



## Program Information Documents (PID)

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Appraisal Stage | Date Prepared/Updated: 07-Apr-2020 | Report No: PIDA208728



## BASIC INFORMATION

### A. Basic Program Data

Country Kazakhstan	Project ID P170365	Program Name Sustainable Livestock Development Program	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 20-Apr-2020	Estimated Board Date 28-May-2020	Practice Area (Lead) Agriculture and Food
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Agriculture	

### Proposed Program Development Objective(s)

The proposed Program Development Objective is to support the development of an environmentally sustainable, inclusive, and competitive beef production in Kazakhstan

## COST & FINANCING

### SUMMARY (USD Millions)

Government program Cost	2,020.00
Total Operation Cost	500.00
Total Program Cost	500.00
Total Financing	500.00
Financing Gap	0.00

### FINANCING (USD Millions)

Total World Bank Group Financing	500.00
World Bank Lending	500.00

### Decision

The review did authorize the team to appraise and negotiate



## B. Introduction and Context

### Country Context

1. **As an upper middle-income country, Kazakhstan's economy has grown rapidly.** Kazakhstan had a gross domestic product of US\$9,813 per capita in 2018, powered by an abundance of oil, gas, and other minerals. It has used this wealth to improve the lives of its citizens and reduce poverty, which has fallen from 36 percent in 2006 to 8.5 percent in 2017. In addition to the impact of economic growth, the decline in poverty was supported by significant price and social service support.
2. **Going forward, Kazakhstan's growth model needs to be revamped to address three significant challenges.** First, the economy lacks a diversified base, with most of the growth coming from oil and mineral sectors. The vulnerability of this model has been exposed in the two recent economic downturns—the global financial crisis of 2008 and the Russian economic crisis of 2014, combined with the fall of global oil prices—which severely impacted Kazakhstan's growth rate. Second, significant disparities continue to occur in wealth, employment and health, educational and social conditions in population across the rural/urban and regional boundaries. Third, there is need to enhance sustainability and resilience of its development path, especially under increased pressure from climate variability and water scarcity, population pressure and essential accelerated growth.
3. **The Government of Kazakhstan's development vision and strategy respond to these challenges in the following way.** The Kazakhstan Strategic Plan 2025 aims to: reduce state share in the economy; increase share of non-mineral items in overall exports; raise share of small and medium enterprises in the GDP; reduce inequality; reduce economic gap and expand access to quality infrastructure and services; and address environmental challenges.
4. **In his "State of the Nation" address on September 2, 2019, President Tokaev<sup>1</sup> re-emphasized the need to promote non-oil exports and develop rural areas.** The President specifically highlighted the role of the agriculture and livestock sector in achieving this objective and instructed the Government to take steps to improve the implementation of the State Program for Agro-Industrial Complex Development and its results.

### Sectoral and Institutional Context

5. **The State Program for Agro-industrial Complex Development (hereafter State Program) sets strategic objectives to increase agricultural labor productivity and agri-food exports** by at least 2.5 times by 2021 compared to 2017. The State Program emphasizes the importance of the livestock sector, and particularly of the export-oriented high-value beef production.<sup>2</sup> The State Program *inter alia* identifies the following results: (i) increase the size of high-value beef cattle herd in the country by importing genetically high quality cattle stock and by acclimatizing it to local conditions; (ii) expand productive pasture and

<sup>1</sup> Source : [https://www.akorda.kz/en/addresses/addresses\\_of\\_president/president-of-kazakhstan-kassym-jomart-tokayevs-state-of-the-nation-address-september-2-2019](https://www.akorda.kz/en/addresses/addresses_of_president/president-of-kazakhstan-kassym-jomart-tokayevs-state-of-the-nation-address-september-2-2019)

<sup>2</sup> While the livestock sector includes other sub-sectors such as dairy, sheep and goats, pigs, and horses, beef production is considered to have the highest potential to increase income, create more jobs along the value chain, and increase its export share.



grassland by investing in infrastructure (roads and irrigation) and quality seed production; and (iii) improve market linkages and provision of services for improved productivity for livestock producers, including for export-oriented high-value beef cattle producers by investing in animal health, traceability, and trade logistics.

