



UNITED NATIONS  
KAZAKHSTAN



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COMMON  
COUNTRY ANALYSIS

November  
2023



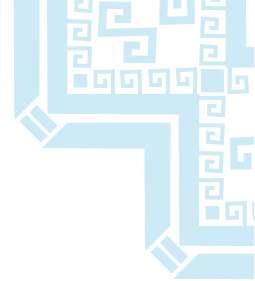
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## EXECUTIVE SUMMARY

Kazakhstan is the largest landlocked country with a population of 20 million people. Since gaining independence in 1991, the country has made significant progress in economic and social development, graduating into an upper-middle-income country. The share of the population with incomes below the subsistence level has decreased from 34.6% in 1996 to 5.1% in the first half of 2023. In the Human Development Index, Kazakhstan is among countries with very high human development.

The country has demonstrated a strong commitment to Agenda 2030 for Sustainable Development by integrating the SDGs into its national development strategies and achieving significant progress, particularly in poverty reduction. However, challenges persist in areas such as gender equality, affordable and clean energy, and climate action. The country ranks among the top emitters of greenhouse gas emissions per capita and is vulnerable to the impacts of climate change. In this regard, Kazakhstan has committed to reducing its emissions by adopting the Strategy on Achieving Carbon Neutrality by 2060 in 2023 and by revising its National Determined Contribution in the same year.

The 2022 January events, initially a peaceful demonstration triggered by the rising prices of liquefied gas, evolved into the most violent riots in the history of Kazakhstan, in which 238 people lost their lives. Events prompted political and economic reforms by the President Kassym-Jomart Tokayev, who announced a political agenda aimed at building a 'new Kazakhstan'. The national referendum on 5 June 2022 approved 33 proposed constitutional changes. These changes include, inter alia, reducing presidential powers and strengthening the role of Parliament, introducing a mixed

proportional-majoritarian electoral system for Majilis, simplification of the registration of political parties and limiting the privileged position of the former President and his inner circle. As a member of the UN Human Rights Council for the term 2022-2024, Kazakhstan has implemented several measures in the areas of human rights and the rule of law to improve its human rights record. These measures include the abolition of the death penalty for all crimes, the decriminalization of defamation (which now became an administrative offence), the elimination of prohibitions on certain jobs for women, and the adoption of Constitutional laws concerning the Commissioner for Human Rights and the re-establishment of the Constitutional Court. Also, in 2023 Kazakhstan ratified the Optional Protocol to the Convention on the Rights of Persons with Disabilities.

The macroeconomic situation in Kazakhstan remains stable, and the short-term outlook is relatively positive. In 2023, real GDP growth is forecasted to increase, with projections ranging from 4.1% to 4.7%. The war in Ukraine and its geopolitical ramifications pose a risk to the nascent recovery due to Kazakhstan's strong political, economic, and cultural ties with the Russian Federation. The observed 'unusual trade flows' of sanctioned goods with Russia put risk of imposing secondary sanctions against Kazakhstani companies. While the inflation rate fell sharply in the first half of 2023, Kazakhstan is still grappling with double-digit inflation, impacting the cost of living. The economy remains heavily reliant on the extraction of natural resources, and progress to diversify and increase economic complexity have been slow. The country faces challenges related to income inequality, decreasing investments in fixed assets, declining tax revenues, overextension of credit to the population.

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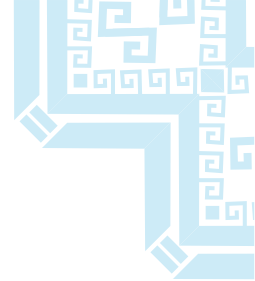
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# 1. COUNTRY PROGRESS TOWARDS THE AGENDA 2030

The COVID-19 pandemic and geopolitical challenges have slowed down the process of achieving Sustainable Development Goals in Kazakhstan. According to the Sustainable Development Report 2023,<sup>1</sup> Kazakhstan currently ranks 66th out of 166 countries in the SDG Index, scoring 71.6 out of a possible 100 points. The score indicates a percentage of SDG achievement based on international data. The average SDG index score of Kazakhstan is below the pre-pandemic level of 71.9 in 2019. However, it is a global tendency as the world is no longer making the progress on the SDGs due to multiple and overlapping health and security crises.

Figure 1 shows Kazakhstan has achieved only SDG 1: “No poverty”, which consists of two indicators: poverty headcount ratios at USD 2.15 and USD 3.65 per day, which are less than 1% in Kazakhstan. The major challenges are observed in the country's performance on SDG 2 “Zero Hunger”, SDG 7 “Affordable and Clean Energy”, SDG 13 “Climate Action”, SDG 15 “Life on Land”, and SDG 16 “Peace, Justice and Strong Institutions”. However, it is worth mentioning that SDG Index was computed based on international data from 2012 to 2022 with occasional use of 2022 data. Therefore, the overall score might not always reflect the recent activities towards achieving SDGs.

Figure 1. SDG Dashboards and Trends

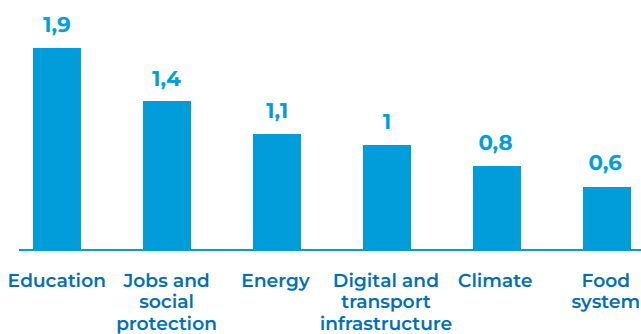


Source: Sustainable Development Report 2023

<sup>1</sup> Sachs J., Lafortune G., Kroll C., Fuller, G., and Woelm F. (2023) Sustainable Development Report 2023 From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond. Cambridge: Cambridge University Press

Kazakhstan has achieved two out of the four indicators under SDG 5 Gender Equality: the ratio of female-to-male mean years of education received and the ratio of female-to-male labour force participation rate. However, challenges persist with respect to two other indicators: the percentage of seats held by women in the national parliament (27.1% compared to the target of 50%) and the percentage of women of reproductive age whose demand for family planning is satisfied by modern methods of contraception (76.1% out of 100).

**Figure 2. Kazakhstan's additional spending needs per year by transition pathway, % of GDP**



Source: ESCAP

Note: "Jobs and social protection" is based on spending needs for Goals 1, 3, 5, 8 and 10; "Education" on Goal 4, "Food systems" on Goals 2, 14 and 15; "Digital and transport infrastructure" on Goal 9; "Energy" on Goal 7; and "Climate" on Goals 6, 11, 12 and 13.

A drop of seven positions in the Sustainable Development Index from 2021 highlights the need for greater efforts in aligning budgetary allocations with SDG objectives. According to ESCAP calculation, additional SDG spending needs in Kazakhstan are estimated at nearly 7% of GDP per year on average during the period 2021-2030.<sup>2</sup> Among the six transition pathways to the SDGs, the most significant component is the associated with education, amounting

to 1.9% of GDP (Figure 2). This primarily includes the investments required to achieve universal enrolment in schools and tertiary education. Additionally, there is substantial expenditure, at 1.4% of GDP associated with jobs and social protection. This expenditure covers the necessary funding to benefits such as child, maternity, unemployment, disability, and elderly support, as well as enhancing access to healthcare services. In its report, ESCAP also identified five policy priorities for Kazakhstan, including education, economic diversification, climate change and energy, digital transformation, financing sustainable development.

Kazakhstan has developed an institutional framework for the implementation of the Sustainable Development Goals. In 2018, the Coordination Council for SDGs was established by the Decree of the Prime Minister of the Republic of Kazakhstan. On 11 October, 2022, the chairmanship of the SDG Coordination Council was upgraded from a Deputy Prime Minister to a Prime Minister level.<sup>3</sup> Furthermore, The Ministry of National Economy of the Republic of Kazakhstan was designated as the coordinating body of the Council, with the Economic Research Institute serving as the Secretariat, providing expert and analytical support. To organize the activities of the Council effectively, 5 "Ps" inter-ministerial Working Groups and an SDGs Monitoring Committee were created. At the same time, the Bureau of National Statistics, under the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, is tasked with developing methodologies and collecting and processing statistical data for the SDGs. Moreover, in 2023 the Parliamentary Commission for monitoring the implementation of national goals and objectives in the field of sustainable development was established to support the Coordination Council on SDGs.

2 ESCAP (2023) Kazakhstan's SDG progress and transformative pathways. Internal document.

3 Decree of the Prime-Minister "On SDG Coordination Council" adopted on 11 October 2022, N° 167-p  
<https://adilet.zan.kz/rus/docs/R2200000167>



Kazakhstan has developed 262 national SDG indicators based on the UN global system of indicators. The list includes 190 UN global indicators, 30 alternative (proxy) indicators to global ones and 42 additional national indicators.<sup>4</sup> The list of national SDG indicators has been approved in 2021 at the 5th meeting of the SDG Coordination Council. In addition, 87 out of those indicators have been prioritised for further implementation of sustainable development priorities. However, majority of the prioritized indicators are reflected in the strategic documents with target values only until 2025.<sup>5</sup> At the same time, to support evidence-based policy prioritisation, the further actions should include: (i) developing target values for all national SDG indicators; (ii) extrapolating forecasted values for priority indicators up to 2030; and (iii) developing an SDG progress dashboard for better monitoring.

Furthermore, Kazakhstan presented its Second Voluntary National Review (VNR) on the implementation of the 2030 Agenda for sustainable development at the UN High-Level Political Forum in New York on 14 July 2022. The VNR focused on reflecting on the main achievements and challenges and lessons learned since the first VNR in 2019. During the preparation of the VNR, national consultations were held in all regions of Kazakhstan with more than 2,500 representatives of government agencies, civil society, business, media, youth, and women's organizations. The results of the consultations revealed the five priority SDGs for Kazakhstan: SDG 1 “No Poverty” (48.8% of all respondents); SDG 3 “Good Health and Well-Being” (65.4%); SDG 4 “Quality Education” (59.7%); SDG 6 “Clean water and

sanitation” (41.4%); and SDG 8 “Decent work and economic growth” (47%). Interestingly, after three years, citizens of Kazakhstan prioritised almost the same SDGs as in 2019 apart from SDG 1 “No Poverty”. Three years later eradication of poverty has become more relevant for residents of Kazakhstan than the sustainability of cities and communities.

Moreover, in 2022 Kazakhstan continued developing the Integrated National Financing Framework (INFF) with support from the UN Joint SDG Fund. INFF is an approach to raise and align all financing with sustainable development. The country is implementing three building blocks of the INFF: Developing a holistic SDG Financing Strategy to increase the efficiency and effectiveness of public spending and mobilize additional SDG financing; aligning national planning, budgeting, and financing processes with a specific focus on mainstreaming gender and child dimensions; and strengthening SDG monitoring and accountability mechanism by involving non-governmental actors in the budgeting process.

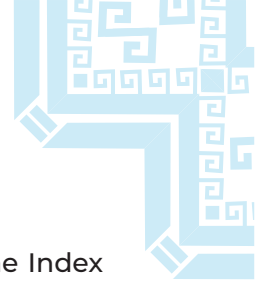
Kazakhstan has completed the Inception Phase of the INFF by conducting Development Finance Assessment, which provide a detailed picture of the financing landscape of the country. Kazakhstan is currently proceeding to the next phase of the INFF – development of the Holistic SDG financing strategy, which assist to match needs assessments to specific resources: public revenue, aid, private financing, and address constraints to aligning a broader range of public and private resources with sustainable development.

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<sup>4</sup> More details on each SDG indicator can be found on the National SDG Reporting Platform: <https://kazstat.github.io/sdg-site-kazstat/>

<sup>5</sup> According to the Economic Research Institute analysis. Internal document.





For implementation of the SDGs, it is important to assess entire potential and opportunities of the national budgeting system. If the principles of the SDGs are not integrated into the budget system, then aligning and integrating SDGs with the national strategic planning system will not ensure achievement of the expected effect. Therefore, the work is also focused on integration of the SDGs into budgeting system. Kazakhstan has aligned and linked 169 SDG targets with national budget classifiers. According to a Rapid Integrated Assessment of budget programmes, only 58.6% of SDG targets have been financed from the state budget. The Rapid Integrated Assessment covered three-year period between 2019 and 2021 by covering about 81% of the state budget. The findings show that the following SDGs receive the largest amount of funding: SDG 1 “No Poverty” (21.7% of the state budget), SDG 4 “Quality Education” (14.1%), SDG 9 “Industry, Innovation and Infrastructure” (11.4%).

The least amount of funding from the state budget (less than 1%) was observed for the following seven SDGs: SDG 5 “Gender Equality”, SDG 6 “Clean water and sanitation”, SDG 7 “Affordable and clean energy”, SDG 10 “Reduced inequalities”, SDG 12 “Responsible consumption and production”, SDG 13 “Climate Action” and SDG 15 “Life on Land”. At the same time, no budget programme corresponds to SDG 14 “Life below water”. Among these goals, SDGs 6, 7, 12, 13 and SDG 15 are of particular concern as significant and major challenges remain in achieving these SDGs.

Implementation of a child budget initiative improves the efficiency and effectiveness of public financing for children. Kazakhstan developed the Child Well-Being Index, including a specific indicator of budget

expenditures on children needs.<sup>6</sup> The Index was developed with the aim to assess children well-being and the effectiveness of national policies in creation conditions for children in various areas. It is necessary for timely identification of constraints and bottlenecks to effective implementation state measures by taking into account both primary and secondary data. Another initiative within the INFF is development of the Climate Financing Strategy aligned with SDGs. The work is largely focused on development of the Climate Budget Tagging tool matching the key priorities of the country. The Climate Budget Tagging will allow to develop systemic approach for Kazakhstan to monitor the share of public financing channelled to combating climate change.

## 2. HUMAN RIGHTS

As a member of the UN Human Rights Council for the term 2022-2024, Kazakhstan has undertaken several measures in the areas of human rights and rule of law with the aim to enhance its human rights record. These include the abolition of the death penalty for all crimes; the decriminalisation of defamation; the abolishment of prohibition of certain jobs for women; transferring defamation from the Criminal Code to the Code of Administrative Offences, and the adoption of the Constitutional laws on the Commissioner for Human Rights, the re-establishment of Constitutional Court and the Office of Prosecutor's Office. In addition, Kazakhstan ratified the Second Optional Protocol to the International Covenant on Civil and Political Rights (ICCPR), aiming to achieve the abolition of the death penalty on 24 March 2022, and the Optional Protocol to the Convention on the Rights of Persons with Disabilities on 13 July 2023.

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<sup>6</sup> The Child Well-Being Index approved by the Decree of the Prime Minister on 1 February, 2022, № 21-p: <https://adilet.zan.kz/rus/docs/R2200000021>

The President of Kazakhstan signed following inter alia constitutional laws: “On the Constitutional Court of the Republic of Kazakhstan”<sup>7</sup>; “On the Commissioner for Human Rights in the Republic of Kazakhstan”<sup>8</sup>; and “On the Prosecutor's Office”<sup>9</sup> on 5 November 2022.<sup>10</sup> These laws aim to consolidate powers of the Commissioner for Human Rights and the Office of Prosecutor General at the constitutional level; the establishment of exclusive jurisdiction in cases of torture by the Prosecutor General's Office; provision of measures to strengthen participation in public affairs, civic space and independence of media; the transformation of the Constitutional Council into the Constitutional Court; and enabling citizens, the Office of Prosecutor General and the Commissioner for Human Rights to appeal to the Constitutional Court. However, refugees and stateless persons still do not have the right to appeal to these bodies.

The former Constitutional Council handled approximately 140 cases over a span of 25 years, averaging about five cases per year. In stark contrast, the new Constitutional Court reviewed 43 cases and made rulings on 23 of them within the first seven months after its establishment in January 2023.<sup>11</sup> However, public dissatisfaction with court rulings, the oversight bodies, and law enforcement agencies has noticeably increased, as the citizens frequently encounter challenges in accessing to justice through traditional avenues, which leads them to resort to contacting the Presidential Administration for assistance.

Following the Constitutional Law “On the Commissioner for Human Rights in the Republic of Kazakhstan”, new Ombudsperson for Human Rights has been appointed on 1 January 2023. Since then, the Ombuds Institution has extended its presence in all 20 regions through appointing its regional representatives. For the last nine months of 2023, 1,812 individual appeals have been received by the regional representatives of the Ombudsperson. Noteworthy, the expansion of the mandate and the strengthening of the independence of the Ombudsperson institution are among the key recommendations raised during the third cycle of the Universal Periodic Review of Kazakhstan (UPR) to bring this institution into the full compliance with the Paris Principles. Yet, the National Human Rights Institution of Kazakhstan is still accredited with a status B by the Global Alliance of National Human Rights Institutions.

Compared to last year, the number of complaints received has increased from 3,948 in 2022 to 4,368 in 2023 (only first 9 months). Of them, 967 were related to complaints against law enforcement agencies, 948 to the disagreement with the court's decision, 585 to disagreement with decisions of the criminal prosecution authorities, 522 to torture and ill-treatment, 215 to access to information, and 227 to labour rights, 118 to unjustified and/or unlawful detention, 96 to illegal start of pre-trial investigation, and 75 to unlawful investigative methods. It is worthy to note that the number of complaints related to torture and ill-treatment have increased from 447 in 2022 to 522 in 2023.<sup>12</sup>

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7 Constitutional Law “On Constitutional Court of the Republic of Kazakhstan”, adopted on 5 November 2022, № 153-VII. <https://adilet.zan.kz/rus/docs/Z2200000153>

8 Constitutional Law “On the Commissioner for Human Rights in the Republic of Kazakhstan”, adopted on 5 November 2022, № 154-VII. <https://adilet.zan.kz/rus/docs/Z2200000154>

9 Constitutional Law “On the Office of Prosecutor”, adopted on 5 November 2022, № 155-VII. <https://adilet.zan.kz/rus/docs/Z2200000155>

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10 Akorda (2022). The President has publicly signed a number of laws. <https://cutt.ly/yMEo2UB>

11 The Astana Times (2023) President Tokayev Outlines Priority Tasks for Human Rights Protection in Kazakhstan.

<https://astanatimes.com/2023/08/president-tokayev-outlines-priority-tasks-for-human-rights-protection-in-kazakhstan/>

12 The Office of the Ombudsperson for Human Rights (2023) Human Rights Ombudsman A. Lastaev held a reception of citizens.

<https://www.gov.kz/memleket/entities/ombudsman/press/news/details/630131?lang=ru>

Further to the adoption of the plan of priority measures in the field of human rights in 2021, the Government of Kazakhstan adopted the Plan of Further Actions in the field of human rights and rule of law on 28 April 2022. The priority areas listed in the plan include inter alia the promotion of gender equality and empowerment of women, the abolition of death penalty, the eradication of all forms of discrimination, the promotion of freedom of religion and belief, the rights of victims of human trafficking, the rights of women and survivors of violence, and consideration of the conclusion of international treaties related to temporary residing foreigners and stateless persons.

As a result of the reform process, the Government of Kazakhstan has intensified public outreaching efforts through undertaking consultative working group meetings with public in the course of drafting or amending the legislation. Yet, civil society organizations have expressed concerns about certain draft laws for restricting freedom of opinion and expression. Kazakhstan ranked 134th out of 180 countries in the 2023 World Press Freedom Index of the Reporters Without Borders, which is lower than its 2022 score, i.e., 122.<sup>13</sup> In 2020, Article 73(3) of the Defamation law was transferred from the Criminal Code to the Code of Administrative Offenses. However, it was promptly replaced by another provision, Article 274 of the Criminal Code, titled “Dissemination of intentionally false information”. This new article imposes penalties ranging from a fine of EUR 4,000 to a maximum imprisonment term of two years.

The new draft Law on mass media, shared with the public in February 2023, foresees a recognition of social media influencers, e.g., “bloggers”, as part of the mass media outlet with a legislative oversight and liability for the dissemination of false information. In addition, the legislation introduces stricter control mechanisms over media outlets through enhancing the role of the local council to conduct censorship-like preventive control mechanism prior to the release of news and the role of the judiciary to terminate or temporarily suspend for three years the journalists' activities in cases of disseminating false information. The draft legislation also uses vague terms in terms of the definition of grants to be offered for promoting state views to media representatives, which has been raised as a concern by civil society organisations as a means to hinder the exercise of freedom of speech, and to reduce variety of opinions and independent voices in the media.

Another legislation relating to the exercise of freedom of expression and opinion has been adopted by the Parliament on 10 May 2023, i.e. “The Law on Online Platforms and Online Advertising”.<sup>14</sup> This law, among its provisions, aims to regulate online advertisements to prevent abuse and scams. It mandates explicit disclosure of any paid content and prohibits targeted ads based on user profiles. Additionally, in an effort to safeguard society from online disinformation, legislators have imposed administrative fines for 'posting and disseminating false information'. However, these vague terms have sparked concerns among civil society organization about the protection of free speech on social media, as they provide the authorities with another means to prosecute dissenting voices.

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<sup>13</sup> Reporters Without Borders (2023) World Press Freedom Index. <https://rsf.org/en/country/kazakhstan>

<sup>14</sup> Law of the Republic of Kazakhstan “On Online Platforms and Online Advertising” dated 10 July 2023 No. 18-VIII ZRK. <https://adilet.zan.kz/rus/docs/Z2300000018>

Noteworthy, one of the key recommendations made during the third cycle of the UN UPR in 2019 calls the Government of Kazakhstan to “repeal and revise the legal provisions that restrict freedom of expression and refrain from using criminal provisions as tools to suppress the expression of dissenting opinions, including on the internet and social media” in line with the ICCPR. Current legislation on freedom of assembly, particularly the Law “On the Procedure of Organizing and Holding Peaceful Assemblies”<sup>15</sup> remains to be a concern for civil society organizations in terms of exercising this right. Articles 10 and 12 of the Law requires organizers providing notification (five working days in advance of any assemblies and rallies, and ten working days in advance of any marches and demonstrations) or seeking authorisation of an assembly to provide an extensive list of information, including “the purpose”, “form”, “anticipated number of participants”, “the sources of financing of the peaceful assembly”. Furthermore, the registration of a political party remains to be a challenge despite several amendments to legislation on political parties in November 2022, further easing registration requirements.<sup>16</sup>

In October 2023, the Law on Public Control in Kazakhstan was adopted.<sup>17</sup> This new legislation places a strong emphasis on encouraging citizen engagement in public administration and safeguarding government transparency. It introduces

mechanisms that empower the public to play an active role in overseeing the operations of governmental entities. The primary objective of this law is to enhance transparency and openness within the functioning of government organizations while also fostering civic involvement in the decision-making procedures with an aim to establish a more democratic and accountable public administration system.

However, establishing public trust in holding individuals accountable for incidents of torture and mistreatment following the January 2022 unrest remains a challenge. During his visit in March 2023, the UN High Commissioner for Human Rights raised the significance of the Government of Kazakhstan to undertake tangible actions and comprehensive “after action” review into the events as part of an ongoing trust-building process following the President of Kazakhstan's call for zero tolerance policy against torture.<sup>18</sup> In addition, during its latest mission, the UN Subcommittee on Prevention of Torture urged the State to take further action to protect detainees from torture and ill-treatment and ensure its national preventive mechanism plays an effective and crucial role in this regard, as well as to prioritise rehabilitation and reintegration of people deprived of their liberty as part of efforts to safeguard them from torture and cruel, inhuman or degrading treatment.<sup>19</sup>

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15 Law “On the Procedure of Organizing and Holding Peaceful Assemblies” adopted on 25 May 2020, № 333-VI. <https://cutt.ly/MMEpsGI>

16 Law of the Republic of Kazakhstan “On political parties” dated 15 July 2002 No. 344-II, amended on 5 January 2023.

17 Law of the Republic of Kazakhstan “On public control” dated 2 October, 2023 No. 30-VIII ZRK, <https://adilet.zan.kz/rus/docs/Z2300000030>

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18 The Office of High Commissioner for Human Rights (2023) UN High Commissioner for Human Rights Volker Türk concludes his official visit to Kazakhstan. <https://www.ohchr.org/en/statements/2023/03/un-high-commissioner-human-rights-volker-turk-concludes-his-official-visit>

19 The UN Subcommittee on Prevention of Torture (2023) Kazakhstan needs to strengthen effective torture prevention measures, UN torture prevention body finds. <https://www.ohchr.org/en/press-releases/2023/04/kazakhstan-needs-strengthen-effective-torture-prevention-measures-un-torture>

The Parliament adopted “several amendments and additions to certain legislative acts of the Republic of Kazakhstan on human rights in the field of criminal proceedings, execution of punishment, as well as the prevention of torture and other cruel, inhuman or degrading treatments” in March 2023.<sup>20</sup> The amendments introduced several key changes, inter alia including a more precise definition of torture and ill-treatment, the option to delay sentencing in cases of severe illness, allowing a child to stay with their mother until the age of 3 if she is released before the end of her term or parole, and the possibility of replacing the remaining portion of an unserved sentence with a lighter punishment within a year.<sup>21, 22</sup>

As per a Decree issued by the President of Kazakhstan, the function of medical support of convicted prisoners and pre-trial detainees will be transferred gradually from the Ministry of Internal Affairs to the Ministry of Health. This transfer of responsibility has started from January 2023 and is set to be completed by the end of 2023, aimed at ensuring procedural safeguards in the prohibition of torture and cruel, inhuman or degrading treatment in line with the Istanbul Protocol. In addition, the State bodies initiated the installation of video surveillance and body cameras, along with the digitization of 243 terminals within closed institutions. These measures aim to prevent incidents of torture and ill-treatment effectively.<sup>23</sup>

Since 2014, the National Preventive Mechanism for the Prevention of Torture and Ill-Treatment (NPM) has been based on the “Ombudsperson+” model. Currently, the mandate of the NPM to visit concrete places of deprivation of liberty is scattered across several Codes and laws covering since April

2019 organizations performing functions of protection of the rights of child. In the initial nine months of 2023, the NPM, in collaboration with the Ombudsperson for Human Rights, conducted 24 preventive visits. These visits encompassed 21 penitentiary institutions, one detention centre, one pre-trial detention facility, and a ‘child village’, primarily situated in Almaty and regions in the west and east of Kazakhstan. Alongside these targeted visits, NPM participants carried out 138 periodic and 223 interim visits within the same timeframe. A comprehensive inspection covered 361 institutions falling under the NPM’s jurisdiction, including the Ministry of Internal Affairs (114), the Ministry of Education (87), the Ministry of Labor and Social Protection of the Population (59), the penitentiary system (58), the Ministry of Health (41), the National Security Committee (1), and the Ministry of Defence (1). Following these assessments, NPM participants put forth 2,364 recommendations. Of these, 866 have been implemented, 1,406 are under active consideration, and 92 were not accepted.

Following the second visit in March 2023, the UN Subcommittee on Prevention of Torture and other Cruel, Inhuman or Degrading Treatment or Punishment affirmed the continued relevance of the recommendations made during their initial visit in September 2016. Specifically, they emphasized the importance of separating the mandates of the Ombudsperson and the National Preventive Mechanism, allowing the NPM to function autonomously. The current requirement for NPM groups to obtain permits from the Ombudsperson for special visits could impede their ability to respond promptly to situations demanding immediate attention.

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20 Law of the Republic of Kazakhstan “On introducing amendments and additions to some legislative acts of the Republic of Kazakhstan on human rights in the field of criminal proceedings, execution of punishment, as well as the prevention of torture and other cruel, inhuman or degrading treatment” dated 17 March, 2023 No. 212-VII ZRK. <https://adilet.zan.kz/rus/docs/Z2300000212>

21 The Office of Prosecutor General (2022) On measures taken to prevent torture in penal institutions. <https://shorturl.at/hwDJZ>

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22 The Ministry of Interior Affairs (2023) On measures taken to prevent torture. <https://shorturl.at/cktAU>

23 Press release on the work of the National Preventive Mechanism, issued on 4 October 2023 by the Ombudsperson for Human Rights, <https://www.gov.kz/memleket/entities/ombudsman/press/news/details/630878?lang=ru>



In 2016, by a Decree of the President, Kazakhstan established the institution of the Ombudsperson for Children's Rights to strengthen the protection and promotion of the rights of child. In 2022, the Government of Kazakhstan deployed regional commissioners for children's Rights in all regions. The Ombudsperson for Children's Rights and regional commissioners lack both human and financial resources. Through a presidential decree dated on 28 March 2023,<sup>24</sup> the institution of the Commissioner on the Rights of Socially Vulnerable Categories of Population under the President of Kazakhstan has been established to act on a pro bono basis in order to ensure guarantees of rights and legitimate interests of socially vulnerable populations and to restore their violated rights and freedoms in interaction with state and public institutions. Establishing such thematic institutions under the executive and on the act of the executive, on a pro bono basis and with no substantial resources may not align with the Principles Relating to the Status of National Human Rights Institutions.

The Government of Kazakhstan is a party to the Convention on the Rights of the Child (CRC) and its first two Optional Protocols, while the ratification of the Third Optional Protocol to the CRC on a Communications Procedure has been pending since June 2021<sup>25</sup> which are accessible to individuals within the jurisdiction of Kazakhstan through five international treaties, has shown limited progress. The resolutions issued by UN Treaty Bodies in response to individual

communications largely continue to face challenges in their execution.

The Social Code of Kazakhstan has been developed by the Ministry of Labour and Social Protection of Population and<sup>26</sup> entered into force as of 1 July 2023. The Social Code aims at strengthening support measures for all citizens, particularly women and families with children, persons with disabilities and labourers; enhancing social guarantees and benefits for independent workers and in case of job loss; modernizing the special social services system in terms of organization, standards, per capita financing; increasing pension amounts; and introducing the digital family card as a tool for enhancing access of citizens to social protection. It is considered as one of the most significant legislations that enables citizens to fully exercise their social rights from birth to death. With its adoption, the state's social policy will move from a declarative form to a proactive one that will improve citizens' quality of life. The document addresses issues of social support from birth to adulthood, employment, labour security, social insurance, support in difficult life situations, support for older people, etc. However, it is important to recognize that as state processes increasingly undergo digitization, accessibility to public services is predominantly limited to the citizens holding individual identification numbers. Consequently, this approach inadvertently excludes other parts of the population, such as individuals with undetermined nationality, stateless people, asylum-seekers, and refugees from availing these services.

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24 Decree No. 154 of the President of the Republic of Kazakhstan dated 28 March, 2023, see also <https://adilet.zan.kz/kaz/docs/U2300000154>

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25 On the draft Decree of the President of the Republic of Kazakhstan "On the signing of the Optional Protocol to the Convention on the Rights of the Child concerning the communications procedure".  
<https://legalacts.egov.kz/npa/view?id=9741190>

26 Draft Social Code of the Republic of Kazakhstan, Ministry of Labour and Social Protection of Population.  
<https://cutt.ly/jMEpuEC>

The President of the Republic of Kazakhstan signed a bill “On the Introduction of Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on the Protection of the Rights of the Child, Education, Information and Informatization” in May 2022.<sup>27</sup> The bill among others introduces definition of bullying and cyber-bullying, sets out that owners of foreign online platforms and instant messaging services will be obligated to appoint its legal representative, track numbers of users residing in Kazakhstan, upon request of authorised authorities remove information considered as cyber-bullying.

Kazakhstan has demonstrated substantive commitment to tackling the HIV epidemic. In 2021, Kazakhstan joined the Global Partnership for Action to Eliminate All Forms of HIV-Related Stigma and Discrimination. This international initiative that includes around 30 countries and combines the efforts of respective governments, civil society, and international community.

The 2020 Kazakhstan Code on Public Health and Health Care System guarantees the right of people living with HIV to adopt children. However, certain bylaw regulations remained that has created barriers for people living with HIV to enjoy the right to adopt children. As a result of the continued advocacy undertaken by the UNAIDS jointly with civil society organizations, Kazakhstan's commitment was also further shown by its recent lift of the ban for people living with HIV to adopt children when the Ministry of Health removed the HIV from the list of diseases on 11 December 2022.<sup>28,29</sup> In addition,

the continued advocacy undertaken by the UNAIDS and civil society organizations also resulted that Kazakhstan withdrew a draft regulation that introduced a mandatory pre-marriage HIV testing.<sup>30</sup>

However, key challenges remain with regards to protecting the human rights of people living with HIV, as well as groups in society particularly vulnerable to HIV (gay men and other men who have sex with men, sex workers, transgender people, people who inject drugs and prisoners and other incarcerated people), who tend to lack adequate access to services and face high levels of stigma and discrimination. According to the 2022 People Living with HIV Stigma Index for Kazakhstan,<sup>31</sup> forms of stigma and discrimination in state social services include inter alia hindered access for women and persons living with disabilities living with HIV to shelters for survivors of domestic violence, women who use drugs report police brutality, the increased likelihood for discrimination in health including recommendations from health care authorities not to have children.

