

Kazakhstan

PROGRAM-FOR-RESULTS

**Sustainable Livestock Development Program in
Kazakhstan**

(P170365)

**Environmental and Social Systems Assessment
(ESSA)**

World Bank

June 2, 2020



ACRONYMS AND ABBREVIATIONS

ACC	Agrarian Credit Corporation
ACG	Anti-Corruption Guidelines
ADB	Asian Development Bank
AMR	Anti-Microbial Resistance
bln	Billion
CO ₂	Carbon Dioxide
CPSD	Country Private Sector Diagnostic
DLI	Disbursement-Linked Indicator
DLR	Disbursement-Linked Result
EBRD	European Bank for Reconstruction and Development
ESSA	Environmental and Social Systems Assessment
FAO	Food and Agriculture Organization of United Nations
FFS	Fund for Financial Support
FSA	Fiduciary Systems Assessment
GA	Government Assignment
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRS	Grievance Redress Service
ha	hectare
IBRD	International Bank for Reconstruction and Development
IFC	International Finance Corporation
IFI	International Financial Institution
INDC	Intended Nationally Determined Contribution
IPF	Investment Project Financing
IVA	Third-party independent verification agency
IPSAS	International Public Sector Accounting Standards
kg	kilogram
KZT	Kazakhstani Tenge
LPI	Logistics Performance Index

MAPS	Methodology for Assessing Procurement Systems
M&E	Monitoring and Evaluation
mln	Million
MOA	Ministry of Agriculture
MoF	Ministry of Finance
MRV	Monitoring, Reporting and Verification
NAMA	Nationally Adapted Mitigation Action
NASEC	National Agrarian Scientific-Educational Center
NDC	Nationally Determined Contribution
NPV	Net Present Value
OIE	World Organization of Animal Health
OIE PVS	Performance of Veterinary Services Assessment of the World Organization of Animal Health
OPRC	Operational Procurement Review Committee
PEFA	Public Expenditure and Financial Accountability
PCC	Project Coordination Council
PDO	Program Development Objectives
Program	Program for Results
PMO	Program Management Office
POM	Program Operations Manual
PPP	Public-Private Partnerships
RA	Results Area
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
TBD	To Be Determined
TFP	Total Factor Productivity
TOR	Terms of Reference
US\$	United States Dollar
USDA	United States Department of Agriculture
WA	Withdrawal Application



Table of Contents

ACRONYMS AND ABBREVIATIONS	i
EXECUTIVE SUMMARY	iii
CHAPTER I - INTRODUCTION	1
Country and Sector Context.....	1
Program for Results Description and Boundary Setting	4
Program Beneficiaries.....	8
CHAPTER II - ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT (ESSA)	10
The ESSA Objective	10
Excluded Activities	12
CHAPTER III – ENVIRONMENT AND SOCIAL MANAGEMENT SYSTEM	13
An Overview of Environment Management System	13
Implementation of Environmental Management System: Institutional Capacity	14
Environmental Risks and Benefits.....	16
Environmental System Assessment and Identification of Gaps	17
An Overview of the Social Management System.....	19
Social Risks and Benefits	22
Gender Aspects.....	31
Citizen Engagement and Grievance Redress.....	34
Summary or Environmental and Social Systems.....	36
CHAPTER IV – KEY ENVIRONMENT AND SOCIAL ACTIONS	40
ANNEX 1: CITIZEN ENGAGEMENT AND GRIEVANCE REDRESS MECHANISM.....	42
ANNEX 2 - ENVIRONMENTAL AND SOCIAL LEGAL AND REGULATORY FRAMEWORK	48
ANNEX 3 – PROPOSED ESSA ACTION PLAN	60
ANNEX 4: LIST OF PARTICIPANTS IN STAKEHOLDER ENGAGEMENT CONSULTATIONS	63
ANNEX 5: MULTI-STAKEHODER DISCLOSURE WORKSHOP	65



EXECUTIVE SUMMARY

The Government of Kazakhstan has declared its intention to develop an export-oriented livestock sector in order to diversify its exports away from minerals and oil; better use its enormous natural resource (pasture and grassland) potential; and promote rural development by creating jobs in rural areas. In this context, the Government's ten-year Program – The Concept of implementation sectoral investment program for livestock industry development, 2018-2027 – addresses these key development objectives.

The Government has requested support for the newly formulated National Livestock Development Program for 2018–2027 through a US\$ 500 million Program-for-Results (PforR) loan – the Sustainable Livestock Development Program (the Program). The Program Financing instrument links the disbursement of funds directly to the delivery of defined results and builds on increased reliance on borrower environmental and social and oversight systems. The Program Development Objective (PDO) *is to support the development of an environmentally sustainable, inclusive, and competitive beef production in Kazakhstan.* The Program will accomplish the PDO by supporting results in the following three results areas: (i) Improve Veterinary Service Delivery and Animal Recording; (ii) Scale-up the Farmer-Centric Service Delivery Model; and (iii) Implement Green Growth Policies for the Beef Sector. These key areas have been selected from the broader program and agreed to be supported under the Program and will be achieved through Disbursement Linked Indicators (DLIs)

As a part of the Program preparation, several assessments were undertaken - technical, institutional, fiduciary and social and environmental. The Environmental and Social Systems Assessment (ESSA) is prepared to assess the Program Systems for managing environmental and social aspects. The purpose of the ESSA includes¹: (i) identifying the key environmental and social risks that may affect the achievement of the development outcomes; (ii) assessing the capacity of the Government's existing environmental and social management systems including the legal, regulatory, and institutional frameworks guiding the Program; (iii) defining and recommending measures to strengthen the system; and (iv) integrating these measures into the overall Program to manage and mitigate environmental and social risks.

This ESSA has been prepared by the World Bank for the proposed Program and provides a summary of environmental and social risks and benefits associated with activities for achieving the PDO; and an assessment of the extent to which the borrower's environment and social management systems are consistent with the six-core principles of the World Bank Policy. These six core principles focus on mitigation of risks around the following: #1 - Environment and Social management systems; #2 - Natural Habitats and Cultural Resources; #3 - Public and Worker Safety; #4 - Land Acquisition; #5 - Vulnerable Groups; and #6 - Social Conflict.

The ESSA analyzes the system for environmental and social management that are relevant for the Program with regards to each of these principles. The proposed actions to fill gaps identified through the ESSA process directly contribute to the Program's results. The ESSA analysis presents a description of the Program activities and the baseline conditions for existing environmental and social management systems. The ESSA draws on baseline information and presents an analysis of the existing system with regards to the core principles for environmental and social management in World Bank Policy and Directive for Program-for-Results Financing and presents a Program Action Plan that will be incorporated into the overall Program loan documentation.

¹ Bank Guidance "Program-for-Results Financing Environmental and Social Systems Assessment" effective since July 1, 2019.



The ESSA is prepared through a combination of reviews of existing materials and available technical literature, and consultations with key stakeholders including officials of various government departments, representatives of the regional and district authorities, representatives of the research institutions as well as universities, farmers and farmer unions, NGOs, related bi-lateral and multi-lateral development agencies, and other subject matter experts. Two consultancies were engaged to assist in preparing the ESSA: 1) Kazakhstan's legal framework relating to 'land'; and 2) functioning of the 'land management systems' at the regional/district levels. Several field visits were made to understand the government's functioning and service delivery mechanisms. Several rounds of consultations were held with various stakeholders at different levels – national, regional, district and village- by the entire task team including the Country Manager and Practice Manager. The methodology in the preparation of the ESSA was essentially participatory involving intensive and extensive consultations with various stakeholders. All these enabled the identification of critical gaps and risks as well as the development of mitigation measures through the Program Action Plan.

Assessment of Borrower's Systems

Overall Assessment. The Results Areas identified under the program are expected to largely result in positive effects in the livestock sector and the rural economy. However, some environmental and social gaps have been identified in the system, particularly in terms of understanding and enforcing laws and regulations at the Akimat level, as well as service delivery, gender, and citizen engagement. The potential environmental and social risks are assessed to be Substantial. Therefore, mitigation measures, as spelled out in the ESSA Plan of Action, must be undertaken in order to prevent lasting harm to the environment as well as irreversible adverse environmental and social impacts. Table 1, below, summarizes the assessment conducted.

Table 1: Environmental and Social Systems Assessment

DLIs	Environment and Social Systems Assessed	Environmental and Social System Gaps and Risks	Environmental and Social Benefits
Results Area 1: Improve Veterinary Service Delivery and Animal Recording.			
DLI 1: Cattle is being registered in the Unified information system for traceability, genetic improvement, and animal health control.	<ul style="list-style-type: none">Veterinary Committee.MOA Statistics and Record Keeping.	<ul style="list-style-type: none">Gaps in record keeping and availability of statistics under the recently adopted preliminary national system for the domestic (as opposed to imported) herd.	<ul style="list-style-type: none">Improved animal health and genetic quality due to improved record keeping and traceability.Unified recording systems allows for better emergency planning.Better records keeping results in improved genetics which is an important driver in increased production and income with reduced GHG emissions.
DLI 2: Veterinary services addressing production diseases provided to small and medium farmers.	<ul style="list-style-type: none">Veterinary Committee.Akimat level veterinary services.Ministry of Agriculture extension services.	<ul style="list-style-type: none">Gap between regulations and enforcement on veterinary medical waste and animal disposal.Risk of increased pollution due to inappropriate disposal of veterinary medical waste, animal biproducts, and culled animals.	<ul style="list-style-type: none">Improved animal health due to provision of upgraded veterinary services. Thus, potential decrease in GHG emissions per unit of product.Improved animal health and emergency/contingency plans will reduce vulnerability to climate emergencies.



