeholders on the progress of the country's digitalization process remains limited, scattered and often provided with substantial time lag, restricting their contribution to existing plans, or developing new initiatives incorporating high-level technologies.</p> <p><u>"Digital Kazakhstan"</u> is an ambitious program launched in 2017 by the government to leverage ICT for accelerating economic growth and achieving higher living standards. The program covers the period from 2018 to 2022 with the central government allocating KZT 141 billion (approximately \$400 million), while completing the majority of enlisted tasks and activities would require additional private and quasi-government funding, estimated at \$500 million. <u>"Digital Kazakhstan"</u>, while highlighting opportunities generated by the adoption of digital technologies, provides few details on the incentives system and adaptation mechanisms needed to introduce new ICT solutions, and often downplays or omits the challenges Kazakhstan will face in adopting these technologies. ADB experience in assisting with the introduction of digital technologies in its DMCs shows that information asymmetry, externalities and spillover effects often tend to preclude stakeholders from championing digital technology solutions. As a result, emerging high-level technologies application opportunities are left unnoticed and unrealized.</p> <p>The ability of citizens, government and businesses to meaningfully and sustainably exploit digital technologies depends strongly on having the requisite ICT skills and knowledge. <u>"Digital Kazakhstan"</u> is keen to foster entrepreneurship and develop an innovative ecosystem. One of the program priorities is the formation of the <u>"Astana Hub"</u>, launched in November 2018. The hub features incubation and acceleration facilities for high-level technology startups, co-working space and offices for tech firms. It aims to raise the country's rank in the <u>"Innovation Capability Index"</u> from 87th in 2018 to 63rd by 2022 and attract KZT 123 billion (approximately \$360 million) in startup funding between 2019 and 2022. The ecosystem is in infancy stage and will strongly benefit from ADB's legal, institutional and technical support.</p> <p>The application of digital ICT in Kazakhstan has a great potential of raising productivity and lowering costs, while promoting environmentally friendly development and creating good jobs. Key constraints are: (i) significant underinvestment by state and private sector in the development and adaptation of new technologies; and (ii) limited local capacity to effectively advance the technology upgrading agenda. ADB can thus play an important role in building the capacity of local players and promoting the adaptation of high-level technologies in the country.</p>				
Impact	To accelerate the pace of the country's economic development and improve peoples' quality of life through the use of digital technologies				
Project Outcome					
Description of Outcome	Innovative high- level technologies for sustainable development promoted				
Progress Toward Outcome					
Implementation Progress					
Description of Project Outputs	<ol style="list-style-type: none"> 1. A mapping exercise to identify both constraints and opportunities for selected digital technology solutions for sustainable development conducted 2. Capacity of local stakeholders to apply high level technologies is improved 3. Feasibility of digital technology solutions in select areas for sustainable development analyzed 2. Capacity of local stakeholders to apply high level technologies is improved 3. Feasibility of digital technology solutions in select areas for sustainable development analyzed 				

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location	Nation-wide
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Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer Genadiy Rau

Responsible ADB Department SDTC

Responsible ADB Division SDCC-DT

Executing Agencies Ministry of Digital Development, Innovation and Aerospace Industry (MDDIAI)
010000, Kazakhstan, Nur-Sultan City, Mangilik El Avenue, Bldg. No.8, House of Ministries, Administrative Bldg. No.2
Ministry of National Economy
Orynbor str., 8, House of Ministries, entr.7,010000 Astana, Kazakhstan

Timetable

Concept Clearance 07 Feb 2020

Fact Finding 01 Oct 2019 to 15 Oct 2019

MRM -

Approval 05 Feb 2020

Last Review Mission -

Last PDS Update 07 Feb 2020

TA 9946-KAZ

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	500,000.00	0.00	0.00	0.00	0.00	500,000.00	-	0.00

Project Page <https://www.adb.org/projects/53330-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=53330-001>

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