**6. In line with the overall objectives of the State Program, the Government has formulated a long-term vision for beef sector development, which prioritizes the following:**

- Farmer-Centric service delivery model, which shifts the focus of state support measures to small and medium farmers (away from the traditional focus on large agri-enterprises) as the primary target group for the Government's development interventions;
- export-oriented beef sector development, including market promotion and opening of new markets;
- improved veterinary and animal health service delivery, targeting improved cattle traceability and food safety;
- leveraging Kazakhstan's natural potential – pasture and grassland resources and geographic proximity to export markets;
- improved agricultural advisory and knowledge transfer services, farmer training, and capacity building;
- promoting private investments in feedlots, slaughterhouses, meat processing and other downstream infrastructure and activities.

**7.** The Government also realizes that, in the long-run, to assure sustainable and environmentally responsible growth and to counteract the increase of greenhouse gas (GHG) emissions as a result of cattle population growth, the State Program needs to be augmented by climate response and environmental actions.

**8. Beef production in Kazakhstan is undertaken by two categories of farmers:** registered beef producers, comprised of large agri-enterprises and individual farmers, as well as informal beef producers. Each category has distinct economic characteristics and differs in the extent of public support received and development challenges faced. The Government sees individual farmers at the center of the Farmer-Centric Approach, where its interventions are expected to help these farmers to better access and use the state support available to the sector. It seeks to enhance public service outreach for improved productivity, technology transfer, and access to pasture and grassland that, in turn, would also allow them to better access state support and private financing. The Government's objective is to enable individual farmers to move up the value chain (including target export markets) as well to incentivize household farmers to commercialize through registering as individual farmers. This objective has a strong equity dimension. Rural and peri-urban areas are where most of the households in the bottom 40 percent are located. In such areas the private sector is extremely thin and agricultural activities are among the few that are available to bottom 40 percent households

**9. Kazakhstan's pasture-fed beef can be competitive in global markets, but the sector needs improved management practices, larger scale of production, and lower production costs.** According to the World Bank Group Country Private Sector Diagnostic (CPSD), constraints include public sector inefficiency, low productivity and under-developed upstream, i.e. farm-level, production.<sup>3</sup> The CPSD

<sup>3</sup> Fengler, Wolfgang; Miller, Christopher David; Coutinho, Daniel; Gill, Indermit S. 2017. Creating markets in Kazakhstan: country



highlighted the potential for growth and diversification of the agribusiness sector into high value-added products, most notably beef, to leverage Kazakhstan's position near the large export markets. It also stressed the significant potential to expand transport and logistics services to take advantage of Kazakhstan's location, linking Asia to Europe and the Middle East, and to facilitate the growth of export-oriented sectors in agriculture. These findings were supported by the assessment of the production costs of beef in Kazakhstan indicating the sector's competitiveness potential.<sup>4</sup>

**10. Expansion of beef production will be affected by climatic conditions and contribute to climate change.** Severe climatic conditions limit the year-round availability of fodder and around 75 percent of the country is at increased risk of adverse environmental impacts due to climate change.<sup>5</sup> Kazakhstan already experiences an increasing number of droughts, floods, landslides and mudflows and changing rainfall patterns, especially associated with increasing the intensity and frequency of droughts. Climate change impacts are likely to critically increase volatility of agricultural production and pasture and grassland productivity. Already, Kazakhstan has one of the highest variations in annual yields of grains of any major wheat-growing country in the world and Kazakhstan's steppe regions experience drought two out of every five years, resulting in yield variabilities of pastures and grassland.<sup>6</sup> Climate change can also alter the impact of plant pests and diseases with more frequent outbreaks and expansion into new environments. For example, locust outbreaks, which are linked to overgrazed pastures, exacerbate under climatic variation.<sup>7</sup> The Program is introducing and supporting several measures to support improved adaptation and mitigation practices for beef production (see results area 2 for a more detailed description).

