

First ADB Regional Project on Food Fortification and Iodization Discusses Way Forward



WRAP-UP MEETING ENVISAGES FURTHER ACTION PLAN (from right) Erbolat Dossayev, Minister of Health; Muhammad Tusneem, Director General, ADB East and Central Asia Department; and Robert Wihitol, Director, Social Sectors Division of ADB East and Central Asia Department, at the opening session

A high-level international conference was held in Almaty on 2–3 September to discuss accomplishments of and future actions for a Central Asia regional initiative “Improving Nutrition of Poor Mothers and Children in Asian Countries in Transition.” The immediate objectives of the project included mitigating iodine deficiency disorders and iron deficiency anemia in the six participating countries—Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.

The \$7.09 million project was funded by the Japan Fund for Poverty Reduc-

tion (JFPR) and participating governments, and implemented by the participating governments in cooperation with the Kazakh Academy of Nutrition, ADB, and the United Nations Children’s Fund (UNICEF). It started in October 2001.

The production and consumption of iodized salt have substantially increased in all participating countries. As of July 2004, availability of iodized salt in Kazakhstan, Kyrgyz Republic, Mongolia, and Tajikistan had reached the project goal.

iodine and flour fortified with an iron-based premix. The project also included a large public awareness component designed to inform the public in each country of the importance of consuming sufficient quantities of iodine and iron micronutrients.

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The grant, also financed by the JFPR from the Government of Japan, will be implemented in Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.

It will boost the supply of quality, fortified food by developing the capacity of the public and private sectors. The grant will develop and strengthen the implementation of food fortification legislation and programs in each country, improve governments’ quality assurance system, and help governments develop regulatory frameworks and agreements to ease the trade of fortified food in the region. ■

Uzbekistan is expected to reach the target by 2005.

The project promoted the production, distribution, and sale of salt fortified with

ADO 2004 Update Forecasts Buoyant Economic Growth in Kazakhstan in 2005

Kazakhstan’s economic growth will remain buoyant in 2005, driven by the oil and gas sector, according to the *Asian Development Outlook 2004 Update (ADO 2004 Update)* released on 22 September.

The *ADO Update* predicts the country’s gross domestic product (GDP) will grow 9.5% in 2004 and will be about 9% in 2005. Employment growth will continue with the diversification of the economy through industrial development. Exports and imports are expected to grow rapidly in light of increasing world prices for key export commodities in 2004 and 2005, as well as implementation of large oil and gas investment projects.

The fiscal position is expected to remain strong due mainly to growing oil revenues and strengthening tax administration. ■

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In this publication, \$ refers to US dollars.

Senior Officials Highlight Progress on Regional Cooperation at the Preparatory Meeting to the 3rd MC



PREPARATORY REGIONAL MEETING to 3rd MINISTERIAL CONFERENCE Senior officials of Central Asia region and representatives of multilateral institutions are working on the progress report at the Senior Officials' Meeting under Central Asia Regional Economic Cooperation

The Preparatory Senior Officials Meeting (SOM) to the 3rd Ministerial Conference (MC) took place on 13–14 September in Almaty. The event was hosted by the Government of Kazakhstan with the support of the Central Asia Regional Economic Cooperation (CAREC) of the Asian Development Bank (ADB) as the Secretariat.

The SOM discussed four key areas for increased cooperation in the region—

transport, trade facilitation, trade policy, and energy— among the CAREC participating governments and development partners including ADB, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank. Senior officials and representatives of multilateral institutions also conducted a series of discussions on cooperation with

neighboring countries.

During the meeting, participants finalized the progress report to be presented to the 3rd MC for consideration. The report addressed: (i) the progress made in the priority sectors and institutional strengthening since the 2nd MC; (ii) outcomes of sector committee meetings; and (iii) proposals for ministerial guidance. The proposals for strengthening the CAREC framework include development of a regional newsletter to enhance information dissemination; convening a regional business roundtable to encourage private sector participation; and expeditiously implementing capacity-building measures.

“Our discussions produced a number of practical recommendations in each of the four key areas of cooperation. This highlights strong commitments from the countries to move forward regional cooperation,” said Satish Rao, Deputy Director General of ADB’s East and Central Asia Department.