In Kazakhstan, promoting HIV awareness in the LGBTQI+ context and encouraging alternative studies, especially for MSM (Men having Sex with Men), is important. Reducing self-stigma among Kazakhstan MSM is essential to improving healthcare access; and establishing support programs can encourage HIV service utilization. Addressing the high cost of antiretroviral drugs and expanding methadone maintenance treatment will enhance the overall HIV treatment cascade, benefiting people living with HIV.

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27 Law “On amendments and additions to some legislative acts of the Republic of Kazakhstan on the protection of children's rights, education, information and informatization” adopted on 3 May 2022, № 118-VII. <https://adilet.zan.kz/rus/docs/Z2200000118>  
28 Order of the Minister of Health and Social Development of the Republic of Kazakhstan “On approval of the list of diseases in the presence of which a person cannot adopt a child, accept him under guardianship or trusteeship, patronage”, dated 28 August 2015 No. 692, amended on 11 December 2022. [https://online.zakon.kz/Document/?doc\\_id=35329464&pos=3;-106#pos=3;-106](https://online.zakon.kz/Document/?doc_id=35329464&pos=3;-106#pos=3;-106)

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29 Eurasian Women's Network on AIDS (2022) Kazakhstan lifted the ban for adoption for people living with HIV [original in Russian: Kazakhstan otmenil zapret na usynovleniye/udochereniye rebenka dlya lyudey, zhivuschih s VICH]. <https://shorturl.at/kqxBS>

30 Concept Document on Developing of the Service of Protection of the Health of the Mother and Child of the Republic of Kazakhstan [in Russian]. Draft published on 27 April 2023. See Chapter 1 Paragraph 2 for pre-marriage testing: [https://legalacts.egov.kz/npa/view?id=14551727#\\_Toc132837525](https://legalacts.egov.kz/npa/view?id=14551727#_Toc132837525)

31 Central Asian Association of People Living with HIV (2022) People Living with HIV Stigma Index Kazakhstan. <https://shorturl.at/huAG4>



National legislation is still not in line with Kazakhstan's treaty obligations as a party to the 1951 Convention relating to the Status of Refugees and its 1967 Protocol. As a consequence, asylum-seekers and refugees are not yet accorded access to health and other socio-economic rights and services, travel documents, residency and local integration.<sup>32</sup> They are also not sufficiently protected against refoulement, as per Article 33 of the Convention. In 2022, Kazakhstan forcibly returned asylum-seekers to their countries of origin, despite pending asylum cases. These actions were raised by the UN Committee against Torture during its seventy-sixth session in 2023 meeting,<sup>33</sup> resulting in recommendations for Kazakhstan to align its policies with international norms to prevent refoulement and the risk of torture, particularly focusing on border procedures for asylum-seekers. National legislation also imposes criminal penalties on asylum-seekers on account of their illegal entry into the territory of Kazakhstan which is not in line with Article of 31(1) of the Convention.

On the instructions of the President of Kazakhstan, the Ministry of Internal Affairs has developed a special long-term document for comprehensive crime prevention and reduction of victimization in the country - the Concept of Ensuring Public Safety in Partnership with Society for 2024-2028.<sup>34</sup> The Concept aimed at establishment of a holistic system for the prevention of offences, involving all actors of prevention in this area and distributing joint responsibility along with shift from the force-based policing model to the community-oriented policing.

The Ministry of Internal Affairs has developed a draft Law on Combating Trafficking in Persons in the Republic of Kazakhstan. It contains a new terminology, which for the first time includes such definitions as “victim of trafficking in persons”, “potential victim of trafficking in persons”, “vulnerable situation”, and “actors in combating trafficking in persons”. The draft law is currently under consideration by the Mazhilis of the Parliament of the Republic of Kazakhstan.

From 27 January 2023, Kazakhstan cancelled the so-called “visa run” for foreign nationals. Immigrants who do not require a visa to enter Kazakhstan will be able to stay up to 30 calendar days from the date of crossing the state border and a total of 90 calendar days during each period of 180 calendar days. Thus, it will be impossible to leave Kazakhstan and immediately enter back. The Ministry of Internal Affairs of Kazakhstan emphasized that the changes made to the legislation bring the rules in line with international practice. Previously, this issue was not regulated, and foreign nationals could leave Kazakhstan, upon expiration of the period of stay, and re-enter soon thereby “renewing the terms of stay”.

While domestic violence has remained to be decriminalized since 2017, the President of Kazakhstan has repeatedly recognized the problem of domestic violence in Kazakhstan and declared combating it as one of the priorities of his reform agenda. Police reportedly receive more than 100,000 reports of domestic violence annually.<sup>35</sup>

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32 UNHCR (2021) Refugees in Kazakhstan: analysis of national legislation and practice. <https://www.unhcr.org/centralasia/wp-content/uploads/sites/75/2021/12/UNHCR-Kazakhstan-Refugees-ENG-2021-screen.pdf>

33 The UN Committee against Torture (2023) Concluding observations on the fourth periodic report of Kazakhstan. [https://tbinternet.ohchr.org/\\_layouts/15/treatybodyexternal/Download.aspx?symbolno=CAT%2FC%2FKAZ%2FCO%2F4&Lang=en](https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=CAT%2FC%2FKAZ%2FCO%2F4&Lang=en)

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34 Decree of the President of the Republic of Kazakhstan “On approval of the Concept of ensuring public safety in partnership with the society for 2024-2028”.

<https://legalacts.egov.kz/npa/view?id=14555141>  
35 Inform.kz (2023) 18 domestic murders were committed in Kazakhstan last year. [https://www.inform.kz/ru/18-ubiystv-na-bytovoy-pochve-sovershili-v-kazhstane-v-proshlom-godu\\_a4035128](https://www.inform.kz/ru/18-ubiystv-na-bytovoy-pochve-sovershili-v-kazhstane-v-proshlom-godu_a4035128)

At the same time, the police were unable to take action on 60% of them due to the victims' refusal to file a statement. In this regard, the Ministry of Internal Affairs has proposed a number of amendments to the legislation. As of 1 July 2023, the police switched from the declarative to the revealing nature of registration of domestic offenses. According to the Ministry of Internal Affairs this will make it possible to initiate cases on administrative offenses without the victims' statement - on the fact of committing domestic violence, relying on the testimony of witnesses and video camera recordings. Also, the possibility of repeated reconciliation of the parties is excluded. While a number of defence lawyers, legal experts and civil society representatives believe that administrative responsibility is not enough, and domestic violence should be criminalized.

On 4 August 2023, the Ombudsperson for Human Rights proposed to introduce a separate Article 125-1 in the Criminal Code, which will be entitled "Marriage by abduction". The Ombudsperson believes that the decision to make such abductions a separate offense has a "preventive effect" and will help reduce the number of crimes against women. According to the Ombudsperson, the practice of bride kidnapping remains widespread in the country, especially in the southern regions of Kazakhstan.<sup>36</sup>

From 1 January 2024, all Kazakhstan citizens and foreigners permanently residing in the country, except children under 12 years, must submit fingerprints when obtaining a passport and identity card. Children between the ages of 12 and 16 are subject to fingerprinting on a voluntary basis. According to the Ministry of Internal Affairs, the fingerprint registration will improve security against illegal documentation and will help rapid identification in accidents.

The growing market of synthetics and the presence of darknets pose a major challenge to the social and economic stability of the country. In 2022, Kazakhstan seized 584 kg of psychoactive substances, a 161% growth compared to 2021. The semi-annual report for the 1st half of 2023 year of the Ministry of Interior of the Republic of Kazakhstan states that 52 drug<sup>37</sup> laboratories were liquidated with overall seizure of 85 tons of precursors countrywide. These facts impelled the Government of the Republic of Kazakhstan to acknowledge the synthetic drugs as a national threat and resulted into the adoption of the Comprehensive Plan to Combat Drug Addiction and Drug Trafficking in the Republic of Kazakhstan for 2023-2025 years. As a result, it is planned to reduce the latency of drug users by increasing the number of people registered as first-time users of narcotic drugs and psychotropic substances of synthetic origin from 5% in 2023 to 20% in 2025, as well as suppress trafficking in precursors, other substances and<sup>38</sup> equipment used for drug manufacture, with 15-times increase in their seizures in 2025.

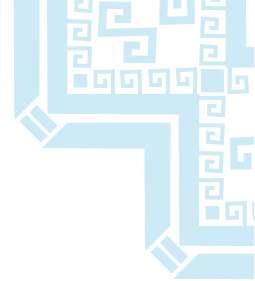
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36 Commissioner for Human Rights in the Republic of Kazakhstan (2023) Kazakhstan plans to toughen liability for bride kidnapping. <https://www.gov.kz/memleket/entities/ombudsman/press/news/details/597697?lang=ru>

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37 TengriNews.kz (2023) Tokayev gave instructions to the Minister of Internal Affairs. [https://tengrinews.kz/kazakhstan\\_news/tokayev-dal-porucheniya-glave-mvd-507803/](https://tengrinews.kz/kazakhstan_news/tokayev-dal-porucheniya-glave-mvd-507803/)

38 Resolution of the Government of the Republic of Kazakhstan "On Approval of the Comprehensive Plan to Combat Drug Addiction and Drug Trafficking in the Republic of Kazakhstan for 2023-2025", dated 29 June 2023 No. 508. <https://adilet.zan.kz/rus/docs/P2300000508>



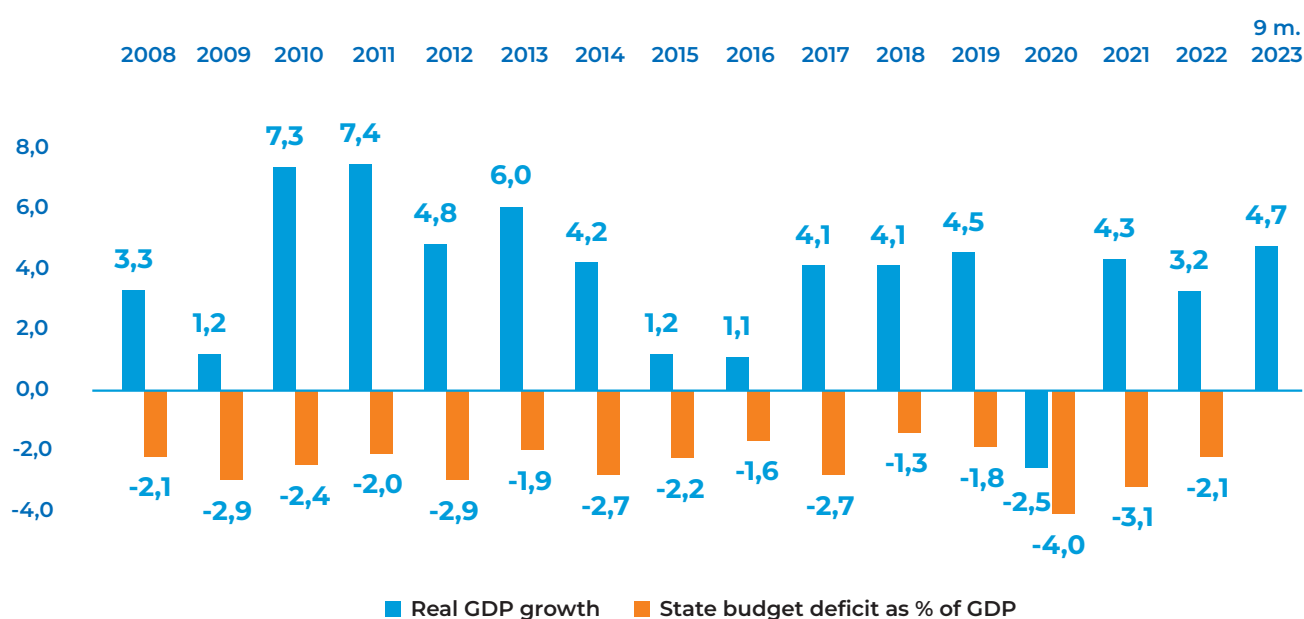
# 3. ECONOMIC TRANSFORMATION ANALYSIS

## 3.1. Recent economic developments and the implication of the Ukraine war

The year of 2020 was the most challenging year for Kazakhstan's economy in the last two decades. The COVID-19 pandemic had a more severe impact on the economy than the crises in 2008 and 2015, shown in Figure 3. In 2020, the Government launched a stimulus package worth approximately KZT 6 trillion (or 9% of GDP),<sup>39</sup> the most ambitious one in the region. As a result of such an

unprecedented expenditure, Kazakhstan's state budget faced the strongest deficit of up to 4% since 1998. Hence, more than USD 4 billion from the National Fund, the main reserve, was spent further closing this gap. In addition, the Government borrowed over USD 1 billion from ADB and roughly USD 800 mln from the China-backed Asian Infrastructure Investment Bank.

Figure 3. Real GDP growth and state budget deficit, %



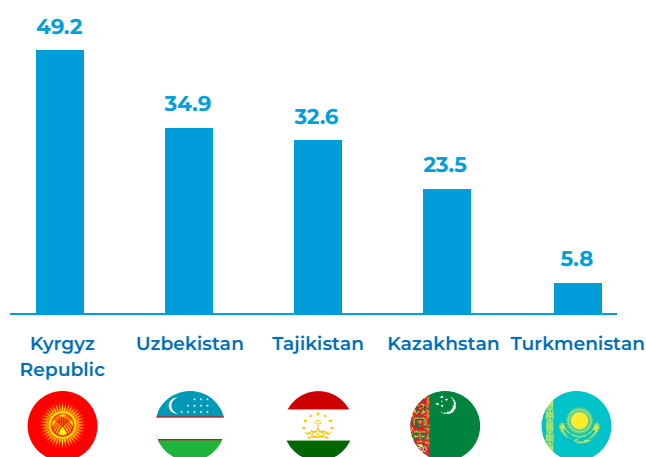
Source: Bureau of National Statistics and the Ministry of Finance

Despite shrinking the economy by 2.5%, according to Asian Development Bank's assessment of COVID-19 impacts on the economy of Kazakhstan,<sup>40</sup> the outcome could have been much worse. In line with ADB estimates real GDP could have shrunk by more than 4.5% if the Government had not taken any action. In this regard, the Government actions contributed to two percentage points of improvement. In 2021 the economy of Kazakhstan rebounded after the COVID-19-related drops in GDP and expanded by 4.3%. It was driven by continued fiscal expansion, strong recovery in household consumption, reduced COVID-19 restrictions and other policy measures implemented by the Government to support economic recovery.

Currently, the macroeconomic situation in Kazakhstan remains stable and the short-term outlook is generally positive. However, the war in Ukraine and its geopolitical ramifications poses additional risks due to Kazakhstan's strong political, economic, and cultural ties with the Russian Federation. In 2022, a sharp increase in crude oil and natural gas prices compensated for the impact of the Ukraine war to some extent, as they accounted for 57% of the country's total exports. Economic growth accelerated in the first nine months of 2023 by 4.7%, significantly higher than 3% in the same period in 2022. It was driven by higher mineral extraction and expanded investments in infrastructure and social protection, financed by export revenues and increased allocation from the National Fund of Kazakhstan, the sovereign wealth fund. The highest growth was observed in construction (12.6%), trade (10%) and ICT

(8.4%).<sup>41</sup> At the same time, the growth of agricultural value-added was negative, amounting to -9.9% in the same period, due to a decrease in grain harvesting caused by unfavourable weather conditions. Nevertheless, in 2023 real GDP growth is forecasted to increase, with projections of 4.1% by ADB,<sup>42</sup> 4.6% by IMF,<sup>43</sup> and 4.7% by the Ministry of National Economy.<sup>44</sup> At the same time, the President of Kazakhstan set the main goal of increasing economic growth at the level of 6-7% to double the volume of the national economy by USD 450 billion by 2029.<sup>45</sup>

Figure 4. General government gross debt in Central Asian states, % of GDP



Source: IMF World Economic Outlook database: October 2023

40 ADB (2021) Study of the COVID-19 Impact on the Economy of Kazakhstan. <https://www.adb.org/documents/study-covid-19-impact-economy-kazakhstan>

41 Primeminister.kz (2023) The Session of the Government of Kazakhstan on 10 October 2023. <https://shorturl.at/cFH15>

42 ADB (2023) Asian Development Outlook September 2023. Caucasus and Central Asia. <https://shorturl.at/iozHQ>

43 IMF (2023) Republic of Kazakhstan. <https://www.imf.org/en/Countries/KAZ>

44 Ministry of National Economy of the Republic of Kazakhstan (2023) Forecast of socio-economic development of the Republic of Kazakhstan for 2024-2028 (2nd stage)

<https://www.gov.kz/memleket/entities/economy/documents/details/516751?lang=ru>

45 Akorda.kz (2023) Address of the Head of State Kasym-Jomart Tokayev to the people of Kazakhstan "Economic Course of Fair Kazakhstan". <https://shorturl.at/otxC5>

Despite the increase in the general government gross debt to 23.5% of GDP in 2022 from its pre-pandemic level of 19.9% (which peaked at 26.4% in 2020), it remains lower compared to peer countries, except for Turkmenistan (Figure 4).<sup>46</sup> As of 1 July 2023, the government debt amounted to USD 54.2 billion, with the high share of internal debt of USD 37.5 billion (69.2%) then external debt of USD 16.7 billion (30.8%).<sup>48</sup> Top three lenders of external debt are bondholders (53.3%), World Bank's IBRD (20.6%) and Asian Development Bank (11.7%). Government debt also contributes to the repayment of the Government's principal debt, which reached KZT 1,574.3 billion in 2022 (or 1.52% of GDP), marking a 43% increase compared to 2021. At the same time, the share of short-term

government securities with maturities of up to 3 years increased substantially, rising from 15.4% in 2019 to 33.9% in 2022 within the portfolio. This change is expected to directly result in a significant increase in redemptions over the next five years. In the context of a limited investor base in the local market and high cost of borrowing, substitution of domestic debt with external debt and increasing transfers from the National Fund might also take place. It should be noted that as of September 2023, the assets of the National Fund amounted to USD 57.8 billion, while gross international reserves were USD 31.9 billion, provided cover to 7.7 months of imports of goods and services.

Figure 5. Exports and imports, billion USD

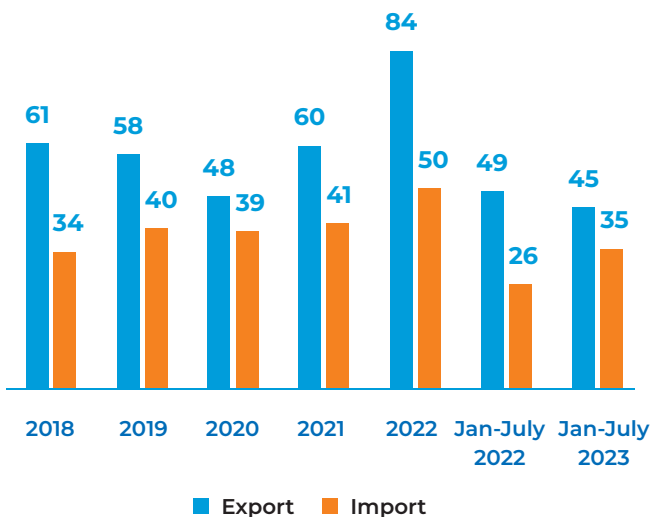
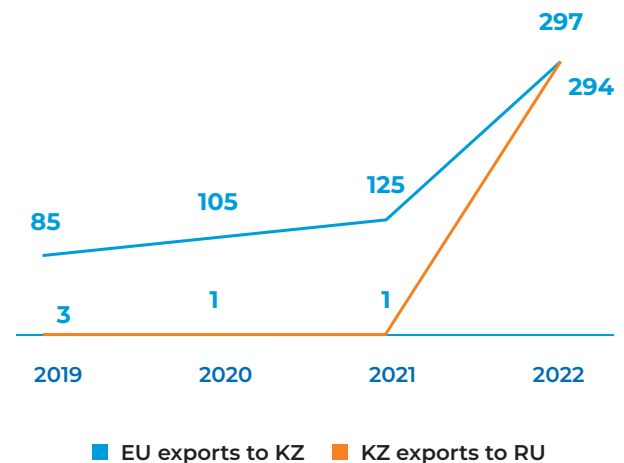


Figure 6. Exports of HS 8471 – Automatic data processing machine, mln USD



Source: Bureau of National Statistics EU Sanctions Seminar: EUROSTAT, Customs Control Committee of the Ministry of Finance

46 IMF (2023) World Economic Outlook database: October 2023 <https://www.imf.org/en/Publications/WEO/weo-database/2023/October/>

47 Ministry of Finance of the Republic of Kazakhstan (2023) State and state-guaranteed debt, debt on state guarantees as of 01.07.2023. <https://www.gov.kz/memleket/entities/minfin/documents/details/501210?lang=ru>

48 National Bank of Kazakhstan (2023) Financial Stability Report 2022. <https://nationalbank.kz/ru/news/otchet-o-finansovoy-stabilnosti/rubrics/2094>

The sharp increase in commodity prices significantly improved the country's trade balance and switched the current account balance into a surplus of USD 7.1 billion in 2022 compared to a deficit of USD 2.7 billion in 2021.<sup>49</sup> In the first half of 2023, the current account balance returned to deficit of USD 3.3 billion due to lower commodity prices. In addition, in 2022 the foreign trade turnover increased by 32.1%, because of significant increases in both exports (39.9%) and imports (20.8%) (Figure 5). The foreign trade turnover also increased by 5.7% in the first seven months of 2023 compared to the same period last year. This rise was primarily driven by a 56.4% increase in imports of machinery and equipment, amounting to USD 15.6 billion or 45% of the total imports. In contrast, the exports decreased by 8.8% to USD 49.1 billion. The decline in earnings from exports of raw materials was partially compensated by a substantial increase in exports of machinery and equipment by 70.5% (or USD 1,055 mln), chemical products – 11.5% (USD 276.5 mln) and food products – 6.9% (USD 204.5 mln).

The share of the Russian Federation in Kazakhstan's total imports decreased significantly from 38.5% in January-July 2022 to 27.1% in the same period 2023. Meanwhile, exports from Kazakhstan to Russia and Belarus increased by 33.6% and 57.7% respectively. For instance, the export of automatic data processing machines (sanctioned goods) from the EU to KZ increased from USD 125 mln to 297 mln last year, while exports of the same product from

Kazakhstan to Russia increased from USD 1 mln to USD 294 mln (Figure 6). Such an increase in “unusual trade flows” of certain products could potentially indicate that the country might become a route for Russia to import a range of goods from Western nations, circumventing sanctions. As of October 2023, four Kazakh companies were under the US sanctions.<sup>50</sup>

At the beginning of the Ukraine war, the exchange rate was unstable. The local currency fell in value against USD by almost 20% by reaching its historical maximum of 512.19 on 16 Mar 2022. To stabilise the foreign exchange rate, the authorities have implemented several measures: increasing the base rate, launching the Tenge Deposit Protection Program, conducting the Frankfurt auction method for trading, and limiting currency flows. From January to August 2023, the exchange rate was stable and even strengthened. However, in September 2023 the exchange rate depreciated by 3.5% to 467.86 due to the strengthening of the US dollar, increased seasonal demand by importers, and suspension of the requirement for state-owned enterprises to mandatorily sell 30% of their forex earnings until 2025. Moreover, according to a survey conducted in September 2023 by the National Bank of Kazakhstan, companies engaged in the analysis and forecasting of macroeconomic indicators for Kazakhstan predict that the exchange rate will range between KZT 455.0 and KZT 491.3 per USD in 2023-2025.<sup>51</sup>

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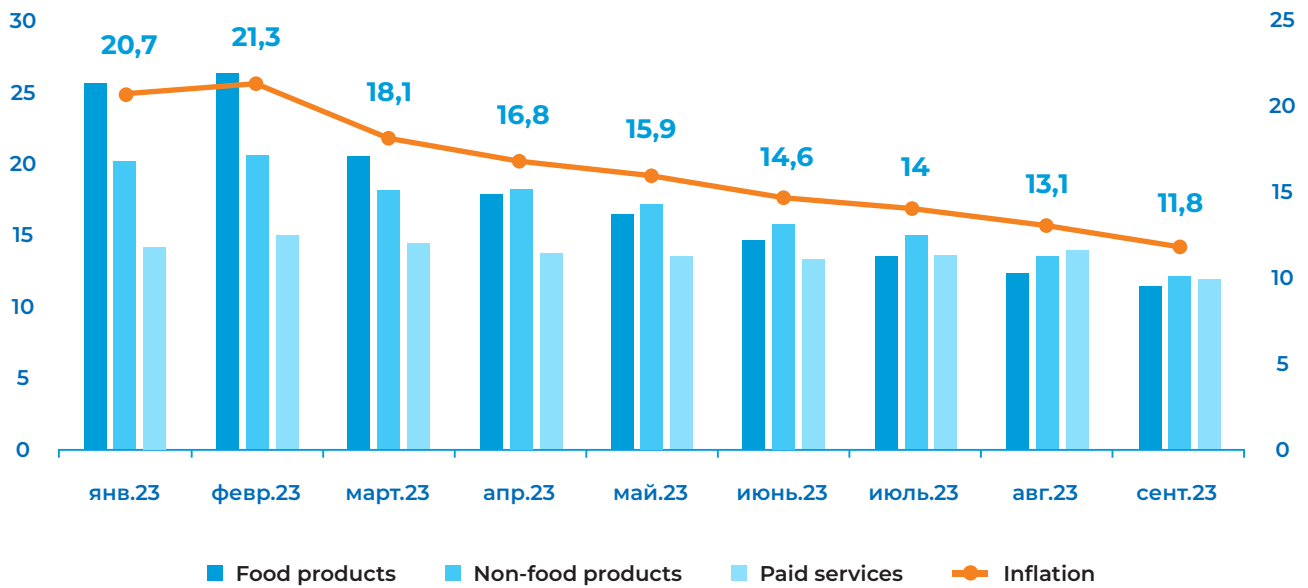
49 National Bank of Kazakhstan (2023) Balance of Payments. <https://www.nationalbank.kz/en/news/platezhnyy-balans-vn-sektora>

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50 OFAC, Office for Foreign Assets Control (2023) Sanctions List Search. <https://sanctionssearch.ofac.treas.gov/>

51 National Bank of Kazakhstan (2023) Macroeconomic Survey of the National Bank. <https://nationalbank.kz/ru/news/macrosurvey/rubrics/2093>

Figure 7. Annual monthly Inflation, %



Source: Bureau of National Statistics

The inflation rate fell sharply from its peak in February 2023 of 21.3% to 11.8% in September 2023 (Figure 7). As of 10 October 2023, the annual price increase for socially significant food products<sup>52</sup> increased by 5.6%, with the highest rise for cabbage (71.6%), rice (46.2%) and carrot (22.2%). The growth of prices for non-food products (12.1% in September versus 20.5% in February) and paid services (11.9% vs. 15.0%) is slowing down at a less pronounced rate than that of food prices (11.4% vs. 26.2%), which is partially due to increasing tariffs. In September 2023, year-on-year increase of tariffs was observed for garbage collection (34.9%), sanitation

(23.5%), hot water (16.9%), electricity and cold water (15.2%) and central heating (10.1%). The increase in utility bills is primarily related to the implementation of the state programme “Tariff in exchange for investment for 2023-2029” aimed at attracting about KZT 3 trillion (USD 6.7 billion) of investments for modernisation of 62,000 km of engineering networks. At the moment, the total depreciation level of the heat, water supply and sewage network is about 51%.<sup>53</sup> The tariff increase of 10-30% will be gradually implemented, and thereby partial compensation will be provided by local authorities to vulnerable groups.

<sup>53</sup> Primeminister.kz (2023) Increase in utility tariffs will be phased - Alibek Kuantayrov. <https://primeminister.kz/ru/news/povyshenie-tarifov-na-kommunalnye-uslugi-budet-poetapnym-alibek-kuantayrov-24742>



Since 2022 Kazakhstan has implemented price caps for fuel products and introduced export quotas for essential products. Following widespread civil unrest in 2022, on 6 January 2022, the Government of Kazakhstan reinstated fuel price caps for a six-month period. For instance, price caps for AI-92 and AI-93 gasolines were set at KZT 182 per liter, while diesel had price caps of KZT 230 and KZT 260 per liter depending on a region.<sup>54</sup> Considering the existing price disparities for oil products between Kazakhstan and neighbouring countries and the high risk of domestic shortages, Kazakhstan raised the price caps for AI-92 and AI-93 gasolines to KZT 205 and diesel to KZT 450 per liter starting from April 2023.<sup>55</sup> When presenting a driver's license issued in Kazakhstan, the cost of diesel is KZT 295 per liter up to 100 liters per day. For trucks, special vehicles, specialised cars, and buses with both a driver's license and vehicle registration certificate issued in Kazakhstan, the rate remains KZT 295 per liter for up to 300 liters per day. Others may purchase for KZT 450 per liter. In addition, in July 2023, Kazakhstan extended the ban on the road transport export of gasoline, diesel, and other types of oil products for six months to prevent shortages in the domestic market.<sup>56</sup>

Moreover, on 10 April 2023, the Ministry of Agriculture announced a ban on wheat imports by road for 6 months, including from Eurasian Economic Union, in order to grain

imported from Russia.<sup>57</sup> By the decision of the meeting of the interdepartmental commission on foreign trade policy and participation in international economic commission, this measure has been extended for another six months, as well as from October 2023 restrictions were imposed on the import of Russian wheat by rail, except for deliveries to licensed elevators for the needs of processing plants and poultry farmers.<sup>58</sup> In addition, from the beginning of 2023, export duty on sunflower seeds at the rate of 20%, but not less than EUR100 per ton, was imposed.<sup>59</sup>

Kazakhstan is one of the top ten world wheat exporters. In 2023, due to a combination of weather factors, including drought during the ripening period and prolonged rains during the harvesting period in the main grain-producing regions, the harvest is estimated at 11.5-12 mln tons (a record harvest of 16.4 mln tonnes in 2022),<sup>60</sup> but with a deterioration of grain quality, high humidity, and infestation.<sup>61</sup> Because of adverse weather conditions, farmers in the northern regions sought assistance from the Government. In accordance with the Prime Minister's directives, working commissions were established to assess the magnitude of the impact. It was discovered that grain crops had sprouted over 2.7 mln hectares (a decrease of 15%), and yields had fallen by 2.7 centers per hectare compared to the previous year.<sup>62</sup>

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54 On amending the Order of the Minister of Energy of the Republic of Kazakhstan dated 19 May 2015 № 361 "On approval of price caps for certain types of petroleum products for which state regulation of prices is established" approved by Order of the Acting Minister of Energy of the Republic of Kazakhstan dated 6 January 2022 № 2.

<https://adilet.zan.kz/rus/docs/V2200026388>

55 Ibid

56 On Certain Issues of Export of Petroleum Products from the Territory of the Republic of Kazakhstan, approved by Joint Order No. 647ke/pa dated 1 August 2023.

<https://adilet.zan.kz/rus/docs/V2300033224>

57 On the introduction of a ban on the import of wheat into the territory of the Republic of Kazakhstan by road transport, approved by the Order of the Minister of Agriculture of the Republic of Kazakhstan from 10 April 2023 № 132.

