

ADB Board Group Visits Kazakhstan

A delegation from the Board of Directors of the Asian Development Bank (ADB) visited Kazakhstan on 3–6 September 2005 to discuss the country’s development priorities, collaboration with ADB, and regional cooperation.

Executive Director Ambassador Paul W. Speltz headed the delegation, comprising Executive Directors Emile Gauvreau, Chaiyuth Sudthitanakorn, Agus Haryanto, and Alternate Executive Directors Niklaus Zingg and Marita Magpili-Jimenez (representing Kazakhstan in the Board).

They met with Prime Minister Daniyal Akhmetov and other Kazakhstan officials including Sauat Mynbayev, Deputy Prime Minister and concurrently Minister of Industry and Trade; Arman Dunayev, Minister of Finance and ADB Governor; Byrganym Aitimova, Minister of Education and Science; Askar Myrzakhmetov,



HIGH-LEVEL POLICY DISCUSSIONS Kazakhstan Prime Minister Daniyal Akhmetov (left) discusses the country’s development priorities with visiting ADB Board members

Minister of Agriculture; and representatives of Kazakhstan development institutions.

The Board delegation exchanged views on the country’s development efforts and discussed strategic developmental partnership between Kazakhstan and ADB. The Board members also discussed with the private sector, nongovernment organizations, small and medium enterprise support

groups, and development partners.

They also visited sites of ADB-assisted projects: (i) the National Teachers Training Institute under Basic Education Project, completed in 2003, and (ii) the flour mill that promotes flour fortification and salt iodization in Kapchagai City under Improving Nutrition for Poor Mothers and Children Project financed by the Japan Fund for Poverty Reduction. ■

ADB Executive Director Discusses Development Partnership

The recent visit of Akram Malik, Executive Director representing Kazakhstan on the Asian Development Bank (ADB) Board of Directors, to Kazakhstan on 6–9 July affirmed the long-term development partnership between Kazakhstan and ADB.

Mr. Malik noted Kazakhstan’s sound vision and strategies for development to diversify its resource-based economy and ensure inclusive growth.

He met with Sauat Mynbayev, Deputy Prime Minister and concurrently Minister of Industry and Trade; Batyrkhan Issayev, Vice Minister of Economy and Budget Planning and ADB Alternate Governor; Aidar Arifkhanov, Vice Minister of Finance; Erjan Utembayev, Senate Secretary General; and representatives of Kazakhstan development institutions. They shared views on strategic aspects

of Kazakhstan’s development efforts and ADB’s long-term development partnership with Kazakhstan.

Mr. Malik also met with representatives of financial and private sectors, and small and medium (SME) enterprises on how ADB could contribute to creating an enabling environment for SMEs. ■



DIRECTIONS FOR COOPERATION (from left) Akram Malik, ADB Executive Director; Sauat Mynbayev, Kazakhstan Deputy Prime Minister; and Kazuhiko Higuchi, Country Director, ADB Kazakhstan Resident Mission

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In this publication, \$ refers to US dollars.

Government Steps Up Efforts to Strengthen Implementation of State Water Sector Programs

The Committee for Water Resources (CWR) announced on 10 August the Government's increased efforts to strengthen its capacity to develop and implement state water resources management and water supply development programs.

The intensified government efforts are being undertaken in collaboration with the Asian Development Bank (ADB) and the Government of Japan through two technical assistance (TA) projects totaling \$300,000, financed by the Government of Japan under the Japan Special Fund that ADB administers.

A \$150,000 TA project for institutional strengthening of the CWR aims to help institutional capacity building for the CWR. The TA project is expected to strengthen measures and strategies toward improving government programs' performance in the water supply sector.



MEDIA BRIEFING The Committee for Water Resources announces activities to strengthen the sector programs in the presence of representatives of the Government of Japan, ADB, and consultant team leaders from the technical assistance projects

The other \$150,000 TA project for strengthening the water supply sector program will facilitate implementation and ensure sustainability of the Drinking Water Sector Program 2002–2010. The TA project will help develop (i) procedures to speed up program implementation, (ii) monitoring mechanisms, and (iii) solutions for sustainable operation and

maintenance.

“The Committee for Water Resources will work closely with TA experts groups to explore a range of possibilities to further improve effective implementation of the important state water resource management and water supply development programs,” said Nurlan Atshabarov, CWR's Deputy Chairman, at a press conference. ■

Sustaining the Drinking Water Program

A tripartite meeting on 16–17 August—comprising the Asian Development Bank (ADB), Ministry of Economy and Budget Planning, and Committee for Water Resources—reviewed the progress in implementing the technical assistance (TA) project for Strengthening the Water Supply Sector Program that started on 21 July.