**11. The Government is committed to pursue international competitiveness, including strong partnership with the private sector, environmental sustainability with a focus on small and medium farms, and increased effectiveness of the state support measures.** In 2018, Kazakhstan spent about 0.77 percent of GDP and 4.3 percent of total budget expenditures on agricultural programs, with almost 15 percent of supporting the livestock sector. This is a significant amount, but not larger than for most of Kazakhstan's peers, upper-middle-income countries spend on agriculture<sup>8</sup>, and it has been declining over time<sup>9</sup>. As a share of the value of gross agricultural output, during 2016-2018, the public support to agriculture in Kazakhstan was less than for its peers, averaging 6 percent compared to 18 percent in OECD countries and 14 percent in non-OECD countries. Recently, the Government has begun to reduce the number of support measures and payment schemes and shifting towards decoupling the support from

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private sector diagnostic (English). country private sector diagnostic (CPSD). Washington, D.C. World Bank Group. <http://documents.worldbank.org/curated/en/867531531292103142/Creating-markets-in-Kazakhstan-country-private-sector-diagnostic>

<sup>4</sup> Also see Petrick, Martin, Dauren Oshakbaev, and Jürgen Wandel. Kazakhstan's wheat, beef and dairy sectors: An assessment of their development constraints and recent policy responses. No. 145. Discussion Paper, Leibniz Institute of Agricultural Development in Central and Eastern Europe, 2014.

<sup>5</sup> <https://climateknowledgeportal.worldbank.org/country/kazakhstan>

<sup>6</sup> Araujo-Enciso, Sergio René, and Thomas Fellmann. "Yield Variability and Harvest Failures in Russia, Ukraine and Kazakhstan and Their Possible Impact on Food Security in the Middle East and North Africa." Journal of Agricultural Economics (2019).

<sup>7</sup> Toleubayev, K., K. Jansen, and A. Van Huis 2007. Locust control in transition: the loss and reinvention of collective action in post-Soviet Kazakhstan. Ecology and Society 12(2): 38. [online] URL: <http://www.ecologyandsociety.org/vol12/iss2/art38/>

<sup>8</sup> Based on the OECD reports monitoring non-OECD countries with high importance for global agricultural and food markets. These countries include Argentine, Brazil, China, Colombia, Costa Rica, India, Indonesia, Israel, Kazakhstan, Philippines, Russia, South Africa, Turkey, Ukraine, and Vietnam.

<sup>9</sup> In 2010-2017, according to the OECD, the total state support to Kazakhstani agriculture was one percent of GDP.



production<sup>10</sup>. The share of budget transfers based on stimulating production and promoting the use of inputs, such as fertilizers and chemicals, in total agricultural budget declined from 40 percent in 2010-2015 to 28 percent in 2018. More public expenditures have been shifted to investments in fixed assets, advisory services and knowledge transfer, productivity improvement programs, and other general support programs such as agricultural research and development and infrastructure.

**12. More remains to be done to strengthen the impact of the state support programs for development of the beef sector and to achieve the development objectives set by the Government.** The proposed Program for Results (PforR or the Program) adds value by incentivizing improvements along the Government programs, so that service delivery and public goods aspects of the programs would be enhanced. Major shifts would include: (i) making the agricultural support measures increasingly linked to meeting conditions, such as climate co-benefits, environmental compliance, including better manure management, quality improvements, or working with smaller farms; and (ii) increasing the allocation to general support programs such as research and development, agricultural advisory and knowledge transfer services to help farmers with adoption of productivity-enhancing and climate-smart practices and technologies.

#### PforR Program Scope

**13. The PforR includes the parts of the State Program that are aimed at improving veterinary service delivery and animal recording, scaling-up the farmer-centric service delivery model and improving agri-environmental policies for the beef cattle sector.** These following is the description of the Results Areas of the Program.

