



EBRD-21762

Expanding Activities in Critical Raw Materials in Central Asia



Quick Facts

Countries	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Borrower	Government of Kazakhstan
Sectors	Law and Government, Mining, Technical Cooperation
Investment Type(s)	Advisory Services



Project Description

As stated by the EBRD, energy transition and decarbonisation commitments are generating an unprecedented demand for minerals and metals. This has created a substantial gap between the supply and demand of the critical materials needed for the green economy and new technologies. The production of many of these critical minerals is concentrated in a few countries, exposing many economies (including Countries of Operations of the European Bank for Reconstruction and Development) to supply risks and threatening their path towards decarbonisation. Covid-19, geopolitical conflicts, increasing natural disasters and resource nationalism have resulted in severe disruptions in the supply chains and the weakening of governments and mineral buyers to strategize how to ensure security of an uninterrupted metals supply.

To cope with the increasing demand for minerals, the Critical Raw Materials sector has been identified as one of the priority areas for the Bank's and European Union (EU)'s engagement with Central Asia.

EU demand for rare earth materials is expected to increase up to six-fold by 2030; and for lithium, EU demand is expected to increase twelve-fold by 2030 and twenty-one-fold by 2050. Europe depends heavily on imports, in most cases from a single third country, and recent crises have exposed EU strategic dependencies. In this context, to ensure a sustainable supply of raw materials, especially critical raw materials, as an essential prerequisite for delivering on green and clean energy objectives, the EU has started working to build partnerships with resource-rich third countries, making use of all external policy instruments and respecting its international obligations. Central Asia, with its high potential in the sector, is thus seen as a key partner in the EU's efforts to diversify and secure critical value chain components needed for the green transition, as identified in the Green Deal Industrial Plan. This engagement has been confirmed in the conclusion of Strategic Partnerships on Critical Raw Materials with Kazakhstan (November 2022) and Uzbekistan (April 2024), where the Bank already supported the definition of action roadmaps and initial implementation. Central Asian countries are at different stages in the development and modernisation of the mining potential.

The overall objective of activities is to provide continued support to the implementation of the operational roadmaps implementing respective Memoranda of Understanding signed with Kazakhstan and Uzbekistan and expand the activities in critical raw materials in the Kyrgyz Republic, Tajikistan and Turkmenistan.

The following objectives are expected to be achieved:

- Objective 1: Latest best practices and sustainable technologies for exploration, extraction, processing and refining are introduced;
- Objective 2: CRM exploration, extraction and processing, harmonised with international and EU environmental, social and good governance standards thus enabling the mutual recognition of the quality of products; and
- Objective 3: Joint EU-CA projects in the area of raw materials and batteries are identified, verified and realised, and the transportation of relevant goods and products along the Trans-Caspian Corridor is accelerated.

Within the context of this project, the Ministry of Industry and Construction of the Republic of Kazakhstan (the Ministry), in collaboration with relevant scientific and industrial stakeholders, is initiating a strategic project to enhance the national capacity for geochemical, trade and metallurgical analysis, as well as leading mineral processing projects. Kazakhstan possesses vast natural resources, including significant mineral wealth, and accurate, timely laboratory analysis is critical for responsible resource development, environmental monitoring, and advancing geological sciences. Also being able to independently verify quantity and quality of traded exports equips the Government of the Republic of Kazakhstan to levy appropriately.

At present, the lack of a modern, centrally located geochemistry and trade laboratory facilities limits the country's ability to perform high-quality analysis domestically. As a result, samples are often sent abroad, increasing costs and turnaround times. This project aims to assess the feasibility of establishing world class geochemistry, trade and mineral processing laboratories



Investment Description

- European Bank for Reconstruction and Development (EBRD)

The project consists of a technical cooperation. Information on the amount provided is not provided at the time of disclosure.



Contact Information

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ACCESS TO INFORMATION

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- [Strategic partnership with Kazakhstan on raw materials, batteries and renewable hydrogen](#)