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<https://adilet.zan.kz/rus/docs/V2300032273>

58 Primeminister.kz (2023) Ban on wheat imports to Kazakhstan extended - decision of the IMC on trade.

<https://shorturl.at/lmsTO>

59 Ministry of Trade and Integration of the Republic of Kazakhstan (2023) Interdepartmental Commission on Trade: export duty, restrictions on coal and gas exports

<https://www.gov.kz/memleket/entities/mti/press/news/details/623328?lang=en>

60 Interfax.ru (2023) Kazakhstan to cut grain exports due to low yields. <https://shorturl.at/bcCJN>

61 Forbes Kazakhstan (2023) Kazakhstan lost half of its wheat crop. <https://shorturl.at/mpwY6>

62 Orda.kz (2023) Heavy rains spoil grain harvest in Kazakhstan. <https://orda.kz/silnye-dozhdi-isportili-urozhaj-zerna-v-kazahstane-376595/>

The Government is taking several measures to mitigate the consequences of heavy rains. Specifically, efforts are being made to allocate preferential diesel fuel for grain drying, and financial institutions will expedite the review of farmers' applications for leasing both stationary and mobile grain dryers. To establish a seed fund, an examination of available grain stocks for their suitability as seeds has commenced. Additionally, discussions are underway regarding the extension of farmers' loans in financial institutions such as JSC NMH Baiterek and JSC National Company "Food Contract Corporation", without imposing penalties on agricultural producers.<sup>63</sup> Although lower yields will cause a slight decrease in export potential, the planned volume of grain for export will suffice to maintain Kazakhstan's position in traditional export markets.<sup>64</sup>

With inflation decreasing, the National Bank of Kazakhstan has lowered the base rate from 16.75% in December 2022 to 16% in October 2023.<sup>65</sup> However, it remains significantly higher than the pre-war level of 10.25% in January 2022. Tightened monetary policy resulted in upward movement in lending rates particularly for business entities. The interest rate on business loans in national currency was 20.6% in August 2023, which was significantly higher than that of the pre-war period (January 2022 - 12.5%). Individual loan rates increased from 17.5% to 19.4% in the same period.<sup>66</sup> Therefore, finding a balance between inflation targeting and investment growth along with clear policy messages can support sustainable economic recovery.

At the same time, since the beginning of COVID-19, there has been a significant increase in the issuance of loans to individuals, which is associated with the risk of over-crediting citizens. As of 1 September 2023, the volume of loans issued to individuals exceeds the volume of loans issued to business entities by 28.6%, which is KZT 3.4 trillion (Figure 8). The President highlighted the need to increase financing of real sector of the economy by commercial banks and ensure annual growth of lending to the real sector at the level of 20% and higher.<sup>67</sup>

Consumer (KZT 9.2 trillion) and mortgage (KZT 5 trillion) loans constituted the most substantial share of lending in the retail lending segment.<sup>68</sup> Among different age groups, the number of borrowers among youth aged 18 to 24 in the unsecured consumer loan segment surged, more than doubling from 376,000 in 2020 to 824,000 people in 2022. This was followed by the age groups of 35-44 years, with a 32.2% increase, 45-54 years, with a 26.8% increase, and those over 65 years, with a 26.7% increase.<sup>69</sup> Within the category of loans to business entities, small businesses claim the largest portion (44.4% of the total business loans), followed by large businesses (40.6%), with medium-sized businesses considerably lagging behind (14.9%).

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63 The Ministry of Agriculture of the Republic of Kazakhstan (2023). Heavy rains: What support farmers will receive told Aidarbek Saparov. <https://www.gov.kz/memleket/entities/moa/press/news/details/621306?lang=ru>

64 Ibid

65 National Bank of Kazakhstan (2023) 2015 – 2023 Decision Making Schedule. <https://shorturl.at/gjKPQ>

66 National Bank of Kazakhstan (2023) Statistical Bulletin of the NBK. <https://nationalbank.kz/ru/news/statisticheskii-byulleten/rubrics/1987>

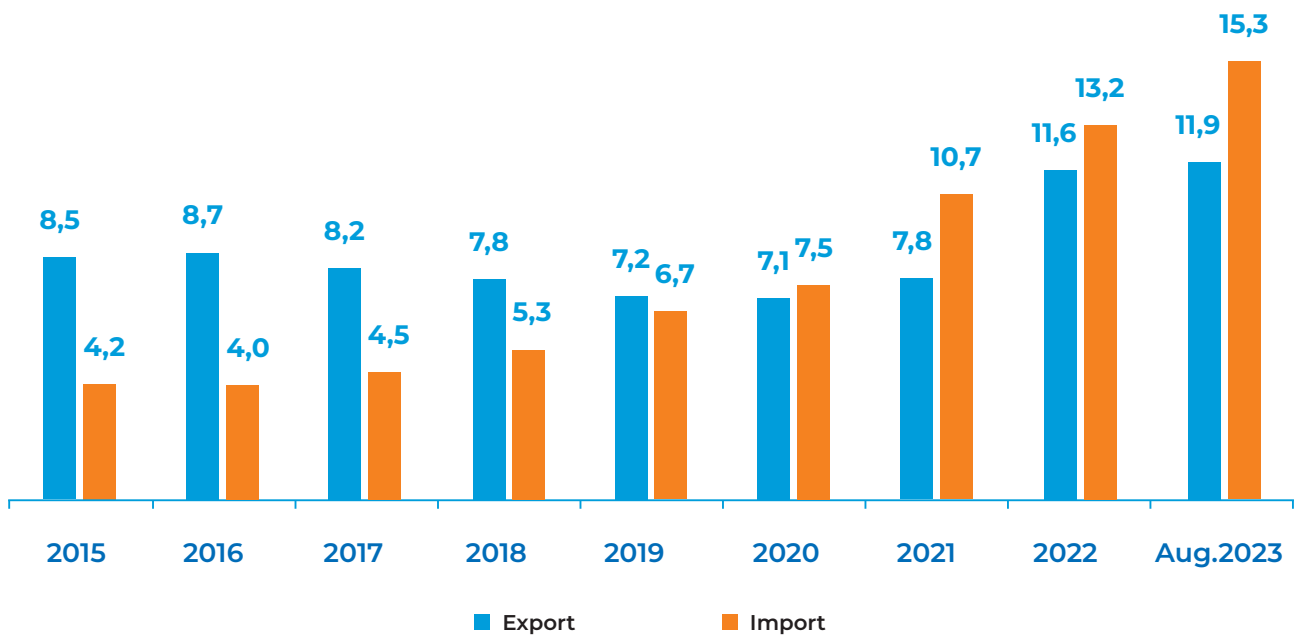
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67 Akorda.kz (2023) Address of the Head of State Kasym-Jomart Tokayev to the people of Kazakhstan "Economic Course of Fair Kazakhstan". <https://shorturl.at/otxC5>

68 National Bank of Kazakhstan (2023) Banking sector loans to the economy. <https://nationalbank.kz/ru/news/kredity-bankovskogo-sektora-ekonomike#>

69 National Bank of Kazakhstan (2023) Financial Stability Report 2022. <https://nationalbank.kz/ru/news/otchet-o-finansovoy-stabilnosti/rubrics/2094>

Figure 8. Loans of the banking sector at the end of the period, trillion KZT



Source: National Bank of Kazakhstan

Kazakhstan' banking sector has demonstrated resilience since the beginning of the Ukraine war. As of 1 February 2022, three Russian subsidiary banks - Sberbank, VTB Bank and Alfa-Bank - accounted for 15% of the total banking assets in the country.<sup>70</sup> These banks, affected by economic sanctions, were compelled to seek new shareholders. In May 2022, Alfa-Bank was acquired by Bank CenterCredit, while

Sberbank was purchased by NMH Baiterek in September 2022 and renamed Bereke Bank. VTB Bank remains the only Russian bank operating in Kazakhstan after the imposition of sanctions. Nevertheless, the banking sector demonstrated its soundness, with a basic capital adequacy ratio (k1) of 18.6% at the end of 2022, well above the regulatory requirement of 7.5%.<sup>71</sup>

<sup>70</sup> National Bank of Kazakhstan (2022) Information about owned capital, liabilities and assets. <https://cutt.ly/QMxxP4k>

<sup>71</sup> National Bank of Kazakhstan (2023) Financial Stability Report 2022. <https://nationalbank.kz/ru/news/otchet-o-finansovoy-stabilnosti/rubrics/2094>

## 3.2. Current challenges for the economy

### 3.2.1 Low tax-to-GDP ratio and a concentrated tax mix

Being an oil-rich country, Kazakhstan has the fiscal buffers derived from oil revenues to implement robust fiscal responses aimed at mitigating the impact of negative oil price shocks on economic growth. However, fiscal policies can be further improved to sustain macroeconomic stability and ensure inclusive and resilient growth. For instance, tax revenues as a percentage of GDP have been consistently declined from 27% of GDP during 2005-2008 to 14.2% of GDP in 2020, which narrow down fiscal space to enhance public expenditures for sustainable development.<sup>72</sup> It was similar to the average of natural resource dependent countries (16.4% of GDP in 2019) but lower compared to upper middle-income countries in Europe and Central Asia region (20% in 2019) and the world average of 18.4%.

The broader tax trend in the country suggests a high concentration of certain taxes, which has led to a narrow tax mix. Kazakhstan's tax mix has remained concentrated on value-added tax (VAT) and corporate income tax (CIT), as opposed to individual income tax, property tax, or social security contributions. According to the OECD 2020 Tax Policy Review,<sup>73</sup> 81% of tax revenues in Kazakhstan come from two taxes – VAT and CIT. In contrast, the share of these taxes in other resource rich countries like Norway and Canada is 43% and 35% respectively. The lack of a diversified tax mix poses a substantial risk as it increases the potential consequences of a decline in one type of tax and fails to shield public revenue from excessive fluctuations. On top of that, in 2017, oil companies contributed to roughly a third of all CIT revenue, which introduces persistent uncertainty to public revenue in the face of exogenous shocks and volatile global crude oil prices.

It is essential for the country to rationalise the existing fiscal incentives granted through CIT, customs duties, VAT, and investment subsidies and substantially reduce the current amount of revenue foregone from both direct and indirect taxes. According to the Public Finance Review conducted by the World Bank, the combined tax revenue gap in Kazakhstan for CIT and VAT was approximately 7.8% of GDP in 2021. The study also recommends raising the VAT standard rate and lowering the VAT threshold from USD 113,000 in 2019, which is substantially higher than the simple regional average and the median VAT thresholds ranged between USD 66,000 and USD 83,000. Regarding personal income tax (PIT), its collection in terms of GDP declined from 1.5% in 2016 to 1.3% in 2019, which is just one-fifth of the PIT share of the Europe and Central Asia regional average and one-half of the share in upper middle-income countries.<sup>74</sup> Therefore, the focus of PIT reforms should center around raising basic deduction, replacing low flat rate with a progressive tax structure, and improving the capital income tax regime. In addition, the current excise tax structure can be improved to better support environmental protection. For instance, current excise tax on motor vehicles is calculated based solely on car engine size and does not take into account factors such as fuel type, vehicle age and other environmental considerations.

In this regard, Kazakhstan is currently developing a new Tax Code, which may include the following changes: increasing the VAT standard rate, introducing a progressive tax structure, reforming special tax regimes, increasing efficiency of tax incentives, introducing a luxury tax, and implementing digitalization of tax control, among others.

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72 World Bank (2023) Kazakhstan: strengthening public finance for inclusive and resilient growth. Public finance review. © World Bank.

73 OECD (2020) OECD Tax Policy Reviews: Kazakhstan 2020. <https://shorturl.at/prASU>

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74 World Bank (2023) Kazakhstan: strengthening public finance for inclusive and resilient growth. Public finance review. © World Bank.

### 3.2.2 Issues with unemployment and informal sector

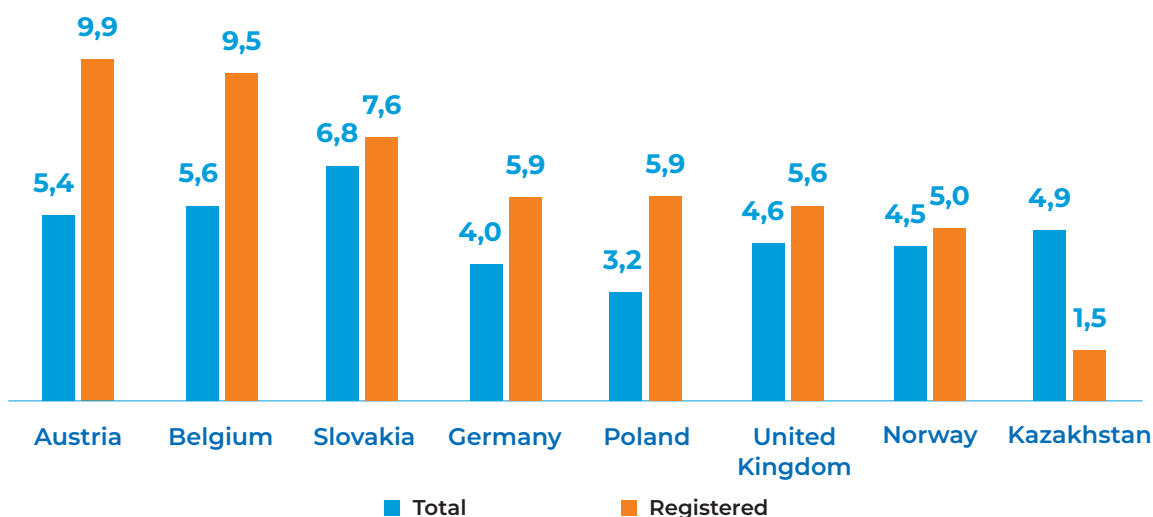
In the second quarter of 2023, the employment rate for the population aged 15 years and older stood at 65.6%, with 60.2% for women and 71.5% for men. The employment rate for the labour force was 95.3%.<sup>75</sup> Consequently, the unemployment rate was 4.7%, affecting 456,000 people, with a rate of 4.2% for men and 5.3% for women. It is worth mentioning that the Covid-19 pandemic did not significantly impact the level of unemployment in Kazakhstan, as it remained around 4.9% in 2020. The pandemic's impact on employment differed for men and women. In 2020, wage employment for men declined by 1.1%, while it increased by 1.4% for women, driven by strong recruitment in the health and social sectors, spurred by high fiscal expenditures.<sup>76</sup>

Furthermore, there were 2.2 mln self-employed individuals, constituting 23.8% of the total number of employed. Among them, 46.4% earn less than KZT 100,000 per month, as well as 2.3% of them receiving incomes below the minimum subsistence level.

In some regions, this indicator reaches nearly 6%.<sup>77,78</sup> Moreover, according to KPMG estimations, the real unemployment rate exceeds the official rate, potentially reaching 10-20% when including temporarily unemployed, disguised unemployed and non-productive self-employed individuals.<sup>79</sup>

At the same time, the rate of registered unemployment was 1.5% or three times lower, according to the National Labour Report. Noteworthy, in OECD countries, on the contrary, the number of registered unemployed exceeds the statistical estimate (Figure 9). There are two main reasons for the reported discrepancy between total unemployment and registered unemployment in Kazakhstan. First, this can be attributed to the small size and short duration of benefits paid in Kazakhstan. As shown in Figure 10, benefits are much lower than those in OECD countries and consist of insurance repayments from the State Social Insurance Fund.

Figure 9. Total versus Registered unemployment across the countries



Source: Bureau of National statistics of the Republic of Kazakhstan, OECD

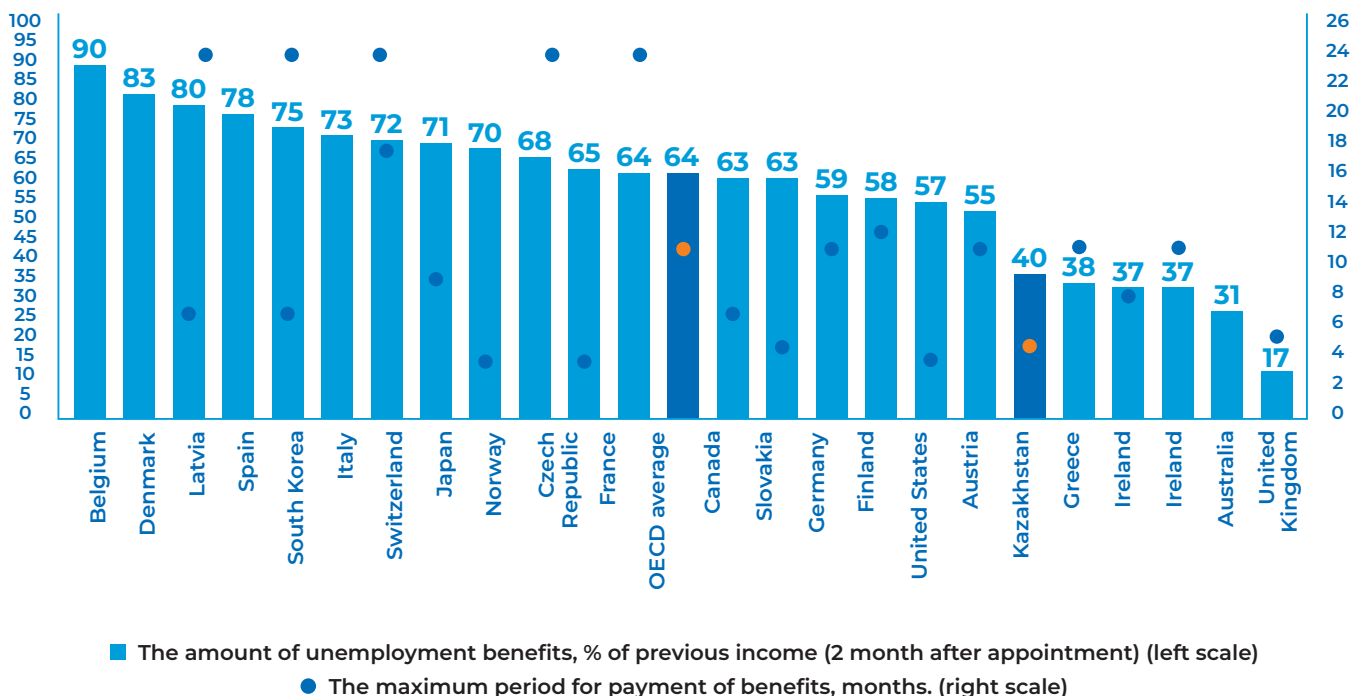
75 Bureau of National Statistics (2023). Statistics of labour and employment. <https://shorturl.at/kuCPV>  
 76 Campbell D., Egger P., Rönnas P. (2022) The employment and labour market impacts of the war on Ukraine on countries in Central Asia: building resilience to external shocks  
 77 Bureau of National Statistics (2023) Statistics of labour and employment. <https://shorturl.at/kuCPV>

78 Workforce Development Centre (2021) The Labour Market in Kazakhstan – Development in the Face of a New Reality  
 79 Analytical Centre of AFK (2022) KPMG: the real unemployed in Kazakhstan - two million people <https://cutt.ly/TMxmETf>

Second reason is the limited access to these repayments. A person is only eligible if they were employed, paid, and made contributions for a certain period. However, according to SEIA II, the number of contributors to State Social Insurance Fund is more than two times lower than the number of officially employed people in Kazakhstan. This indicates a high level of informal employment and a significant underestimation of the actual level of unemployment by the statistics agency.<sup>80</sup> Informal employment is widespread in the agriculture sector (54.8%). 70% of informal workers are employed in trade, transport and storage, construction, and agriculture, mainly occupying low-skilled, low-paid, and low-productive jobs.<sup>81</sup>

According to the research titled “Economic Inactivity of Women in Kazakhstan”, the percentage of informally employed women was 15.2% in 2019 (21.4% in the 2nd quarter of 2023), which is similar to figure published by the ILO for 2017 (16.1%). In addition, informal employment among adult males was at nearly the same level, standing at 16.2% in 2017 (25.6% in the 2nd quarter of 2023). The main barriers to women's formal employment include incomplete coverage by the social security system; administrative barriers; constraints within legislative frameworks for entrepreneurial activity development; the level of taxation of entrepreneurs; lack of preferential lending institutions, a system for renting and acquiring premises for business activities; underdevelopment of markets for manufactured products.<sup>82</sup>

Figure 10. Unemployment benefits: OECD vs. Kazakhstan, 2019



Source: Bureau of National statistics of the Republic of Kazakhstan, OECD

80 UNDP (2020) Report on Phase II of the Socio-Economic Impact Assessment (SEIA) of COVID-19 outbreak in Kazakhstan. <https://shorturl.at/hnwoZ>

81 Workforce Development Centre (2021) The Labour Market in Kazakhstan – Development in the Face of a New Reality  
82 UN Women (2019) Economic inactivity of women in Kazakhstan.



As of 1 January 2022, there were 696,800 persons with disabilities in Kazakhstan, of whom over 60%, or 419,000 persons, were of working age.<sup>83</sup> Only 24.8% of workers with disabilities (104,000 people) held formal jobs.<sup>84</sup> The Government has intensified its efforts to improve labour market access for persons with disabilities through national programmes like the “National Plan on Ensuring the Rights and Improving the Quality of Life of Persons with Disabilities in the Republic of Kazakhstan until 2025”.<sup>85</sup> In addition, the Government of Kazakhstan has introduced a new job search platform called the “Atlas of New Professions and Competencies”,<sup>86</sup> which facilitates employment opportunities for persons with disabilities by connecting them to suitable jobs. According to Kazakhstan's Voluntary National Review 2022, by the end of 2021, 18,400 persons with disabilities were employed, with 10,400 in permanent roles and 8,100 in temporary positions. Legislation has introduced a 2-4% employment quota for persons with disabilities, excluding heavy labour and hazardous conditions, benefiting 5,800 individuals. However, barriers still exist, as persons with disabilities cannot serve in law enforcement due to physical and medical requirements. Additionally, gender dimensions are not considered in employment planning and budgeting, highlighting the need to expand disability-responsive skill packages to improve labour market access.

The draft Concept for Labor Market Development in Kazakhstan for 2023-2028<sup>87</sup> predicts a future job deficit. Researchers forecast that, without a technological breakthrough, annual growth in Kazakhstan will average 3.2% until 2030, potentially resulting in a 115,000-job deficit by 2030.

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83 ERI, Economic Research Institute under the Ministry of National Economy (2022) ERI expert on the employment of persons with disabilities.

[https://economy.kz/ru/Novosti\\_instituta/id=4085/arch=2022\\_2](https://economy.kz/ru/Novosti_instituta/id=4085/arch=2022_2)

84 Ibid

85 On approval of the National Plan to ensure the rights and improve the quality of life of persons with disabilities in the Republic of Kazakhstan until 2025, approved by the Resolution of the Government of the Republic of Kazakhstan No. 326 of 28 May 2019. <https://adilet.zan.kz/rus/docs/P1900000326>

86 Gov.kz (2021) Work in Kazakhstan. Atlas of new professions and competencies in Kazakhstan.

<https://www.gov.kz/article/64596?lang=en>

An economy with low complexity will primarily demand middle-level skills. By 2030, the demand for middle-skilled professionals (976,000) is projected to surpass the demand for high-skilled professionals (608,000) by 60.5%.<sup>88</sup> At the same time, the opposite trend is occurring: the number of university graduates (740,000) exceeded TVET graduates (720,000) by 2.8% between 2018 to 2022.

Another labour market challenge is the workforce's low quality, affecting both university and TVET graduates. This is largely due to inadequate education and limited participation in advanced training programmes. Notably, 40% of TVET graduates face unemployment, with 25% working outside their field. For university graduates, employer satisfaction with the quality of their education stands at only 55%. Furthermore, in the past five years, there has been a 10% increase in self-employed individuals with university degrees.<sup>89</sup>

Platform employment (e.g., Yandex, Glovo, Wolt) in the service sector is growing rapidly, with about one million people currently involved. It includes hiring individuals through online platforms for short-term or project-based tasks, creating job opportunities but also bearing risks due to the absence of social guarantees. Furthermore, quality jobs are another concern. Currently, there are only 2.1 mln quality jobs in the economy, making up 32% of total employment.<sup>90</sup> These jobs encompass salary above the median average, social protection, healthy working conditions, opportunities for professional development. The Government of Kazakhstan aims to raise the share of such jobs to 3.6 mln by 2030, constituting 45% of the total employment.

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87 The draft Concept of Labour Market Development of Kazakhstan for 2023-2028.

<https://legalacts.egov.kz/npa/view?id=14759013>

88 The Ministry of Labour and Social Protection of the Population of the Republic of Kazakhstan (2023) Presentation at the International Conference “Labour Markets in the Era of Change: Challenges, Innovations, and Perspectives”, 26 October 2023

89 The draft Concept of Labour Market Development of Kazakhstan for 2023-2028.

<https://legalacts.egov.kz/npa/view?id=14759013>

90 Ibid



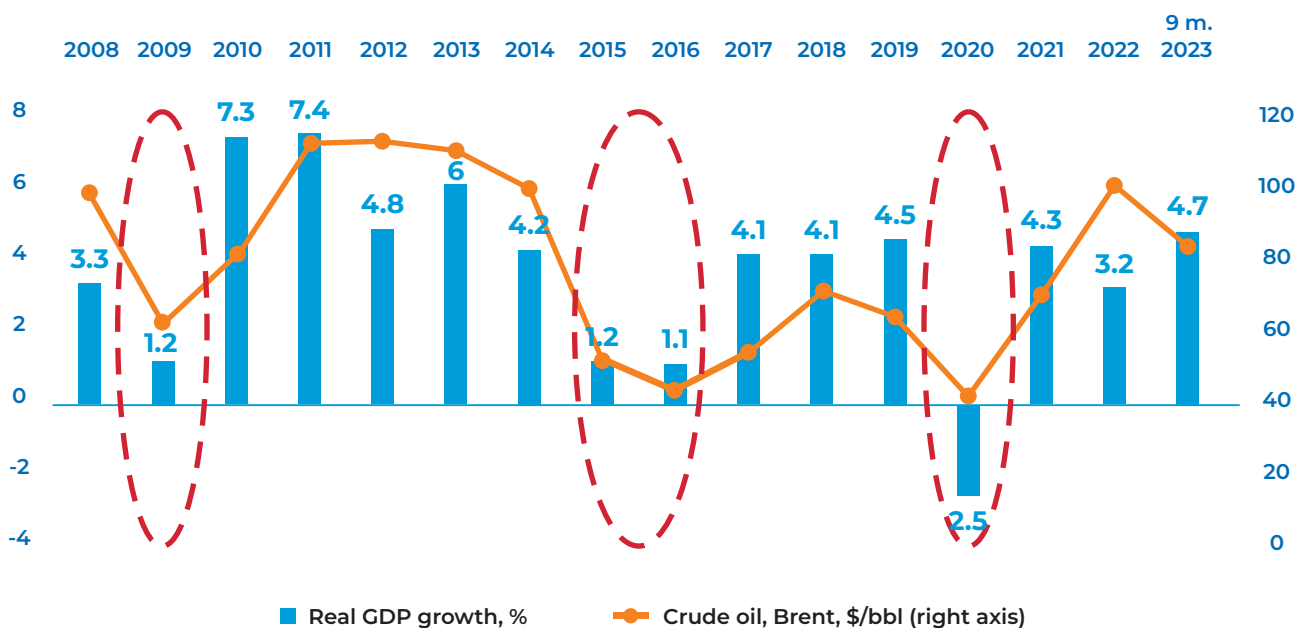
### 3.2.3 Structural economic issues

Beyond presenting new challenges for the economy of Kazakhstan, the COVID-19 pandemic has reinvigorated old structural threats accumulated over the past decade, among which poor economic diversification is the major one.

Kazakhstan mainly produces and exports primary and resource-based products.

Figure 11 shows how sensitive the national economy of Kazakhstan is to fluctuations in crude oil prices. Three separate crude oil price drops can be observed in 2009, 2015-2016, and 2020, respectively, which resulted in significant economic slowdown. The correlation remains strong except in 2012 when Kazakhstan joined the Customs Union and subsequently had lower net exports.

Figure 11. Economic growth vs. oil price

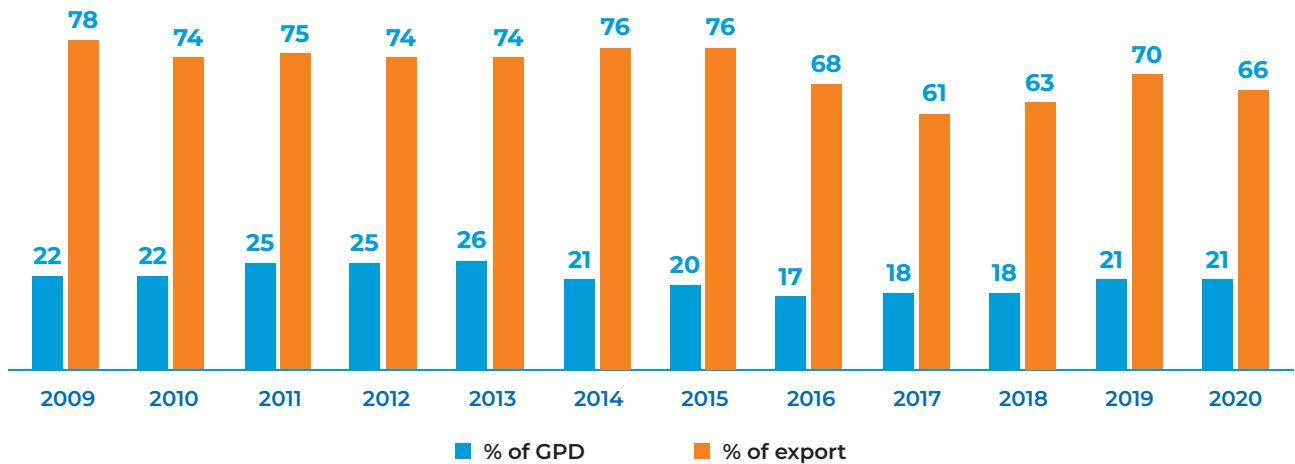


Source: Bureau of National statistics of the Republic of Kazakhstan, World Bank Commodities Price Data: October 2023

Overdependence on crude oil has inevitably caused depreciation of KZT, which has been steadily devaluating relative to USD from KZT 120.3 in 2008 to KZT 455.11 in Q3, 2023 following each plunge of crude oil price (Brent). A reduction in crude oil prices hurts

the economy not only in the form of lower tax earnings but also from a household perspective as it weakens purchasing power seeing as Kazakhstan's imports are mostly made up of finished goods and equipment.

Figure 12. Share of oil & gas industry in GDP and national export

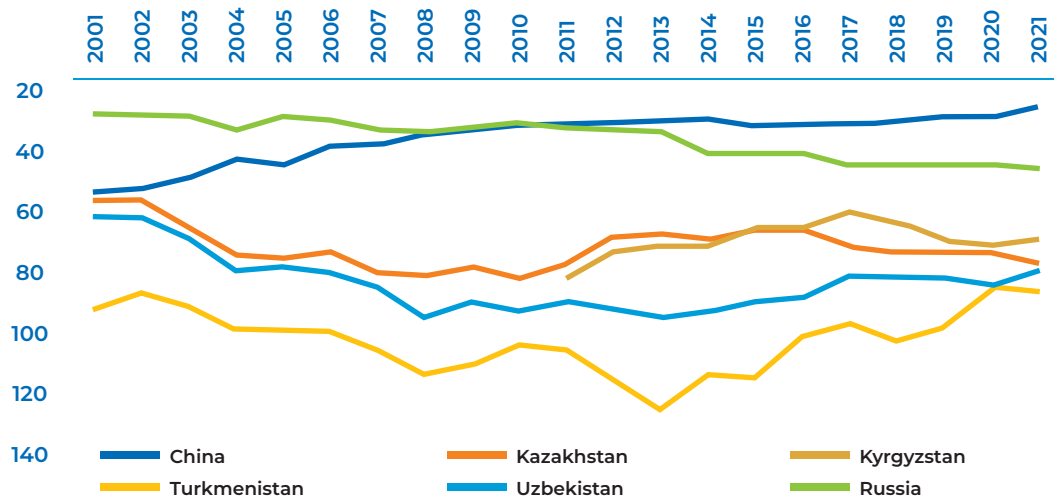


Source: Bureau of National statistics of the Republic of Kazakhstan

Although the Government has been implementing several state industrial and innovative development programmes since 2003 to diversify the economy, the share of

the oil and gas industry has not changed significantly when measured in terms of GDP or exports of Kazakhstan in the last decade (Figure 12).