		<ul style="list-style-type: none">• Risk of inadequate veterinary capacity thus poor services.	
Results Area 2: Scale-up the Farmer-Centric Service Delivery Model.			
DLI 3: Farmers are trained and certified in good practices by the improved advisory system.	<ul style="list-style-type: none">• Ministry of Agriculture extension Services.• National Agrarian-Scientific and Educational Center (NASEC).	<ul style="list-style-type: none">• Gap in the capacity of MOA and NASEC to deliver extension services to the numbers of farmers expected under the Program.	<ul style="list-style-type: none">• Better environmental management on farms.• Productivity and household incomes increase in the cattle beef sector.• Net GHG emissions due to improved diet, improved manure management, and improved grazing practices.• Increased carbon sequestration and biodiversity (i.e. improved pasturing, live fencing, late fodder harvesting).
DLI 4: New small and medium farmers are selling animals to feedlots.	<ul style="list-style-type: none">• Ministry of Agriculture extension Services.• NASEC.• National and Akimat legal frameworks related to land; and National and Akimat Land Management Systems.	<ul style="list-style-type: none">• Gap between regulations and enforcement on operation of feedlots and slaughterhouses.• Gap in the level and amount of extension services reaching individual farmers.• Gap in the knowledge regarding available land for assignment to new small and medium farmers.• Gap in statistics available on women farmers.• Risk of potential expropriation of land to accommodate additional small and medium farmers.• Risk of non-availability of institutional credit and insurance for small and medium farmers.• Risk that program will be appropriated by large/rich farmers rather than benefitting small and medium sized farmers.• Risk that women farmers will not benefit equally from the Program.• Risk of land degradation due to overgrazing and poor pasture management as farm numbers increase.• Risk of improper use of pesticides in feed lots, silage production, and silage storage.• Risk that quality and accessibility of land for new	<ul style="list-style-type: none">• More land under management using sound environmental practices. In particular, new farmers are expected to have higher rates of adopting new practices that reduce overall GHG emissions, improve farm level carbon sequestration, better manage pesticide use, and other positive environmental impacts.• Increased incomes to farmers, including small and medium farmers, due to better education and management practices.• Higher productivity and meat export results in more jobs both on-farm jobs as well as in secondary and tertiary sectors where value is added. Beneficiaries will include youth, students, subsistence farmers, and the unemployed.• Improved overall spatial development and increased infrastructure development, particularly at the Akimat level.



		<p>farms is not adequate.</p> <ul style="list-style-type: none"> • Risk that bureaucracy at national and Akimat levels prevents timely application for and assignment of land to new farmers. 	
Results Area 3: Implement Green Growth Policies for the Beef Sector.			
DLI 5: Share of public expenditure in support of environmental performance.	<ul style="list-style-type: none"> • State Program • National statistics on GHG emissions including review of NDCs and NAMAs. • Ministry of Agriculture extension Services. • NASEC. 	<ul style="list-style-type: none"> • Gap in current public spending on environmentally and climate friendly policies. • Gaps in monitoring and reporting on environmental and social compliance. • Gaps in knowledge about available statistics regarding GHG emission in the cattle beef sector. • Risks related to disease and husbandry of imported species once delivered to farmers. • Risk of point source pollution from manure management and waste disposal at increasing number of feed lots and slaughterhouses. • Risk of biodiversity loss due to expansion of grazing areas into critical habitats (rangeland expansion for increased herd into Saiga Antelope habitats). • Risk of improper pollution control and waste management in related industries (tanning, glue and gelatin production)². 	<ul style="list-style-type: none"> • Improved environmental regulation and enforcement in the cattle beef sector. • Improved knowledge of sound environmental practices, particularly among farmers. • New subsidies will lower GHG emissions for the sector through improved animal health, grazing practices, farm management, and manure management.
DLI 6: Policy commitments and instruments for the control of GHG emissions and adaptation to climate change in the beef sector.	<ul style="list-style-type: none"> • State Program • National statistics on GHG emissions including review of NDCs and NAMAs. • Ministry of Agriculture extension Services. • NASEC. 	<ul style="list-style-type: none"> • Gap in knowledge and statistics regarding GHG emission in the cattle beef sector. • Risk that farmers, feed lot managers, and production facilities/slaughterhouses do not adopt to policy changes. 	<ul style="list-style-type: none"> • Decreased net GHG emissions. • Increased carbon sequestration. • Increased linkages and knowledge on how the cattle beef sector relate to GHGs and the NDCs.

Legal and Regulatory Framework. The Government of The Republic of Kazakhstan has enacted a range of laws, regulations, and procedures relevant to the management of environmental and social effects of the proposed Program. The legal and regulatory framework at the National and Sub-national levels provide an adequate and appropriate enabling framework for implementing the key activities to be taken up under the Program. Citizen Engagement and public accountability are required by the legal framework at different levels. The ESSA finds that the existing legal and regulatory framework addresses the identified

² It should be noted that the new Environmental Code, currently under Parliamentary review, is based on the “polluter pays principle”.



direct, indirect, induced, and cumulative social and environmental effects for the planned Program. While Ministry of Agriculture (MOA) shoulders key responsibility for managing this Program, it will have to liaise with different agencies including the Ministry of Ecology, Geology, and Natural Resources (MEGNR), in order to ensure compliance of the relevant laws and regulations. The capacity for enforcing those laws and regulations among respective agencies and at the Akimat level is rather mixed and will require strengthening.

Environmental Management System Assessment. The Republic of Kazakhstan has well defined legal and regulatory framework and institutional responsibilities to meet the environmental, community health and safety, animal health (veterinary) requirements and perform permitting/licensing procedures. However, the institutional capacity to enforce and implement legal requirements and procedures for environmental and social protection needs to be strengthened, particularly via and internal institutional procedures and communication to the clients (farmers).

Based on the initial screening of the national legislation and regulation framework, the environmental management system is well defined, covering all aspects related to sound prevention, mitigation and management of potential environmental impacts (e.g. permitting and licensing, waste management, veterinary services provisions, etc.) and institution/authority in charge. However, the borrower's, implementing and partner institution organizational capacity can be further strengthened to effectively manage environmental and social effects in accordance with the Core Principles.

The MOA will have overall responsibility for the delivery of the Program and will host the Program Management Office (PMO). The PMO will request budget, coordinate procurement, supervise verification, consolidate reporting, and serve as the main counterpart for the World Bank. A high level of coordination is required between the responsible and partner institutions that will participate in implementation of the DLIs in order to achieve the PDO successfully. Therefore, the institutional arrangement will include the creation of the Program Coordination Council, which will be headed by the Deputy Minister of Agriculture and comprised of representatives of partner institutions (NASEC, Veterinary Committee) and other relevant stakeholders (e.g. MEGNR, Akimats, representatives of industry associations and farmer unions).

MOA currently does not have any structural department and/or staff dedicated to environmental issues, nor does it have any interim procedures for assessment of environmental risks and impacts of policy developments. Current legislation regarding environmental protection related to the Program (sustainable pasture management, preventing water pollution, biological waste/manure management, and greenhouse gas emissions) gives the MEGNR responsibility for screening the activities that may pose environmental risks.

As environmental sustainability is included as a key element in the PDO, it 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 of Kazakhstan. The Program will provide Capacity Building to ensure that mitigation occurs. The environmental risks associated with individual activities supported by the Program, include typical impacts from adoption of new regulations, guidelines, training programs, and small-scale civil works (scaling-up small and medium size cattle farms, etc.), are largely Low to Moderate.

However, as the Program may result in the increase of emissions of greenhouse gases due to increase of the number of cattle, and a substantial increase of the number of animals being fattened in feedlots and



processed in slaughterhouses, the overall Program environmental risk level rated Substantial. As such, potential environmental risks are mainly associated with increased amount of cattle. Those risks include: (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; (iv) increased amount of manure and other biological wastes (blood, bones, hooves etc.) that, without proper treatment, emit greenhouse gases and pollute the environment; and (v) failure of farmers and other stakeholders (veterinarians, feedlots, slaughterhouses, etc.) to adopt environmental and greenhouse gas (GHG) centered policy changes.

The level of environmental risk is also justified by the existing gaps between the Core Principles and the borrower's systems ability to minimize, mitigate and manage environmental risks (see Table 2 for details):

- Capacity of the implementing institutions to enforce legal and regulatory frameworks guiding environmental management, especially feedlot and slaughtering house operations remains low.
- There is currently little coordination between MOA and MEGNR and the types of activities, including feedlots and slaughterhouses, being financed by private sector and other Government programs, rarely get the attention of the regulatory authorities in the Division on State Environmental Control, or the Division on State Environmental Expertise and Permits.
- The MOA as well as other Program implementing and partner entities have internal audit departments that deal with corruption issues, but not other compliance issues like those related to environment and social laws and regulations. There are also no staff charged with follow-up on environmental and social issues.