ADB was represented by Tatiana Simonova, Project Implementation Officer of the Kazakhstan Resident Mission and task manager for the TA project.

The meeting on 17 August, chaired by Nurlan Atshabarov, CWR's Deputy Chairman, discussed the updated TA scope and initiative to produce a video to increase public awareness of water issues among rural water users. They also agreed that regular media gatherings will be held to augment the public awareness activities. The first media meeting was held on 7 September. ■

ADB Reviews its Water Policy Implementation in Kazakhstan

The Asian Development Bank (ADB) consulted a broad range of stakeholders in Almaty on 15 September to assess the implementation of its water policy.

The stakeholders from the Government, ADB projects, nongovernment organizations, private sector, academe, and international organizations joined the consultation to discuss the progress of and challenges facing the country's water sec-

tor. International experts also participated to conduct the external review of ADB's water policy implementation.

Representatives from the Committee for Water Resources (CWR) of the Ministry of Agriculture, United Nations Development Programme, and ADB's resident missions in Kazakhstan and Uzbekistan made presentations. Project presentations highlighted Kazakhstan's efforts to improve and integrate shared water resource

management and water efficiency. The stakeholders visited Otegen Batyr and Baiserke—villages in Almaty oblast—to discuss with communities the Second Rural Water Supply and Sanitation Project under the CWR's National Drinking Water Sector Program, and to tour the existing rural water supply systems. ■



IN-COUNTRY WATER CONSULTATION Wouter T. Lincklaen Arriens, Lead Water Resources Specialist, ADB Regional and Sustainable Development Department, gives opening remarks

Study Conducted on Power Sector

Saravanamudhu Vivekananda, power transmission/distribution consultant, conducted a study on the power sector in Kazakhstan on 1–17 July.

He met with officials of the Ministry of Energy and Mineral Resources, Ministry of Environmental Protection, and state electricity enterprise.

Mr. Vivekananda also visited Aktobe and Atyrau to discuss with local authorities the existing electricity infrastructure and future development plans. ■



FIELD VISIT Saravanamudhu Vivekananda, power transmission/distribution consultant (center), with representatives of Aktobe Branch of Kazakhstan Electricity Grid Operation Company

Developing a Framework for Private Sector Participation

The second international conference on Infrastructure Development by Private Sector—International Practices and Possibilities for Kazakhstan, held on 16 September in Almaty, brought together more than 60 senior officials from financial, economic, and juridical authorities; private sector; development partners; and international experts. The conference discussed the first major private infrastructure concession law that is being developed, and explored state efforts toward achieving wider private sector participation in development.

Stephen Wermert, Senior Structured Finance Specialist, Infrastructure Finance Division of the Asian Development Bank (ADB) Private Sector Operations Department, presented cases in ADB member coun-



SHARING BEST PRACTICES Stephen Wermert, Senior Structured Specialist, ADB Private Sector Operations Department, addresses a conference in Almaty

tries and discussed key elements of public–private partnership implementation. ■

Exploring Private Sector Opportunities

A 9-day series of consultations regarding the Asian Development Bank (ADB) private sector operations was held in Astana and Almaty to discuss current government priorities of public–private partnerships and possible opportunities for ADB’s private sector operations

Seethapathy Chander, Director, Infrastructure Finance Division (PSIF); and Stephen Wermert, Senior Structured Finance Specialist, PSIF, of ADB’s Private Sector Operations Department, conducted the meetings with state enterprises in energy, transport and telecommunications,

and water sectors during the business promotion visit on 14–23 September.

They also met Zhanybek Iskakov, Adviser to the Prime Minister; Aidar Arifkhanov, Vice Minister of Finance; Natalya Korzhova, Vice Minister of Economy and Budget Planning; and senior officials of the Ministry of Energy and Mineral Resources.

Ways to develop an enabling business environment for private sector operations were discussed in a meeting with Askar Elemesov, Deputy Governor of the National Bank, and representatives of auditing firms and development partners. ■

Regional Measures on SARS Prevention and Avian Flu

The Asian Development Bank (ADB) represented by Takako Yasukawa, Senior Health Specialist, ADB East and Central Asia Department (ECRD), met on 19–21 July with representatives of the Ministry of Health, World Health Organization, and World Bank to review the time-bound action plan of priorities of the regional technical assistance (RETA) project for Emergency Regional Support to Address the Outbreak of Severe Acute Respiratory Syndrome.

They agreed to expand the RETA scope and implementation arrangements to include assistance to avert an avian flu epidemic, including measures to effectively manage health information systems.

Anar Shaikenova, Project Implementation Officer of ADB Kazakhstan Resident Mission, attended country consultations on regional activities under the RETA on 15–16 September in Almaty.