The progress report of the SOM will be submitted to the 3rd Ministerial Conference on CAREC to be held in Astana, Kazakhstan, on 31 October and 1 November 2004. ■

Journalists’ Workshop: Integrated Water Resource Management Plays a Key Role in Environment and Economic Development of the Region

The transboundary water issues in Central Asia need concerted efforts of all countries concerned. This was agreed on at the Water Issues Workshop for Journalists held in Almaty on 27–30 September. The workshop brought together government representatives; journalists from national media of Azerbaijan, Kazakhstan, Kyrgyz Republic, Turkmenistan, and Uzbekistan; representatives of multilateral institutions, and scholars. Paul Fisher, consultant of the Regional and Sustainable Development Department of the Asian Development Bank (ADB) conducted the workshop.

Ashraf Malik, Country Director of

ADB’s Kyrgyz Resident Mission said that effective transboundary water management is essential for Central Asia with its intense competition for water resources between the mountainous countries and low-lying countries of the region. Participants briefed journalists about major challenges and progress on integrated water resource management programs in the countries of the region. Vadim Sokolov, Deputy General Director of Interstate Coordinating Water Commission, outlined the importance of the regional approach to water issues and the role of institutional arrangements on the regional level to address them. The establishment of the international water-energy consortium

was discussed by experts and journalists.

The key output of the workshop was greater awareness among journalists of regional water issues and the challenges the Central Asian countries are facing.

The workshop was part of ADB’s Water Awareness Program, and a key element of a regional technical assistance for Promoting Effective Water Management Policies and Practices, supported by the Cooperation Fund for the Water Sector. ADB’s Water Awareness Program is supporting a series of workshops in Asian countries to help promote better understanding of water issues among local journalists. ■

Poverty Monitoring and Evaluation System for Kazakhstan

Lourdes Adriano, poverty reduction specialist, East and Central Asia Department of the Asian Development Bank (ADB), visited Kazakhstan on 26 July–3 August to assess the current status of the technical assistance (TA) project “Capacity Building of National and Local Governments to Implement the Poverty Reduction Program.”

She held discussions with officials from Ministry of Economy and Budget Planning (MOEBP), Ministry of Labor and Social Protection, local governments of Almaty and Pavlodar regions (the pilot re-

gions for the project), development partners, and nongovernment organizations. The Memorandum of Understanding was signed between the project specialist on behalf of ADB and MOEBP.

The project was extended until February 2005 to augment its benefits.

Developing a feedback system of the Sector Poverty Reduction Program of the Government at the national and oblast levels by pilot testing alternative institutional arrangements and capacity-building activities in selected oblasts will be completed in 2005. ■

Workshop to Discuss Regional Rural Development

John Whittle, principal project economist, ADB East and Central Asia Department visited Astana to participate in the workshop to discuss regional rural development.

The workshop was held on 29 July, chaired by Lilia Mussina, Vice Minister of Agriculture, and co-chaired by Sanat Tungyshbekov, Chairman of Committee for Rural Affairs. Kazuhiko Higuchi, Country Director of the Kazakhstan Resident Mission, delivered welcoming remarks on

behalf of ADB. The TA team presented outputs, preliminary recommendations and work plan, and shared knowledge of good regional planning practices. Government officials from the Ministry of Agriculture, Ministry of Economy and Budget Planning, Ministry of Finance, Institute of Economic Research, and representatives of the North Kazakhstan oblast participated in the workshop.

The TA team is expected to complete field work in December 2004 and present findings in early 2005. ■

Central Asia Cooperation Organization Finalize the Concept of the Transport Consortium

The draft Concept of the Transport Consortium, prepared by member countries with the help of ADB, was agreed upon at the CACO National Coordinators meeting on 16 August in Almaty. Talgat Abylgazin, Vice Minister of Transport and Communications of Kazakhstan, National Focal Point on Regional Economic Cooperation in Transport Sector from Kazakhstan, took part in the discussions. The Concept will be presented to the summit of CACO member countries in mid-October for final endorsement.

