Early Warning System

AIIB-000405

Kazakhstan: COVID-19 Active Response and Expenditure Support (CARES) Program

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Quick Facts

Countries	Kazakhstan
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	C
Voting Date	2020-06-30
Borrower	Government of Kazakhstan
Sectors	Education and Health
Investment Type(s)	Loan
Investment Amount (USD)	$ 750.00 million
Loan Amount (USD)	$ 750.00 million

Project Description

According to the AIIB website, the objective of the proposed Program is to mitigate the adverse impacts of the Coronavirus disease (COVID-19) on the health, income, and economic opportunities of Kazakhstan population.

The CARES Program (Program) will be supported through a Loan extended by AIIB under AIIB's COVID-19 Crisis Recovery Facility and co-financed with a policy-based loan extended by the Asian Development Bank (ADB) under its Countercyclical Support Facility COVID-19 Pandemic Response Option. The Program would cover the Government of Kazakhstan's immediate COVID-19 health policy response, social protection and employment recovery measures, and stimulus measures.

The Program includes: (i) cash payments to the unemployed (USD95 per month per person); (ii) mitigations to higher food price impacts such as, a lower VAT rate, nationwide food supply program to provide free food to 1.1 million people, price caps for essential foods and and procurement of 41.6 thousand tons of essential foods to support vulnerable groups; (iii) Increase of all social payments (pensions, benefits, etc.) by 10 percent; (iv) new tax incentives such as, zero percent property tax rates (for retail, trade, catering, entertainment and hospitality sectors), land tax (for agricultural producers), income tax for individual entrepreneurs and for SMEs in catering, lodging, transportation, consulting and tourism sectors, six-month exemption from payroll taxes.

This Loan will be co-financed with the ADB as lead co-financier, and the Program's environmental and social risks and impacts have been assessed in accordance with the provisions of ADB's Safeguard Policy Statement applicable to policy-based lending (PBL).

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Contact Information

AIIB

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ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides “an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB’s failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.” Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html.

Bank Documents

- Project Summary (June 2, 2020) [Original Source]