Social System Assessment. Given that this Program is a country wide operation, the program portrays a highly diverse and heterogeneous stakeholder profile across the length and breadth of the country³ - livestock farmers, agriculturists, farm scientists, veterinarians, traders, marketeers, processors and packagers, exporters, transporters, and several segments of authorities. The stakeholder analysis has been the key instrument for assessing the social system. It comprised: identifying stakeholders at different levels (national, akimat, district, and village); evincing their expectations and related concerns; and assessing risks and impacts. The analysis reveals that the key program elements, from social perspective, relate to: (i) expansion of the cattle beef sector through small and medium farms; (ii) developing effective outreach to the existing small and medium livestock farms; and (iii) provision for ensuring appropriate and adequate enabling support and effective service providers.

As envisaged by the overall government program, expansion of the sector entails making available land to new farmers/entrepreneurs; provision of capital and interest subsidy; and assistance on input supplies and output marketing. The Program has 'inclusion' as a central theme. Towards accomplishing this, within the Program boundary, the new 'commercial beef farmers' are expected to emerge from: (i) existing individual farmers who are engaged in crop or dairy production; (ii) current household farmers, who are interested in becoming registered commercial beef producing farmers; (iii) students from agricultural universities; and (iv) the general public, youth, in particular.

Currently, the institutional arrangements required to accomplish these goals are spread across several agencies, such as MOA, Regional Akimats, District Akimats etc. making the bureaucratic processes difficult

³ 7,031 rural settlements, 35 villages, 84 cities, 175 administrative districts, 2 republican cities and 14 regions.



to navigate, particularly for new and potential farmers. Additionally, ensuring gender parity when implementing the Program may prove to be a challenge as women interviewed expressed apprehensions around access to resources like livelihood amenities and infrastructure facilities as well as fear of workload increases when farm responsibilities are combined with traditional female roles. Overall, the following have been identified as gaps to accomplish inclusive development (see Table 2 for details):

- Knowledge regarding available land for assignment to new small and medium farmers, who intend to become commercial beef producers;
- Complementary production support such as credit, grants, subsidy and infrastructure services;
- Universal and efficient access to information, appeal and grievance redressals; and
- Gender roles and women participation.

Social Risk – The Program operation's social risk is rated as Substantial as there are several key risks that need be addressed, such as: potential expropriation of land to accommodate new farms; lack of credit and insurance for small and medium farmers; rich farmers benefiting more than small and medium sized farmers under the Program; and women not benefitting equally from the Program.

Table 2: Environmental and Social Gaps, Risks, and Mitigation

Results Areas	Environmental and Social Gaps and Risks	Potential Mitigation Measures
Results Area 1: Improve Veterinary Service Delivery and Animal Recording.	<ul style="list-style-type: none">• Gaps in record keeping and availability of statistics under the recently adopted preliminary national system for the domestic (as opposed to imported) herd.• Gap between regulations and enforcement on veterinary medical waste and animal disposal.• Risk of increased pollution due to inappropriate disposal of veterinary medical waste, animal biproducts, and culled animals.• Risk of inadequate veterinary capacity thus poor services.	<ul style="list-style-type: none">• Implementation of standard veterinary medical waste disposal procedures, including incinerators for larger facilities.• Implementation of standard disposal procedures for animals culled due to disease or potential exposure to disease.• Increased veterinary health standards including treatment of healthy animals (breeding, vaccines, etc.).• Increased veterinary inspections, record keeping of those inspections, and follow-up on deficiencies noted.• Capacity building for veterinarians and veterinary students included in the Program.
Results Area 2: Scale-up the Farmer-Centric Service Delivery Model.	<ul style="list-style-type: none">• Gap in the capacity of MOA and NASEC to deliver extension services to numbers of farmers expected under the Program.• Gap in the level and amount of extension services reaching individual farmers.• Gap in the knowledge regarding available land for assignment to new small and medium farmers.• Gap in statistics available on women farmers.• Risk of potential expropriation of land to accommodate 20,000 additional small and medium farmers.• Risk of non-availability of institutional credit and/or insurance for small and medium farmers.• Risk that program will be appropriated by large/rich farmers rather than	<ul style="list-style-type: none">• Mechanisms in place to ensure that all land allocated under the Program is currently unallocated and/ or unused, and without prior claims and encumbrances.• Development of “one stop service centers” in each Akimat for land allocation, assistance with identifying financing, insurance, etc. particularly for new small and medium farmers.• Mechanisms in place to ensure that land allocated to new farmers is accessible, fertile, and environmentally favorable for raising beef cattle.• Increased extension services:<ul style="list-style-type: none">◦ on new pasturing techniques◦ on developing effective pesticide alternatives, particularly for

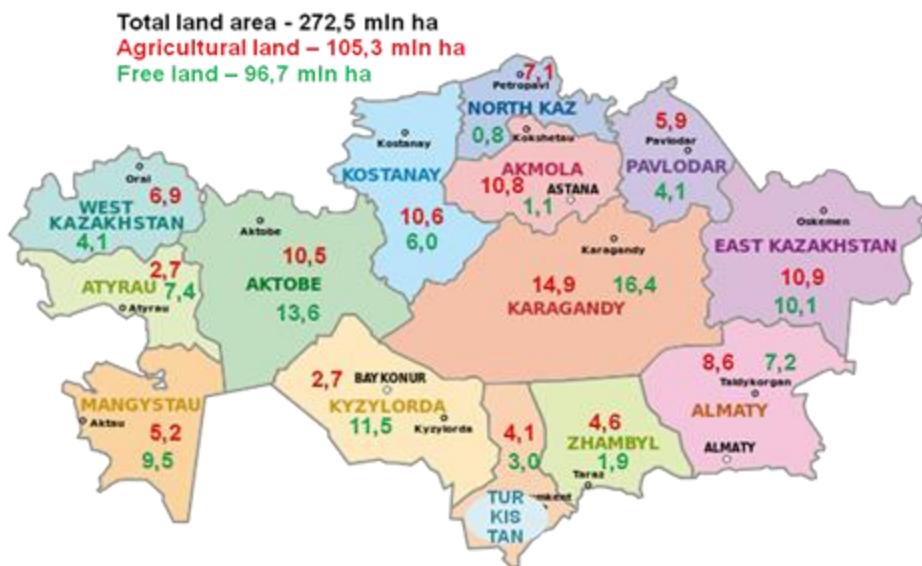


	<p>benefitting small and medium sized farmers.</p> <ul style="list-style-type: none">• Risk that women farmers will not benefit equally from the Program.• Risk of land degradation due to overgrazing and poor pasture management as farm numbers increase.• Risk of improper use of pesticides in feed lots, silage production, and silage storage.• Risk that quality and accessibility of land for new farms is not adequate.• Risk that bureaucracy at national and Akimat levels prevents timely application for and assignment of land to new farmers.	<p>feedlots and silage production;</p> <ul style="list-style-type: none">◦ on pesticide management, particularly in feedlots and silage storage; and◦ developing on farm and feedlot pesticide management practices. <ul style="list-style-type: none">• Ensure compliance with the conditionalities criteria for new subsidies for agri-environmental practices (i.e. pasturing, windbreaks, live fences, and watershed protection).• Keeping regulations on pesticide use and management up to date.• Development of clear criteria for eligibility for land allocation to new small and medium farmers.• Develop clear systems and eligibility criteria to ensure gender equity in selection of new small and medium farmers to participate in the Program.• Proactive planning to prevent expansion of sector into critical habitats or protected areas.
Results Area 3. Implement Green Growth Policies for the Beef Sector.	<ul style="list-style-type: none">• Gap in current public spending on environmentally and climate friendly policies.• Gaps in knowledge about available statistics regarding GHG emission in the cattle beef sector.• Risks related to disease and husbandry of imported species once delivered to farmers.• Risk of point source pollution from manure management and waste disposal at increasing number of feed lots and slaughterhouses.• Risk of biodiversity loss due to expansion of grazing areas into critical habitats (rangeland expansion for increased herd into Saiga Antelope habitat).• Risk of improper pollution control and waste management in related industries (tanning, glue and gelatin production).• Gap in knowledge and statistics regarding GHG emission in the cattle beef sector.• Risk that farmers, feed lot managers, and production facilities/slaughterhouses do not adopt to policy changes.	<ul style="list-style-type: none">• Stronger licensing and inspection procedures at the Akimat levels for new and existing facilities.• Upstream planning around necessary environmental regulation for potential expansion of related industries related to value added from bi-products.• Extensive and on-going training and outreach to all segments of the cattle beef sector to ensure uptake of new technics and policies.• Quarterly monitoring and reporting on condition of imported cattle for the first 18 months in country.• GIS Mapping to include protected areas in relationship to cattle farming in order to ensure planning and land allocation excludes activities that might endanger protected areas or critical habitats.