Figure 13. Economic complexity ranking of Kazakhstan and neighboring states



Source: The Observatory of Economic Complexity

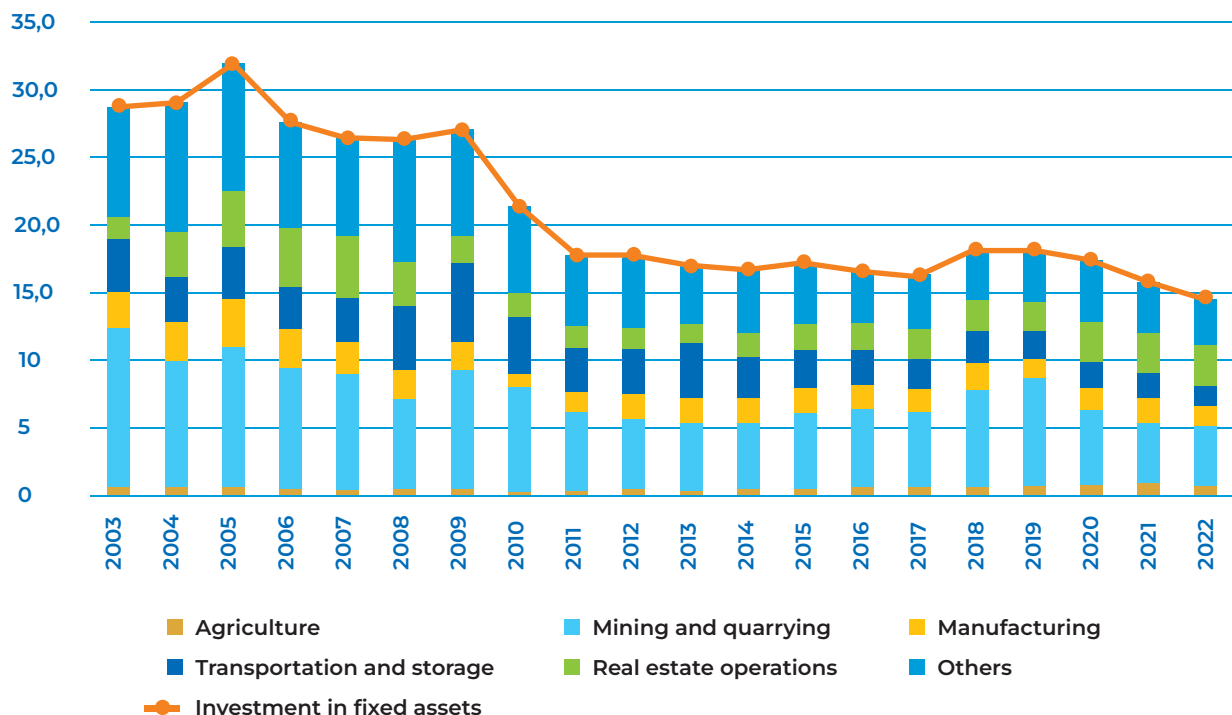
At the same time, the country's export basket is becoming relatively less and less sophisticated. According to the Economic Complexity Index, which ranges countries

based on both diversity and complexity of their export basket, Kazakhstan moved from the 56th position in 2001 to 77th in 2021 (Figure 13).

The share of investment in fixed assets as a percentage of GDP has been decreasing for the last two decades. It decreased from 28.8% of GDP in 2003 with a peak of 31.9% in 2005, to 14.5% in 2022 (Figure 14). At the same time, an increase in investment in fixed assets has been observed in real estate operations (1.7% of GDP in 2003 vs 2.9% in 2022) and agriculture (0.5% of GDP in 2003 vs 0.8% in 2022). However, the investment in fixed assets in mining sector has decreased substantially from 11.9% of GDP in 2003 to 4.3% in 2022 due to decline in the oil refining and chemical industries. According to the Investment Policy Concept adopted on 15 July 2022, Kazakhstan aims to increase the investment in fixed assets by 25.1% by 2026.<sup>91</sup>

Kazakhstan, which is an active member of the Vienna Programme of Action, is the largest landlocked country in the world that creates certain obstacles to economic growth due to relatively high transportation costs. At the same time, Kazakhstan is located closer to the main regional markets of the Eurasian continent, including Russia and China, with which Kazakhstan shares borders. The key strategic documents such as Kazakhstan 2050 Strategy set the priorities for the implementation of the country's transport and transit potential. Kazakhstan heavily invests in the development of transportation routes connecting China with Europe, as well as China-Turkmenistan-Iran, including through One Belt One Road Initiative.

Figure 14. The structure of Investment in fixed assets, as % of GDP



Source: Bureau of National Statistics

91 Decree of the Government of RK "On approval of the Concept of Investment Policy of the Republic of Kazakhstan until 2026" dated 15 July 2022, № 482  
<https://adilet.zan.kz/rus/docs/P2200000482>

The risk of economic and fiscal revenue losses is associated with a shutdown of the Caspian Pipeline Consortium (CPC), through which Kazakhstan exports about 80% of its crude oil (53 mln tonnes). The CPC operated without any disruption for more than 20 years. However, since the Ukraine war, operation of CPC has been disrupted several times due to various reasons. Potential disruption in the operation of the CPC was one of the reasons for downgrading S&P Global Ratings' outlook in 2022 on the sovereign credit rating of Kazakhstan from “stable” to “negative”.<sup>92</sup> Amidst these developments, Kazakhstan enhances its efforts towards diversification oil export routes.<sup>93</sup> However, in the medium-term Kazakhstan has no real alternatives to replace the CPC in terms of volumes, because these alternatives (Atyrau-Samara pipeline, railroad transportation to China, trans-Caspian tanker traffic and Baku–Tbilisi–Ceyhan pipeline) are costly and have infrastructure constraints.

The Government of Kazakhstan also pays high attention to the development of the Trans-Caspian International Transport Route also known as “Middle Corridor” in order to increase the container transit from China through the ports of Aktau and Kuryk to Azerbaijan, Georgia and further to Türkiye and European countries. The Middle Corridor has been gaining more attraction since the Ukraine war, which caused a serious disruption to the dominant route in Eurasia so-called Northern Corridor, connecting Asia with Europe via the territories of Russia and Belarus. Furthermore, Kazakhstan works closer with other Central Asian countries to increase transport connectivity in the region. There are several projects under way,

Shymkent-Tashkent high speed railway, Darbaza-Maktaaral-Jizzakh railway, Kyzylorda-Uchquduq motorway and railway in 2025, and Shymkent-Tashkent-Khujand economic corridor to increase trade among Kazakhstan, Uzbekistan, and Tajikistan.<sup>94</sup>

Small and medium-sized enterprises (SMEs) have faced structural issues in Kazakhstan inhabiting their potential growth. Yet, the share of SMEs contribution to the GDP has grown from 24.9% in 2015 to 33.5% in 2021.<sup>95</sup> The strategic goal is to increase SME's value added in GDP to 40% by 2030.<sup>96</sup> Kazakhstan plans to enhance the development of medium-sized business, as their contribution on diversification of the economy and sustainable economic growth has not been fully realised. In addition, the Concept of the Development of SMEs in Kazakhstan until 2030 envisions that the current state of the institutional environment restrains entrepreneurial activity, as well as that the business climate remains complex and unpredictable. Furthermore, the current structure of state support and no regulatory transparency of the full process of providing state support measures reduces the effectiveness of public policy.

### 3.2.4 Digital transformation

The Government remains firmly committed to digitalization as a strategy to overcome the resource curse. Overall, Kazakhstan's digital network proved resilient during COVID-19 pandemic with only small reduction in fixed and mobile performance in March-April 2020. Emergency measures<sup>97</sup>

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92 EDB (2022). The Economy of Central Asia: A Fresh Perspective. [https://eabr.org/upload/iblock/1fe/EDB\\_2022\\_Report-3\\_The\\_Economy-of-CA\\_eng.pdf](https://eabr.org/upload/iblock/1fe/EDB_2022_Report-3_The_Economy-of-CA_eng.pdf)

93 Ibid

94 Ibid

95 Bureau of National Statistics (2022) Small and medium enterprises. <https://stat.gov.kz/official/industry/139/statistic/7>

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96 Decree of the Government “On approval of the Concept of development of small and medium entrepreneurship in the Republic of Kazakhstan until 2030” dated 27 April 2022 № 250. <https://adilet.zan.kz/rus/docs/P2200000250>

97 Order of the Minister of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan “On some issues on the management of Internet resources and information and communication infrastructure facilities during the state of emergency” dated 7 April 2020 № 129/H-K

Nevertheless, in March 2020, the President criticized the preliminary results of the implementation of the state programme “Digital Kazakhstan” for 2017-2022 (Digital Kazakhstan, the Programme). He emphasized that Kazakhstan has not achieved the Programme's aim, namely the introduction of advanced and modern technologies. In addition, he stated that digitalisation in different ministries was haphazard because of a lack of coherence and coordination.

Following the pandemic and critical remarks of the President, in 2021 the Government adopted National Project “Technological breakthrough through Digitalization, Science and Innovation” (the National Project) which complemented Digital Kazakhstan (the programme ceased to exist in May 2022). The National Project addresses, first and foremost, the gaps that popped up during the pandemic, such as accessibility of public services, digital divide, poor internet connectivity and data privacy. According to the evaluation by the Supreme Chamber of Audit, the National Project's target indicators were inadequately formulated, as well as its 2022 implementation was deemed to have an average efficiency level.<sup>98</sup>

Despite the National Project remains active until 2025, in March 2023 the Government adopted a Concept of Digital Transformation, Development of the Information and Communication Technology Industry and Cybersecurity for 2023-2029. The Concept focuses mainly on further digitalization of public services and business processes, development of national AI strategy, strengthening enabling innovative environment through acceleration programs, IT-sandboxes, training of IT-professionals, high-speed internet (up to 100Mbps) adoption. Furthermore,

monitoring Internet connections in schools, a priority for Kazakhstan's participation in the GIGA initiative, is an important step to ensure schoolchildren and teachers have access to global digital educational resources and materials, and benefit from the wealth of information available on the Internet.

Continuing focus of the Government on digitalization is well reflected in the international indices. In 2022, Kazakhstan strengthened its position in the United Nations E-Government Development Index and was placed twenty-eights out of 193 countries and retained its leading position in the region in terms of advancing the digital public goods (DPGs). Kazakhstan aims to accelerate its digitalization by benefiting from existing DPGs and by using or creating its own DPGs to position them for use by other countries.<sup>99</sup> Kazakhstan also strengthened its position by 3 points and ranked eighth in terms of the Index's subfactor, online service provision, outperforming many developed countries. As of September 2022, Kazakhstan provides 94% of all its public services online. However, in terms of telecommunication infrastructure sub-index Kazakhstan lags behind its regional peers and ranked 64th.

Furthermore, Kazakhstan improved its position by 9 points in the International Telecommunication Union (ITU) Global Cybersecurity Index and ranked 31st out of 193 surveyed countries and second among its regional peers in 2020.<sup>100</sup> At the same time, Kazakhstan's Top Level Domain Name Servers (DNSs) remain unsecured as Kazakhstan has not yet enabled Domain Name System Security Extensions. This could lead to forged or manipulated DNS data and inability to validate the authenticity of DNS information.<sup>101</sup>

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98 Kapital.kz (2023) Which goals of the National Project on Digitalisation, Science and Innovation were met in 2022. <https://shorturl.at/aosG1>

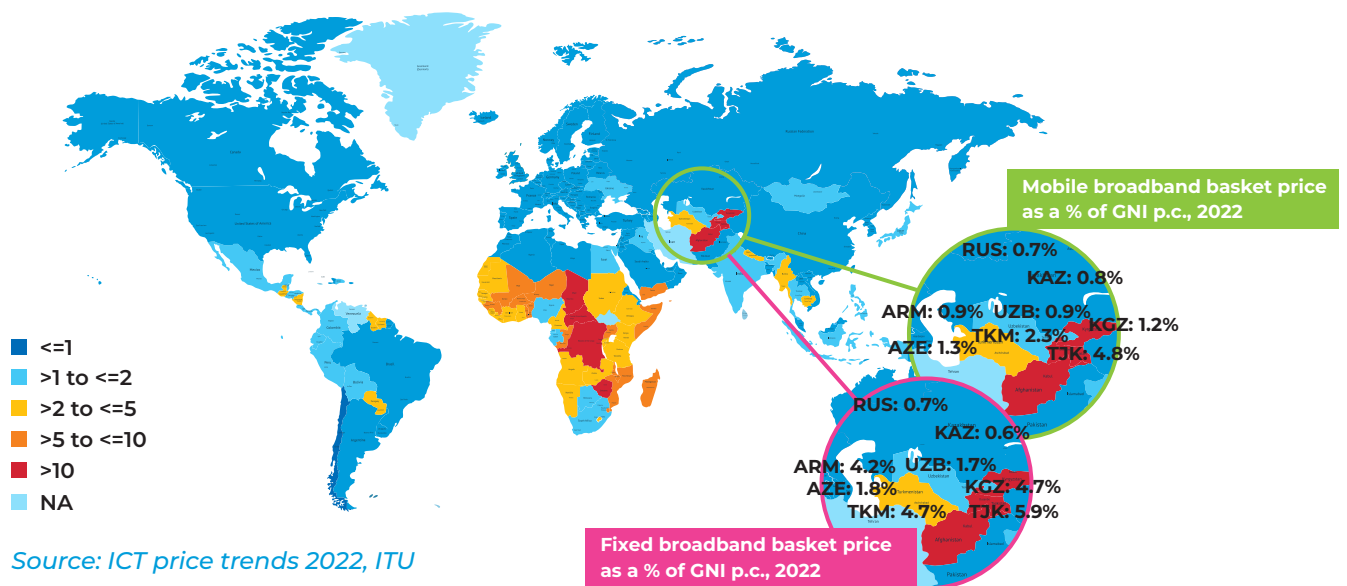
99 UN E-Government Knowledge base. Data for Kazakhstan. <https://cutt.ly/IMEhAQN>

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100 ITU (2022) DataHub: Kazakhstan's profile <https://www.itu.int/epublications/publication/D-STR-GCI.01-2021-HTML-E>

101 ITU (2022) Kazakhstan: Digital Data, Resilience, Digital Development Policy Assessment. <https://cutt.ly/M1xpxB0>

Figure 15. Affordability of mobile and fixed broadband by country, 2022



According to ITU, number of internet-users is growing and reached 92.3% in 2022 compared to 82% of pre-pandemic level in 2019.<sup>102</sup> Kazakhstan has a high nationwide internet usage rate among men and women at respectively 92.7% of male population and 91.9% of female population. Although both fixed and mobile broadband internet price baskets remain affordable even for the poorest 20% of the income earners and broadband internet access cost much less than 2% of GNI p.c. (UN Broadband Commission for Sustainable Development affordability target for 2025) as shown on Figure 15, Kazakhstan lags behind world average in terms of fixed broadband penetration with only 15.4 per 100 people in 2022 having fixed broadband internet subscription.<sup>103</sup> Kazakhstan's fixed internet speed remains slow with only 57.2% having download speed equal or above 10 Mbps,<sup>104</sup> which is also confirmed by Cable.co.uk study, where Kazakhstan was ranked 154th among 220 surveyed countries, behind the Russian Federation (54th) and Kyrgyzstan (138th) in 2022.

ITU study “Kazakhstan: Digital Data, Resilience and Digital Development Policy Assessment”<sup>105</sup> emphasises persisting urban-rural divide in terms of internet usage, device ownership and digital skills, however it is so significant. Furthermore, according to ESCAP's e-resilience portal, socio-economic gap in the use of digital payments has been reduced significantly from 2020 to 2022.<sup>106</sup> In addition, Kazakhstan has almost reached gender digital parity both in urban and rural communities. However, the available data does not allow to accurately assess digital divide by age groups. Furthermore, there is a data gap in terms of digital inclusion of persons with disabilities. The ITU study also<sup>107</sup> highlights Kazakhstan's lack of data on digital skills for people with disabilities, posing challenges for developing policies and programs for their labour market participation and education access, particularly for children with disabilities. Additionally, concerns arise about how the digitalization of state processes and public services may adversely affect accessibility for individuals with disabilities.

102 ITU (2023) DataHub: Kazakhstan's profile. Individuals using the Internet. <https://datahub.itu.int/data/?e=KAZ&i=11624>

103 Ibid

104 ITU (2023) DataHub: Kazakhstan's profile. Active mobile-broadband subscriptions.

<https://datahub.itu.int/data/?e=KAZ&i=11632>

105 ITU (2022) Kazakhstan: Digital Data, Resilience, Digital Development Policy Assessment. <https://cutt.ly/M1xpxBO>

106 ESCAP (2023) e-Resilience Monitoring Dashboard <https://www.unescap.org/projects/e-resilience>

106 ITU (2022) Kazakhstan: Assessing ICT data availability, digital sustainability, regulatory measures. Connect2Recover. <https://shorturl.at/aALOS>

<https://shorturl.at/aALOS>

107 ITU (2022) Kazakhstan: Assessing ICT data availability, digital sustainability, regulatory measures. Connect2Recover.

<https://shorturl.at/aALOS>



The National Bank of Kazakhstan is building the digital financial infrastructure, of which digital tenge is one of the main components. The digital tenge platform has been launched in a pilot mode with the first retail transaction using the digital tenge took place on November 15, 2023. The development and testing of prototype is managed by the National Bank of Kazakhstan and National Payment Corporation, according to the Roadmap of the Digital Tenge Implementation for 2023-2025.<sup>108</sup>

The expansion of open data, public access to publications, and public participation in digital data management may require special attention to security issues and data management. In this regard, the data operator, National Information Technology JSC, established by the government, collects, enriches, and updates data from 70 governmental databases. Its encryption rules can cover identity while providing relevant information about population trends. Kazakhstan has also developed Open-Source Stack technologies for working with data, providing several advantages. These include the absence of licensing requirements and the elimination of the need for expensive technology or support. This is made possible by utilizing free development tools, user-friendly data understanding tools, and flexible customization.<sup>109</sup> Furthermore, at the regional level, Kazakhstan through ESCAP resolution 79/10,<sup>110</sup> also initiated the establishment of the Digital Solution Centre for Sustainable Development to provide practical digital solutions in Central Asia and beyond.

Furthermore, since 2021, Kazakhstan became one of the pathfinding countries in

the region for the advancement of the Digital Public Goods (DPG) agenda, adherence to international standards and validation of identified open-source products. DPG technologies and content with licensing and design which makes it possible to scale widely, in different contexts, and be adapted for contextual needs. Kazakhstan aims to benefit both from existing DPGs to accelerate the digitalization of the economy and by using or creating its own DPGs and position them for other countries.

## Main obstacles to catching up within Industry 4.0 in Kazakhstan

### Shortage of qualified personnel

The introduction of cyber-physical systems and digital technologies may crowd out occupations that require physical and/or routine-based tasks. At the same time, it creates new job opportunities in various sectors, including AI, robotics, and cloud technologies. Apart from advanced qualifications and practical skills, these jobs increasingly require critical thinking, managing complex tasks, working with big data, and providing unconventional solutions. At the same time, each qualification requires a certain level of IT skills to work with programmes and software and digital technologies. Kazakhstan has been making substantial human capital development efforts in response to this challenge. Nevertheless, according to ITU data of 2021, only 29% of Kazakhstan's individuals had basic, 24% - standard and 6% - advanced ICT skills.<sup>111</sup> It becomes evident the need for capacity development in the IT sector throughout the educational system and Kazakhstan's public administration.

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108 Sakenova S. (2023) Kazakhstan Reveals Preliminary Results of Digital Tenge Implementation Project. The Astana Times <https://astanatimes.com/2023/11/kazakhstan-reveals-preliminary-results-of-digital-tenge-implementation-project/>

109 Aida Karazhanova, Zorikto Gomboin, Ekaterina Genkina (2023). Tracking eResilience in North and Central Asia. United Nations ESCAP, Information and Communications Technology and Disaster Risk Reduction Division, October 2023. Bangkok. Available at: <https://www.unescap.org/ourwork/ict-disaster-risk-reduction> Tracking number: ESCAP / 5-WP / 64

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110 Resolution 79/10 on Promoting digital cooperation and inclusion through the Action Plan for Implementing the Asia-Pacific Information Superhighway Initiative, 2022–2026 adopted by the Economic and Social Commission for Asia and the Pacific on 19 May 2023 [https://www.unescap.org/sites/default/d8files/event-documents/ESCAP\\_RES\\_79\\_10\\_E\\_0.pdf](https://www.unescap.org/sites/default/d8files/event-documents/ESCAP_RES_79_10_E_0.pdf)

111 ITU (2022). Digital Development Dashboard. Kazakhstan's profile. <https://www.itu.int/en/ITU-D/Statistics/Dashboards/Pages/Digital-Development.aspx>



In addition, the key challenge for Kazakhstan remains gender equality in STEM (Science Technology Engineering and Mathematics) education based upon three primary factors: traditional expectations of women's roles, continued emphasis on men as bearers of knowledge, and structural obstacles to and through the academic pipeline.<sup>112</sup> Unfortunately, these challenges are not unique to Kazakhstan and can be seen throughout the world. Out of the total female student population enrolled in higher education globally, only around 30% have chosen STEM-related fields of study, of which only 3% opt for ICT disciplines. In Kazakhstan, only 32% of students are women at ICT faculties. In contrast, labour market statistics show that women prevail in education and health fields.

Long-standing gender stereotypes and social norms constrain girls' interest in STEM-related fields. More importantly, perhaps, women leaders in these fields are few who could, by personal example, become role models and inspire other women to pursue careers in technology and knowledge-intensive industries.<sup>113</sup>

### Infant IT sector

The IT market in Kazakhstan is relatively small. In the past decade, the total production and sale of IT goods and services have never exceeded about 2% of the GDP of Kazakhstan.<sup>114</sup> The highest share of the IT market belongs to the IT equipment sector (46%), in which wholesale trade in computers and peripheral equipment (96.2%), predominantly of foreign production, is more prevalent than the manufacture of IT equipment (3.8%).

Most IT companies are not export-oriented, although the local market is quite limited. The total exports of IT services amounted to only USD 22.2 mln in 2020, while the total volume of imports was USD 157.6 mln. It is worth noting that the state facilitates the penetration of local IT companies into foreign markets.

### Startup ecosystem

Kazakhstan boasts an actively developing startup ecosystem, ranking 1st in Central Asia and 3rd in Central Eurasia according to Startup Central Eurasia Ecosystem Ranking.<sup>115</sup> The international technology park "Astana Hub" is the key start-up community actor, which focuses on the developing an innovative culture and improving startup ecosystem. It offers a range of services, including acceleration, technological business incubation, consulting, information, analytics, educational, marketing and other events designed to stimulate the development of its participants. Key focus areas include Fintech, Gamedev, Blockchain, Edtech, and Govtech.

The country is witnessing the growth of several critical elements that define a successful startup ecosystems: (1) a large number of successful startups such as JET, SILKPAY, Cerebra, CTOgram, Clockster; (2) venture funds like Tumar Venture Fund, Tech Garden Ventures, Almaty Venture Fund, Qazaqstan Investment Corporation, as well as investment venture clubs like UMay Angel Club, Activat Invest; (3) business incubators like the MOST Business Incubator and acceleration programs such as Quick Start from the Innovation Cluster of Nazarbayev University Nuris, Kazakhstan Digital Accelerator; (4) hackathons and competitions aimed at nurturing emerging startups.

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112 Cohenmiller, Anna & Sanıyazova, Aray & Sandygulova, Anara & Izekenova, Zhanna (2021) Gender Equity in STEM Higher Education in Kazakhstan.

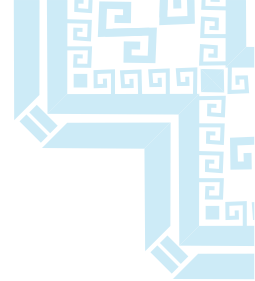
113 UNDP (2021) Why is technology a great career choice for women? <https://cutt.ly/QMxUg4P>

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114 Bureau of National Statistics (2022) Statistics of national accounts. <https://stat.gov.kz/official/industry/11/statistic/7>

115 Startup Central Asia (2023) What are the strengths and challenges of Startup Ecosystems of Central Asia. <https://startupcentraleurasia.com/news/28>

115 Startup Central Asia (2023) What are the strengths and challenges of Startup Ecosystems of Central Asia. <https://startupcentraleurasia.com/news/28>



However, the startup ecosystem faces challenges, including a limited number of knowledge-intensive startups, regional disparities in accessing vital infrastructure, a lack of motivation among the youth to start working on a startup, a shortage of skilled IT personnel, gaps in establishing a startup financing culture and the need to revise the legislative framework for venture financing.

### Insufficient digital infrastructure

Kazakhstan has a large territory with a relatively small population. At the beginning of 2020, the population density was 6.8 people per sq. km. The lowest value of 2.9 people per sq. km was observed in the Aktobe region. In comparison, in 2018, the EU's population density was 112 people per sq. km. The latest Government data indicates that 22% of rural settlements lack mobile internet coverage, and over 57% do not have fixed internet coverage. The national project “Accessible internet” for 2024-2027<sup>116</sup> aims to ensure universal mobile broadband coverage of rural settlements by 2027. It also proposes additional subsidies for the development of optic-fiber infrastructure in rural areas through PPPs and subsidies for small and middle-size telecom operators. Furthermore, the Government plans to ensure mobile internet coverage along 4,500 km of roads and to connect all remaining rural settlements via satellite networks. Other supply-side measures include tax exemptions for mobile operators participating in 4G projects in rural areas. Another focus area is the ongoing 5G network deployment, with the plan to implement 5G technology in all cities of republican importance (75% coverage) and oblast centers (60% coverage) by the end of 2027.

## 4. SOCIAL DEVELOPMENT AND EXCLUSION ANALYSIS

### 4.1. Food security and food systems

Sustainable food systems are crucial for ensuring food security and achieving all SDGs, particularly SDG 2, as it focuses on the achievement of zero hunger, ensuring safe and nutritious food for all, and promoting sustainable agriculture. This includes better access to land and resources for agricultural producers, using sustainable technologies for climate adaptation, preventing land degradation, and preserving biodiversity. In turn, SDG 6, which addresses water use efficiency, directly impacts the sustainability of food systems by ensuring access to clean drinking water and water consumption in agricultural production. SDG 15 enhances food system resilience by reducing land degradation, fighting desertification, and minimizing food waste. Additionally, sustainable afforestation management helps mitigate climate-related risks in agriculture.

Food security in Kazakhstan faces several challenges. Disruptions in food supply chains and rising food inflation create significant risks. These risks affect not only the availability of essential goods in the markets but also people's economic ability to access food. Indeed, more than half of the average Kazakhstani family's expenditures

116 The national project “Accessible Internet” for 2024-2027 approved by the Decree of the Government of Kazakhstan № 949 dated October 27, 2023. <https://adilet.zan.kz/rus/docs/P2300000949>

117 Bureau of National Statistics (2023) Living standards in Kazakhstan 2018-2022, p.29. <https://shorturl.at/mzCF3>  
118 Evromonitor International Statistical Offices, August 2023. Picodi.com

are allocated on food (51%),<sup>117</sup> which is in stark contrast to the percentages in the USA (6.7%), Germany (12%), Türkiye (27.3%), and Russia (29%).<sup>118</sup> In 2022, the prevalence of moderate or severe food insecurity in Kazakhstan's total population reached 2.4%. It's worth noting that this indicator has varied between 2.6% and 2.8% over the past two years.<sup>119</sup> These fluctuations are linked to recent high inflation and increasing poverty.

In addition, deterioration is evident in anemia among women of reproductive age, which is an indicator of poor diet and nutrition. Anemia is closely linked to other SDG targets, particularly reducing maternal mortality, and improving levels of economic productivity. Kazakhstan also shows an alarming level of obesity. With an estimated prevalence of around 21% in 2016, the rate is the highest in Central Asian countries and significantly higher than the world average.<sup>120</sup> All of these indicate that the current food systems in Kazakhstan do not provide equitable access to sufficient and nutritious food for all.

Recognizing these challenges, the Government of Kazakhstan has approved the Plan to ensure the food security of the Republic of Kazakhstan for 2022 – 2024.<sup>121</sup> This plan focuses on specific aspects, including price control, saturating the domestic market with socially important food products, and regulating the import and export of agricultural products. However, in Kazakhstan, the interpretation of food security often focuses on food self-sufficiency, deviating from the international understanding of the concept. Most of the SDG 2 indicators have not yet been incorporated into strategic documents, and the critical interlinkages between economic access to food, nutrition, and sustainable agriculture have not been fully recognized. The sustainability of food systems is not considered in the framework of climate-

optimized agricultural production. Furthermore, despite its significant potential for food production, Kazakhstan is not well-positioned as a key partner in ensuring food security in the Central Asian region. Additionally, there are concerns about the reliability of statistical data for major agricultural production indicators and food balances. This lack of accuracy hinders in-depth analysis of government decisions regarding food market regulation and leads to an inconsistent state policy on subsidizing agricultural production sectors.

Currently, ensuring national food security is the responsibility of several ministries: Ministry of Agriculture, Ministry of Trade and Integration, Ministry of National Economy, Ministry of Ecology and Natural Resources, Ministry of Water Resources and Irrigation, Ministry of Health, Ministry of Transportation, etc.). However, there might be a discoordination of involved entities in ensuring food security, which may affect the development of sustainable food systems and food security in Kazakhstan. The institutional framework for food security needs to be revised to align with the modern understanding of food security sustainability.

Primarily, it is necessary to clarify, at the legislative level, the concept of 'food security' and distinguish it from the concept of 'food self-sufficiency.' This clarification should be implemented in program documents to reshape the agro-food policy, ensuring that it aligns with the following threefold objectives: (i) Ensuring food security and adequate nutrition for the growing population of the country and the world; (ii) Providing farmers and agriculture-related social categories with adequate livelihoods and modern livelihood systems. (iii) Reducing the harmful impact of the agro-industrial sector on the environment and climate.

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120 FAO (2022) Overview of food security and nutrition in Kazakhstan 2021: Progress towards the 2030 Sustainable Development Goals. <https://www.fao.org/documents/card/ru/c/CB8419EN>

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121 Resolution of the Government of the Republic of Kazakhstan dated 31 March, 2022 № 178 On Approval of the Plan of Food Security of the Republic of Kazakhstan for 2022 - 2024 years

Climate change poses an increasingly significant threat to food security and sustainable agricultural development. Climate change is exacerbating agricultural land degradation and soil degradation, as well as changing the amount and distribution of precipitation. FAO studies reveal that about 80% of the damage and losses caused by drought are in the agricultural sector, and due to climate change, global crop yields could fall by 10-25% by 2050.<sup>122</sup> Agriculture itself is a significant source of greenhouse gas emissions, particularly methane. Therefore, climate change adaptation programs that ensure the sustainability of food systems in the long term, with positive or neutral environmental impacts, are very important.

Kazakhstan is a water-dependent country, where almost half of its water resources come from neighboring countries. Kazakhstan is already experiencing a shortage of water resources for agricultural production, making it crucial to manage domestic water resources efficiently. In his 2023 Address, President Tokayev emphasized the need for accelerated adoption of advanced water-saving technologies. In some regions, water losses in agriculture, the primary water consumer, reach up to 40%. The existing state of water management facilities shows more than 60% wear and tear. There is an urgent need for accelerated implementation of advanced water-saving technologies covering up to 150,000 hectares per year, as well as to address the issue of meltwater accumulation and losses during its transfer. Additionally, it is necessary to build 20 new and reconstruct

at least 15 existing reservoirs and modernize and digitize at least 3,500 km of canals to provide an additional two cubic kilometers of water by 2027.<sup>123</sup>

## 4.2. Poverty and income inequality

Kazakhstan has achieved a significant reduction in poverty since its independence. According to official statistics, share of population with incomes below the subsistence level decreased from 34.6% in 1996 to 4.3% in 2019.<sup>124</sup> However, the COVID-19 pandemic has reversed over two decades of progress in reducing poverty. In the second quarter of 2023 the national poverty level stood at 5.1%, with rural areas experiencing a higher rate (7.2%) compared to urban areas (3.9%). There are significant regional disparities. For instance, poverty level in Turkestan region (9.7%) was almost four times higher than one in the capital (2.5%). The poverty indicator exceeded the national average in seven oblasts: Turkestan (9.7%), Zhetisu (7.7%), Abay (7.6%), Mangystau (6.6%), Zhambyl (5.8%), Akmola (5.5%), Kyzylorda (5.4%), -and Shymkent city (6.4%). According to the World Bank, in the midst of pandemic the upper middle-income poverty rate amounted to 25.6% of the total population, which supposed to decrease to 14.7% in 2023 (Figure 16).<sup>125</sup> Nevertheless, there is a concern that the level of poverty in the country may further increase due to deterioration of the geopolitical situation, risks of secondary sanctions against Kazakhstan, accelerated inflation and the overall slowing global growth.