**14. Results Area 1. Improve Veterinary Service Delivery and Animal Recording.** This Results Area will provide results-based support to improve Government systems and services oriented at public goods elements of the export-oriented high-value beef sector by increasing the efficiency and effectiveness of delivery mechanisms for animal health and veterinary services. The Results Area 1 consists of two parts.

*Results Area 1.1 Unified recording and traceability system.* The Program will include institutional arrangements and budgetary allocation necessary to improving coverage, reliability, and interconnectivity of the animal recording and traceability systems. Activities supported include: (i) adopting the regulatory framework for a unified traceability system; (ii) defining and mandating data confidentiality and data validation protocols; (iii) strengthening the design and inter-connectivity of current animal recording systems.

*Results Area 1.2. Capacity building for veterinary services.* The Program will include regulatory and institutional reforms necessary to enable private sector delivery of animal health and veterinary services that improve productivity, animal health, control of production diseases and address risks from vector-borne and feed-borne diseases, which are exacerbated by climate change. Activities supported include: (i) OIE PVS Gap Analyses to identify regulatory and institutional issues of access of small and medium farmers to veterinary services for the control of production diseases; (ii) strengthening policy, regulatory and institutional framework for veterinary service provision; (iii)

<sup>10</sup> This is aligned with the recommendations of the ‘World Bank. 2018. Public Programs and the Agricultural Sector in Kazakhstan. Joint Economic Research Program’.



strengthening of private veterinary service providers, including public contracts for disease control to eligible private veterinarians.

**15. Results Area 2. Scale-up the Farmer-Centric Service Delivery Model.** This Results Area will provide results-based support for the participation of household and individual farmers in export-oriented beef-value chains. The Results Area 2 consists of two parts:

*Results Area 2.1. Knowledge and agricultural research and extension for farmers.* The Program will incentivize scaling-up agricultural advisory and knowledge transfer services that promote adoption of good grassland management and animal husbandry practices. Good practices will fully integrate the principles of climate change, thus making cattle production more efficient, reduce net GHG emissions from the beef cattle farming (i.e. decouple GHG emissions from beef production and increase carbon sequestration in pastures) and improve farmers' adaptation to climate change (see section C "Program Scope" and Annex3). Activities supported include: (i) preparation of good grassland management and animal husbandry practices that improve productivity and integrate the principle of climate smart agriculture; (ii) implementation of scaled-up farmer training programs; (iii) support to technical advisory services; (iv) development of the national network of model farms and agricultural competency centers; (v) farmer fields schools for household farms.

*Results Area 2.2. Access to services and land resources.* The Program will address policy and institutional bottlenecks that currently prevent small and medium farmers' participation in export-oriented high-value beef supply chains. Activities supported include: (i) review and improvement of land access policies; (ii) strengthening of local governments' capacity to manage common pastureland and related water points that would eventually improve access of farmers to more productive pastures.

**16. Results Area 3. Efficient Agri-Environmental Policies for Beef Sector.** This Results Area will provide results-based support for gradual transitioning to policies and state support measures that promote productivity and competitiveness of the beef sector and at the same time reduce the pressure on environment and mitigate climate impacts. The Results Area consists of two parts:

*Results Area 3.1. Agri-environmental policies.* The Program will support the policy commitments that deliver significant agri-environmental benefits. Activities supported include: (i) National Action Plan for Agricultural Support Measures with better climate outcomes; (ii) policy assessments, introduction of new policies, streamlining of agricultural support regulations, and linkage of agricultural state support to climate change mitigation and/or adaptation.

*Results Area 3.2. Establishment of the GHG Monitoring, Reporting and Verification System.* The Program will support institutional and budgetary arrangements for (i) updating of the Intended Nationally Determined Contribution (INDC) to include specific emission reduction targets for the beef sector; (ii) adoption and funding of the National Adaptation Plan for the livestock sector; (iii) establishment and operation of a Monitoring, Reporting and Verification system (MRV) for GHG emissions from the beef sector.