Assisting Financial Sector Development

Officials from the Agency on Regulation and Supervision of Financial Markets and Financial Organizations, National Bank, Ministry of Economy and Budget Planning, Ministry of Finance, Ministry of Labor and Social Protection, and representatives of financial and international organizations discussed on 18–22 July ADB’s possible assistance in the financial sector.

Henry Ma, Fiscal Management Specialist, ECRD, visited Kazakhstan to learn recent developments in the country’s financial sector and discuss the proposed ADB technical assistance project for the second phase of improving financial sector governance. A memorandum of understanding was signed on 23 August.

Consultations in Education Sector Held

Manuel Perlas, Senior Project Economist, ECRD, visited Kazakhstan on 15–19 August to meet officials from the Ministry of Education and Science and development partners on possible cooperation

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News in Brief

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in the education sector. He also met representatives of nongovernment organizations to discuss current priorities and interagency coordination.

Progress in the Regional Land Management

Robert Everitt, Senior Project Specialist (Natural Resources Management), ECRD, met with Sultangali Kesikbayev, First Vice Minister of Environmental Protection, in Astana on 6 September, on activities of the Central Asian Countries Initiative for Land Management (CACILM).

The CACILM Task Force meeting was held in Almaty on 5–6 September. Achievements, updates, and events on CACILM are available online at www.adb.org/projects/CACILM/.

Harmonizing Regional Transport Procedures

A study of transport regulations and cross-border transport agreements among member countries of the Central Asia Regional Economic Cooperation (CAREC) Program was conducted 19–22 September.

Michael Sims, CAREC Consultant, met officials of the Committee for Transport Infrastructure Development of the Ministry of Transport and Communications in Astana to identify issues for the formal discussions at the upcoming Transport Sector Coordinating Committee meeting under the Fourth CAREC Ministerial Conference in October in Bishkek, Kyrgyz Republic.

He also met with associations of national shipping forwarders and road freight transporters.

Public Communications Policy Takes Effect

ADB introduced the Public Communications Policy (PCP) on 1 September 2005 to enable ADB in communicating more effectively. The PCP enables greater access to information and expands opportunities for those affected by ADB operations to influence decisions that shape their lives.

PCP promotes (i) awareness and understanding of ADB activities; (ii) sharing and exchange of development knowledge; (iii) greater two-way flow of information between ADB and its stakeholders; and (iv) transparency and accountability of ADB operations. For more details, visit www.adb.org/Documents/Policies/PCP/.

Information Development Center Opens in Kazakhstan

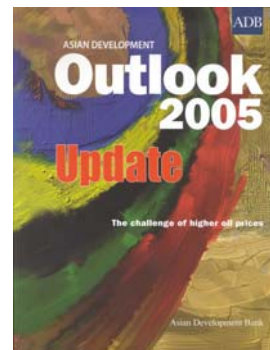
The Information Development Center (IDC) is a joint initiative of the Asian



Development Bank, United Nations Development Programme, and World Bank. It offers more than 1,000 publications, books, periodicals, and multimedia on developmental topics, economic overviews, and sector analyses.

The IDC also provides free internet connection and expert assistance in providing information. It is located at the National Academic Library, 4th Floor, Baiterek, Astana, Kazakhstan and is open daily except Mondays from 11 a.m. to 8 p.m. Tel. +7 3172 242804; icr@nabr.kz. Visit www.nabr.kz/programs/icr. ■

Asian Development Outlook 2005 Update



The *Asian Development Outlook 2005 Update* expects the Asia and Pacific region's gross domestic product to grow at 6.6% in 2005. Central Asia and two net oil exporters in the Pacific have benefited from rising oil incomes. A major theme of the *Update* is the challenge presented by high oil prices. Available online at www.adb.org/Documents/Books/ADO/2005/Update/default.asp

New ADB Staff in Country Projects

Stephen Wermert

Senior Structured Specialist, Private Sector Infrastructure Division, Private Sector Operations Department.

Stephen Wermert is currently responsible for the private water and municipal finance sectors. In Kazakhstan, he is involved in private sector operations in infrastructure.



Before joining the Asian Development Bank in June 2003, Mr. Wermert worked for 12 years in the Asia-wide limited recourse project finance industry in Singapore as Director at BNP Paribas and as an Associate Director at Deutsche Bank. He led financial advisory and debt arranging teams for private sector infrastructure projects in the water, energy, transportation, and oil and gas sectors.

From 1983 to 1991, Mr. Wermert worked in the municipal bond origination teams of Northern Trust and Kane, McKenna and Associates in Chicago, specializing in structuring public-private partnerships for urban redevelopment projects.

He holds a Masters in Public Policy from the Harris School of University of Chicago and a bachelor's degree from Columbia University in New York.

NEWS FROM

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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