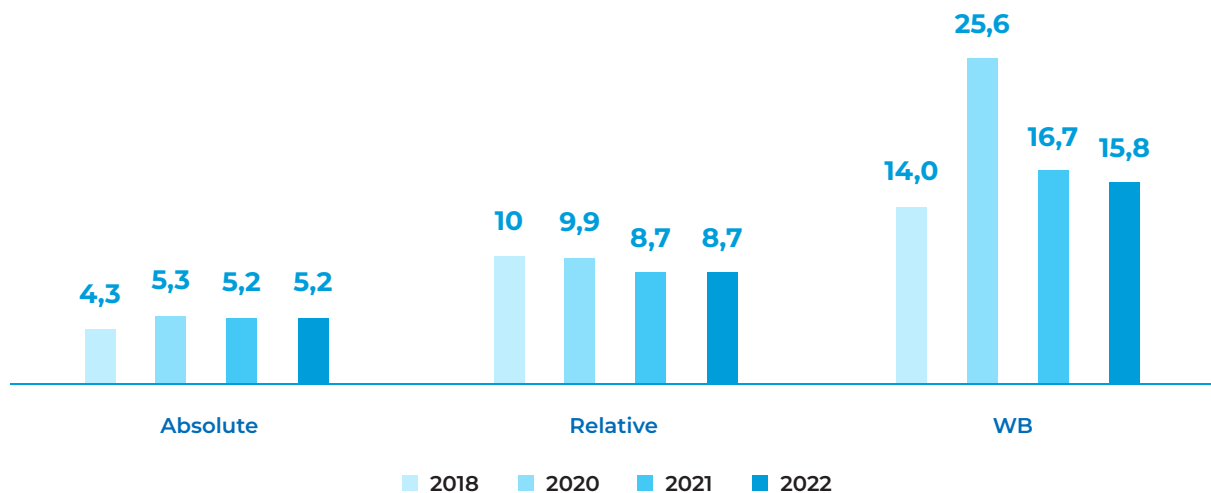
122 FAO (2019) Transforming Food and Agriculture to Achieve the SDGs. 20 interconnected actions to guide decision-makers. [fao.org/3/ca1612en/ca1612en.pdf](https://www.fao.org/3/ca1612en/ca1612en.pdf)

123 Akorda.kz (2023) Address of the Head of State Kasym-Jomart Tokayev to the people of Kazakhstan "Economic Course of Fair Kazakhstan". <https://shorturl.at/otxC5>

124 Bureau of National Statistics (2022) Statistics of standard of living. <https://stat.gov.kz/official/industry/64/statistic/8>

125 World Bank (2023) Europe and Central Asia Economic Update, Spring 2023: Weak Growth, High Inflation, and a Cost-of-Living Crisis Washington, DC: World Bank. <https://openknowledge.worldbank.org/server/api/core/bitstreams/004535c2-fbcd-4e96-9439-bc4bc502c2b3/content>

Figure 16. Different measurements of poverty in Kazakhstan, %



Note: absolute - National poverty level, relative – population share with incomes below 60% of the median income level; WB – upper middle-income poverty rate (USD 6.85 in 2017 PPP)

Source: World Bank, Bureau of National Statistics of the Republic of Kazakhstan

Share of population aged 0-17 years with incomes below the subsistence level increased to 7.7% in 2021 compared to 6.6% in 2019.<sup>126</sup> Furthermore, in 2022 the estimates showed that 1,730 children living in extreme poverty in Kazakhstan, 41,930 children living below USD 3.65 and 1,081,530 children living below USD 6.85.<sup>127</sup> Families with children are more vulnerable to poverty and exclusion especially in the context of declining social protection coverage. According to the ILO and UNICEF, child and family benefit coverage in Kazakhstan fell significantly from almost 100% to 57.4% between 2016 and 2020.<sup>128</sup>

Public finance review conducted by the World Bank indicates that improved design and targeting are needed concerning spending on social protection.<sup>129</sup> Instead of directly targeting the most vulnerable populations, the social assistance system is more focused on supporting the selected categories leading to exclusion and inclusion

errors. Based on World Bank's analysis about 50% and 35% of beneficiaries of housing allowance and child and family benefits respectively are defined as non-poor (do not belong to the bottom 10% of income distribution). For instance, reducing leakage from social support for families with children can provide KZT 177 billion (0.14% of GDP in 2021) at no cost. For better targeting and design, existing categorical programs for families with children and targeted social assistance can be merged into one poverty-targeted programme. This could increase coverage of the vulnerable population after revising the national poverty line. In this regard, the Social Code adopted in 2023 envisions that from 2025 the national poverty line - the criterion used for providing targeted social assistance - will shift from 70% of the subsistence minimum to 50% of the median income. This change will slightly increase the number of people who are eligible for state-targeted social assistance.

126 Bureau of National statistics (2021) Children of Kazakhstan 2017-2021. Statistical Yearbook  
 127 World Bank Group (2023) Global Trends in Child Monetary Poverty According to International Poverty Lines. Policy Research Working Paper 10525

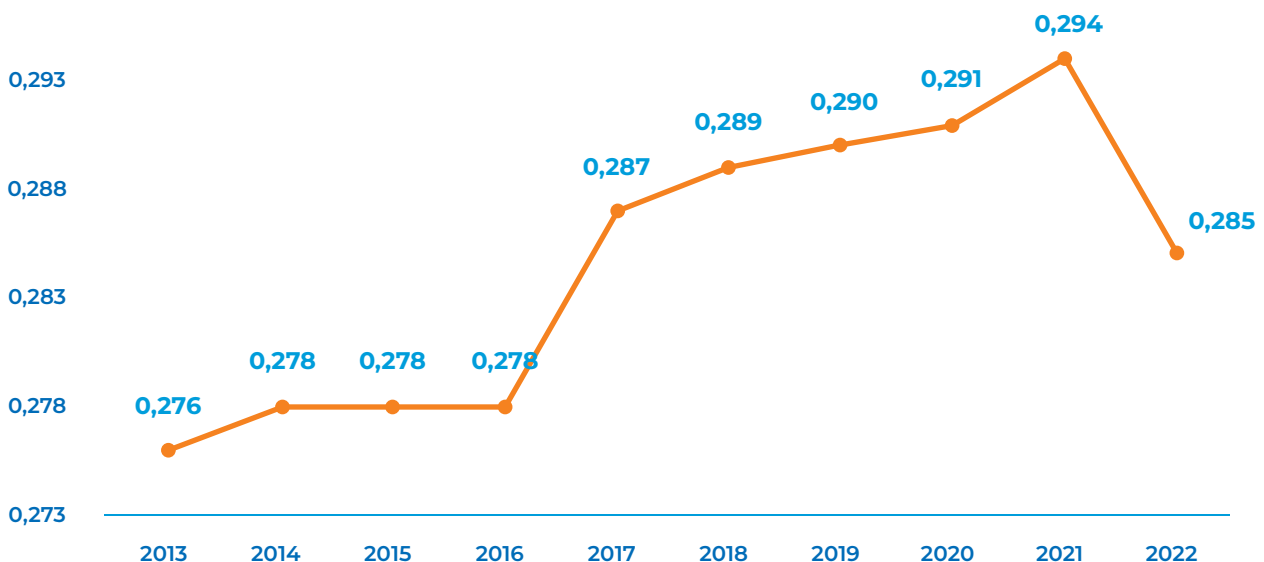
128 ILO and UNICEF (2023) More than a billion reasons: The urgent need to build universal social protection for children. Second ILO–UNICEF Joint Report on Social Protection for Children. Geneva and New York.  
<https://www.unicef.org/documents/urgent-need-for-universal-social-protection>

129 World Bank (2023) Kazakhstan: strengthening public finance for inclusive and resilient growth. Public finance review

The labour income as a share of GDP in Kazakhstan is low, accounting for 31.2% in 2020, compared to Belarus (49.7%), the European Union (47.9%), the Russian Federation (46.7%).<sup>130</sup> This is due to the presence of problems associated with disparities in wages, hidden unemployment, and as a consequence the growth of working poor up to 32.7%. The high share of jobs in Kazakhstan does not require high skills due to lack of high-tech enterprises producing sophisticated products with high value-added. Therefore, it affects productivity and wage levels in Kazakhstan. Furthermore, significant regional and sectoral disparities in average wage exist in the country.

For instance, in the first half of 2023, the highest average wage was earned in Atyrau oblast (KZT 595,728) and the lowest was in North Kazakhstan oblast (KZT 257,354) with the national average being KZT 352,237. Workers in agriculture earn the lowest wages (KZT 202,567), while the highest-paid workers are found in mining (KZT 738,695) and the finance sector (KZT 652,262).<sup>131</sup> In addition, in 2022, men received an average of KZT 355,300, women – KZT 265,800. The gender pay gap in 2022 was at the level of 33.7%. Compared to the average monthly indicator, men's wages were 14.7% higher, women's wages were 14.2% lower than the national average.<sup>132</sup>

Figure 17. Gini index in Kazakhstan, 2013-2022



Source: Bureau of National Statistics of the Republic of Kazakhstan

<sup>130</sup> Decree of the Government of RK "On Comprehensive Plan "Income Improvement Program until 2025" dated 14 April 2022, № 218, <https://adilet.zan.kz/rus/docs/P2200000218>

<sup>131</sup> Bureau of National Statistics (2023) Statistics of labour and employment. <https://shorturl.at/gmJO6>

<sup>132</sup> Turantimes.kz (2023) Men in Kazakhstan earn 34% higher salaries than women. <https://shorturl.at/adjDJ>

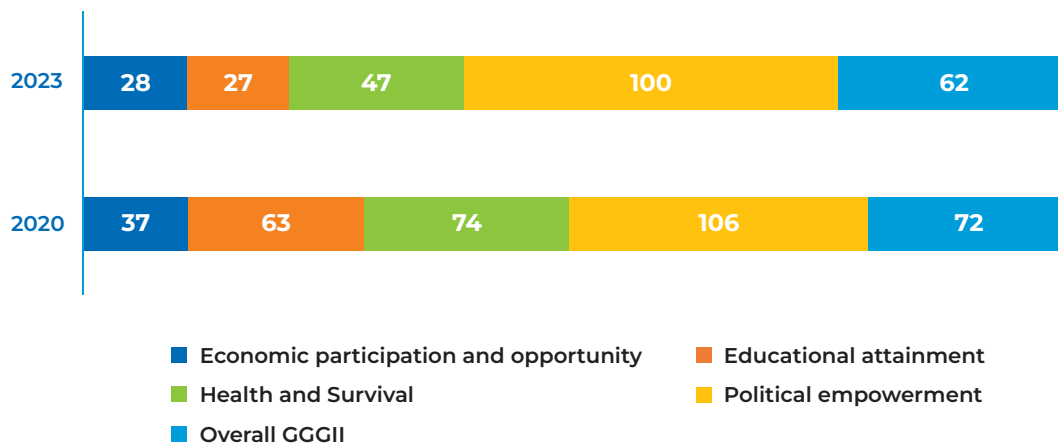


Income inequality in the country has experienced a minor reduction. The Gini index for Kazakhstan stood at 0.285 in 2022, marking a decline from 0.294 in 2021, which was the peak level since 2007 (Figure 17). From a regional perspective, the highest levels of inequality were observed in East Kazakhstan (0.323), Karaganda (0.315) oblasts and Almaty city (0.315), whereas the lowest levels were observed in Turkestan oblast (0.209), Shymkent city (0.194) and Mangystau oblast (0.178). However, the value of Gini coefficient is misleading because of underreporting in surveys. It contrasts with the figures from the World Inequality Database, where 1% of income earners in Kazakhstan possess 29.2% of the country's wealth, while 50% of income earners possess only 4.6% of the country's wealth.<sup>134</sup>

### 4.3. Gender Equality and Women's Empowerment

As of 1 August 2023, an estimated 19,921,425 people were living in Kazakhstan, with women constituting 51.1%.<sup>135</sup> Among children aged from 0 to 14, girls represented 48.5% of the population, and girls and women made up 50.8% of the 15 to 64 age group. In the 65 and older age group, women accounted for 63.2% of the population.<sup>136</sup> In 2023, more women were living in urban areas than in rural ones, with counts of 6,395,240 and 3,405,866, respectively.<sup>137</sup> The total fertility rate in 2022 was 3.05 (2.76 in urban areas and 3.59 in rural ones).<sup>138</sup> For 2022, the life expectancy at birth for women was eight years longer than for men, standing at 78.41 versus 70.26.<sup>139</sup>

Figure 18. Kazakhstan's Global Gender Gap Index in 2020 and 2023



Source: The World Economic Forum Global Gender Gap Report 2023, 2020

133 Bureau of National Statistics (2022) Statistics of standard of living. <https://stat.gov.kz/official/industry/64/statistic/8>

134 World Inequality Database (2023) Bottom 50% net personal wealth share. <https://shorturl.at/ekqry>

135 Bureau of National Statistics (2023) Population. <https://stat.gov.kz/en/>

136 Bureau of National Statistics (2023) Demographic Yearbook of Kazakhstan 2018-2022, p.14. <https://shorturl.at/dkPQ5>

137 Ibid., p.16,18

138 Ibid., p.145

139 Bureau of National Statistics (2023) Kazakhstan in Figures, p.8. <https://shorturl.at/ityGU>

Since 2020, Kazakhstan's gender indicators have been improved in international rankings. In 2023 Kazakhstan ranked 62nd out of 146 countries in the World Economic Forum's Global Gender Gap Index (Figure 18). Significant improvements were made in the area education (63rd ranking in 2020 and 27th in 2023), 27 position up in health and survival subindexes (74th in 2020 vs 47th in 2023), as well as positive uptrends in the area of economic participation and opportunities (37th in 2020 vs 28th in 2023). However, the picture in the field of political participation has remained relatively unchanged (106th in 2020 vs 100th in 2023).

In 2021 Kazakhstan also ranked 41st out of 191 countries (44th out of 162 countries in 2020) in the Gender Inequality Index (0.161). The index assesses the degree of gender inequality across three dimensions - reproductive health, impact and economic opportunity, and women's participation in the labour market. Furthermore, although the value of Gender Development Index for Kazakhstan slightly decreased from 1.003 in 2020 to 0.998 in 2021, Kazakhstan is included in the 1st group of countries with very high equality in Human Development Index achievements between men and women.

In April 2022, updated Concept of Family and Gender Policy of the Republic of Kazakhstan until 2030 with its Action Plan was approved by Decree of the President of the Republic of Kazakhstan. The Concept is a multisectoral policy document, which provides a comprehensive approach to integrating the principle of equality between women and men in policy documents in all areas and at all levels of decision-making and implementation. Moreover, the National Commission for Women Affairs and Family and Demographic Policy is acting as an advisory body under the President of the Republic of Kazakhstan responsible for implementing of the Concept for Family and Gender Policy. The Secretariat of the Commission is arranged at the President's

Office. At the level of each region, Astana, Almaty and Shymkent cities, the elaboration and implementation of gender policy is supervised by the deputy regional governor region, who is the Chairperson of the regional Commission on women's affairs and family and demographic policy. The Commission plays an integral role in advancing the Gender Equality agenda in the country; however, its focus is concentrated on strengthening both gender and family policy while latter should be implemented separately according to international standards.

Despite the high numbers of women in employment and equality in education (the education level is higher among women), Kazakh society is prone to traditional stereotypes about the roles of women and men. Kazakhstan still has substantial gender inequalities concerning women's economic participation, sharing of household and caregiving responsibilities. A UNFPA-led study in Kazakhstan on men and gender relations found that 21% of men and 9% of women agreed that a woman must endure violence to save her family, with the highest levels of agreement among men who identified as "strongly religious" (41%).

According to situation analysis on men and gender in Central Asia women in Kazakhstan continue to spend more time working per day than men when paid work is also factored in. This phenomenon is known as the "double burden", a common and gendered experience where women must earn an income to support the family in addition to shouldering the majority of household and caregiving tasks. According to most women in Kazakhstan, men should never wash the bath and toilet (59%) nor do laundry (52%). Participation of men in parenthood is also not sufficient. The division of family responsibilities remains rigid, and women carry a threefold larger burden from unpaid domestic work and official employment.

Even if the average wage of working women is increasing every year, the gender pay gap in Kazakhstan was 33.7% in 2022.<sup>140</sup> This can in part be explained by how women tend to work in low-paid areas such as health care, education, and social work, whereas men are more likely to work in industry subsectors (oil and gas, mining, manufacturing), transport and construction, where wages lie above the national average. One of Kazakhstan's achievements was repealing the List of prohibited occupations for women in 2021 in accordance with the Law on Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Social Protection where in the subparagraph 27 of Article 16 the words “the list of jobs on which the use of women's labour is prohibited” were excluded, thus the List of prohibited professions for women was repealed.

Women's political representation has been improving over time, but gaps continue to exist. As of 2023, women earned 20% of MPs in the Senate, and 18.9% in Mazhilis (from 10.4% in 2006). The Parliamentarian elections in 2023 showed that the 30% gender quota established in 2021 for the list of political parties for women, youth and people with disabilities did not secure the seats for women in the Parliament. In 2022, only 28 (8.7%) of the total 321 political civil servants at the local government level were women. Currently, there are 4 women out of 26 officials in the Cabinet of Ministries (15%). Women are not represented at the level of regional governors. Only 3% of women is represented in the corporate leadership in 2023.

Gender-based violence remains an active threat to women in Kazakhstan. In 2022, the Bureau of National Statistics conducted a survey titled “Women's Safety and Life Experience”<sup>141</sup> across all regions of the country,

including the cities of Astana, Almaty, and Shymkent. The sample population was derived from the Statistical Register of Housing, and the survey encompassed 16,404 households. The survey's results revealed that 13.6% of women have experienced violence from their current partner, while 7.5% faced violence from past partners. The participating women identified various forms of violence, including psychological, physical, sexual, and economic. Some women also reported experiencing multiple types of violence simultaneously, such as a combination of physical and sexual or psychological, physical, and sexual violence.

According to the General Prosecutor's Office, of all administrative offences in the field of domestic violence, only 40% of the aggressors are brought to justice.<sup>142</sup> In 2021 and 2022 the President of Kazakhstan in his addresses to the nation and speeches reiterated high importance of toughening measures and responsibility for domestic violence and instructed the Government of Kazakhstan to strengthen national legislation for more effective prevention and addressing domestic violence.

Starting from 1 July 2023, amendments to the Administrative Code of the Republic of Kazakhstan were enacted to strengthen administrative and criminal liability for domestic violence cases. These cases are now to be filed by the police officer at the scene, eliminating the need for survivors of violence to officially file a claim and go through complex official procedures. While the penalties for assault have been only slightly modified in terms of the number of arrest days, the warning procedure has been removed from the protocol. Instead of a warning, a 10-day arrest is applied.<sup>143</sup>

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140 Bureau of National Statistics (2023) Gender wage gap. <https://cutt.ly/RMxDRKh>

141 Bureau of National Statistics (2023) Women's safety and life experiences. <https://stat.gov.kz/api/iblock/element/39985/file/ru/>

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142 Vlast.kz (2021) Defeated violence.

<https://vlast.kz/obsshestvo/43869-pobedivsee-nasilie.html>

143 Guzzhiy T. (2023) Kazakhstan will toughen penalties for domestic violence from May. <https://kz.kursiv.media/2023-04-26/ttgr-nasilie/2>.

Furthermore, on 1 July 2023, Kazakhstan introduced standards for assisting survivors of violence. These standards set uniform approaches and procedures for law enforcement, healthcare, social services, lawyers, and other professionals addressing violence against women. Additionally, the standards outline the stages of assistance and protection for survivors, encompassing provisions for temporary shelter, medical aid, psychological support, legal assistance, social rehabilitation, and resettlement.<sup>144</sup>

According to a global study from UNFPA, girls and young women with disabilities are more likely to be subjected to gender-based violence, due to limited awareness of their rights, including reproductive rights. Girls with intellectual disabilities are particularly vulnerable to sexual violence. Disaggregated data is poor, which hinders effective response to gender-based violence.<sup>145</sup> Similarly, lack of capacities of services providers to respond to persons with disabilities subjected to violence prevents an inclusive response. In addition, it's essential to enhance accessible information in formats suitable for persons with visual, hearing, and intellectual impairments, to guarantee their access to health, social and gender-based violence protection services.

In 2021, the President of the Republic of Kazakhstan announced the country's commitments to contribute to the global movement of the Generation Equality Forum and to join two Action Coalitions: the Action Coalition on Gender-Based Violence and the Coalition for Economic Justice and Rights. Later, in 2023, Kazakhstan became a member of the Compact on Women, Peace and Security, and Humanitarian Action, and has plans to join the Action Coalition on Technology and Innovation. Kazakhstan has pledged to invest USD 867 mln towards fulfilling these commitments by 2025.

The Kazakhstan's localization efforts in the Generation Equality initiative were showcased on the global stage during the 78th session of the UN General Assembly in 2023.

A significant step of the Republic of Kazakhstan within the frames of the United Nations Security Council Resolution 1325 (2000) was the adoption of the Law of the Republic of Kazakhstan dated 13 May 2020, No. 326-VI 3PK "On Changes and Amendments to Some Legislative Acts of the Republic of Kazakhstan on the Protection of Motherhood and Childhood" aimed at social rehabilitation of children affected by terrorist activities, and the entitlement of state-level allowances.<sup>146</sup> In December 2021, first-ever Kazakhstan's National Action Plan for implementing the United Nations Security Council Resolution 1325 (2000) was developed and adopted for 2022-2025. The NAP 1325 consolidates the efforts of Kazakhstan's key actors to advance the equal and full participation of women in conflict prevention and resolution, strengthen peace and security, prevent violence against women, raise awareness, and enhance cooperation with civil society on conflict prevention and protection of women.

#### 4.4. Persons with disabilities

As of March 2023, Kazakhstan had 715,157 people with disabilities (44.2% female and 55.8% male), making up about 3.6% of the population.<sup>147</sup> Approximately 57.3% of them lived in urban areas, while 42.7% resided in rural areas. The Turkestan region has the highest number of people with disabilities at 13.6%. However, the highest per capita shares were in Karaganda (5.8%) and Almaty regions (4.3%). Overall, there are 10,839 children with disabilities aged under 16. As of 2021, 3,500 children with disabilities were in formal residential care.<sup>148</sup>

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144 Kim A. (2023) How victims of domestic violence will be assisted - Kazakhstan has approved a standard. <https://orda.kz/v-kazahstane-utverdili-standart-okazaniya-pomoshhi-zhertvam-bytovogo-nasiliya/14>

145 UNFPA (2018) Five things you didn't know about disability and sexual violence

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146 Law "On Changes and Amendments to Some Legislative Acts of the Republic of Kazakhstan on the Protection of Motherhood and Childhood" dated 13 May 2020 No. 326-VI. <http://adilet.zan.kz/rus/docs/Z2000000326>

147 Information portal "Social Protection of Persons with Disabilities", Statistics. <https://inva.gov.kz/ru/highcharts>

148 UNICEF TransMonEE database 2022.

The Government of Kazakhstan ratified the UN Convention on the Rights of Persons with Disabilities (CRPD) in 2015, and the Optional Protocol to the Convention on the Rights of Persons with Disabilities on 13 July 2023.<sup>149</sup> The ratification of the Optional Protocol enables the UN Committee on the Rights of Persons with Disabilities to receive and consider personal communications (complaints) from all citizens.

Building on these commitments, in 2022, the Government established the Institute of Advisor's to Akims and Ministries to address issues concerning persons with disabilities. This initiative should play an important role in enhancing awareness of the rights and needs of persons with disabilities. Reflecting the commitment to inclusion, as of 2023 the Majilis includes six members with disabilities. Additionally, across all levels of maslikhats (local administrative bodies), there are 71 deputies with disabilities.<sup>150</sup> This was aimed at enhancing representation, amplifying voices of and integrating the needs of people with disabilities into the design and implementation of both national and regional development programs.

On 26 June 2022, the President of Kazakhstan signed the Law “On the Introduction of Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Improving the Quality of Life of Persons with Disabilities”.<sup>151</sup> Through this law, derogatory language towards persons with disabilities and children with disabilities have been removed and changed from “disabled person” to “person with disabilities” and “disabled child” to “child with disabilities”. The rights to priority care of persons with disabilities in healthcare organizations have been established. However, there is a need to improve policies and scale-up alternative care professional

services for children with disabilities, as they are currently not disability responsive. Persons with disabilities are exempt from paying for the services of private notaries when performing notarial actions of a legal and technical nature. The Law also introduces the concept of “habilitation” in line with the CRPD and foresees a set of rehabilitation measures aimed at the formation and development of the domestic, social and professional activities of persons with disabilities.

The Government of Kazakhstan has accelerated its efforts to implement “The National Action Plan for Ensuring the Rights and Improving Quality of Life of Persons with Disabilities in the Republic of Kazakhstan through 2025”, issued in May 2019.<sup>152</sup> This national plan aims at improving the rights and quality of life of persons with disabilities until 2025. In addition, the Concept of the draft Law of the Republic of Kazakhstan “on introducing amendments and additions to some legislative acts of the Republic of Kazakhstan on improving the quality of life of persons with disabilities” are still being under consideration by the Mazhilis of the Parliament of the Republic of Kazakhstan. This concept note was developed to implement the Legislative Work Plan of the Government of the Republic of Kazakhstan for 2020 and is aimed at implementing the norms of the CRPD and implementing the Action Plan, as well as planned to introduce amendments and additions to 75 legislative acts, including ten Codes.

Noteworthy, the national plan lacks robust and independent monitoring mechanisms to track and report on the implementation of CRPD through ensuring consultations with organizations of persons with disabilities, its measures against stigma and discrimination towards persons with disabilities.

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149 The Optional Protocol (OP-CRPD) to the Convention on the Rights of Persons with Disabilities (CRPD) allows for individual complaints to be submitted to the CRPD Committee by individuals and groups of individuals or by a third party on behalf of individuals and groups of individuals, alleging that their rights have been violated under the CRPD.

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150 Zakon.kz (2023) Lyazzat Kaltaeva: people with disabilities have become more comfortable in Kazakhstan. <https://shorturl.at/AJQS2>

151 The Law dated 27 June 2022 No. 129-VII ZR “On the Introduction of Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Improving the Quality of Life of Persons with Disabilities”. <https://adilet.zan.kz/rus/docs/Z2200000129>



Additionally, there is a need to ensure the access of persons with disabilities to quality services to ensure an independent lifestyle and enable their full participation in the local community such as through training apartments using technologies of independent living for persons with disabilities. Noteworthy, one of the key recommendations made during the third cycle of the UN UPR urged the Government to intensify efforts to enhance accessibility for persons with disabilities to enable their full participation in society in accordance with the CRPD.

Kazakhstan classifies disability on a three-level scale that is based on the severity of impairment in line with the International Classification of Diseases (ICD-10). It does not apply the World Health Organization's (WHO) International Classification of Functioning, Disability and Health framework (ICF), which assesses disability in the context of environmental factors. The use of ICF in Kazakhstan is limited to medical rehabilitation. Future efforts should prioritise enhancing child functioning assessment using ICF core sets, including topics like public services, personal assistance, and environmental changes that promote participation and individual development.<sup>153</sup> In addition, there is a limited number of specialists familiar with the ICF and its role in assessing small children, children with serious health issues and disabilities.

The Article 26 of Civil Code foresees the establishment of guardianship over a citizen with a psychosocial disability, "if recognized incapable" by the court. A person who is declared "incapable" by a court do not have the right to make key decisions about their

own life (e.g., employment, education, marriage, applying to a court to defend their rights or voting in elections). As of 4 March 2021, 30,500 persons with disabilities were recognized as incapable and deprived of legal capacity by a court decision.<sup>154</sup>

## 4.5. Protection of the rights of children

Kazakhstan has made measurable progress in advancing the protection of the rights of children in line with the Convention on the Rights of the Child and its Optional Protocols on the Involvement of Children in Armed Conflict and On the Sale of Children, Child Prostitution and Child Pornography. In February 2023, Kazakhstan signed the Optional Protocol to the Convention on the Rights of the Child on a Communications Procedure.<sup>155</sup> During the third cycle of the Universal Periodic Review in 2019, the 64 recommendations that have specific references to children were accepted by the Government, except one in relation to the ratification of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.

According to the Second Voluntary National Review of Kazakhstan,<sup>156</sup> despite improvements in the legislative framework, the protection of children's rights has yet to meet international standards. The reasons for this shortfall include the inefficiency of current law enforcement mechanisms in ensuring the best interests of children, a high risk of poverty, prevalence of family disadvantages, violence against children, and growing number of children with disabilities.<sup>157</sup>

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153 UNICEF report by Judith Hollenweger Haskell, 2022

154 Response of the Government of Kazakhstan on the list of issues raised by the Committee on the Rights of Persons with Disabilities of the initial report of the Republic of Kazakhstan on the implementation of the provisions of the Convention on the Rights of Persons with Disabilities. <https://cutt.ly/5Mn8CdK>

155 Permanent Mission of the Republic of Kazakhstan to the United Nations (2023) Kazakhstan signed the Optional Protocol to the Convention on the Rights of the Child on a communications procedure. <https://shorturl.at/GLPS3>

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156 The Government of Kazakhstan (2022) The Second Voluntary National Review of Kazakhstan on the Implementation of 2030 Agenda for Sustainable Development. <https://cutt.ly/SMxJaAQ>

157 The Government of Kazakhstan (2022) The Second Voluntary National Review of Kazakhstan on the Implementation of 2030 Agenda for Sustainable Development. <https://cutt.ly/SMxJaAQ>



Nevertheless, between the years of 2009 and 2020, the Government of Kazakhstan has taken concrete steps in protecting children's rights in the justice system such as the establishment of children's courts in all regions of the country, the implementation of juvenile police in urban and rural areas, the improvement of conditions of special schools, transformation of the centres of Adaptation of Children, enabling the participation of psychologists in judicial proceedings, and the deployment of probation officers and the establishment of the National Preventive Mechanism.

The legislative and regulatory framework dealing with children in contact with the law, whether as in conflict with the law, child victims and/or witnesses, has also positively evolved and is now more aligned with international standards.<sup>158</sup> In line with the continued efforts in complying with international child justice standards, police detention for children prior to the appearance before a judge has been reduced from 72 hours to 24 hours. Of note, the provision of legal aid to children as victims of crimes is not free of charge. In addition, in 2023, the specialized children's courts underwent a reform, broadening their jurisdiction to include civil and family cases related to the rights and well-being of children.<sup>159</sup> These cases encompass matters such as the dissolution of marriages with shared children, the division of property, the establishment of communication arrangements for close relatives and separated children, and the review of situations where a child is unlawfully withheld.

Kazakhstan was one of the first states in the world, and the first state in the Central Asian region, to implement a large-scale repatriation programme of its citizens from armed conflict zones. In total, 526 children were repatriated during the humanitarian operations named 'Zhusan' and 'Rusafa.' The multi-stage Zhusan operation, which began in January 2019 and continued until March 2020, involved the return of both adults and children from Syria. In contrast, Rusafa operation, carried out in November 2019, facilitated the return of 14 children from Iraq, where they were imprisoned alongside their mothers.<sup>160</sup> The Government has taken steps towards their reintegration and ensuring their access to basic services such as education, health, social and child protection.<sup>161</sup> While in Syria and Iraq, many of these children experienced serious violations of fundamental human rights, they were separated from their guardians and other support structures.

According to the latest data published by the Transformative Monitoring for Enhanced Equity,<sup>162</sup> in 2021, 14,752 children and 3,500 children with disabilities were living in various types of residential institutions. Another 18,661 children were being cared for in-kinship and foster care.<sup>163</sup> Additionally, 1,026 children under the age of three who were placed in residential care facilities were documented in 2021, despite the detrimental effects of institutionalisation of children of this young age.<sup>164</sup> The lack of family support and gatekeeping services to prevent institutionalization of children, as well as weak case management and alternative family-based care remain as a concern.