## Program Beneficiaries

17. **Registered individual farmers (generally with holding sizes between 10 and 500 heads of cattle) are the focus of the Program.** At least 100,000 household and individual farmers are expected to directly benefit from improved agricultural advisory and knowledge transfer services through the interventions supported by the Program. Many more would benefit from the improved veterinary service provision and animal health services. These service improvements will extend to (unregistered) household farmers with typical small holdings of 2-5 heads of cattle. Eventually, many household farmers are expected to move up the value chain and register as individual farmers – a legal status that would allow them to fully benefit from improved public services, financing programs, and market linkages.

18. **The Program has been designed to facilitate change in the nature and structure of public support to shift support towards small and medium registered beef farmers and to extend crucial elements of animal production and management support to unregistered beef farmers.** In this regard, the expected impact of this Program is to enhance the number, quality, and profitability of small and medium registered farmers as well as to improve production practices and commercial viability of unregistered farmers and encourage some to transition into the registered category. Relevant Program design changes/features in this regard are:

- a. Public financing and provisioning of (unified) animal tracking and health management services – which will be available for unregistered farms;
- b. Public financing and provision of technical information and advisory services;
- c. Training in good animal husbandry and pasture/fodder management practices;
- d. Expansion of private sector capacity to provide quality-assured veterinary services;
- e. Re-purposing headage payments to incentivize production and management practices that enhance productivity (competitiveness) and climate benefits (sustainability);
- f. Changing structure of support payment system to reward adoption of good practices by farmers, thus making support system more open and accessible (and less susceptible to capture).

19. **The Program promotes interventions tailored to address the specific needs of women.** Special trainings and demonstrations as part of the improved agricultural advisory and knowledge transfer activities will be designed and tailored for women. In addition to capacity building for good agricultural, animal husbandry and grassland and pasture management practices, these trainings/demonstrations will address women's information gaps on state support measures, i.e. they will ensure that participating women are well informed about opportunities and incentives to develop their beef cattle business. Such trainings will be designed to reach women irrespective of assets and organization. Female farmers will be given opportunities to voice their specific needs and concerns.

## Climate Impacts of the Program

20. **The Program proposes to decouple GHG emissions from meat production.** This will imply a reduction of GHG emissions per unit of beef produced, including of emissions from the following sources: enteric fermentation, manure management, feed production and post-harvest emissions.

21. **In addition, the Program will enable the Government to take advantage of agroecological conditions and realize its ambitions of greening the agriculture sector and reducing national GHG**



**emissions.** Grass-based livestock production systems manage about 58 million ha of grassland in Kazakhstan and the cool climate is conducive to carbon accumulation in soils. The Program will support the gradual improvement of grassland management through improved practices and conditionality of public support, resulting in a net mitigation effect. This fits the long-term vision of the Government to curb national GHG emissions (the Intended Nationally Determined Contribution – INDC – unconditional target aims at a 15 percent reduction in national GHG emissions in 2030 compared to 1990), green the agriculture sector and position Kazakhstani beef on international premium markets.

**22. The Program will support the beef sector addressing growing climate change impacts.** Individual and household farmers' cow-calf operations are grazing systems that will be directly affected by climate change, given their dependence on climatic conditions and the natural resource base, and their limited adaptation opportunities. The Program will support the adoption of animal husbandry and grassland management services that improve adaptation, the provision of services that help farmers addressing the consequences of climate change and Government action plans for addressing climate change impacts (see Table 1).