Participants also reviewed the draft implementation proposal for the establishment of the transport consortium. Priority areas of cooperation include harmonization of transport sector legislation, regulations, and policies of the member countries; development of forwarding services; development of international transport corridor network; security and environment protection; development of transport engineering; establishment of a common transport tariff system; and capacity building and institutional strengthening of transport sector agencies. ■

Study in Financial Sector

Jurgen Conrad, financial economist, ADB East and Central Asia Department visited Kazakhstan on 3–9 August to conduct fact-finding for the regional technical assistance project “Financial Sector Development.” This project aims at further strengthening financial sector.

He met with Anvar Saidenov, Chairman of the National Bank of Kazakhstan (NBK); Bolot Zhamishev, Chairman of Agency on Regulation and Supervision of Financial Markets and Financial Institutions of Kazakhstan (FSAK); Gani Uzbekov, Vice Minister of Finance; Grigoriy Marchenko, Advisor to the President on Economic Policy; Bатыркhan Issayev, Vice Minister of Economy and Budget Planning; and other stakeholders. The Memorandum of Understanding was prepared to summarize these discussions. ■

Consultations on Road Sector Held

Hasan Masood, senior transport specialist of Transport and Communications Division, ADB East and Central Asia Department, has been designated to work on the transport sector in Kazakhstan.

Mr. Masood visited Kazakhstan on 25–31 August to discuss a proposed small-scale technical assistance (SSTA) on the road sector with the Government.

He conducted several meetings with



senior officials from Ministry of Economy and Budget

Planning, Ministry of Transport and Communication, and development partners on strengthening collaboration in the transport sector. Mr. Masood also reviewed the status of the ongoing Almaty-Bishkek Regional Road Rehabilitation Project. ■

Ongoing ADB Loan Projects in Kazakhstan

(as of 30 September 2004)

Project Title	\$ Million		Date	
	Lending	Disbursement	Approval	Closing
Water Resources Management and Land Improvement	40.0 ^a	18.8	17 Dec 97	30 Jun 05
Almaty-Bishkek Road Rehabilitation	52.0	11.7	31 Oct 00	30 Jun 05
Rural Area Water Supply and Sanitation	34.6	-	29 Sep 03	30 Jun 10
TOTAL^a	126.6			

^a Of the total, \$30 million came from ordinary capital resources and \$10 million from the concessional Asian Development Fund.

Ongoing ADB Technical Assistance Projects in Kazakhstan

(as of 30 September 2004)

Project Title	\$'000	Date	
		Approval	Closing
Improvement of the Road Sector Efficiency	750.0	31 Oct 00	30 Jun 04
Feasibility Study for Borovoe-Petropavlovsk Road Rehabilitation	150.0	04 Nov 02	30 Jun 04
Capacity Building of National and Local Governments in the Implementation of Poverty Reduction Program	676.0	19 Dec 02	30 Nov 04
Regional Rural Development	677.0	17 Sep 03	30 Oct 04
Institutional Strengthening for Rural Water Supply and Sanitation	350.0	29 Sep 03	31 Dec 04
Supporting Local Government Reforms	250.0	06 Oct 03	30 Mar 05
TOTAL	2,853.0		

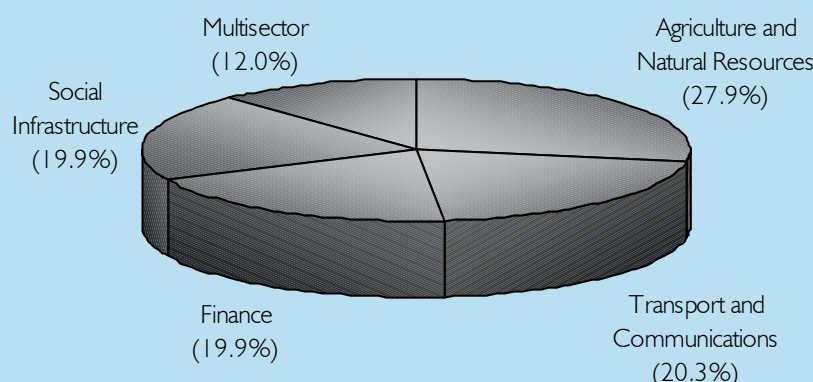
Regional

Improving Nutrition for Poor Mothers and Children in Transition	6,850.0	26 Apr 01	31 Aug 04
ADB-OSI Central Asia Education Cooperation Network	200.0	06 Oct 03	30 Sep 05
Integration of Environmental Considerations into Development Policies, Plans and Programs	550.0	11 May 03	31 Dec 04
Capacity Building in Environmental Information Management System in Central Asia	800.0	15 Dec 03	30 Nov 04
Improvement of Shared Water Resources Management in Central Asia (Phase III)	700.0	15 Feb 03	28 Feb 05
TOTAL	9,100.0		