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158 UNICEF (2018) Kazakhstan Country Office Annual Report. <https://cutt.ly/NMxFSDI>

159 Law of the Republic of Kazakhstan dated 27 March, 2023 No. 216-VII ZRK, on introducing amendments and additions to some legislative acts of the Republic of Kazakhstan on improving procedural legislation and reforming the judicial system. <https://adilet.zan.kz/rus/docs/Z2300000216>

160 The Government of Kazakhstan (2022) The Second Voluntary National Review of Kazakhstan on the Implementation of 2030 Agenda for Sustainable Development, p. 172. <https://cutt.ly/SMxJaAQ>

161 The Ministry of Education and Science of the Republic of Kazakhstan (2020) Order of the Minister of Education and Science of the Republic of Kazakhstan dated September 4, 2020 No. 382. <https://adilet.zan.kz/rus/docs/V2000021172>

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162 Transformative Monitoring for Enhanced Equity (TransMonEE) is a research program led by the UNICEF Innocenti Research Center, and to systematically monitor child well-being along with economic and social determinants in countries with economies in transition, see also <https://www.transmonee.org/transmonee-database-explorer>

163 Bureau of National Statistics (2023) TransMonEE: Kazakhstan - Transformative Monitoring for Enhanced Equity. <https://bala.stat.gov.kz/en/category/transmonee/>

164 Bureau of National Statistics (2023) Collections - Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan (in Russian). <https://stat.gov.kz/ru/>

Furthermore, with the significant intensification of internet use among children (92.4% in 2021 compared to 74.7% in the pre-pandemic year of 2019),<sup>165</sup> there is a growing need for a stronger and more targeted approach to combat online crimes. Furthermore, according to the National Security Committee of Kazakhstan, active digitalization unwittingly acts as a major factor in the radicalization of youth as the most vulnerable and exposed group to the terrorist threat. Reportedly, this year alone, Kazakhstan has identified about 80,000 online users from among young people in destructive communities, including almost 6,000 minors.<sup>166</sup> The recent ITU study “Kazakhstan: Protecting Children Online” recommends that government agencies and telecom industry organizations collaborate to foster a safer internet environment for children through policy and regulatory measures.<sup>167</sup>

The 2020 Knowledge, Attitudes and Practices Survey on violence against children in Kazakhstan, conducted by the Ombudsperson for Human Rights with the support of UNICEF, measured knowledge, attitudes and practices related to violence against children in families.<sup>168</sup> The survey showed that the Government efforts contributed to a decrease in the proportion of adults who apply a positive parenting approach in target regions. Furthermore, the 2020 survey showed a greater reluctance in public to report violence against children. The survey also shows that in the past two years, three out of every four parents or 74.3% of parents/adults inflicted violence towards their children at home. More specifically, 72.2% of parents/adults inflicted mental

violence and 30.6% inflicted physical violence towards their children. More than one out of every four parents, or 28.6% of parents/adults used both mental and physical violence towards children in their home in the past two years.<sup>169</sup> On average, out of the total number of reported crimes against children, sexual violence accounts for more than 40%.<sup>170</sup>

In May 2022, the Ministry of Internal Affairs has established pilot community-based centres, operated by an NGO, in all regions of the country for women and children who have survived sexual crimes. The centres bring in together under one roof investigators, forensic specialists, and psychologists. While the centres have a potential to become key service providers, they are in need of rigorous capacity building and horizontal exchange to better meet the international victim protection standards. In 2023, a draft law toughening criminal punishment for sexual abuse of children was developed by the Mazhilis with support of the Commissioner for Children's Rights and is under review.<sup>171</sup>

Furthermore, in August 2023, the Government of Kazakhstan adopted the 2023-2025 Comprehensive Plan for the Protection of Children from Violence, Suicide Prevention, Rights and Wellbeing.<sup>172</sup> The plan outlines several crucial strategies, including anti-bullying initiatives in schools, early detection of violence or cyberbullying among children, and the implementation of a case management system within educational settings. It emphasizes enhancing parenting skills, promoting awareness about online child safety, and digitizing the work of the increased number

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165 DataHub for Kazakhstan.

<https://datahub.itu.int/data/?e=KAZ&i=11624&d=Age>

166 Zakon.kz (2023) About 80,000 young Kazakhstan nationals are members of destructive communities.

<https://shorturl.at/noC49>

167 ITU (2022) Kazakhstan: protecting children online.

[https://www.itu.int/en/ITU-D/Regional-](https://www.itu.int/en/ITU-D/Regional-Presence/CIS/Pages/News/30122022c.aspx)

[Presence/CIS/Pages/News/30122022c.aspx](https://www.itu.int/en/ITU-D/Regional-Presence/CIS/Pages/News/30122022c.aspx)

168 UNICEF and Commissioner for Human Rights in the RK (2021) Violence Against Children in Families in Kazakhstan: Knowledge, Attitudes and Practices Survey, Astana

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169 Ibid

170 The Committee for Legal Statistics and Special Records of the General Prosecutor's Office (2021) Report no.1 on registered criminal offences. <https://qamqor.gov.kz/crimestat/statistics>

171 Astanatimes.kz (2019) Kazakh draft law would toughen penalties for rape, child sexual abuse.

<https://tinyurl.com/ypjtuewm>

172 On the approval of the comprehensive plan to protect children from violence, prevent suicide and ensure their rights and well-being for 2023-2025, approved by Government Decision No. 748 of 31 August 2023. <https://adilet.zan.kz/rus/docs/P2300000748>

of educational psychologists. While a comprehensive approach to addressing child violence involves creating safe environments, fostering trust within families, enhancing children's social and cognitive abilities, and encouraging interdisciplinary collaboration, the primary focus of this plan is on restrictive measures. However, notable gaps exist in the plan, notably the absence of targeted social services for vulnerable children and families. Additionally, it does not directly tackle the economic challenges faced by families, a significant risk factor for violence. A more holistic approach should encompass not only preventive and restrictive measures but also social support structures and economic assistance, ensuring a comprehensive solution to the issue of violence against children.

The prevalence of stigma to children with developmental difficulties in education remains high. According to the recent UNICEF 2022 Survey on knowledge, attitude and practice in child development monitoring, 70% of parents/caregivers think that children with developmental difficulties should attend kindergarten/preschool, while only 32.7% of them reported they would be fine with a child with development difficulties in the same classroom as their child and only 56.8% of educational specialists and 17% of healthcare specialists thought that children with developmental difficulties should be in the same classroom as children typically developing (without developmental difficulties or delays).

## 4.6. Youth

In accordance with the amendments to the Law on State Youth Policy,<sup>173</sup> which took effect on 1 March 2023, the definition of youth

has been expanded to include individuals limited to 29 years. As of 1 January 2023, there were 5,726,629 youths, constituting 29% of the total population. Among them, 62.18% (3,560,613 people) lived in urban areas, and 37.82% (2,166,016 people) in rural areas. Gender distribution among youth is nearly equal, with 48.08% being women and 51.92% men. In regional terms, the highest youth populations are in Almaty city (11.9%), Turkestan oblast (11.4%), Astana city (7.7%), and Almaty oblast (7.4%). The lowest numbers are in North Kazakhstan (2.34%) and Ulytau (1.07%) oblasts.

The level of education is high in Kazakhstan, with nearly 100% of children and adolescents attending secondary school. In 2021, university students accounted for 15.8% (597,876) of young people, and 13% (488,838) were in technical vocational education. Additionally, in 2020, 84,000 Kazakhstani students studied abroad.<sup>174</sup> Furthermore, as of 2020, over 140,000 young people in Kazakhstan had special educational needs, including 27.1% of pre-schoolers, 68.3% of secondary school students, 2.1% of youth in technical vocational education, and 2.5% of higher education students.

In 2020, Kazakhstan was ranked 70th (out of 181 countries) in the Global Youth Development Index,<sup>175</sup> indicating an improved score in the Peace and Security domain but a significant 24.33% deterioration in the Political and Civic Participation domain. In May 2023, the Government of Kazakhstan introduced the national Youth Development Index through a decree by the Ministry of Information and Social Development.<sup>176</sup> The Youth Development Index evaluates state youth policy by analysing youth development in education, health,

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173 On State Youth Policy, Law of the Republic of Kazakhstan No. 285-V of 9 February 2015.

<https://adilet.zan.kz/rus/docs/Z1500000285>

174 Forbes (2020) The endless stream of students.

[https://forbes.kz/process/nezamerzayuschiy\\_potok\\_1587099520/](https://forbes.kz/process/nezamerzayuschiy_potok_1587099520/)

175 The Youth Development Index measures data in 6 parameters: Health and Wellbeing, Education, Employment and Opportunity, Political and Civic participation, Equality and Inclusion, Peace and Security

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176 Order of the Minister of Information and Social Development of the Republic of Kazakhstan dated 24 May 2023 No. 214-HK, On approval of the Rules for the implementation and application of the Youth Development Index in the Republic of Kazakhstan.

<https://adilet.zan.kz/rus/docs/V2300032569>

employment, political and civic participation, leisure, and safety, using 33 indicators. This composite index aims to identify barriers to effective youth policy, considering young people's opinions, and helps determine measures to enhance their situation. The data is generated from open sources of central government bodies and surveys among youths.

Official statistics indicate a gradual decrease in youth unemployment from 16.1% in 2001 to 3.8% in 2022 (2.9% for males and 4.9% for females). However, over the past six years, this rate has stagnated with no significant improvement.<sup>177</sup> Youth with lower education levels and those in rural areas are more vulnerable to unemployment (4.2% in rural areas and 3.2% in urban areas).

In 2022, out of 71,900 unemployed individuals aged 15-28, 28,400 people or 39.5% had secondary vocational (special) education and 12,200 or 16.9% had primary and secondary education. The percentage of NEET (Not in Education, Employment, or Training) youth aged 15-28 decreased from 7.4% in 2019 to 6.5% in 2022. By the end of 2022, there were still 215,800 NEET youth in the country without access to education or employment. The number of self-employed youths in the country decreased from 478,100 in 2019 to 408,000 in 2022, including 233,600 males and 174,300 females.

Volunteering serves as a vital channel for youth participation in development. Since 2020, UNICEF, in partnership with the National Volunteer Network of Kazakhstan, has engaged over 10,000 volunteers, reaching more than 100,000 children and their parents across diverse themes such as mental health awareness, child online safety, educational mentoring, climate change, disaster risk reduction, and early childhood development.

However, there is a disparity in job placement statistics. The Employment Center of the Government of Kazakhstan reports a 60% job placement rate,<sup>178</sup> while national SDG statistics show a rate three times lower. As per the National Youth Report 2023 (NYR 2023),<sup>179</sup> the primary factors affecting youth employability include a lack of jobs in their rural areas of expertise (30.3%), low salaries (29.1%), and inadequate education (17.5%). The same report identifies the core values among youth as family (72.6%), friendship (32.3%), and health (26.9%). In contrast, interests in a fulfilling job/profession (2.9%), public recognition & reputation (3.4%), and self-realization & self-respect (4.8%) are considered less significant. In addition, the NYR 2023 shows that only 64.8% of youth rate their health as excellent, and Gen Z respondents globally (ages 18-24) report poorer health across most dimensions compared to other generations. Additionally, 53.2% of Kazakhstani youths lead a healthy lifestyle, but 38.6% struggle with time constraints. Furthermore, 20.6% of youth reported experiencing depression in the past year.

In response to the Head of State's directive to enhance the well-being and quality of life for young citizens, the Government approved the Concept on State Youth Policy for 2023-2029 on 28 March 2023. Through the approval of this concept, the Government of Kazakhstan has officially recognized concerns related to mental and reproductive health, bullying, gambling addiction, and sports infrastructure accessibility. Of note, the Concept envisages inter alia to increase youth involvement in decision-making to 30%, raising the employment rate of young people applying to employment centers to 61%, expanding the coverage of mental and reproductive health services in youth health centers to 43%, and increasing the enrolment in higher education to 75% by 2029.<sup>180</sup>

177 Scientific Research Centre "Youth" (2023) National Youth Report 2023 (data from validation meeting, 12 October 2023)

178 Ibid

179 Ibid

180 On approval of the Concept on state youth policy of the Republic of Kazakhstan for 2023 – 2029. <https://adilet.zan.kz/rus/docs/P2300000247>

Kazakhstan continues to be ranked among world leaders in youth suicide, which is one of the leading causes of death among individuals aged 15-29. Suicide ranks as the fourth leading cause of mortality, following traffic accidents, tuberculosis, and interpersonal violence. Among individuals aged 15-17, the number of completed suicides over 5 years (2017-2021) increased by 13.3% and suicide attempts increased by 37.1%.<sup>181</sup> Furthermore, according to a study by the National Center for Public Health, every fifth Kazakh teenager becomes a victim or participant in bullying. Thus, receiving quality and accessible psychological care remains highly relevant.

In addition, according to NYR 2022, the situation with sexually transmitted infections remains extremely unfavourable among young people, with an incidence rate ten times higher than in developed countries. Furthermore, Kazakhstan is one of the few countries in the world where the registration of HIV infections is increasing. Thus, in 2016–2021, the prevalence of HIV infection among adolescents aged 15–19 has increased from 39 to 53 cases.<sup>182</sup> Indeed, adolescents and youth are not included in list of groups for free provision of modern contraceptives.

## 4.7. Education

Early learning experiences in preschool have a direct impact on children's development, growth, and learning. Knowing that Kazakhstan aims to reach 100% coverage by preschools by 2030, ensuring preschool needs are addressed by state and non-state service providers, it is critical to continue strengthening this link between different models, planning and monitoring capacity of the sector, its quality and financing. The administrative data shows an increase in the coverage of attendance of preschool for children aged 1-6. In spite of the enlarged scope and high share of enrolment of children 3-6, the most used forms of early childhood development services are public and private kindergartens and mini-centers.

The average share of kindergartens that created conditions for inclusive education is 67%. Children with disability attend special kindergartens, and home schooling and there is a steady number of special kindergartens.<sup>183</sup> Currently, only 1.4% of children enrolled in pre-schools in Kazakhstan were children with disabilities, despite a recent survey showing 11% of caregivers report that their child was diagnosed with a developmental delay and 6% report that their child was at-risk of becoming disabled.<sup>184</sup>

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181 *Ibid*

182 National Report "Youth of Kazakhstan – 2022" Astana 2022. <https://eljastary.kz/upload/iblock/200/ss0ch6z94jqzeuwr3c51l08sflizdngb.pdf>

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183 UNICEF formative evaluation of the national education development state programmes with the focus on inclusion, 2023

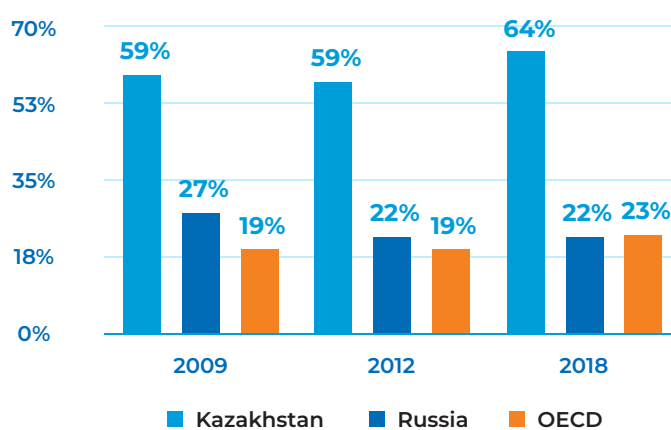
184 UNICEF (2021) A snapshot of early childhood education and care in Kazakhstan. <https://shorturl.at/BCOTZ>

Figure 19. Kazakhstan's 2020 HCI score breakdown

Component	Indicator	Kaz 2020	Max	OECD 2020
Survival	Probability of Survival to Age 5	0.99	1	1
Schooling	Expected Years of Schooling	13.7	14.0	13.4
	Harmonized Test Scores	416	625	505
Health	Survival Rate from Age 15-60	0.85	1.00	0.92
	Fraction of Children Under 5 Not Stunted	0.92	1	0.99
Overall HCI		0.63	1	0.74

Source: World Bank <sup>185</sup>

Figure 20. Percentage of students scoring below PISA Level 2 in reading



Source: OECD

185 World Bank (2022) Human capital country brief: Kazakhstan. <https://cutt.ly/wMn5SGE>

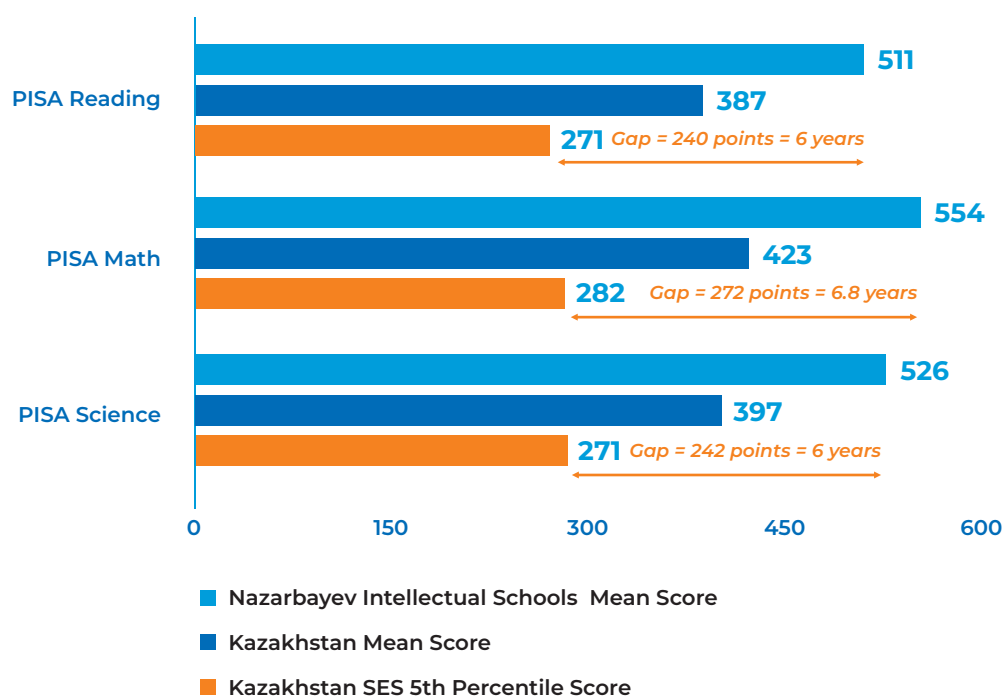


School education is one of the main reasons Kazakhstan has fallen behind in the Human Capital Index<sup>186</sup> (Figure 19). Kazakhstani students perform relatively well on international assessments that focus on knowledge recall, such as Trends in International Mathematics and Science Study (TIMSS),<sup>187</sup> but not on PISA<sup>188</sup> (Programme for International Student Assessment) in 2018. In the domain of reading literacy, which was the main focus of PISA 2018, 15-year-olds in Kazakhstan achieved a score of 387 points, while the average score in OECD countries was 487 points. Reading is the subject area where the most significant gap in results between Kazakhstani boys (374 points) and girls (401 points) is observed – a difference of 27 points. A significant proportion of Kazakhstanis scored below level 2 in reading indicating a functional illiteracy rate.

This places Kazakhstan significantly behind Russia and the rest of the OECD (Figure 20).

Students from the wealthiest 20% of households in Kazakhstan score 452, while those from the poorest 20% score 371, which indicates a gap of 81 points on a scale that ranges from 300 (minimal attainment) to 625 (high attainment). This gap is larger than the typical gap across the 50 countries of 55 points. Figure 21 below shows how large the gap is between the PISA scores of the poorest 5% of Kazakhstanis and those who study at “elite” Nazarbayev Intellectual Schools, which cover less than 2% of the total number of students in Kazakhstan. Thus, it is important to address the issues and obstacles faced by the poorest households to improve the children's learning achievements.

Figure 21. Differences in performance of schools in Kazakhstan

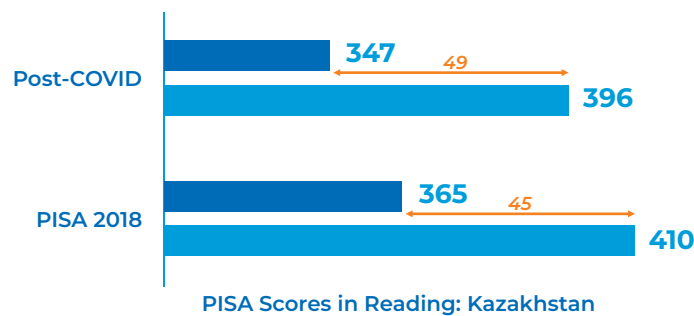


Source: World Bank<sup>189</sup>

186 World Bank (2020) Report: Kazakhstan Human Capital Index 2020. <https://cutt.ly/Mn4cop>  
 187 TIMSS & PIRLS International Study Center (2019) TIMSS 2019 Encyclopaedia: Education Policy and Curriculum in Mathematics and Science: Kazakhstan. <https://cutt.ly/AMn7fcI>

188 OECD (2021) 21st-Century Readers: Developing Literacy Skills in a Digital World. <https://cutt.ly/DMn7Lnw>  
 189 World Bank (2019) Human Capital Project: Kazakhstan Insights from Disaggregating the Human Capital Index. <https://cutt.ly/bMn6sAP>

Figure 22. Estimated impact of COVID-19 on socio-economic achievement gap



40 points in PISA scale 1 year of schooling ESCS: Economic, Social, Cultural Status

Source: World Bank

The school closure during the COVID-19 pandemic in Kazakhstan was one of the longest in Central Asia and thereby poses greater challenges from a learning recovery perspective. The 2021-2022 quantitative assessment of knowledge loss<sup>190</sup> used an integrated approach to measuring this indicator. The increased workload experienced by parents and teachers during the pandemic contributed to learning loss among students in cases when parents and teachers failed to develop adequate workload and time management strategies. The absence of a universally adopted digital solution resulted in diverse approaches across schools adding up to the burden on teachers and parents to acquire and impart digital skills in the use of diverse communication means. As the lockdown continued, the discrepancies between poorly resourced schools and well-off neighborhoods became more evident. Furthermore, according to World Bank, lower PISA scores will further reduce HCI by 4 points because of COVID-19.<sup>191</sup> World Bank also concludes that if Kazakhstan continues to strengthen its human capital at the same pace it did between 2010 and 2020, it will take

44 years to reach the level of the 30 highest GDP-per-capita performing countries and hence its 2050 vision, given that the rest of the world does not grow.

In Kazakhstan, there is no specific policy on ICT use and digital learning in education. While an ambitious target for internet speed has been introduced by internet providers of 20 Mbps for school, 56% of Kazakhstani schools are still connected at speeds of less than 10 Mbps.<sup>192</sup> Another issue is that digital divide between urban and rural teachers is apparent. Rural teachers have a slower and less stable Internet connection, affecting their access to online learning materials. Of the surveyed teachers, only 21.7% of rural teachers can access websites, and 19.8% can access online videos, compared to 34.2% and 33.4% of urban teachers, respectively.<sup>193</sup> Consequently, rural teachers tend to integrate technologies in the teaching and learning process less than their urban counterparts. In addition, a higher proportion of rural teachers in Kazakhstan have never attended any ICT-related teacher training in the past two years, as opposed to urban teachers.

190 Conducted by the former Information Analytical Center of the Ministry of education and now research and evaluation center "Taldau", the University of Cambridge, and UNICEF  
191 World Bank (2021) Equitable Human Capital Is a Top Priority for Kazakhstan. <https://cutt.ly/xMn60gj>

192 Feasibility Study of Potential Technical and Financial Solutions for Upgrading School Connectivity to Broadband Speeds in Kazakhstan, August 2022

193 UNESCO (2021) Promoting technology-enabled education and skills development in rural and remote areas of Central Asia: issue note. <https://cutt.ly/RMmew0o>

According to the Post-Transformation Education Summit agenda, member states are requested to focus on new goals. These include foundational learning in areas such as digital skills, math, reading and literacy, adaptation for climate change and sustainable development, job shadowing with new occupations and mental well-being. To achieve these goals, it is important that the transformation of education occurs in such directions as: providing a learning environment that promotes the development of all students; empowering teachers to transform themselves and become agents of change; using the digital revolution for the benefit of the education system. At the same time, for effective transformation the most pressing issue is financing. In particular, the financing system should (i) continue to invest in education by exploring different funding mechanisms based on international experience; (ii) ensure more equitable investment in education, reaching vulnerable groups of children in terms of location, income and gender; (iii) ensure efficient investment through effective public financial management systems and regular monitoring.

Furthermore, as many as 38% of teachers reported that the transition to remote learning has led to excessive workload. It is also worth noting that around 76% of teachers in Kazakhstan are women.<sup>194</sup> The study on Stress Factors for Female Teachers at Distance Learning Environment in Conditions of COVID-19, conducted in 2021 indicated that social expectations of women's centrality to caring and nurturing responsibilities within households, and entrenched gender stereotypes in the country are still very influential in Kazakhstan.<sup>195</sup> It is therefore unsurprising that female teachers in particular had to cope with transitioning to remote learning as well as ensuring day to day care of their

household, leading to increased stress and potential impact on mental health during the pandemic.

Kazakhstan has eliminated gender inequality at all levels of education. In fact, the education level of women in Kazakhstan is much higher than that of men. To date, 128,500 people study under state educational grants in higher educational institutions, of which 60% are girls (for comparison, in Australia – 58.7%, Belgium – 60.7%, Finland – 59.5%, Japan - 45.4%, Türkiye – 50%). Within The Bolashak Programme, 1,894 scholars study abroad, of which 49.5% are women.<sup>196</sup>

After the January 2022 events and during the preparation to 2022 Transformation Education Summit, the Government emphasized the importance of education quality, especially addressing educational disparities between regions, thereby identifying entry points for policy discussion on education, including pre-school, secondary and higher education. Over the years, the Government has emphasized the need to support talented youth by, among other initiatives, funding scholarships abroad. Additional efforts are needed to support rural communities that have fallen behind on educational opportunities to ensure all children achieve foundational levels of learning to unlock other educational priorities and future opportunities.

Moreover, as the 2022 UNICEF-led evaluation of the education system with focus on inclusivity found, significant progress has been achieved in making education more accessible to and inclusive of vulnerable children. However, some key strategic recommendations highlight that there is still a need for: a policy oriented towards

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194 Ministry of Education and Science of the Republic of Kazakhstan & JSC "Information-analytical Center" (2020) Analytical report on the monitoring of education using distance technologies in secondary schools of Kazakhstan  
195 Research Institute for Social & Gender Studies & UNESCO (2021) Stress Factors for Female Teachers at Distance Learning Environment in Conditions of COVID-19

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196 The Government of the Republic of Kazakhstan (2016) Concept of family and gender policy of the Republic of Kazakhstan until 2030. <https://cutt.ly/MMmrD6L>  
197 The United Nations (2022) Transforming Education Summit. <https://cutt.ly/VMmebLW>

development of services on ECD, early intervention and prevention; and a policy framework focused on the development of integrated services, employing a multisectoral approach for needs assessment and tailored support for children at risk of exclusion.

## 4.8. Healthcare

The government of Kazakhstan is working towards ensuring the healthy lives and promoting well-being for all at all ages in line with the Sustainable Development Goals 2015–2030 through implementation of activities under the National Project “Healthy Nation”, the National Project “Development of Rural Healthcare” and the Concept for Healthcare System Development by 2026. On the regional level, in 2022, the Roadmap for Health and Well-Being in Central Asia for 2022–2025 has been designed through the lens of the European Programme of Work, 2020–2025 –“United Action for Better Health”. In 2023, this Roadmap was endorsed by four heads of Central Asian countries: the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, and the Republic of Uzbekistan.<sup>198</sup>

In 2021, the proportion of the population covered by social health insurance was 81.3%, a drop from 84% in 2020. According to national data, 18.7% of the population that is not covered by social health insurance are people of working age who are not registered as employees or as unemployed. Other issues related to financial protection include the low level of current spending on health (2.8% of gross domestic product in 2019) and the relatively high share of out-of-pocket payments as a percentage of health spending (33.9%).<sup>199</sup>

In 2022, Kazakhstan continued working on protecting against COVID-19 and pursued three goals: to control transmission of the virus, to save lives, and to protect the vulnerable. The country also boosted its health emergency preparedness, prevention, and response capacities at the national and sub-national levels through extensive training of front-line health workers and the assessment and implementation of evidence-based practices. To strengthen contact tracing, laboratory diagnostics, infection prevention and control (IPC), case management, and risk communication, Kazakhstan developed the National IPC plan, the National laboratory strategy, and a National AMR roadmap for 2022–2027 with the involvement of the animal health sector, thereby applying the One Health approach.

The Ministry of Healthcare continued to ensure universal access to essential health services, including immunization. From 3 January 2020 to 27 September 2023, a total of 38,355,605 COVID-19 vaccine doses have been administered in Kazakhstan. As of 27 September 2023, 10,644,181 persons had received the full course of immunization against COVID-19, and 12,443,364 had received at least one dose of the vaccine.<sup>200</sup> The COVID-19 pandemic affected general trust in vaccination brought on by the infodemic. For example, immunization against measles declined from 99% in 2019 to 97% in 2021 and 2022. Despite a slight decrease in the vaccination rate against measles, the incidence rate of measles increased significantly from 0.1 in 2021<sup>201</sup> to 45 per 1 mln population in May 2023.<sup>202</sup> Alarming, 70% of those affected had not received the measles vaccine, highlighting vaccine hesitancy and refusals as significant contributors to

198 WHO country office, Kazakhstan (2022) Annual activity report

199 Health Systems in Action Kazakhstan (2022) Health systems in action: Kazakhstan | European Observatory on Health Systems and Policies (who.int). <https://tinyurl.com/4v5v5t7p>

200 WHO (2023) Kazakhstan: WHO Coronavirus Disease (COVID-19) Dashboard With Vaccination Data | WHO Coronavirus (COVID-19) Dashboard With Vaccination Data. <https://covid19.who.int/region/euro/country/kz>

201 WHO (2023) Measles reported cases and incidence. <https://shorturl.at/egFGU>

202 WHO (2023) WHO Epidata. <https://shorturl.at/yEPVW>

immunization program underperformance. Insufficient planning, forecasting, budgeting, and weaknesses in the information system have also impacted routine vaccination coverage negatively. To strengthen policy on immunization, the Ministry of Health developed and approved two national plans on immunization: a Comprehensive action plan to strengthen routine immunization services in Kazakhstan and a National plan for the introduction of the HPV vaccine for 2023–2025.<sup>203</sup>

Mortality patterns in Kazakhstan are strongly associated with the burden of noncommunicable diseases (NCDs). Yet high rates of deaths due to external causes happen more often among males (120 deaths per 100,000 population) than females (32.9 deaths per 100,000 population). In contrast, mortality caused by diabetes and chronic kidney diseases rose significantly among females. NCDs are also drivers of premature mortality among those aged 30–69 years in Kazakhstan. The major noncommunicable diseases - cardiovascular diseases, cancers, diabetes mellitus, and chronic respiratory diseases - are responsible for most of premature deaths in Kazakhstan. The number of premature deaths from NCDs remains significantly larger than the average for the WHO European Region (359 deaths per 100,000 population) but lower than the Central Asian average (546 deaths per 100,000 population).<sup>204</sup> A significant economic burden also occurs as a result of mental health disorders. In 2019, two conditions directly related to psychiatric disorders were among the top 10 causes of death in Kazakhstan: self-harm (17.5 per 100,000 population) and Alzheimer's diseases and other dementias (12.9 per 100,000 population).

The maternal mortality ratio has substantially decreased from 36.5 per 100,000 live births in 2020 amid the Covid-19 pandemic to 17.0 in 2022. Nevertheless, it was still higher than the pre-pandemic level of 13.7 in 2019. Based on the problem tree analysis, there is a need to focus on strengthening the prevention and management of healthcare-associated infections, improving the quality of services, and integrating modern technologies of perinatal care into medical university education.<sup>205</sup>

Moreover, reproductive health preservation in adolescents remains one of the serious challenges in Kazakhstan. In 2022 the number of delivering a child per adolescent girl aged 15-19 was 19.71 per 1,000 girls in this age group (34.72 per 1,000 - in 2014). The highest values for this indicator in Mangystau (30.79), Turkestan (30.16), Zhambyl (29.33), Ulytau (24.14) and Almaty oblasts (23.87). Rural teenage girls give birth on average 58% more often than their urban fellows (25.92 versus 15.25 per 1,000 girls aged 15-19 in 2022). In 2022, 1,139 girls aged 15 to 18 did abortions. At the same time, adolescent girls living in rural areas are more exposed to the risk of unwanted pregnancy and childbirth than their urban fellows.