Land Availability⁴. A key input/ intervention for the expansion of beef production lies in making available land. GOK envisages some 20,000 new/expanded small and medium farms, each at about 100 Ha which aggregates to minimum of 2 Million Ha. Given the land scenario in Kazakhstan, ESS assessments reveal that it is relatively easier to secure the lands. The same is discussed in the sections below.

Kazakhstan is the ninth largest country in the world by its territory 272,5 million ha located in the center of the Eurasian continent and is more than twice the combined size of the other four Central Asian states and 60% larger than Alaska. The total land area is 262,5 million ha⁵; 184 million population; and population density of 6.80/ sq km.⁶ As per the Ministry of Agriculture (Committee of Management of Land Resources), Reserve or Free lands is estimated at around 96,7 million ha or 36.8% of the total land.⁷ (Figure-1). Most lands belong to the government and are leased out for a specific purpose with an agreed set of terms and conditions.



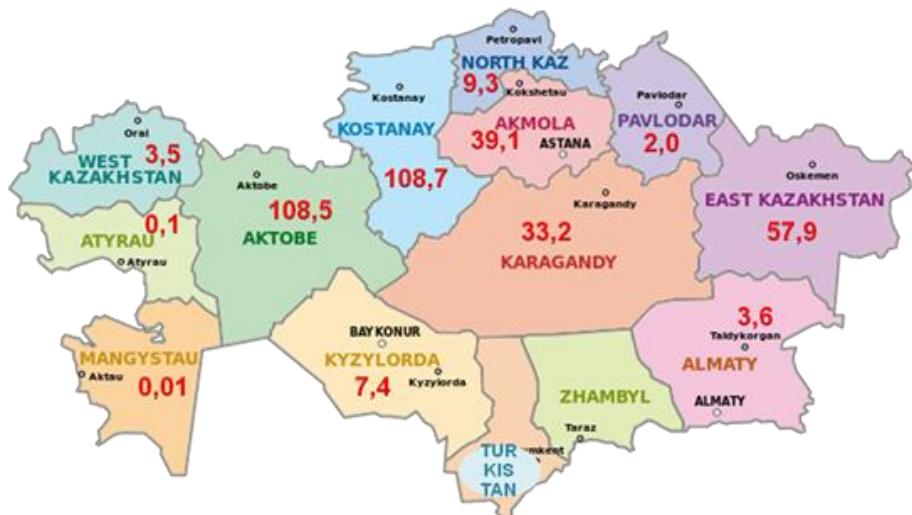
However, as per ESS assessment, in the context of Core Principle 4, all the 96.7 MHa cannot be considered as ‘free’ and be used for the Program. This gains ground as Kazakhstan’s legislation provides for appropriation of lands, if the lands are: (i) not used for the purpose it is meant for; (ii) un-utilized; and (iii) under-utilized. Kazakhstan government has laid out elaborate processes to ensure that appropriations are appropriate and justified. This includes: (i) ground truthing with on-site assessments by the district Aikimat’s office; (ii) issuance of notices to the assignees; (iii) providing ample opportunity for the affected land assignees not only to make their case but also offer time to set right things, if required; (iv) if the situation does not improve, then, move the cases to courts; (v) each case is discussed and deliberated in the court; and (vi) ultimately decrees issued by the Judiciary. Following this process, GOK has, during the past 4-5 years, appropriated about 374,000 Ha (Figure-2)

⁴ Land related results are drawn from two analytical studies: one, legal perspective, a collaborative effort with the CA Country Lawyer; and other, land management issues, financed under a Trust Fund.

⁵ Consolidated analytical report on land resources for 2018, CMLR

⁶ <https://www.worldatlas.com/webimage/countries/asia/kazakhstan/kzlandst.htm>

⁷ (<http://www.aisgzk.kz/aisgzk/en/content/14/>).



However good the appropriation processes are, ESSA recommends that the program should exclude any land which is currently used or occupied by people (with or without formal or legal claims) as well as those appropriated by the authorities. Reasons for this are two-fold: One, appropriation of lands without due compensations and attention of impacts on livelihoods could mean involuntary acquisition; and Other, enough lands, which have not been assigned so far and/ or not being occupied/ used by any one, exists abundantly. So, all it is required for the Program is to ensure that lands used are indeed totally 'free' from any/ all encumbrances. To ensure this, the due processes have been drafted and agreed with the GOK. Results Area 2.3. will facilitate capacity building for Akimats and overall address policy and institutional bottlenecks that currently prevent small and medium farmers' access to various government services, including : (a) review and improvement of land access policies; (b) strengthening of the Akimats' capacity to manage common pastureland and related water points so that farmers' access to more productive pastures is improved.

Gender. There has been important progress in promoting women's empowerment in public life, achieving important results over the last decade. Kazakhstan has almost reached gender parity for access to education, and women represent the majority of students at higher education institutions making up sixty-four percent of those studying for masters' degrees and fifty-eight percent of those pursuing doctoral studies. Despite the higher education levels of women compared to men, the majority of the female labor force is predominantly concentrated in traditional sectors such as education, health, and services. There is significant underemployment and unemployment and women remain underrepresented in key decision-making posts while traditional gender roles continue to dominate education and employment decisions. At the higher level, efforts are required to address gender inequalities in the public sphere and ensure equal outcomes for women and men in political, economic, and social sectors. Finally, gender gaps in respect of the farmer-centric interventions can be gauged only during implementation. Major apprehensions expressed by women include: access to resources, livelihood amenities and infrastructure facilities in/ around new farms, workload increases, and loss of social networks as a result of moving to new farmland. See Section on Gender Aspects on page 34 for more detailed analysis of Gender Aspects.

Citizen Engagement and Grievance Redressal Mechanism (GRM). Given that the proposed Program will be nationwide and comprise multi-sectoral activities among various actors and agencies, the Program's interface with the stakeholders, in general, and direct beneficiaries, in particular, will need to be well



planned and implemented. That engagement should 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 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. But, ensuring out-reach in the rural areas will be a challenge due to remoteness, inaccessibility and illiteracy. So, the Program will bring into its ambit the 360 one stop public service centers established throughout the country.⁸ 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 chiefly non-government agencies/individuals, can also serve as forums for dissemination and receiving complaints/queries. The GRM and community outreach will be essential to ensuring the program uses only land that is currently unallocated and/or unused, and without prior claims and encumbrances.

Recommendations and Proposed Actions

ESSA preparation was chiefly based on consultations with a variety of stakeholders. These engagements enabled gauging expectations against the related environmental and social risks and the identification of possible mitigation measures to alleviate those risks. Based on those mitigation measures, the ESSA Action Plan proposes eleven actions across four main areas: governance; extension, training, and farm-based innovation; communications and outreach; and mapping, records, and reporting. Of these actions, six are also included in the Program Action Plan, which will be part of the overall Legal Agreement governing the Program. The ESSA Action Plan, including timeline and responsible agencies, is detailed in Annex 3.

ESSA Disclosure and Public Consultations

ESSA preparation was chiefly based on consultations with a variety of stakeholders⁹. These engagements enabled gauging expectations and the related issues/ concerns emanating from a variety of stakeholders. These have been fed into preparing the draft ESSA. From September 2019 through March 2020 as many as 29 consultations have been held at various levels – national/ regional/ village (Details provided in Annex 4). These continuous consultations have been instrumental in designing the program, as a whole, including in the formulation of RA/ DLIs.

A disclosure workshop was organized on March 5, 2020 in Nur Sultan by the Green Coalition, a women-centric NGO, at the request of the Bank. It was attended by a group of 31 diverse stakeholders from across Kazakhstan. Notes from the workshop and a complete list of participants are found as Annex 5. The workshop participants included farmers, academics, government representatives, civil society, private sector, international donor agencies, and representatives of nongovernment organizations. Major feedback received from the public consultation was incorporated into the final ESSA. For easy and fuller understanding, the final ESSA will be translated into Russian and Kazak and will be disseminated in hard copy and electronically to all Akimats as well as published on the MoA and World Bank websites.

⁸ The Public Service Centers (PSC) ((ЦОН - Центр обслуживания населения)) were introduced in 2007 to provide a wide variety of state services to all citizens in the country through a "single window" system. This has helped in eliminating barriers and bureaucracy and has the following positive qualities: (i) helps all sections of the population to receive equal access to public services; (ii) provides an opportunity to carry out all necessary procedures and sign all documents in one place; (iii) excludes any contacts between the executors of documents and citizens who want to receive them (which eliminates bureaucracy). To improve the performance of PSCs in 2011 it has been completely modernized and integrated with e-Gov.

⁹ While full details are available in the World Bank's Country Office in Nur Sultan, a summary is annexed to the ESSA.