*Table 1. Mitigation and adaptation benefits associated with the result areas*

Result Areas	Climate Change Benefits	
	Mitigation	Adaptation
<b>Results Area 1.</b> Improve Veterinary Service Delivery and Animal Recording.	The animal identification and recording systems will accelerate genetic improvements. Genetic improvements are important drivers to increase productivity, and hence reduce GHG emissions per unit of product. Similarly, animal disease control improves production efficiency and animal and herd levels and thus reduces GHG emissions intensity.	Development of unified information system that will enable the monitoring and control emerging diseases related to climate change. Improvement of animal health, which increases animal's resilience to extreme weather events.
<b>Results Area 2.</b> Scale-up the Farmer-Centric Service Delivery Model.	Improvement of advisory systems will improve access to knowledge and technologies, which promote adoption of good practices that mainstream the principles of climate smart agriculture. Elements of the good practices that will generate net GHG emission reductions are: feeding management; manure management; grazing practices; energy efficiency and renewable energy generation.	Improvement of advisory systems will improve access to knowledge and technologies, which promote adoption of improved practices that mainstream the principles of climate smart agriculture. Elements of the good practices that will generate net GHG emission reductions are: feed storage; grazing practices; animal housing; water efficiency; introduction of live fences.
<b>Results Area 3.</b> Efficient Agri-Environmental Policies for Beef Sector.	Under the Program, farmers will need to fulfill environmental criteria to access public support. These will include elements such as animal feeding, manure management and grassland management, which will result in GHG emission reduction. Specific mitigation targets included in the NDC and MRV system developed for their monitoring.	The Program will support the preparation and funding of a National Adaptation Plan for the livestock sector.



### C. Proposed Program Development Objective(s)

#### Program Development Objective(s)

The proposed Program Development Objective is to support the development of an environmentally sustainable, inclusive, and competitive beef production in Kazakhstan.

#### PDO Indicators

- a. *Share of public expenditure in support of beef cattle production and processing that directly address environmental performance (sustainable).* This will measure the sustainable dimension of the PDO and aims to monitor shift in public expenditures due to proposed interventions that would lead to scale-up of good practices, improved agri-environmental outcomes of state support measures and policies. This indicator is introduced as the value-added of the Program, in that it ensures that the Program has due attention to climate sustainability as it projects increased beef production.
- b. *Number of small and medium farmers selling to feedlots (inclusive).* This will be measured as an increase in the number of small and medium farmers, who participated in the Farmer-Centric programs and have sold at least ten calves per year to feedlots within the past two years. This indicator measures the inclusiveness dimension of the PDO and aims to monitor the improved linkage of small and medium farmers with markets. This indicator contributes to the high-level and long-term objective of improving rural jobs and income opportunities in rural areas.
- c. *Value of beef exports (competitive).* This will be measured as annual value of beef exported through slaughterhouses and processing enterprises. Since almost all exported beef from slaughterhouses and processing facilities comes from feedlots (Program interventions will link farmers to feedlots), this indicator is attributable to the Program and will measure the impact of the Program interventions. This indicator measures the competitive dimension of the PDO and aims to monitor increased exports. This indicator will pick up both increases in quantity of exports and increases in the quality of exports. Achievement of the targets could be affected by developments in export markets beyond the control of the Program. This risk will be mitigated by Program interventions that improve competitiveness of beef production and lead to increased exports. This indicator contributes to the high-level and long-term objective of diversifying exports away from oil.

### D. Environmental and Social Effects

23. **The Environmental and Social Systems Assessment (ESSA) assesses the Program systems for managing environmental and social aspects.** Key assessment areas include: (i) identifying the key environmental and social (E&S) risks, that may affect the achievement of the development outcomes; (ii) assessing the capacity of the Government's existing environmental and social management systems that are the legal, regulatory, and institutional frameworks guiding the Program; and (iii) defining and recommending measures to strengthen the system, and integrates these measures into the overall Program to manage E&S risks. The environmental and social systems action plan is included as part of the overall Program Action Plan.

24. The ESSA has been prepared by the World Bank and provides a summary of environmental and social risks and benefits associated with activities for achieving PDO and an assessment of the extent to



which the borrower's environment and social management systems are consistent with the six-core environment and social principles of the World Bank Policy. The Program is expected to have potential environmental and social benefits as well as risks. Results areas identified under the program are expected to largely result in positive effects in the beef cattle sector and the rural economy. The potential environmental and social risks are assessed to be Substantial. Therefore, mitigation measures must be undertaken in order to prevent significant lasting harm to the environment as well as irreversible adverse environmental and social impacts.