In 2022, the infant mortality rate was 7.68 per 1,000 births, which was 9% lower than the rate in 2021 (8.44 per 1,000 births). However, this rate has only slightly improved over the last five years, falling from 7.93 per 1,000 births in 2017 to 7.68 per 1,000 births in 2022. The rural infant mortality rate is slightly higher than the urban rate (8.41‰ and 7.20‰ respectively).

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203 WHO country office, Kazakhstan (2022) Annual activity report

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204 WHO & the European Observatory on Health Systems and Policies (2022) Health systems in action: Kazakhstan. <https://eurohealthobservatory.who.int/publications//health-systems-in-action-kazakhstan-2022>

205 A Situation analysis on implementation of perinatal care regionalization (2019).



Kazakhstan has made substantial progress in addressing major nutritional challenges, achieving global targets related to child wasting and stunting. Yet, undernutrition persists in certain areas, and the rising incidence of diseases linked to unhealthy diets and obesity presents substantial challenges. Like its Central Asian counterparts, Kazakhstan has undergone a nutritional shift over the years, with a prevalent consumption of foods rich in saturated fats, trans-fatty acids, free sugars, and salt. This deviation from dietary guidelines, especially the alarmingly high salt intake—about 17g daily, nearly four times the WHO's recommendation—has led to health issues like hypertension, cardiovascular diseases, obesity, type 2 diabetes, and certain cancers. High salt and trans-fatty acid levels have been detected in foods across cities like Almaty, Aktau, and Kyzylorda.<sup>206</sup>

Furthermore, the WHO European Childhood Obesity Surveillance Initiative reveals a growing double burden of malnutrition. While rates of overweight and obesity among girls remained almost the same between 2015 and 2020 (18.7% vs 18.2%), they rose for boys (18.7% in 2015 vs 24.2% in 2020), as well as proportion of underweight also increased from 3% to 5.6% in the same period for both genders.<sup>207</sup> To ensure sustainable development, Kazakhstan must prioritize promoting healthy diets. While some policy solutions lie within the health domain, a holistic approach involving sectors like agriculture, education, media, and culture is essential.

Beginning in September 2023, all students in grades one through four get free school meals. Given the importance of this program, which serves over 1.5 million students, it is important to emphasize that school meals

should be both tasty and nutritious. According to a National Center for Healthy Nutrition assessment of school meals, several school meal regulations contradict each other and international recommendations, and school meals cannot currently be considered balanced in terms of macro- and micronutrient content.

Based on the results of the Second National Survey on Health Behavior in School-Aged Children in 2022, conducted using the standardized WHO methodology, the majority of 11, 13, and 15-year-old children in Kazakhstan report satisfaction with their lives. They exhibit good mental well-being and maintain positive, supportive relationships within their families, schools, and peers. However, persistent gender, age, and social inequalities, long with risk factors for non-communicable diseases—such as unhealthy dietary behavior, physical inactivity, smoking, vaping, alcohol use, injuries, violence, bullying, and risky sexual behavior—are hindering positive change and increasing the burden of serious consequences for children's health and well-being.

The Global Adult Tobacco Survey in Kazakhstan conducted in 2019 revealed that 21.5% of the overall population, with 38.3% of men and 6.4% of women, currently use tobacco in various forms (smoking, smokeless, and/or heated tobacco products). Consequently, the Government of Kazakhstan has taken decisive steps to implement robust tobacco control measures, placing a particular emphasis on addressing novel tobacco products. In July 2022, new tax measures were introduced for heated tobacco products, and the existing tax rates for conventional tobacco products were increased. Additional measures are being implemented to tackle the rising

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206 WHO (2019) Better nutrition in Kazakhstan: A Key to Achieving the Sustainable Development Goals. [shorturl.at/joX68](https://shorturl.at/joX68)

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207 Penner, F., Sharp, C., Marais, L., Shohet, C., Givon, D., & Boivin, M. (2020) Community-based caregiver and family interventions to support the mental health of orphans and vulnerable children: Review and future directions. In M. Tan (Ed.), *HIV and Childhood: Growing up Affected by HIV*. New Directions for Child and Adolescent Development, 00, 1–29. [shorturl.at/AUVW0](https://shorturl.at/AUVW0)



prevalence of electronic nicotine delivery systems (ENDS/ENNDS) among young people, with the government and the Parliament of Kazakhstan actively considering potential bans.

The Republic of Kazakhstan has committed and is proactively working towards achieving global HIV prevention and treatment goals as set in the worldwide strategy “Accelerating to End the AIDS Epidemic by 2030” and the “95-95-95” targets. The Concept for Healthcare System Development by 2026 defines tackling HIV infection as one of the key challenges in the healthcare system. Furthermore, in 2023 the Government of Kazakhstan approved the National HIV Roadmap, which was aligned with the objectives of the latest UNAIDS Strategy, ensuring that Kazakhstan's efforts are synchronized with global initiatives. The roadmap includes country-specific recommendations that emphasize a comprehensive and locally tailored approach to HIV prevention, treatment, and care.

According to the Spectrum<sup>208</sup> programme, an estimated 38,600 people (23,434 men and 15,166 women) are living with HIV as of the end 2022. Progress toward the “95-95-95” targets is substantial: 79% of people living with HIV knowing their HIV status, 84% on antiretroviral therapy, and 87% of people living with HIV have suppressed viral loads. Kazakhstan faces a concentrated low-level HIV epidemic among Key Populations. HIV prevalence is highest among People Who Inject Drugs (7.6%), Men having Sex with Men (MSM) (6.9%), and Sex Workers (1.4%), with an alarming increase in HIV prevalence among MSM. Furthermore, in 2022, 4,007 new HIV infection cases were reported, with 3,877 among citizens of Kazakhstan and 130 among foreign citizens. The main mode of transmission is sexual, accounting for 74.7%

of cases, with heterosexual contact representing 66.8% and homosexual contact 7.9%. The percentage of cases attributed to injecting drug use decreased by 20.3% in 2022.

Governmental budgeting plays a significant role, accounting for 91.1% of HIV response financing, demonstrating Kazakhstan's commitment to sustaining its efforts against HIV prevalence. HIV testing is widely available to the population of Kazakhstan, with over 3 mln people tested for HIV infection annually, including representatives of key populations. The Ministry of Health in Kazakhstan has committed to increasing the coverage of antiretroviral therapy for individuals living with HIV as part of their global AIDS commitments. This includes providing essential medical care under the Guaranteed Amount of Free Medical Care program while maintaining preventive measures to contain HIV at the concentrated stage. Indeed, over the past 12 years, antiretroviral therapy coverage has increased significantly, with a 19-fold rise from 1,336 individuals in 2010 to 25,642 as of 31 December 2022.

In 2021 Kazakhstan started a program to provide pre-exposure prophylaxis (PrEP) at government expenditures for all key populations, with a particular focus on MSM. In 2022, 908 clients received PrEP at the friendly clinic, with 26% under an intermittent course of PrEP and 74% on a continuous course. Of the PrEP recipients, 27% were women, 73% were men, and 97% were aged 15-49, including 68% from the high-risk group such as MSM. Additionally, services such as HIV testing at the NGOs settings and obtaining PrEP at friendly HIV prevention centers have been enhanced. The coverage of PrEP among MSM rose to 1% (from 0.3% in 2021).

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208 Spectrum program is software package used to estimate key HIV indicators for national programs. More information on <https://www.avenirhealth.org/software-spectrummodels.php>

In order to achieve the desired effect of reducing the number of new HIV infections, according to the Roadmap implementation of measures to prevent HIV infection in the Republic of Kazakhstan for 2023-2026 by 2026 it is planned to cover 8,000 people with PrEP. Community-led monitoring is actively used by AIDS Service NGOs at the country level. One of the tools for community-led monitoring is the website [www.pereboi.kz](http://www.pereboi.kz) which was developed and operates for rapid collection of information and analysis of interruptions at the level of individual regions of vital drugs for treatment of infectious diseases, HIV, hepatitis C, and tuberculosis.

Moreover, in 2022, Central Asian Association of People Living with HIV finalized and published the report on the Stigma Index study in Kazakhstan<sup>209</sup> conducted by the HIV-positive community and utilized the Stigma Index results at the national level to formulate a plan addressing HIV-related Stigma and Discrimination. Optime modelling analysis evaluated the allocative efficiency of direct HIV programs in Kazakhstan, finding that an optimized resource allocation can have an impact on reducing infections and deaths as well as achieving 95-95-95 targets.

Kazakhstan makes deliberate efforts to prevent mother-to-child transmission of HIV, which are in line with World Health Organization recommendations. These collective actions represent a significant step towards achieving the overarching goal of the prevention of mother-to-child transmission of HIV (PMTCT) in Kazakhstan. At the same time, punitive laws, policies, and practices against sex workers and People Who Inject Drugs increase susceptibility to HIV and negatively affect access to, uptake of, and retention of services.

Annually, HIV-positive foreign citizens are registered in Kazakhstan, with many residing permanently in the country and lacking access to antiretroviral therapy. In 2022, 133 foreign nationals continued to receive ART, while others were assisted in obtaining citizenship (7), residence permits (25), or returning to their home countries (10) to continue treatment. Legally, HIV infection is not a basis for denial of citizenship in Kazakhstan. However, migrants living with HIV have encountered difficulties in obtaining citizenship, limiting their access to economic and social rights.

In addition, the country faces a changing drug landscape: with new psychoactive substances becoming more prevalent due to their affordability and accessibility. Since these substances have pronounced psychotropic effects and rapidly induce dependence, the government has decided to develop a comprehensive plan to combat drug addiction and the drug trade. Participants in the opiate agonist maintenance therapy program currently lack access to methadone for inpatient and home-based residential treatment.

## 4.9. Refugees, Asylum-seekers, and Stateless Persons

As of 1 July 2023, 333 refugees and 635 asylum-seekers resided in Kazakhstan. Of the total number of refugees, 279 are nationals of Afghanistan, 42 are nationals of Ukraine and 12 are nationals of other countries. The refugees mainly reside in Almaty city, Shymkent city and Almaty region. They are generally fluent in local languages, attended schools in Kazakhstan, and are culturally well integrated. Of the total number of asylum-seekers, 369 are nationals

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209 The People Living with HIV (PLHIV) Stigma Index. Country Report 2022. <https://www.stigmaindex.org/country-reports/#/m/KZ>

of Ukraine, 206 are nationals of Afghanistan and 60 are nationals of other countries. The asylum-seekers reside in almost all the regions of Kazakhstan. In view of recent security situations in Ukraine, the number of asylum-seekers from Ukraine has been increasing since 2022 with very few recognitions.

In 2022, the Government shifted the asylum functions from the Ministry of Internal Affairs to the competency of the Ministry of Labour and Social Protection of Population. In accordance with the Law on the Legal Status of Foreigners, refugees in the Republic of Kazakhstan receive the status of temporarily residing foreigners. According to the Law on Refugees, refugee status is issued for one year and subject to annual review. As such, refugees are considered temporarily residing foreigners, regardless of the duration of their residence in Kazakhstan, unless they convert their refugee status into permanent residency or another alternative status. Kazakhstan is unique amongst the Contracting States of the 1951 Convention on the Status of Refugees and its 1967 Protocol granting refugees only 'one-year temporary residency'. International refugee and human rights law requires that states give refugees access to a broad array of social, economic, and civil rights on par with those enjoyed by nationals or permanently residing foreigners. However, refugees' exercise of most rights in Kazakhstan is impeded by granting them only 'one-year temporary residency'. As a result, most refugees only manage to find work in the informal sector, as employers are reluctant to hire them formally.

Refugees and asylum-seekers are ineligible for public allowances, such as disability and survivors' benefits, childbirth benefits, care allowances, benefits for raising a disabled child, and other benefits, which in respective

national legislation are all reserved only for nationals or "permanently residing foreigners". For the same reason, refugees cannot contribute to pension funds and do not receive social benefits that are accorded to citizens and permanently residing foreigners and they can receive only a "minimal" volume of medical care. All other public healthcare services provided within the framework of the health insurance scheme are only accessible on paid basis which most refugees and asylum-seekers cannot afford. Contrary to Article 34 of the Convention, refugees are also ineligible to apply for citizenship no matter how long they have lived peacefully in Kazakhstan and irrespective of their integration into the country, for example, by marriage or birth.

At the same time, most refugees are excluded from applying for permanent residency under national law as this could jeopardise their protection against refoulement, would require them to hold and extend passports of the country they fled, as well as significant financial assets, all factors which are inimical to the exact definition and nature of being a refugee.

There are no practical referral mechanisms between competent state authorities on asylum. The legislation of the Republic of Kazakhstan provides for the possibility of applying for asylum at the border. However, the national legislation does not contain detailed instructions on referral of asylum-seekers between border and competent authorities, and there is no procedure for treatment of cases when people do not have valid identity documents. As consequence, persons seeking asylum at border points, including international airports and transit zones, are at risk of being returned to a country where they may face torture and other cruel, inhuman, or degrading treatment or punishment.

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210 Article 51 of the Criminal (Penal) Code of the Republic of Kazakhstan dated 3 July 2014.  
<https://adilet.zan.kz/eng/docs/K1400000226>

National legislation also does not provide sufficient protection “refoulement”. Refugees, asylum-seekers, or stateless persons can still be expelled from the state as punishment for criminal<sup>210</sup> or administrative offenses,<sup>211</sup> as well as by decisions of civil courts.<sup>212</sup> Furthermore, the national legislation<sup>213</sup> imposes criminal penalties on asylum-seekers on account of their illegal entry into the territory of Kazakhstan, which is not in line with Article 31(1) of the 1951 Convention to which Kazakhstan acceded without any reservations. As per the Article 31(1) the contracting states should not impose penalties, except under certain conditions, on asylum-seekers or refugees due to their illegal entry or presence in the country. As a result, the assurance of 'non-refoulement' remains a significant concern. In 2022, Kazakhstan forcibly returned one asylum-seeker from Afghanistan and one from the Russian Federation to their respective countries of origin, regardless of their pending asylum cases. These actions highlight the pressing need for Kazakhstan to align its legislation with international standards and the Refugee Convention to ensure the protection of refugees and asylum-seekers.

The refoulement cases take place in late 2022 have been raised during its seventy-sixth session of the UN Committee against Torture taken place in April 2023 and made into the Concluding observations on the Fourth Periodic report of Kazakhstan.<sup>214</sup> The Committee recommends the country to ensure that no one may be expelled, returned, or extradited to another State where there are substantial grounds for believing that he or she would run a personal and foreseeable risk of being subjected to torture. Particular attention is given to expulsion for illegal crossing or violation

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211 Article 51 of the Code of the Republic of Kazakhstan On administrative infractions dated 5 July 2014.

<https://adilet.zan.kz/eng/docs/K1400000235>

212 Chapter 49 of the Civil Procedural Code of the Republic of Kazakhstan dated 31 October 2015.

<https://adilet.zan.kz/eng/docs/K1500000377>

213 Article 392 (Intentional illegal crossing of the State Border of the Republic of Kazakhstan) of the Criminal (Penal) Code of the Republic of Kazakhstan dated 3 July 2014.

<https://adilet.zan.kz/eng/docs/K1400000226>

of migration laws by asylum-seekers, establishing an accessible asylum and procedure at border points.

In mid-2023, the Government of Kazakhstan approved “Rules for the Reception and Accommodation of Asylum Seekers with their Mass Influx in temporary Settlement points”.<sup>215</sup> The rules outline the special measures and restrictions that can be imposed during a state of emergency and specify the mechanism for determining temporary settlement points for asylum-seekers, which include 'filtration points', tent and stationary camps, and other facilities suitable for accommodating and supporting them. However, the rules do not reflect some of the important standards, such as the 'non-refoulement' principle, the consideration of vulnerabilities, the recognition of refugee status in group situations, where individual status determination is impractical, impossible or unnecessary in large-scale situations (a prima facie approach). Furthermore, the rules lack a unified plan for coordination among different state actors.

Statelessness in Kazakhstan is largely a result of the dissolution of the Soviet Union, as many former-USSR citizens did not confirm or acquire the nationality of Kazakhstan or another USSR successor state. As of 1 July 2022, 7,558 persons were registered as stateless in Kazakhstan. There are no official statistics on persons with undetermined nationality, undocumented stateless persons, or those at risk of statelessness. Kazakhstan is yet to accede to the 1954 and 1961 Statelessness Conventions, but it ratified all other major international human rights instruments that commit it to respect and fulfil the right to a nationality and to safeguard a range of human rights for stateless persons.

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214 CAT/C/KAZ/CO/4, Concluding observations on the fourth periodic report of Kazakhstan, the UN Committee against Torture, released on 8 June 2023, see also

[https://tbinternet.ohchr.org/\\_layouts/15/treatybodyexternal/Download.aspx?symbolno=CAT%2FC%2FKAZ%2FCO%2F4&Lang=en](https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=CAT%2FC%2FKAZ%2FCO%2F4&Lang=en)

215 Decree of the Government of the Republic of Kazakhstan dated 12 July 2023, No. 554.

<https://adilet.zan.kz/rus/docs/P2300000554>

The joint country-wide identification and documentation helped to identify 8,822 undocumented stateless persons in Kazakhstan in 2020-2022. As a result, 4,868 were confirmed as citizens of Kazakhstan, and around 2,700 obtained legal stateless status. Officially recognized stateless persons enjoy rights on equal grounds with other permanently residing foreigners. Thus, they also have the right to apply for naturalization in the Republic of Kazakhstan on an equal basis with foreign citizens. However, national legislation does not yet provide accelerated procedures for the naturalization of stateless persons.

In June 2020, to implement the amendments to the Code on Marriage and Family, the Ministry of Justice amended the Civil Registration Rules. During her briefing to the Parliament on 14 March 2022, the Deputy Minister of Justice shared that over 1,500 children are registered without mothers' identity documents since the end of 2019. However, the Code on Marriage and Family does not regulate cases of birth registration of a child born outside a medical facility whose parents are stateless, undocumented migrants or persons with undetermined nationality.

While Kazakhstan has increasingly brought its legislation and practices in line with international law, the country is not yet party to the 1954 Convention relating to the status of Stateless Persons and 1961 Convention on the Reduction of Statelessness.

## 4.10. Human Mobility

Since 2018 the Government of Kazakhstan has been making significant efforts to achieve the objectives of the Global Compact for Safe, Orderly and Regular Migration (GCM)<sup>216</sup> by recognizing human mobility as an integral part of the 2030 Agenda for Sustainable Development. In 2022, Kazakhstan adopted a National Migration Concept and its Action Plan for 2023-2027<sup>217</sup> and submitted the Voluntary National Review on GCM.<sup>218</sup> The National Migration Concept recognizes the multi-faceted effects of the unprecedented global challenge caused by the COVID-19 pandemic which affected the trends and scale of migration and, more importantly, the situation of migrants making them more vulnerable to uncertainty.

According to the Border Service of the National Security Committee of Kazakhstan, in the first quarter of 2023, international migrant stock reached 2.7 million people, of whom 42.5% were Uzbekistan citizens, as well as Russian and Kyrgyzstan citizens accounted for 26.3% and 23.1% respectively.<sup>219</sup> In January-March 2023, 63,400 people were officially registered as migrant workers in Kazakhstan. They are nationals of Uzbekistan (51.2%), Russia (37.9%), Kyrgyzstan (5.3%), Tajikistan (3%), Azerbaijan (1.3%), Belarus (0.8%) and Armenia (0.6%).<sup>220</sup> As of 2022, 24,147 citizens of Kazakhstan migrated to other countries, representing a 25.1% decrease compared to the corresponding period in 2021.<sup>221</sup>

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216 Global Compact for Safe, Orderly and Regular Migration <https://www.iom.int/global-compact-migration>

217 National Migration Concept of the Republic of Kazakhstan for 2023-2027 and its Action Plan <https://adilet.zan.kz/rus/docs/P2200000961>

218 Kazakhstan's 2022 Voluntary National Review on GCM <https://migrationnetwork.un.org/resources/kazakhstan-gcm-voluntary-national-report-regional-review-asia-and-pacific>

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219 Border Service of the National Security Committee of Kazakhstan, 2023; <https://dtm.iom.int/kazakhstan>

220 Migration Service Committee of the Ministry of Internal Affairs of Kazakhstan, 2023; <https://dtm.iom.int/kazakhstan>

221 Bureau of National Statistics under the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan <https://stat.gov.kz/ru/industries/social-statistics/demography/publications/6356/>



According to the Displacement Tracking Matrix Global Migration Data portal,<sup>222</sup> the volume of remittances sent from Kazakhstan is estimated to be over KZT 182.9 billion or USD 401 mln in the first quarter of 2023.<sup>223</sup> The highest amount of transfers was sent to Türkiye, totalling KZT 54.3 billion (USD 119.1 mln; 29.7%). This was followed by KZT 48 billion (USD 105.4 mln; 26.3%) transferred to Russia and KZT 32.2 billion (USD 70.7 mln; 17.6%) sent to Uzbekistan. Other countries that received remittances from Kazakhstan include Georgia, with KZT 18.7 billion (USD 41 mln), Kyrgyzstan with KZT 5.9 billion (USD 12.9 mln), and China with KZT 5.9 billion (USD 12.9 mln USD).

In the same period, 297,800 transactions totalling KZT 83.3 billion (USD 183 mln) were sent to Kazakhstan. The leading countries in terms of money received from abroad were Russia with KZT 33.9 billion (USD 74.5 mln; 40.7%), Uzbekistan with KZT 9.2 billion (USD 20.2 mln; 11%), the Republic of Korea with KZT 8.1 billion (USD 17.8 mln; 9.7%), the USA with KZT 8 billion (USD 17.5 mln; 9.6%), and Türkiye with KZT 4.7 billion (USD 10.3 mln; 5.6%).

In fact, there are various push-factors for labour migration. The primary one is the lack of decent employment opportunities at home, especially in rural areas. In addition, the realities of persistent political, social, and economic exclusion experienced by specific groups of young men and women and their immediate communities, along with rising inequality, a shrinking civic space for engagement, and a lack of inclusive development, serve as additional push-factors.

Kazakhstan has been working to enhance labour migration governance by promoting ethical recruitment, skill-based migration, financial inclusion, and strengthening migration data. For instance, the Mobility Tracking Matrix, conducted the first round of its Baseline Mobility Assessment in Kazakhstan in December 2022, enables regularly and systematically capture, process, and disseminate information to provide a better understanding of the movements and evolving needs of mobile populations, whether on site or en route. Furthermore, to facilitate continuous dialogue, information exchange, capacity building for Member and Observer States, and enhance regional cooperation on mixed migration, the Almaty Process serves as an Inter-State Consultation Mechanism for the protection of international migrants and refugees in, to, from, and within Central Asia.

One of the key components of migration processes in Kazakhstan is ethnic immigration. From 1991 to 1 October 2022, 379,000 families, or 1,101,000 ethnic Kazakhs, mostly from Uzbekistan, China, Turkmenistan, and Mongolia, returned to their historical homeland and received the status of 'Kandas'.<sup>224</sup> However, in recent years the number of arriving Kandas has decreased from 33,700 in 2016 to 14,000 in 2021.<sup>225</sup> Ethnic migration governance is constantly improving; however, there are still certain problems in the implementation of repatriation of Kandas.<sup>226</sup> These include difficulties in employment, uneven settlement in the regions of the country with a preference for living in the southern regions, low level of integration into the local

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222 Displacement Tracking Matrix Global Data portal <https://dtm.iom.int/reports/kazakhstan-quarterly-compilation-report-january-march-2023?close=true>

223 According to the National Bank (<https://nationalbank.kz/ru/news/platezhnyy-balans-vn-sektora-personal-transfers-non-repayable-money-transfers-of-individuals-to-kazakhstan-decreased-by-16%in-the-first-half-of-2023-compared-to-the-same-period-last-year-reaching-usd-165-mln-with-largest-contribution-coming-from-the-russian-federation-with-usd-45-mln-followed-by-the-usa-with-usd-37-mln-and-germany-with-usd-20-mln-at-the-same-time-the-personal-transfers-from-kazakhstan-also-decreased-by-27%to-usd-439-mln-in-the-same-period-the-largest-recipients-of-personal-transfers-from-kazakhstan-were-russia-usd-128-mln-turkiye-usd-105-mln-and-uzbekistan-usd-64-mln>).

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224 Decree of the Government On approval of the Concept of Migration Policy of the Republic of Kazakhstan for 2023 - 2027 years dated November 30, 2022 № 961.

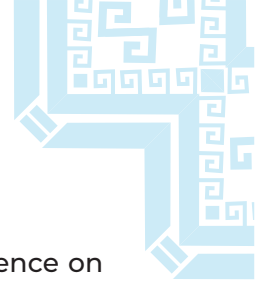
<https://adilet.zan.kz/rus/docs/P2200000961>

225 Ministry of Labour and Social Protection of Population of the Republic of Kazakhstan

<https://www.gov.kz/memleket/entities/enbek/press/news/details/12592?lang=ru&ysclid=loyahmkodi483258562>; Ministry of Labour and Social Protection of Population of the Republic of Kazakhstan <https://www.gov.kz/memleket/entities/enbek/press/news/details/267974?lang=ru&ysclid=loyamnthg3410580221>

226 Egov state services website [https://egov.kz/cms/ru/articles/for\\_foreigners/kandas\\_rights\\_conditions](https://egov.kz/cms/ru/articles/for_foreigners/kandas_rights_conditions)





community due to socio-cultural differences and language barriers, as well as insufficient incentives and reduced potential for moving to Kazakhstan.

The migration in the context of climate change and environmental degradation is now firmly anchored in several key policy frameworks, including the United Nations Framework Convention on Climate Change,<sup>227</sup> Sendai Framework for Disaster Risk Reduction 2015-2030,<sup>228</sup> and the GCM. Climate change and migration are interwoven realities that demand urgent attention. In Kazakhstan, climate change impacts affect the lives and livelihoods of people, potentially leading to displacement due to loss of residence. Migration could be one of the household-level livelihood strategies to address existent challenges, including adverse impacts of water shortage or drought. The issues of organized relocation of citizens from environmentally disadvantaged areas are reflected in the Law of the Republic of Kazakhstan “On Population Migration”.<sup>229</sup> Adaptation measures are included in sectoral and territorial policies in accordance with Chapter 22 “Public Administration in the area of Climate Change Adaptation” of the Environmental Code of Kazakhstan.<sup>230</sup> The implementation of the Action Plan for 2021-2030<sup>231</sup> is coordinated by the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan. Gender issues play an important role in climate change and migration, as women and girls can be more vulnerable to the effects of climate change. Therefore, to reduce and eliminate gender inequality in migration processes in the context of climate change, this aspect should be considered in strategies and programs.

The role of diasporas and their influence on socio-economic and political processes in modern society is steadily increasing. At the present stage, diasporas function as natural bridge, elevating the development and interaction of states to a new level. The Kazakh diaspora, estimated to be between 5 to 7 mln people, represents a diverse pool of potential contributors to Kazakhstan's socio-economic development. An analysis of Kazakhstan's legislative approach to diaspora engagement reveals a landscape of initiatives and institutions directed towards fostering diaspora involvement in the nation's development. However, the absence of a cohesive, holistic policy for diaspora engagement creates gaps in the actualization of this potential. A Communication Strategy for work with compatriots living abroad for 2024-2028 has been developed, which should serve as a guiding document to establish and maintain effective engagement between the state and its diaspora, setting the stage for a cohesive and beneficial relationship.

## 5. ENVIRONMENTAL CHALLENGES

The overall disaster risk level for Kazakhstan is very low, based on the 2022 INFORM Subnational model of Central Asia.<sup>232</sup> In terms of the Hazard and Exposure dimension, the country faces very low risk, with the only exception being Atyrau oblast, where the risk is low due to an increased risk in the natural hazard category. Droughts pose a medium risk in Mangystau oblast (5.2 out of 10), West

227 United Nations Framework Convention on Climate Change [https://unfccc.int/files/essential\\_background/background\\_publications\\_htmlpdf/application/pdf/conveng.pdf](https://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf)

228 Sendai Framework for Disaster Risk Reduction 2015-2030 <https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030>

229 The Law of the Republic of Kazakhstan on Migration No. 477-IV of 22 July 2011 <https://adilet.zan.kz/rus/docs/Z1100000477>

230 Environmental Code of the Republic of Kazakhstan <https://adilet.zan.kz/rus/docs/K2100000400>

231 Action Plan for the implementation of the Concept for the transition of the Republic of Kazakhstan to a “green economy” for 2021-2030 <https://adilet.zan.kz/rus/docs/P2000000479>

232 European Commission (2023) Central Asia. INFORM subnational model of Central Asia. <https://shorturl.at/iuGI2>

Kazakhstan oblast (5.0) and Turkestan (5.0). Almaty city (9.5) and Almaty oblast (8.6) are at very high risk of earthquakes. The most flood-prone regions of Kazakhstan are Atyrau (9.4), Kyzylorda (8.7), Akmola (8.2), and East Kazakhstan (7.4) oblasts.

In June 2023, a devastating wildfire erupted in the Semei Ormany state natural reserve in the Abay oblast, spreading across a vast expanse of 60,000 hectares and resulting in tragic loss of 14 lives. Fortunately, the sparsely populated nature of the region prevented the disaster from affecting major settlements. However, the incident brought to light significant shortcomings in the country's response and preparedness for emergency situations, revealing issues such as outdated equipment, low salaries for forest workers leading to high turnover, and systemic problems within the forestry sector. In response to these challenges, the government implemented measures to enhance the attractiveness of the forestry service, including a doubling of wages for forestry workers and other environmental services from 1 July 2023.<sup>233</sup>

Kazakhstan, which is already experiencing the effects of climate change, including an increased frequency of disasters and emergencies, should strengthen the disaster risk reduction component in its adaptation planning and implementation. Kazakhstan has adopted the Sendai Framework for Disaster Risk Reduction for 2015-2030 and activities are being implemented in line with the framework's four priorities. Further enhancing legislative and institutional frameworks will facilitate the integrated mainstreaming of adaptation to climate change and risk management, involving key

stakeholders at both national and sub-national levels and increasing cooperation in Central Asia through the Center of Emergency Situations and Disaster Risk Reduction, established in Almaty in 2016. The Inter-institutional Working Group on Tailings Safety and the Prevention of Accidental Water Pollution (IIWG), established in January 2022 by a Decree of the Minister of Emergency Situations of Kazakhstan, can be a concrete means to strengthen cross-sectoral and multi-stakeholder cooperation on technological disaster risk reduction, in particular with regard to Natech (natural hazard triggered technological disasters) which are expected to become more frequent and severe due to climate change.

Climate change is being further accelerating by the rising air temperatures. Unfortunately, Kazakhstan is warming at a rate faster than the global average. It is expected to increase on average by 1.7-1.9°C before 2030 and 2.4-3.1°C by 2050 increasing further by 3.2-6.0°C before 2100.<sup>234</sup> Higher temperature means more extreme weather events and disasters, including desertification, melting glaciers, which increase the risk of floods, mudslides, and the depletion of water resources. It should be noted that the Strategy for Achieving Carbon Neutrality by 2060<sup>235</sup> and the Concept for the Transition of the Republic of Kazakhstan to a Green Economy<sup>236</sup> are the key strategic documents for implementation of climate policy in the country. The long-term goals, inter alia, include achieving zero net GHG emissions by 2060, reducing the energy intensity of GDP by 50% from the 2008 level by 2050, and increasing the share of alternative sources of electricity generation by 50% by 2050.