CHAPTER I - INTRODUCTION

Country and Sector Context

1. Kazakhstan's economy has grown rapidly since independence in 1991 and the Government has set ambitious goals for the future. Kazakhstan is currently an upper-middle-income country with a 2018 gross domestic product (GDP) per capita of US\$9,813. With an economy powered by an abundance of oil, gas, and other minerals, Kazakhstan has used its wealth to improve the lives of its citizens and reduce poverty, which fell from 36 percent in 2006 to 8.5 percent in 2017. In addition to the impact of economic growth, the drop in the poverty rate has been partially accomplished by significant price and social service subsidies.
2. Past economic success notwithstanding, Kazakhstan faces significant challenges to its growth model. The country relies heavily on oil and mineral exports and lacks a more diversified economic base. Such vulnerability 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. These severely impacted Kazakhstan's growth rate, which slowed to 3-4 percent per year in 2015-18 from an average of 6 percent per year in 2010-14. During the last economic downturn, the poverty rate doubled from 6 percent in 2013 to a peak of 12 percent in 2016, though fell back to 8.5 percent in 2017. Vulnerable households in rural areas were hit particularly hard as consumption for the bottom 40 percent fell more than for the top 60 percent, leading to slightly worse inequality in 2015 than in 2013.
3. In his "State of the Nation" address on September 2, 2019, President Tokaev¹⁰ 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 results-based implementation of the State Program for Agro-Industrial Complex Development.
4. 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 compared to 2017. The State Program pays attention to the importance of the livestock sector, and particularly of the export-oriented high-value beef production.¹¹ 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 grassland by investing in infrastructure (roads and irrigation) and quality seed production; and (iii) improve market linkages and productive service provision for livestock producers, including for export-oriented high-value beef cattle producers by investing in animal health, traceability, and trade logistics.
5. 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 (Figure 1):¹²
 - Farmer-Centric service delivery model, which shifts the focus of state support measures to small

¹⁰ Source : https://www.akorda.kz/en/addresses/addresses_of_president/president-of-kazakhstan-kassym-jomart-tokayevs-state-of-the-nation-address-september-2-2019

¹¹ 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.

¹² Refer to the Technical Assessment for an analysis of these State Program elements, including an assessment of performance.

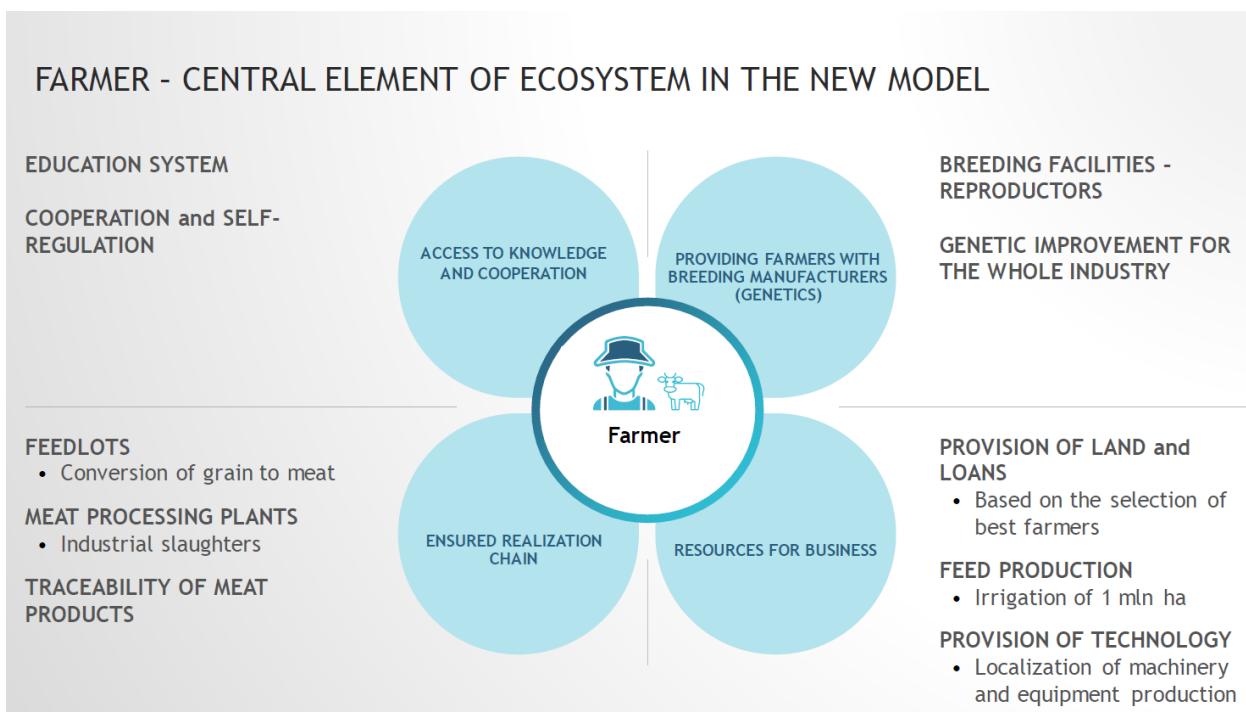


and medium farmers (away from the traditional focus on large agri-enterprises) as the primary target group for the Government's development interventions;

- 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.

However, 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.

Figure 1: The ecosystem of the proposed Farmer-Centric Approach



Source: The government's Livestock Program.

6. 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 delivery leading to their 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.

7. While beef exports still account for a modest share in Kazakhstan's exports, they are on the upward trajectory. Between 2009 and 2018, the total meat exports increased from 0.02 to 1.45 percent of total agricultural exports. In addition to the increase volume, meat exports have also diversified during this period: away from single commodity, namely poultry to a basket of commodities, including beef and lamb. Hence, furthering the development of an export-oriented high-value beef sector is an opportunity to achieve important national development objectives - to increase rural incomes by creating jobs and income opportunities in the countryside; to diversify exports; and to manage the large natural resource (grassland and pasture) in a way that will improve ecosystem services. This will require transforming the sector through greater efficiencies, innovation capacity, sustainable land management and value chain organization. Given its relatively limited experience with export-oriented beef, in contrast with major beef market players such as the United States, Brazil, Uruguay and Australia, Kazakhstan will also face significant competition. Positioning its products as environmentally and socially sustainable can represent an additional asset in facing this competition.

8. Expansion of beef production will be affected by climatic conditions and impact 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.¹³ 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.¹⁴ 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.¹⁵ 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).

9. Logistics and transportation are critical for an export-oriented beef value chain. Currently only five of Kazakhstan's beef producing and processing companies have clearance from Chinese food safety authorities to export beef to China, with four additional companies expected to receive clearance soon. With more exporters emerging, logistics companies signal readiness to expand their capacities and improve service provision as the demand for their services increases.

10. However, 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 operation 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:

¹³ <https://climateknowledgeportal.worldbank.org/country/kazakhstan>

¹⁴ 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).

¹⁵ 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/>



(i) making the farm 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. The proposed Program for Results (PforR or the Program), would help the Government address the above-mentioned challenges to implementation and introduce additional measures through support to institutions, policies, and investments.

Program for Results Description and Boundary Setting

11. Supported through the State Program actions, progress is being made towards meeting the Government's long-term vision¹⁶. By 2027, the plans to increase exports from about 20,000 to 1.3 million tons; the number of cattle farms from 20,000 to 100,000 – with increases in on-farm employment from 100,000 to 600,000; heads of cattle from 7 million to 15 million; feedlots from 85 to 117; and import close to one million purebred cows. Most State Program targets focus on production, not productivity, and do not emphasize efficiency gains. Although productivity issues are not disregarded, the State Program goals are mostly formulated in terms of growth in output levels, and not the resources used to achieve them. Through the PforR Program support for productivity-enhancing investments and practices, the overall livestock sector will be in a stronger position to reach its goals, overcome production constraints, and use resources more effectively along the way.

12. In addition to addressing the constraints, the Government also started to gradually realign public expenditures for overall livestock production. In recent years, the Government policy has been aimed to achieve a mix that is better positioned to modernize agriculture overall and the beef sector in particular. This realignment is based on the following goals: (i) ensuring incentives for more efficient and competitive production systems; (ii) increasing the funding for public goods (research, extension, sanitary and phytosanitary services, environmental measures, infrastructure, etc.); and (iii) using public programs for crowding in private investments in value chains for priority sectors (beef, vegetables, oilseeds, fodder crops). As noted by OECD, the change started only in 2016 and is gradual – having taken off from a high-level of state support. That is, the functional composition of expenditures that were heavily biased towards output and variable input payments and credit subsidies. Such expenditure realignment, though gradual, is going in the right direction, and will be further supported by the Program.

13. The Program will contribute to the Government's long-term objectives of export diversification and rural job creation, together with improved ecosystem services and increased climate resilience. Within the Program boundary, the expected results are increased exports, better linkage of farmers with markets, and an increased share of public expenditures that directly address environmental performance. The theory of change presents the pathway of critical results required for achieving these results (Figure 2). It describes how the Program support strengthens the delivery of public goods and services through a series of interventions to impact the beef value chain upstream, i.e. at the level of individual farmers and production of young cattle for fattening and downstream at the meat value chain, i.e. feedlots, processing, slaughterhouses, logistics and marketing, being addressed by private sector investments.

14. The Program strengthens public service delivery for animal health and veterinary services. Improving the currently limited reach of public veterinarians to address the needs of farmers will lead to

¹⁶ The Kazakhstan National Livestock Strategy 2018-2027.



improved animal health, better food safety, and improved animal productivity. As many household and individual farmers are based in remote areas with limited access to veterinary services and low awareness of production diseases, private veterinary services will be drawn on for an increased outreach and services improved through training and logistics support for a new cohort of veterinarians. Following successful completion of training, veterinarians will be contracted by the state to provide services to farmers, with conditions requiring them to visit farmers in their areas. Better access to veterinary service provision will contribute to the competitiveness of Kazakhstan's beef production. Private sector investments in the downstream processing and logistics infrastructure demand more and higher quality beef. Improved cattle productivity, health, and management will boost farmers' income and contribute to more sales and exports.