ADB Loan Approvals to Kazakhstan, by Sector

(as of 30 September 2004)

Total: \$501.6 Million



Capacity Building for Financial Management - Workshop on Accounting and Auditing

An Asian Development Bank (ADB) team visited Kazakhstan on 5–31 September to undertake a diagnostic study on accounting and auditing under a regional technical assistance (TA) for capacity building for financial management of Projects in Central Asia.

The ADB team aimed to hold a training workshop, prepare the Financial Management Report pertaining to the ADB in-

vestment portfolio in Kazakhstan, and conduct a diagnostic study on accounting and auditing arrangements in Kazakhstan. Assisted by ADB Kazakhstan Resident Mission (KARM), the mission reviewed ongoing ADB-financed projects in Kazakhstan to identify challenges in financial management of ADB portfolio in the country.

The workshop “The Financial Governance and Management of Investment Projects Fi-

anced by ADB,” led by Francis Narayan, ADB Consultant, was held 13–16 September in Astana. A total of 32 representatives from executing agencies, international audit organizations, and professional accounting institutions participated. Aidar Arifkhanov, Vice Minister of Finance, opened the workshop. The participants received detailed explanation on ADB’s financial management guidelines, and the rationale for the various financial management requirements. Tatiana Simonova, KARM Project Implementation Officer, delivered the closing remarks, and awarded participants with certificates.

In 2000, ADB began reviewing the accounting and auditing arrangements of its client countries. The objectives of the diagnostic studies are to (i) assess the capability and capacity within each country to provide support to meet international standards and best practices, and address the issue of training and capacity enhancement; (ii) determine the existing accounting and auditing standards of each country; (iii) assess the need to meet International Accounting and Auditing Standards and possible options; and (iv) determine the level and type of strengthening toward sound accounting and auditing practices. ■



UNDERSTANDING ADB'S FINANCIAL MANAGEMENT PRACTICES
The participants in their evaluation highly rated all aspects of the workshop

Almaty Office Moves and Expands

The Almaty Office of the Kazakhstan Resident Mission of the Asian Development Bank (ADB) will move to a new location: 4th floor, Arai Building, 20/A Kazibek Bi Street.

Preparation of new office will start shortly. The relocation is expected to be completed in 2004 and the new office will

open early 2005.

The new office is in the vicinity of the offices of European Bank of Reconstruction and Development, European Union Technical Assistance to the Commonwealth of Independent States, The United States Agency for International Development, and World Bank. It is more

spacious than the current Almaty office in Panfilov Street.

The new office will also accommodate the Head of ADB’s Central Asia Regional Economic Cooperation Unit (CARECU), who will be moving from the Headquarters in Manila in October 2004. ■

CARECU Head Moves to Almaty

Mr. Craig Steffensen, recently appointed Head of the CARECU, will relocate to Almaty from the Headquarters in Manila, Philippines. Prior to his assignment, Mr. Steffensen served as Country Team Leader for ADB’s Afghanistan program. Since October 2001, he worked at the forefront of ADB’s efforts to assist in the rehabilitation and reconstruction of the country.

Mr. Steffensen was ADB’s Resident Advisor based in the Office of the Permanent Secretary, Ministry of Finance, in Bangkok, Thailand, from 1997 to 2001. Prior to working for ADB, he served as Team Leader



on a World Bank provincial develop-

ment project in the Lao Peoples’ Democratic Republic, Representative of the Asia Foundation in Cambodia, Mission Economist to USAID/Thailand in Bangkok, Economist in the Asia Bureau, AID and Researcher at the World Bank in Washington, DC. Mr. Steffensen was a Peace Corps volunteer in the rural Philippines.