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233 Interfax.ru (2023) The number of victims of a natural fire in eastern Kazakhstan has risen to 14 people.  
<https://www.interfax.ru/world/905751>

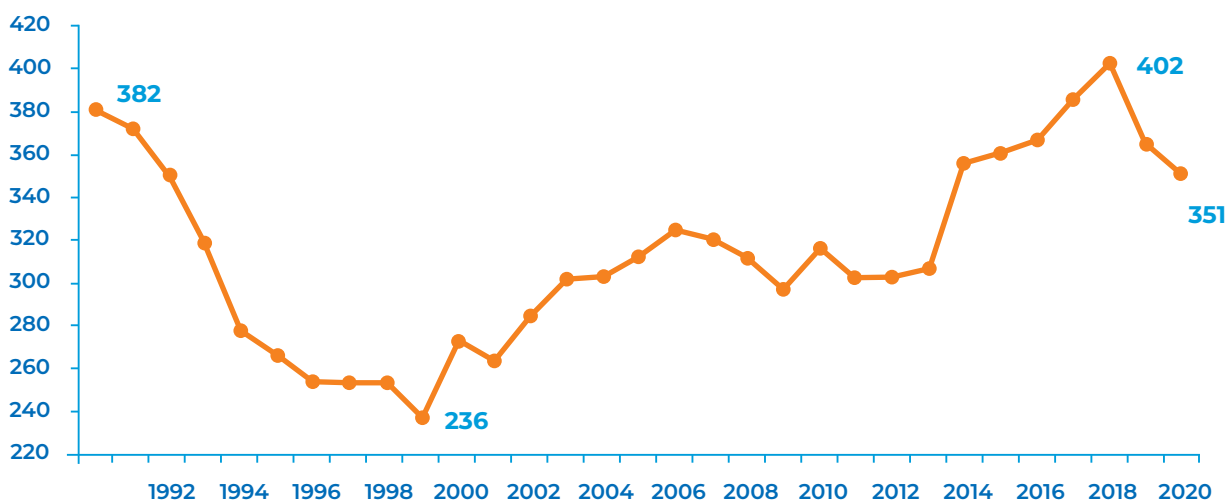
234 The government of Kazakhstan (2023) Kazakhstan First NDC (Updated submission).  
<https://unfccc.int/documents/630387>

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235 Decree of the President of the Republic of Kazakhstan №121 dated 2 February 2023  
<https://adilet.zan.kz/rus/docs/U2300000121>

236 Decree of the President of the Republic of Kazakhstan №577 dated 30 May 2013  
<https://adilet.zan.kz/rus/docs/U1300000577>

Figure 23. Greenhouse gas emissions for 1990-2020, in million tonnes CO<sub>2</sub> -equivalent



Source: Strategy for Achieving Carbon Neutrality by 2060

Kazakhstan is among the top emitters of greenhouse gas emissions. In 2021 Kazakhstan was placed 7th in the world ranking of countries in terms of carbon intensity of GDP, as well as 14th with regard to CO<sub>2</sub> emissions per capita.<sup>237</sup> Since the independence of Kazakhstan, there has been an unstable dynamic of greenhouse gas emissions (Figure 23). In the 1990s, greenhouse gas emissions in Kazakhstan almost halved from 382 mln tonnes CO<sub>2</sub> -equivalent in 1990 to 236 mln tonnes CO<sub>2</sub> -equivalent in 1999. After 2000, rapid economic growth led to an increase in total greenhouse gas emissions in 2018 to 5.2% of 1990 levels. In 2020, emissions fell to 351 mln tonnes of CO<sub>2</sub> -equivalent or 8% below 1990 levels due to the COVID-19 pandemic.<sup>238</sup>

The Strategy for Achieving Carbon Neutrality by 2060 sets ambitious net-zero carbon goals for climate action and identifies key technological transformations needed for the country's decarbonisation. To achieve this ambitious goal, a total investment of USD 610 billion is expected, with only 3.8%

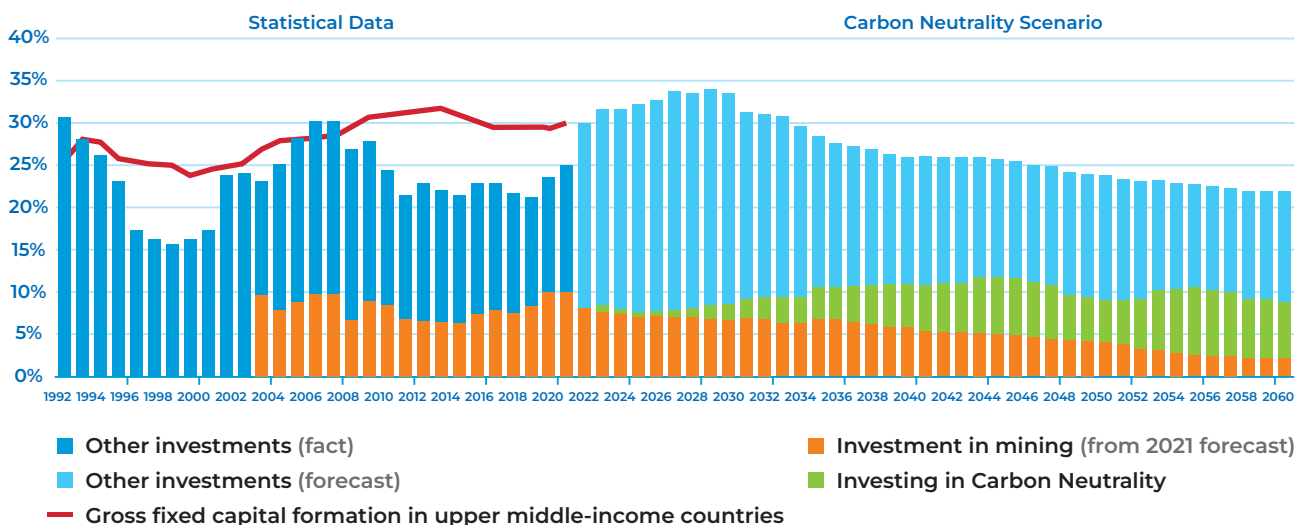
of total investments being direct public investment. During the most intensive investment phase until 2030, investments should reach 34% of GDP, which is above the average for the upper middle-income group (30% in 2020) and the level of investment in Kazakhstan (25% in 2020) (Figure 24).

More than half of this investment (USD 386.3 billion) will come from reallocating existing investments from traditional industries to greener ones, whereas the remaining USD 223.7 billion will come from new investment sources. Given that decarbonization is estimated to save 9.335 billion tons of CO<sub>2</sub>-equivalent cumulatively, the price of decarbonization is relatively low at USD 65.4 per ton of CO<sub>2</sub>-equivalent. The principles of Just Transition are embedded into the Strategy ensuring that people who are associated with fossil fuel extraction and who lose their jobs due to the energy transition must have social guarantees and the opportunity to retrain for employment in new low-emission industries.

<sup>237</sup> Global Carbon Atlas. <http://www.globalcarbonatlas.org/en/CO2-emissions>

<sup>238</sup> The government of Kazakhstan (2022) 2022 National Inventory Report of Kazakhstan. <https://unfccc.int/documents/461955>

Figure 24. Total investments as % of GDP (historical data and carbon neutrality scenario)



Source: Strategy for Achieving Carbon Neutrality by 2060

Furthermore, Kazakhstan is fully committed to the United Nations Framework Convention on Climate Change negotiation process. In June 2023, Kazakhstan submitted the second edition of the National Determined Contribution.<sup>239</sup> The targets have remained the same as in the first edition of NDC: the unconditional target is to reduce GHG emissions by 15% and the conditional target is to reduce GHG emissions by 25% by the end of 2030 relative to the base year of 1990. At the same time, the sectorial coverage has been expanded in accordance with the IPCC Guidelines for National GHG Inventories 2006 to energy, industrial processes and product use, agriculture, forestry, and other land use, as well as waste. Furthermore, the revised NDC includes a new section titled 'Component of Adaptation to Climate Change'. The priorities of Kazakhstan focus on addressing the adaptation needs of key sectors impacted by climate change, including (i) Agriculture, (ii) Water resources management, (iii) Forestry, and (iv) Disaster

risk reduction. The section also emphasizes gender-responsive (and traditional /local/ indigenous people knowledge) adaptation actions.

The implementation of the aforementioned the key climate policies is supported by the Concept of Investment Policy of the Republic of Kazakhstan until 2026.<sup>240</sup> It outlines key principles of investment policy, including attracting investments to sectors adhering to ESG principles, gradual transition to “green growth” of the economy and industry based on attracting investment in projects using the most environmentally friendly and sustainable technologies. Also, Kazakhstan developed the Taxonomy of Green Projects<sup>241</sup> that classifies green projects eligible for financing through green bonds and green loans. The taxonomy aligns environmental and carbon neutrality policy to different financial instruments and institutions that create favourable conditions for implementation of green projects.

239 The government of Kazakhstan (2023) Kazakhstan First NDC (Updated submission). <https://unfccc.int/documents/630387>

240 Decree of the Government of RK “On approval of the Concept of Investment Policy of the Republic of Kazakhstan until 2026” dated 15 July 2022, № 482 <https://adilet.zan.kz/rus/docs/P2200000482>

241 Decree of the Government of RK “On Approval of classification (taxonomy) of “green” projects to be financed through “green” bonds and “green loans” dated 31 December 2021 №996 <https://adilet.zan.kz/rus/docs/P2100000996>

Kazakhstan is the first country in Central Asia to have established Emissions Trading Scheme (ETS) at national level. The ETS started in 2013, but the extent of emissions reductions has been limited due to high number of free quotas and generous benchmarks. The ETS targets emissions from 199 installations that belong to 128 large entities from electricity, oil and gas, mining, metallurgy, chemical and manufacturing sectors. According to the National Carbon Plan for 2022-2025, Kazakhstan plans to decrease free quotas by 5% from 166 mln tonne in 2022 to 159 mln tonne in 2025.<sup>242</sup> The revised NDC introduced that during the next carbon budgeting period from 2026 to 2030, the annual carbon reduction targets will increase from the initially planned 1.5% to a range of 2.25% to 5.1% relative to the carbon budget of the previous year.

Another issue is that the low carbon price under the ETS (USD 1.10 per tCO<sub>2</sub> in 2021) provides fewer incentives for companies to implement measures to decarbonise their production facilities.<sup>243</sup> In comparison, the price of emissions allowances traded on the European Union's Emissions Trading System was EUR 98.01 per metric ton.<sup>244</sup> In addition, the President of Kazakhstan emphasized that the ETS must be based on reliable data on the measurement and verification of greenhouse gas emissions, and it should be aligned with the ETS of the European Union to enter international market.<sup>245</sup> Besides, due to the growth of emissions from sectors of the economy beyond the emissions trading system, options for introducing carbon pricing in unregulated sectors of the economy will be considered from 2022 to 2024.<sup>246</sup>

In 2021 Kazakhstan adopted the new Environmental Code based on international best practices.<sup>247</sup> It covers most items included in the EU environmental acquis,<sup>248</sup> as well as some additional issues (protection of forests, protection of soils, environmental education and awareness-raising, research and development, management of radioactive waste, specific environmental requirements for certain activities), as well as country-specific issues (Protected area in the northern part of the Caspian Sea). The Code provides incentives in the form of exemptions from payments for emissions within 10 years for large companies given that their production facilities will be modernised by implementing best available technologies (BATs).

BATs and associated emission limit values are one of the main tools for reducing atmospheric emissions, which are also reflected in the provisions of the amended Protocol to Abate Acidification, Eutrophication and Ground-level Ozone (Gothenburg Protocol) to the UNECE Convention on Long-range Transboundary Air Pollution (Air Convention), to which Kazakhstan has been a party since 2001. There are significant synergies between the new Environmental Code and the requirements of the Protocol in terms of BAT application. Ratification by the end of 2024 gives Kazakhstan the opportunity to use flexibility mechanisms to extend the timeline for the application of limit values (based on BAT) that are more generous than in the Environmental Code which requires implementation of BATs for existing installations by 2033.

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242 The Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan (2022) Order No. 525 of the Minister of Ecology, Geology and Natural Resources of 11 July 2022 on Approval of the National Carbon Allowance Plan. <https://adilet.zan.kz/rus/docs/V2200028798>

243 Conventus Law (2022) Kazakhstan – Carbon Credits – A Tool To Control Greenhouse Gas Emissions. <https://cutt.ly/AMmixIH>  
244 Statista (2022) European Union Emission Trading System (EU-ETS) carbon pricing in 2022. <https://cutt.ly/OMmiPUI>

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245 AkOrda.kz (2022) Kassym-Jomart Tokayev took part in the 34th plenary meeting of the Foreign Investors Council. <https://cutt.ly/DMmiGgm>

246 The government of Kazakhstan (2023) Kazakhstan First NDC (Updated submission). <https://unfccc.int/documents/630387>

247 Environmental Code of the Republic of Kazakhstan of 2 January 2021, No. 400-VI LRK. <https://adilet.zan.kz/rus/docs/K2100000400>

248 WECOOP (2021) Kazakhstan Environmental Code now available in English. <https://cutt.ly/2MmogUI>



According to Article 23 of the Environment Code, Kazakhstan annually publishes a national report<sup>249</sup> on its environmental state and natural resource use to inform the population about the environmental situation in the country and measures taken to improve it. To enhance public accessibility, an interactive online version<sup>250</sup> is also produced, aligning with the principles of the UNECE Convention on Access to Information, Public Participation in Decision-making, and Access to Justice in Environmental Matters (Aarhus Convention).<sup>251</sup>

Kazakhstan has enormous potential for renewable energy, which helps to diversify the energy mix away from the fossil fuels but also might become an engine for economic growth. According to the Ministry of Energy of the Republic of Kazakhstan, there were 130 renewable energy facilities as of 2022 with installed capacity of 2,400 megawatts (MWs), including 46 wind power plants (958 MWs), 44 solar power plants (1,148 MWs), 37 hydro power plant (280 MWs), 3 bio power plants (1.77 MWs). As of 2022 the share of renewable energy in Kazakhstan's electricity mix amounted to 4.53% of the total electricity or 5.11 billion kWh. Over the past seven years the installed capacity of renewable energy facilities has increased almost 14-fold – from 177.52 MWs in 2014 to 2,400 MWs in 2022.

Kazakhstan's ambition is to become a “renewable powerhouse” in Central Asia and to lead the green transition. In this regard, President of European Commission Ursula von der Leyen and Prime Minister Alikhan Smailov signed a MoU to ensure the development of a secure and sustainable

supply of raw materials and refined materials, as well as to develop renewable hydrogen and battery value chains to boost the green and digital transformation. Furthermore, at COP27 Kazakhstan signed a Framework Agreement with Fortescue Future Industries on the implementation of green hydrogen production projects in several regions of the country, including Atyrau and Mangystau regions.

As Kazakhstan is the world's leading natural uranium mining country, contributing 22% to global uranium production,<sup>252</sup> it is considering the development of nuclear energy as an alternative sources of electricity generation. It has been considered building the first nuclear power plant in the village of Ulken in the Almaty region, located on the shore of Balkhash Lake. Four foreign companies are being considered as potential technology suppliers: CNNC (China), Rosatom (Russia), KHNP (South Korea), and EDF (France). According to forecast of electricity balance of Kazakhstan until 2035, the nuclear power plant is projected to produce 8.4 billion kWh in 2032 (5.6% of the total electricity production) and this is expected to further increase to 19.8 billion kWh in 2035 (13%).<sup>253</sup> The deliberations on constructing a nuclear power plant have ignited substantial debate, exacerbated by the repercussions of the Semipalatinsk nuclear test site. As a result, during his state of the nation address on 1 September 2023, the President proposed holding a national referendum on the question of whether construct or refrain from building a nuclear power plant as it is an important issue greatly impacting the future of the country.

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249 State Environmental Information Fund (2023) National report on the state of the environment and the use of natural resources. <https://ecogofond.kz/ltty-bajandama/>

250 The Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan with the support of the European Commission, the United Nations Environment Programme, and Zoi Environment Network (2023) Interactive Report on the State of the Environment and the Use of Natural Resources in the Republic of Kazakhstan. [https://newecodoklad.ecogofond.kz/2018\\_2019/](https://newecodoklad.ecogofond.kz/2018_2019/)

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251 The UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters. <https://unece.org/environment-policy/public-participation/aarhus-convention/introduction>

252 NAC Kazatomprom JSC (2022) Integrated Annual Report 2022. <https://shorturl.at/chWZ9>

253 Order of the Minister of Energy of the Republic of Kazakhstan dated 24 March, 2022, № 104 On approval of the Energy Balance of the Republic of Kazakhstan until 2035 (as amended on 30.01.2023)



## 5.1. Assessment of the CBAM impact on Kazakhstan

After years of discussions and debates, in July 2021 the European Commission unveiled its long-anticipated plans to make importers and non-EU manufacturers pay for the carbon emissions associated with the goods and materials they sell in the EU.

The Carbon Border Adjustment Mechanism (CBAM), sometimes referred to as “Carbon Border Tax”, is one of several taxes and carbon price reforms proposed as part of the Green Deal Under the new policy. Importers will be required to purchase carbon import permits for each metric ton of CO<sub>2</sub> brought into the EU through specific goods and materials. To provide businesses and other countries with legal certainty and stability, the CBAM will be phased in gradually and will initially apply only to a selected number of goods at high risk of carbon leakage: (i) iron and steel; (ii) cement; (iii) fertiliser; (iv) aluminium and (v) electricity generation. A simplified CBAM system will be introduced by 2023, where importers will have to report emissions embedded in their goods without paying a financial adjustment for selected products to facilitate a smooth roll out and dialogue with third countries.

The policymakers in Kazakhstan are concerned about the impact of forthcoming EU CBAM on Kazakhstan economy. The EU is Kazakhstan's biggest trading partner and accounted for 29.7% of the country's total trade in goods in 2020. 16.1% of Kazakhstan's imports came from the EU, and 41% of its exports went to the EU. In 2020, the total trade in goods between the EU and Kazakhstan amounted to EUR 18.6 billion. Kazakhstan's export to the EU was worth EUR 12.6 billion, mainly fuel and mining products (EUR 11.8 billion, 93.7%).<sup>254</sup>

Among five products of the first phase of the CBAM, the most affected item in Kazakhstan's exports to the EU is aluminium, which is nearly USD 200 mln annually. According to UNCTAD's recent report<sup>255</sup> Kazakhstan may lose up to USD 1.1 billion from the CBAM on an aggregate basis. UNCTAD supposes that the CBAM could increase unemployment in Kazakhstan as well as in Serbia, Ukraine, Bosnia and Herzegovina, and Saudi Arabia. Hence, Kazakhstan could also seek out other export markets to compensate for the potential CBAM impact.

According to a recent assessment conducted for UNITAR and UNDP, the impact of EU CBAM is going to be mild for the Kazakhstan economy<sup>256</sup> with a cumulative GDP loss of USD 428 mln to almost USD 1.1 billion over the period of 2025-2035. The assessment supports the UNCTAD findings that the exports of aluminium will be affected the most with the payments for CBAM certificates ranging between USD 7.3 mln to USD 40 mln per year at full CBAM implementation. At the same time, the payment for ammonia, cement, and hot metal will not exceed USD 1 mln even at high carbon price level. It is due to the fact these products have small export volumes to the EU as they are too sensitive to transportation costs by being heavy goods with a low value per weight ratio. Although it is not clear how energy consumption will be benchmarked, but according to a preliminary assessment it might drive CBAM payments for the aluminium sector to USD 100 mln annually at full CBAM implementation or half of the total value of the country's exports to the EU.

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254 European Commission (2020) EU trade relationships by country/region: Countries and Regions: Kazakhstan. <https://cutt.ly/DMW4brx>

255 UNCTAD (2021) A European Union Carbon Border Adjustment Mechanism: Implications for developing countries. <https://cutt.ly/5MW44CD>

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256 L.Handrich & N.Mankovska (2022). Analysis of recent and on-going changes in the EU CBAM-Design and Assessment of Impacts of the EU CBAM on selected sectors and economy wide overall macroeconomic development. A Report for UNITAR and UNDP

The Government of Kazakhstan has taken the CBAM threat seriously. According to the director of the Foreign Trade Department of the Ministry of Trade and Integration of Kazakhstan, the country's oil sector may lose USD 3-4 billion because of the CBAM, and the metallurgical sector - about USD 350 mln.<sup>257</sup> For this reason, the CBAM seems to be an imperative of the Government's decarbonization efforts this year.

## 5.2. Air quality in Kazakhstan

In many cities of Kazakhstan, air pollution reaches unhealthy and harmful levels, particularly during the wintertime heating periods. For years, the significant health and environmental impacts of air pollution have gone unexplored. Available data shows that 15% of deaths were associated with the environmental factors, such as air pollution, non-optimal temperatures, and occupational risks.<sup>258</sup> Furthermore, according to the research carried out by the World Bank in 2013, air pollution in Kazakhstan caused 2,800 premature deaths in four observed oblasts and costs the economy more than USD 1.3 billion annually (or 0.9% of GDP) through increased healthcare costs.<sup>259</sup> The Global Burden of Disease Study 2019 found that across 2000 – 2019, approximately 8,000-11,000 deaths annually were attributed to air pollution

Coal combustion is considered one of the main sources of air pollution and is a key source of fine particulate matter pollution, which causes the most dangerous air pollution for human health. Coal represents

around half of Kazakhstan's energy mix (50% in 2018), followed by oil and natural gas (with 25% shares each). It is mostly transformed into electricity and heat before reaching the final consumer. Coal fuels account for around 70% of electricity generation (in 2018), followed by natural gas (20%).<sup>260</sup> Coal is also used for space heating – up to 30% in cities, but especially in rural areas, where it accounts for more than 70%.<sup>261</sup> Another key source of air pollution is the transport sector, which causes almost 40% of the CO emissions, 17% of the NOx emissions, 20% of the NMVOC emissions and an estimated 35% of the emissions of particulate matter (PM2.5).<sup>262</sup>

In ten cities of Kazakhstan, a “high” level of air pollution was recorded, since the values of the Air Pollution Index (API) in these cities were equal or more than 7 at the end of 2020 (Astana, Karaganda, Temirtau, Atyrau, Aktobe, Balkhash, Oskemen, Zhezkazgan, Almaty, Shymkent).<sup>263</sup> Another ten cities of Kazakhstan (Atbasar, Aktau, Kulsary, Semey, Taraz, Karatau, Shu, Turkestan, Kentau and Kordai settlement) belong to the “increased” level of pollution (API is more than 5).

At the same time, Kazakhstan relies on an air quality standard system largely inherited from the Soviet period and it is not in line with the latest science or internationally accepted standards. There is a need to reform the current system and transition from the use of maximum allowable concentrations to air quality standards based on pollutant concentrations according to internationally accepted practices.<sup>264</sup>

257 N.Chikunov (2021). EU carbon tax will hit Kazakhstan's exports to Europe. <https://cutt.ly/hMW7WUq>

258 Institute for Health Metrics and Evaluation (IHME) (2019). GBD Compare. Seattle, WA: IHME, University of Washington, 2019. <https://cutt.ly/iMW7H4p>

259 World Bank (2013). Towards Cleaner Industry and Improved Air Quality Monitoring in Kazakhstan. Washington, DC. © World Bank.

<https://openknowledge.worldbank.org/handle/10986/17849>  
License: CC BY 3.0 IGO

260 International Energy Agency (IEA). Kazakhstan energy profile. <https://www.iea.org/reports/kazakhstan-energy-profile>

261 UNECE (2019) 3rd Environmental Performance Review of Kazakhstan. [https://unece.org/sites/default/files/2021-08/ECE\\_CEP\\_185\\_Eng\\_0.pdf](https://unece.org/sites/default/files/2021-08/ECE_CEP_185_Eng_0.pdf)

262 UNECE (2019) 3rd Environmental Performance Review of Kazakhstan. [https://unece.org/sites/default/files/2021-08/ECE\\_CEP\\_185\\_Eng\\_0.pdf](https://unece.org/sites/default/files/2021-08/ECE_CEP_185_Eng_0.pdf)

263 RSE “Kazhydromet” (2020) Information bulletin “On the state of the environment of the Republic of Kazakhstan”. <https://cutt.ly/hMEqteQ>

264 UNECE (2019) 3rd Environmental Performance Review of Kazakhstan. [https://unece.org/sites/default/files/2021-08/ECE\\_CEP\\_185\\_Eng\\_0.pdf](https://unece.org/sites/default/files/2021-08/ECE_CEP_185_Eng_0.pdf)

There is also a need to transition from the Air Pollution Index to modern Air Quality Indexes informed by national and sub-national assessments of the impacts of air pollution on public health, considering different population groups and local conditions. Also, it is necessary to develop an average daily standard for hydrogen sulphide, since it is one of the most common air pollutants due to the high content of sulphur content in coal used for domestic heating and in the operation of coal-fired thermal power plants in most of Kazakhstan. Currently, there is no average daily standard for hydrogen sulphide in Kazakhstan, and the excess of the maximum one-time concentrations is recorded in all major cities in the country.<sup>265</sup>

According to the monograph “Tomorrow was late. Ecological risks of Kazakhstan”, a joint study of more than 20 national ecological experts and activists funded by the OSCE, sixteen of the twenty cities surveyed in Kazakhstan exceeded the average annual WHO standards for PM2.5 (10 µg/m<sup>3</sup>). Moreover, in four cities - Astana, Shymkent, Zhezkazgan, and Temirtau - the excess is more than five times. Three-fold excess of the WHO standard was observed in Balkhash, Almaty, Aktau, Taraz, Ekibastuz and Karaganda. More than two-fold excess of the WHO standards - in Atyrau, Ust-Kamenogorsk, Pavlodar and Semey. Only four cities meet WHO standards - Taldykorgan, Kokshetau, Aktobe and Kostanay.<sup>266</sup>

Natural gas is broadly considered to be a temporary transition solution in Kazakhstan. Therefore, extension of the national gas pipeline network is one goal of the state policy on infrastructure development. Despite a lack of scientific evidence base on

the key emission sources and their impact on ground level concentrations in cities around Kazakhstan, Almaty and Astana reportedly experience some of the worst air pollution in Kazakhstan, especially in the winter months due to coal burning for heating in the residential sector and coal combustion by local power plants. In this regard, President Tokayev instructed the Government to upgrade the main power plant of Almaty to natural gas combustion by 2023.<sup>267</sup> Furthermore, the National Project “Green Kazakhstan” set the target to reduce emissions of pollutants into the atmosphere from stationary sources in large cities by industrial enterprises up to 57% by 2025, as well as increase the carbon absorption potential by planting over two billion trees by 2025. Additional efforts to address emissions from residential heating are urgently needed to significantly decrease air pollution during the wintertime heating season as this source is likely the greatest source of fine particulate matter. Improvement of energy efficiency in the residential sector would have a strong influence on air quality.<sup>268</sup>

### 5.3. Water use

Kazakhstan confronts shortages of water resources, and it may face high water stress by 2040. In the Voluntary National Review 2022, SDG 6 “Clean water and sanitation” was selected as one of the top five SDG priorities for Kazakhstan, based on national consultations held across all regions of Kazakhstan.<sup>269</sup> Furthermore, to manage water resources more effectively, the President of Kazakhstan, during his state of the nation address on 1 September 2023, ordered the creation of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan, highlighting the importance of this issue for the country.

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265 Association of Practicing Ecologists (2022) Roadmap for the implementation of a modern air quality index (AQI) in Kazakhstan

266 Institute of Natural Resources at the Kazakh-German University (2021) Collective monograph “Tomorrow was too late: environmental risks in Kazakhstan”. <https://cutt.ly/9meewe2>  
267 AkOrda.kz (2021) State of the Nation Address by President of the Republic of Kazakhstan Kassym-Jomart Tokayev. <https://cutt.ly/8MEe046>

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268 UNECE (2019) 3rd Environmental Performance Review of Kazakhstan. [https://unece.org/sites/default/files/2021-08/ECE\\_CEP\\_185\\_Eng\\_0.pdf](https://unece.org/sites/default/files/2021-08/ECE_CEP_185_Eng_0.pdf)

269 The Government of Kazakhstan (2022) The Second Voluntary National Review of Kazakhstan on the Implementation of 2030 Agenda for Sustainable Development. <https://cutt.ly/SMxJaAQ>

Kazakhstan has eight water basins: Aral–Syrdarya, Balkhash–Alakol, Irtysh, Ishim, Nura–Sarysu, Tobol–Turgay, Ural–Caspian, and Shu– Talas. Surface water provides the main volume of water resources with an average annual volume of 102.3 km<sup>3</sup>, of which 49.6% are formed locally and 50.4% are generated by the inflow of transboundary rivers from China, Uzbekistan, Russia, and Kyrgyzstan.<sup>270</sup> The surface water resources in Kazakhstan decreased by 12.5 km<sup>3</sup> compared to the period of 1895-1960 and they are projected to further decrease to 99.4 km<sup>3</sup> by 2029 (Table 1).

Across sectors, agriculture accounts for 60% of water consumption, with significant water losses during transportation and the continued use of outdated irrigation methods. Specifically, agriculture accounts for 98% and 83% of the total water intake in the Aral-Syrdarya and Balkhash-Alakol water basins, respectively. Moreover, in 2022, water losses in irrigated agriculture were

significantly high, reaching 65%.<sup>271</sup> In the southern regions of the country, which account for the major share of irrigated agriculture, the adoption of water-saving technologies remains low, constituting only 3% of the total irrigated area.

The situation is further complicated by the uneven geographical distribution of water resources and their quality. For instance, the southern-eastern and eastern regions (Irtysh and Balkhash-Alakol water basins) account for 62.5% of all water resources, while the central Kazakhstan (Nura-Sarysu) holds only 1.5%. The surface waters in economically active areas are heavily contaminated by mining, metallurgy, chemicals, agriculture, and municipal waste. Among 106 water bodies, only 5 rivers and 1 reservoir in Kazakhstan have the first class of water quality, indicating clean water, whereas water in 24 rivers and 4 reservoirs in Kazakhstan are not suitable for any water uses.<sup>272</sup>

Table 1. Surface water resources in Kazakhstan, km<sup>3</sup>

Water basins	1895-1960			Current state		
	Total	Including		Total	Including	
		Transboundary	Local		Transboundary	Local
Aral–Syrdarya	25.7	21.8	3.9	18.68	16.9	1.78
Balkhash–Alakol	25.0	11.1	13.9	29.04	13.5	15.54
Irtysh	36.3	7.8	28.5	33.46	8.32	25.14
Ishim	2.9	-	2.9	2.68	-	2.68
Nura-Sarysu	1.66	-	1.66	1.57	0.7	0.87
Tobol–Turgay	2.0	0.5	1.5	2.13	0.45	1.68
Ural–Caspian	15.66	10.4	5.26	11.0	8.86	2.14
Shu– Talas	5.6	3.4	2.2	3.71	2.77	0.94
<b>Total</b>	<b>114.8</b>	<b>55.0</b>	<b>59.8</b>	<b>102.3</b>	<b>51.5</b>	<b>50.77</b>

Source: Institute of Geography and Water Security

270 Draft Concept of Water Resources Management System Development for 2023-2029. <https://shorturl.at/bimZl>

271 ibid  
272 ibid

Transboundary water cooperation is crucial for the country. Although operational arrangements cover transboundary rivers and lakes in Kazakhstan, none of its transboundary aquifers has operational arrangements in place.<sup>273</sup> Developing cooperation with Uzbekistan on the Pre-Tashkent transboundary aquifer is a promising step in this respect. At the same time, several issues exist in managing transboundary river and lake basins. These encompass the absence of trilateral cooperation on the Irtysh River with China and Russia, the lack of agreement on water allocation with China, issues with implementation of the 1992 Agreement of Central Asian countries and other agreements on the Aral Sea. Additionally, while the 2010 Kazakhstan-Russia agreement mentions groundwater, the bilateral commission does not address this issue. Other challenges, including the absence of joint climate change adaptation strategies in basins, the lack of joint Disaster risk reduction strategies in basins, and limited public participation in transboundary water cooperation (except for the Chu-Talas basin), exist in the water sector. At the same time, the level of women's participation in law or policy in Kazakhstan for both subsectors – rural drinking water and water resource management – is high.<sup>274</sup>

Kazakhstan has been a Party to the Water Convention since 2001. The country has regularly submitted national reports on the SDG indicator 6.5.2 (transboundary cooperation) and under the Water Convention. The International Water Assessment Centre (IWAC), established as a collaborative center of Water Convention in 2000 and located in Astana since 2017, serves as an effective operational arm of the Convention and its Protocols.

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273 SDG 6 snapshot in Kazakhstan.  
[https://www.sdg6data.org/en/country-or-area/kazakhstan#anchor\\_6.5.2](https://www.sdg6data.org/en/country-or-area/kazakhstan#anchor_6.5.2)

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274 UN-Water Integrated Monitoring Initiative for SDG 6 (2023) Progress in achieving the water-related SDGs in Kazakhstan presented at the Informal discussion on achieving the water-related SDGs in Kazakhstan with relevant UN Agencies on 29 August 2023 (internal document).





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KAZAKHSTAN**

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