15. The Program strengthens the Farmer-Centric service delivery approach. It seeks to address constraints faced by small and medium farmers (household and individual farmers) by strengthening service delivery practices and allocating more funds for agricultural advisory and knowledge transfer services in remote areas. This will be achieved by (i) improving the advisory system through expansion of the curriculum and improving outreach methods and (ii) targeting around 80,000 household farmers (in addition to 20,000 individual farmers) for training. Household farmers have not previously received training through the Governmental advisory services. These household farmers will be trained in good production and management practices and how they can scale up, become registered, and enter the value chain by selling animals to feedlots. Going forward, state support payments to farmers will be conditional on farmers adopting practices, which should stimulate a wide uptake of those practices, also serving as an indicator for training adoption.

16. Furthermore, through the Program's M&E system, the expanded group of farmers who received training will be monitored to learn how the training helped them. This will generate lessons, which will be incorporated, on an ongoing basis, into curriculum revisions. In addition, the Program will improve service delivery for this group of farmers to help them expand access to productive pastures, land leases and other Government services. In this way, a positive feedback loop mechanism will be stimulated: building the production capacity of farmers by enhancing their productivity, helping them enter the value chain, and providing feedback directly what works, and introducing changes into the training services. At the same time, the Program will bring in thousands of new farmers into the value chain, thereby expanding their opportunities. Information on adoption of trainings received will be part of the direct feedback loop.

17. The Program fosters environmental performance and climate change adaptation and mitigation throughout the export-oriented high-value beef sector. As more farmers expand into the beef cattle sector, and both herd size and liveweight increase, targeted public intervention is important to mitigate the potential growth of GHG emissions due to increased production of beef cattle. The Program will address issues of sustainable grassland management (land degradation, biodiversity conservation), pollution control (manure management on feedlots and slaughterhouse waste management), mitigation of net GHG emissions along the value chain - from feed production to slaughterhouses, and development of renewable energy (biogas, wind and solar). The Program will instigate a switch to new and efficient agri-environmental-targeted support, support GHG monitoring, verification and reporting system, and scale-up good animal husbandry and grassland management practices.

18. 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 (Table 3).



19. **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. There are two Disbursement Linked Indicators (DLI) for Results Area 1:

- a. *DLI 1. Cattle is being registered in the Unified Information System.*
- b. *DLI 2. Small and Medium Farmers have access to improved and upgraded veterinary services.*

20. **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. There are two DLIs for Results Area 2:

- a. *DLI 3. Small and Medium Farmers shall have been trained and certified in Good Practices.*
- b. *DLI 4. The number of Small and Medium Farmers registered in the Sybaga Program and selling cattle to feedlots shall have increased.*

21. **Results Area 3. Implement Green Growth Policies for the 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. There are two DLIs for Results Area 3:

- a. *DLI 5. Share of public expenditure in support of green growth and sustainability in the beef sector.*
- b. *DLI 6. The Borrower shall have made commitments for the control of GHG emissions and adaptation to climate change in the beef sector.*

Table 3: Program Boundary Definition

	Government Program (State Program for Agro-Industrial Complex Development, hereafter State Program)	Sustainable Livestock Development Program-for-Results
Objective	To ensure production of competitive products of the Agro-industrial Complex that are in demand on the markets.	To facilitate the development of an environmentally sustainable, inclusive, and competitive livestock sector in Kazakhstan.
Duration	The current State Program ends in 2021. The new State Program will be prepared in 2021 and run from 2022 to 2027.	2021-2025
Scope	Government's main agricultural policy document. Financed by the state budget and covers all areas of state services and support measures in agriculture and livestock sector. Covers central and local level budgets, which include general services (central level), investment support measures (central budget's targeted transfers to local budgets) and commodity support measures (general transfers to local budgets).	Encompasses the parts of the State Program with focus on improving veterinary service delivery and animal recording, scaling-up the cattle farmer-centric service delivery model and improving agri-environmental policies in cattle beef sector. The expenditure framework is formed by the central (republican) level budget programs for the livestock sector, which correspond to the results areas of improved veterinary services, traceability, farmer-centric model and agri-environmental policies and services. The expenditure framework also includes the local (oblast) level budget program for cattle headage payments. ¹⁷

¹⁷ Central (republican) level budget programs are the funds allocated by the State Budget for the Ministry of Agriculture. The



	Government Program (State Program for Agro-Industrial Complex Development, hereafter State Program)	Sustainable Livestock Development Program-for-Results
	Provides institutional and financing arrangements for the implementation of agricultural policies	Provides results-based policy and programmatic support focusing on export-oriented beef value chain development
Core Activities	Policy Making	Enabling environment for livestock sector development, veterinary and animal health services
	Enabling environment for livestock sector development, veterinary and animal health services	Enabling environment for crop production¹⁸
	Affordable financial services for agricultural producers (investment support)	Trainings and capacity building for promotion of productive employment in rural areas
	Enabling environment for crop production	Small grants and loans for promotion of productive employment in rural areas
	Land information resources	Targeted credit resources for agricultural producers
	Trainings and capacity building for promotion of productive employment in rural areas	Affordable financial services for agricultural producers (matching grants for investment in fixed assets)
	Small grants and loans for promotion of productive employment in rural areas	Pastureland information resources
	Agricultural advisory services and knowledge transfer	Agricultural advisory services and knowledge transfer
	Targeted credit resources for agricultural producers	Commodity support programs for agricultural producers (State support conditional to adoption of specific practices and technologies)
	Commodity support programs for agricultural producers	Development of beef sector related strategies, policies, M&E
Expenditure Framework	The expenditure framework is committed annually (Budget Law). The mid-term expenditure framework is approved by Government on a rolling three-year basis.	The expenditure framework is derived by combining the relevant livestock sector budgets in the current three-year expenditure framework (2020-2022) of the State Program, and the expected budget under the new State Program (2022-2027).
Beneficiaries	All agricultural producers	Small and medium livestock farmers with interest and potential to participate in export-oriented high-value beef value chains.
Overall Financing	US\$5.6 billion	US\$2.02 billion, including US\$0.5 billion loan from the World Bank

Ministry of Agriculture directly implements the funding and is responsible for the results. Local (oblast) level budget programs are the fund allocated by the State Budget to the local administrations directly, through targeted and/or general transfers.

Targeted general transfers (matching grants) are included in the Program (code 250). Only general transfers for headage payments (code 053) to beef producers are included in the PforR Program expenditure framework. These payments are administered by the local administrations, while the rules and regulations are set by the Ministry of Agriculture.

¹⁸ The crossed-out activities are financed by the Government, but not included within the PforR Boundaries. See the PAD for more information.



Program Beneficiaries

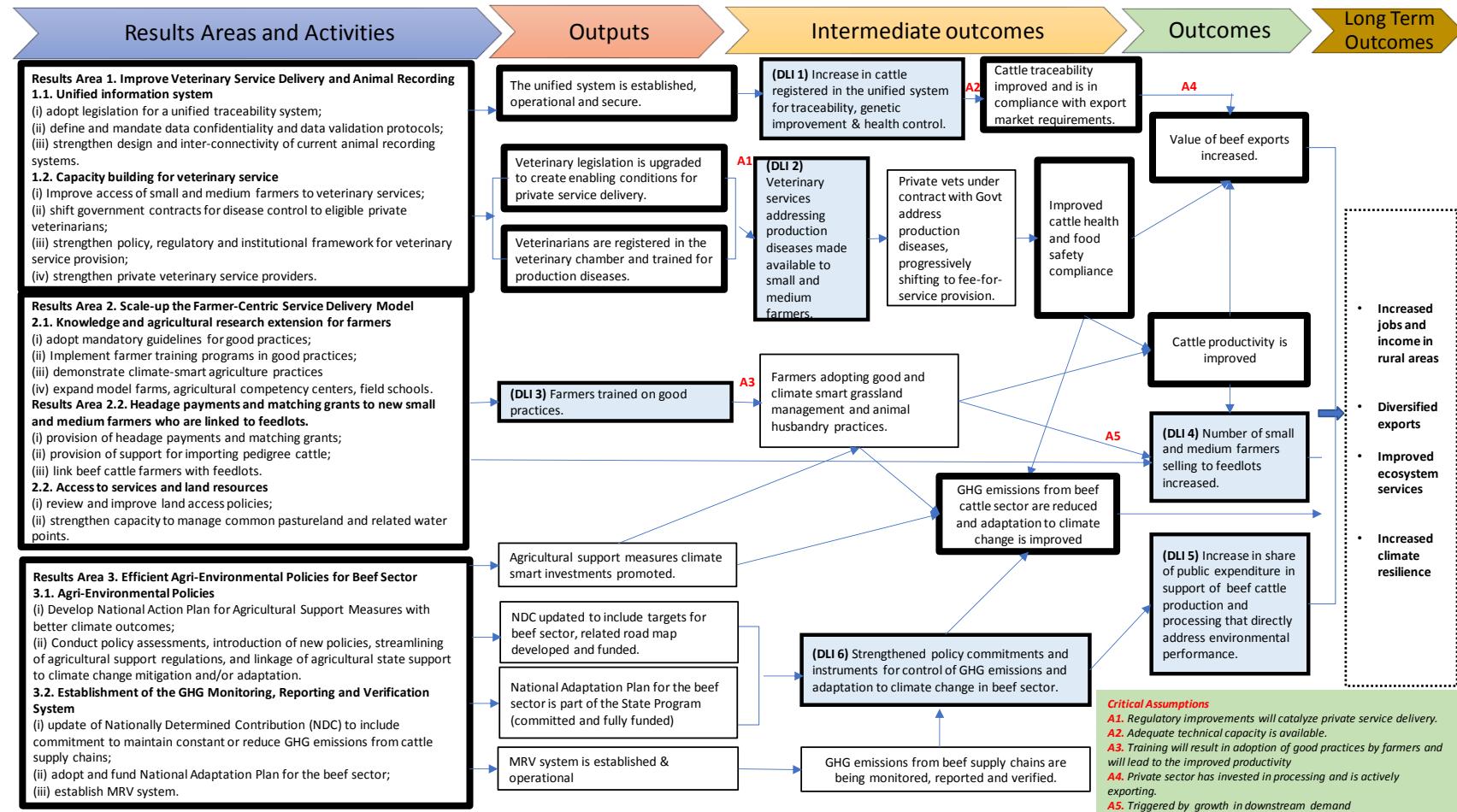
22. Registered individual farmers with holding sizes of between 10 and 500 heads of cattle are the focus of the Program. At least 100,000 household and small individual farmers are expected to directly benefit from improved agricultural advisory and knowledge transfer services through the interventions supported by the Program. Many more would benefit from the improved veterinary service provision and animal health services. Improved public services 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.