He graduated from the University of Wisconsin-Madison (development economics) and from Purdue University (management and economics). ■

NEWS IN BRIEF

Progress in Country Strategy and Program Update Preparation

Preparation of the Country Strategy and Program Update (CSPU) for 2004 is underway, following the Country Programming discussions with the Government in June-July 2004. On 6 July, ADB Country Team held informal consultations with Kazakhstan's development partners to ensure coordinated approach. Draft CSPU was presented to the Government for review. CSPU is scheduled for consideration by ADB's Board of Directors in October 2004.

Emergency Support to Outbreak of SARS

Kazakhstan is participating in the regional technical assistance (TA) "Emergency

Regional Support to Address the Outbreak of SARS." ADB allocated \$100,000 for institutional strengthening for the control and prevention of infectious diseases, including strengthening the Surveillance System. The TA can be extended after December 2004 upon necessity.

Dennis Streveler, consultant, ADB's East and Central Asia Department, visited Kazakhstan on 8-18 August. He met with Ardak Amangeldiev, Vice Minister of Health; and Baurzhan Baiserkin, Chairman of Committee of Sanitary and Epidemiological Surveillance, to discuss SARS issues.

Kazakhstan Continues to Integrate to Asia-Pacific Regional Initiatives

The 41st General Assembly of the Asia-Pacific Broadcasting Union was held in Almaty on 25-27 September. Kazakhstan hosted the first event ever held in the countries of the Commonwealth of Independent States.

Top electronic media organizations

region-wide attended the Assembly. Ann Quon, Director, Office of External Relations, participated, on behalf of ADB.

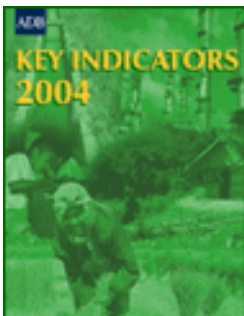
Participants discussed mapping media assistance and funding sources for capacity building; and content and business development for media. A special session was dedicated to partnership with international organizations.

Loan Agreement on Water Supply Project Sent to Senate

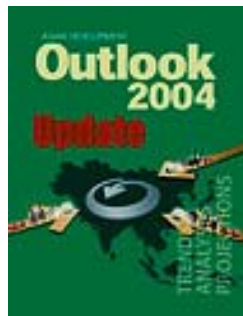
On 29 September 2004, Majilis (the lower chamber of the Parliament of Kazakhstan) approved the draft law "On Ratification of the Loan Agreement Rural Area Water Supply and Sanitation Sector Project between Kazakhstan and ADB." Askar Mirzakhmetov, First Vice Minister of Agriculture, presented a report on ratification on the plenary session of Majilis.

Ratification by the Senate (the upper chamber of the Parliament of Kazakhstan) is expected in late October. ■

PUBLICATIONS



The Key Indicators of Developing Asian and Pacific Countries 2004 is the 35th edition of this flagship annual statistical data book of ADB. This edition includes a special chapter



Asian Development Outlook 2004 Update provides a comprehensive economic analysis of 41 economies in developing Asia and the Pacific.

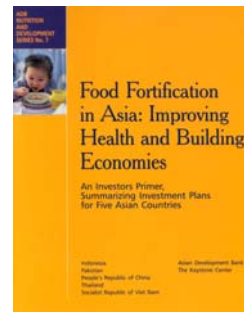
ISSN:
1655-4809

on Poverty in Asia: Measurement, Estimates, and Prospects.

Hardcopy: \$40

Food Fortification in Asia: Improving Health and Building Economies

develops the case for improving nutrition of the poor through technology transfer to the Asian food industry.



ISBN:
971-561-512-0
Hardcopy: \$10

To order a copy, contact ADB Kazakhstan Resident Mission or to download a free copy, visit <http://www.adb.org/Publications/default.asp>

NEWS FROM ADB Kazakhstan

This issue of the quarterly newsletter of the Asian Development Bank (ADB) Kazakhstan Resident Mission (KARM) aims to enhance communications between ADB and its client groups. *News from Kazakhstan* disseminates information on ADB activities and provides a forum on development issues in Kazakhstan. Articles in the newsletter, however, do not necessarily reflect the official ADB view. We welcome readers' comments and suggestions.

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