25. **Environmental Risk is rated substantial.** Potential environmental risks are mainly associated with increased amount of cattle that will result in (i) increased territories of land occupied by monoculture to meet demand for feed/forage (particularly in winter time) thus reducing biodiversity; (ii) increased uptake of fresh water use for irrigation and cattle watering; (iii) increased demand for pastureland resulting in pressure on steppe ecosystem and soil; and (iv) increased amount of manure and other biological wastes (blood, bones, hooves etc.) that, without proper treatment, emit greenhouse gases and pollute the environment. Environmental sustainability is included as a key element in the PDO and is being mainstreamed throughout the Program. Therefore, environmental risks are expected to be mitigated through close attention at all levels by Program Management and oversight by the Government. The Program will provide capacity building to ensure that mitigation occurs. The environmental risks associated with the Results Areas, include typical impacts from adoption of new regulations, guidelines, training programs, scaling-up small and medium beef cattle farms, etc., are largely Low to Moderate.

26. **Social Risk is rated substantial.** Given that this Program will be operating country wide, the Program covers a highly diverse and heterogeneous stakeholder profile across the country<sup>11</sup> - beef cattle farmers, agriculturists, farm scientists, veterinarians, traders, marketers, feedlot operators, processors and packers, exporters, transporters, and several segments of authorities. The stakeholder analysis has been the key instrument for assessing the social system and comprised: identifying stakeholders at different levels (national, regional, district and village); demonstrating their expectations and the related issues/ concerns; and assessing risks and impacts. The analysis reveals that, from social perspective, the key program elements relate to: (i) enabling conditions for new small and medium farmers to benefit from access to better public agricultural services and being registered in the Sybaga system; (ii) developing effective out-reach to the existing small and medium beef cattle farmers; and (iii) provision for ensuring appropriate and adequate enabling support and effective public service providers, including but not limited to agricultural advisory and knowledge transfer service providers. The Program's social risk is rated as Substantial as several key issues will need to be monitored over the program implementation. As many agencies play important role in implementation, their capacity to intermesh and contribute towards accomplishing the objective will become known only as implementation advances.

27. **Citizen Engagement and Grievance Redress Mechanism.** Given that the proposed Program will be nationwide and comprise multi-sectoral activities among various actors and agencies, the Program's interface with a variety of stakeholders and direct beneficiaries will need to be well planned and implemented and cover four broad areas: (i) information dissemination to enable fuller awareness about the Program; (ii) timely response to queries and facilitation of services; (iii) grievance redress mechanism (GRM); and (iv) beneficiary feedback. Kazakhstan's legal framework provides for these through the Law

<sup>11</sup> 7,031 rural settlements, 35 villages, 84 cities, 175 administrative districts, 2 republican cities and 14 regions.



on Access to Information, Law on State Services, and Law on Procedures for Considering Appeals of Individuals and Legal Entities. Systems and procedures developed in accordance with these laws are functioning satisfactorily in and around urban areas and may also be augmented to fit the Program. Ensuring out-reach in the rural areas will be challenging due to remoteness, inaccessibility, and illiteracy. The Program will use the 360 one stop public service centers established throughout the country. These centers can liaise between the citizens and the Program (Ministry of Agriculture), receive complaints from local people relevant to the Program and pass them on to the PMO. Also, Public councils, headed by the local Akims and comprising non-government agencies/individuals, would serve as forums for dissemination and receiving complaints/queries.

28. **Grievances.** Communities and individuals who believe that they are adversely affected as a result of a Bank supported Program operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance redress mechanism or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit <http://www.inspectionpanel.org>.

## E. Financing

### Program Financing (Template)

Sources	Amount (USD Million)	% of Total
<b>International Bank for Reconstruction and Development (IBRD)</b>	<b>500.00</b>	<b>100.00</b>
<b>Total Program Financing</b>	<b>500.00</b>	

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