23. 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. The Program Action Plan includes an action to address equal access of women to services and interventions supported by the Program. A results indicator is included to monitor the number of women that have been included in the advisory programs designed for women.

24. The Theory of Change for the Program that is detailed in Figure 2, below, describes the relationship between the Livestock Program and the PforR by outputs and outcomes.



Figure2: Theory of Change





CHAPTER II - ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT (ESSA)

The ESSA Objective

25. The objective of ESSA is to ensure the Program's consistency with the six core principles outlined in the July 2015 policy and directive on Program-for-Results Financing in order to effectively manage program risks and promote sustainable development¹⁹. These principles are:

- **Core Principle #1 - Environment and Social management systems:** Systems are designed to (i) promote environmental and social sustainability in the Program design; (ii) avoid, minimize, or mitigate adverse impacts, and (iii) promote informed decision-making relating to the Program's environmental and social effects.
- **Core Principle #2 - Natural Habitats and Cultural Resources:** Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program.
- **Core Principle #3 - Public and Worker Safety:** Protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.
- **Core Principle #4 - Land Acquisition:** Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards.
- **Core Principle #5 - Vulnerable Groups:** Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups.
- **Core Principle #6 - Social Conflict:** Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

26. The specific objectives of ESSA include the following:

- Identify potential environmental and social benefits, risks and impacts applicable to the program interventions.
- Review the policy and legal framework related to management of environmental and social impacts of the program interventions (see Annex 2 - Environmental and Social Legal and Regulatory Framework).
- Assess the institutional capacity for environmental and social management system within the program system.
- Assess the program system performance with respect to the core principles of the Program instrument and identify gaps, if any.
- Describe actions to be taken to fill the gaps, mitigation measures that will be used as input/s to the Program Action Plan.

27. This Environmental and Social Systems Assessment (ESSA) is an integral part of the Program preparation and was prepared by the World Bank's team to assess the Program's system's for managing environmental and social aspects. The ESSA has been prepared through a combination of reviews of existing materials, national and international legal framework, and available technical literature as well as

¹⁹ World Bank Policy, Programming for Results, July 2015.



interviews with government officials, non-governmental organizations, sector experts, and potential Program beneficiaries. As part of the Program appraisal process, further consultations were conducted with government and civil society stakeholders. The findings, conclusions and opinions expressed in the ESSA are those of the World Bank.

28. Two Consultancies had also been enlisted to enable prepare the ESSA. They are: one, Kazakhstan's legal framework relating to 'land'; and the other, functioning of the 'land management systems' at the regional district levels.

29. The methodology in the preparation of the ESSA was essentially participatory involving intensive and extensive consultations with various stakeholders. All these enabled identify the critical issues and/or gaps and devise an ESSA Action Plan that informs the Program Action Plan (see Chapter IV below).

30. The scope of the ESSA covers the activities and systems necessary to achieve the Program's PDO. A scoping analysis of potential participating ministries and agencies²⁰ was completed to determine the applicability of each of the Core Principles to the three Results Areas and six DLIs.

31. This scoping exercise was subsequently used to structure the remaining analysis of the ESSA which includes the following elements:

- Review of the baseline environmental and social information to understand the context under which the Program activities are undertaken.
- Analysis of environmental and social benefits and risks of the Program activities.
- Assessment of the borrower's systems for environmental and social management for planning and implementing the Program activities for consistency with the applicable Core Principles.
- Identification of procedural and policy gaps with Bank Policy and Directive for Program-for-Results Financing as well as performance constraints in carrying out environmental and social management processes.
- Development of a set of viable actions to strengthen the systems and improve environmental and social performance outcomes of the Program.

32. The Program Financing instrument provides multifaceted support to implement policy, regulatory, governance and social accountability measures of the Program. The ESSA analysis has been considered on two levels: (i) the system as written in laws, regulation, and procedures; and (ii) the capacity of Program institutions to effectively implement the system in practice.

33. The methodology included three distinct elements: (i) interviews with concerned agencies to understand the contours and implementation processes of key interventions proposed, as well as to understand the motivation behind them; (ii) review of documents, literature and data available at key government agencies on the regulatory frameworks related to environment and social risk management including grievance management systems; and (iii) a national level stakeholder consultation to assess possible impacts on different categories of stakeholders. The national level stakeholder consultations took place over the course of Program preparation with a final workshop held on March 5, 2020. The outcomes of the consultations are incorporated into the analysis (see Annex 5).

²⁰ Ministries and agencies who participated in the scoping analysis include: Ministry of Finance (MOF), Ministry of Agriculture (MOA), Ministry of Ecology, Geology, and Natural Resources (MEGNR), National Agrarian Scientific Education Center (NASEC) under the MOA, MOA Extension Services, Veterinary Committee under the MOA, Information and Technology Department under the MOA, National Statistics Agency, Akimats.



Excluded Activities

34. The Program will not support activities within the Program that could cause significant harm to the environment or result in significant adverse social effects. The Program does not support any major physical investment-related activities (large civil works and activities requiring land acquisition and/or physical displacement). Rather it aims to improve on-farm conditions, the business environment, and service delivery in the cattle beef sector through strengthening regulatory frameworks, governance, and accountability. In addition, the Program will exclude any land which is currently used or occupied by people (with or without formal or legal claims) as well as those appropriated by the authorities, however valid reasons may be.

35. The environmental and social screening has not identified any potential high-risk activities. Potentially significant risk activities will be dealt with at the DLI level.



CHAPTER III – ENVIRONMENT AND SOCIAL MANAGEMENT SYSTEM

An Overview of Environment Management System

36. The Program financing was assessed against the afore mentioned Core Principles, which are spelled out as the evaluation criteria in the World Bank Policy “Program-for-Results Financing”. The assessment of environment management system was completed by looking at the system’s capacity to promote environmental and social sustainability and ability to avoid, minimize, or mitigate adverse impacts identified as related to the Program implementation. The ESSA includes the following information:

- Current status and strength of the System to manage environmental and social risks;
- Current institutional capacity and where the Program implementing and partner institutions function effectively and in consistence with Bank Policy and Directive for Program financing;
- Risks from implementation of the proposed Program to the system;
- Opportunities/benefits to strengthen the existing system; and
- Key issues and gaps between the core principles and capacity constraints.

37. Based on the initial screening of the national legislation and regulation framework, the environmental management system is well defined, covering all aspects related to sound prevention, mitigation and management of potential environmental impacts (e.g. permitting and licensing, waste management, veterinary services provisions, etc.) and institution/authority in charge. However, Kazakhstan’s, implementing and partner institution organizational capacity can be further strengthened to effectively manage environmental and social effects in accordance with the Core Principles.

38. Table 4 below lists the primary responsible institutions and partner institutions against the Result Area with DLIs they will be in charge of achieving.

Table 4: Key Implementation and Partner Institutions

Results Area	Responsible Institution	Partner Institution
Results Area 1: Improve Veterinary Service Delivery and Animal Recording	Ministry of Agriculture	Committee for Veterinary Control and Supervision Private data service providers Digital platforms (e.g. Qoldau.kz) NASEC
Results Area 2: Scale-up the Farmer-Centric Model	Ministry of Agriculture	Atameken (Chamber of Entrepreneurs) Unions Associations Universities Akimats NASEC
Results Area 3: Implement Green Growth Policies for the Beef Sector	Ministry of Agriculture	NASEC Akimats Ministry of Ecology, Geology and Natural Resources (MEGNR) Ministry of Energy



Implementation of Environmental Management System: Institutional Capacity

39. The Republic of Kazakhstan has well defined legal and regulatory framework and institutional responsibilities to meet the environmental, community health and safety, animal health (veterinary) requirements and perform permitting/licensing procedures (see Annex 2). However, the institutional capacity to enforce and implement legal requirements and procedures for environmental and social protection needs to be strengthened, particularly via and internal institutional procedures and communication to the farmers.

40. The Government of Kazakhstan created an Electronic Licensing System that is easily accessible in Kazakh, Russian and English (<http://elicense.kz/LicensingContent/ActivityField?ActivityField.Id=36>). The environmental, veterinary permitting/licensing procedures as well as agricultural subsidies applications are accessible via e-government. This e-license portal is operational and supports application process for all permitting procedures that require the approval at the ministerial level, e.g. environmental permit for Category I (Safety Class 1 and 2) that the Committee of Environmental Regulation and Control considers and approves. For the services that are in Akimats' responsibility, for example, environmental impact assessment and environmental permit to operate for Categories II (Class 3), III (Class IV) and IV (Class V) projects can be accessed via Akimats e-licensing portals.

41. The MOA will have overall responsibility for the delivery of the Program with the MOA's Livestock Department hosting the Program Management Office (PMO). The PMO will request budget, coordinate procurement, supervise verification, consolidate reporting, and serve as the main counterpart for the World Bank. A high level of coordination is required between the responsible and partner institutions that will participate in implementation of the DLIs in order to achieve the PDO successfully. Therefore, the institutional arrangement will include the creation of the Program Coordination Council, which will be headed by the Deputy Minister of Agriculture and comprised of representatives of partner institutions (NASEC, Veterinary Committee) and other relevant stakeholders (e.g. MEGNR, Akimats, representatives of industry associations and farmer unions).

42. The MOA is in charge of the development of the state agrarian policy, strategic plans and other related laws and regulation that boost sector sustainability and competitiveness. Also, the Ministry's responsibility is to ensure food security and veterinary control and safety (DLI1 and DLI2). The MOA includes a Committee on Veterinary Control and Supervision that is responsible for the enforcement of the Law on Veterinary Services. The Committee on Veterinary Control and Supervision will be managing veterinary services from June 1, 2020, which is currently managed and financed by Akimats. It is expected that the managements of the network of veterinarians will allow consolidating the traceability and data recording on animal health, epidemiological situation, additional services and vocational training required. The Department on Livestock, which is in charge of strategy, program, and incentives (subsidies) development to increase the livestock productivity and resilience, has experience in cooperation with unions and farmers to import cattle since 2012 from the USA, Canada, etc.

43. MOA does not have any structural department and/or staff dedicated to environmental issues, nor does it have any interim procedures for assessment of environmental risks and impacts of policy developments. Current legislation regarding environmental protection related to the Program (sustainable pasture management, preventing water pollution, biological waste/manure management, and greenhouse gas emissions) gives the MEGNR responsibility for screening the activities that may have pose environmental risks, with most activities related to the Program being screened at the Akimat level.



Close communication and coordination between the PMO and the MEGNR Akimat offices will be critical to ensuring uptake of environmental and climate policies and practices being promoted by the Program.

44. The National Agrarian Scientific-Educational Center (NASEC)²¹ was established by the Government of Kazakhstan's Decree No. 659 on August 22, 2015 to lead scientific and agricultural work in the agricultural sector. The NASEC is joint-stock company with the state owning 100 percent of shares and a number of subordinated institutes that are responsible for development and dissemination of technologies as well as the monitoring and implementing national policies for the Scientific and Sustainable development and management of the agricultural sector. Also, the Center delivers state financed extension program and training farmers in different areas, like cattle handling and increase of productivity, forage growing, feedlots management, etc.

45. Agrarian Credit Corporation (ACC) JSC is the subsidiary of KazAgro²², which was established by the Resolution of the Government of the Republic of Kazakhstan on January 25, 2001 No. 137 "On issues of lending to the agricultural sector". The ACC's mission is to promote the sustainable development of the agro-industrial complex of the Republic of Kazakhstan through the formation of an affordable and effective financing system through the involvement of private financial institutions and increasing the competence of agribusiness entities. One of its seven lending programs is "Sybaga", which finances purchase of breeding stock of cattle, agricultural equipment and, trailed machinery, self-propelled feeder, machine and other equipment required for cattle breeding.

46. It is important to note that during preparation of the Program, the Republic of Kazakhstan's Government structure on environmental protection and climate change issues went through a considerable re-structuring. For example, in May 2019, when the initial interviews and preliminary survey took place, Zhasyl Domu, an organization responsible for climate change mitigation and greenhouse gases inventory (registry), was mapped to the Ministry of Energy and Oil. Back then, the GHG emission data from the agricultural sector was available in aggregated format only. Also, the Forestry and Wildlife Committee was part of the MOA. On August 1st, 2019, MEGNR was established, and all environmental designated committees and departments now report to it. MEGNR has 4 Committees and 14 Departments including the Committee of Environmental Regulation and Control, The Committee on Forestry and Wildlife, the Department of Environmental Monitoring and Information, the Department of Waste Management, the Department of Climate Change, Zhasyl Damu, etc.

47. The environmental permitting and licensing functions for Category I²³ (1st and 2nd hazard classes) projects are assigned to the Committee on Environmental Regulation and Control at the MEGNR. The Committee includes the Division on State Environmental Control, Division on State Metrological-Analytical Control, Division on State Environmental Expertise and Permits, Division on Licensing, other auxiliary divisions (like legal, etc.) and 17 Territorial Divisions (located in three big cities and 14 regions (oblasts)

²¹ <http://nasec.kz/ru/page/o-kompanii>.

²² <https://www.kazagro.kz/en/web/kaf>.

²³ In Kazakhstan, activities for which an environmental impact assessment is performed can be classified by 4 categories: Category I shall include the types of activities graded as the 1st and 2nd classes of hazard pursuant to the sanitary classification of industrial facilities, as well as exploration and mining of natural resources, except for commonly occurring mineral resources; Category II shall include the types of activities graded as the 3rd class of hazard pursuant to the sanitary classification of industrial facilities, as well as mining of commonly occurring mineral resources, all types of forest exploitation and special water use; Category III shall include the types of activities graded as the 4th class of hazard pursuant to the sanitary classification of industrial facilities; and Category IV shall include the types of activities graded as the 5th class of hazard pursuant to the sanitary classification of industrial facilities, as well as all types of use of wildlife objects, except for amateur (sport) fishing and hunting.



with inspectorate functions. The Committee conducts state environmental review of projects for category I facilities as part of a comprehensive non-departmental examination of construction projects or a comprehensive urban planning examination of urban development projects in the manner established by the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities.

48. Other institutions that may have a role in environmental protection, community health and safety, and veterinary services under the Program and PforR are:

- Atameken (Chamber of Entrepreneurs), which runs large extension/vocational training program for farmers.
- Meat Union is an association of individual entrepreneurs and legal entities to protect interests and consolidate efforts for the dynamic development of livestock production in Kazakhstan. The Union promotes modern technology and genetics among its members, promotes meat produced in Kazakhstan and its members access to global markets, assists in product certification etc.
- Coalition for Green Economy large coalition of civil society organizations supporting gender programs, farmers (contraction of greenhouses), other support.

Environmental Risks and Benefits

49. The Program's main environmental impacts are associated with scaling-up the farmer-centric model by creating numerous small and medium size cattle farms, thereby increasing the volume of meat processed for export. As environmental sustainability is included as a key element in the PDO, it 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 of Kazakhstan. The Program will provide Capacity Building to ensure that mitigation occurs. The environmental risks associated with individual investments (Area of Results and DLIs) of the Program, include typical impacts from adoption of new regulations, guidelines, training programs, and small-scale civil works (scaling-up small and medium size cattle farms, etc.), are largely Low to Moderate. However, as the Program may result in an increase of GHG emissions, a substantial increase in the number of cattle sold to feedlots, and increased capacities of slaughterhouses, the overall Program environmental risk level is rated Substantial.

50. 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.

51. The Program financing should result in environmental and social benefits by diversifying state income, increasing rural employment, and implementing environmentally friendly agricultural practices.

52. The Program will support an extensive capacity building program that will support small and medium size cattle farms in adoption sustainable agricultural practices.

53. The Program implementation will also generate environmental benefits. Enhanced veterinary services and traceability (Results Area 1) will result in improved disease prevention in animals and control of their spreading, improved quality and safety of meat and sub-products. The husbandry practices will benefit from adoption environmentally friendly cattle upbringing and pasture management. The remodeling of subsidies will make them more available for small- and medium-sized farms with



sustainable agricultural practices. The capacity building program will result in strengthened capacity of implementing and partner agencies to provide veterinary services, distributing subsidies, as well as building capacity of small- and medium-sized farmers to adopt sustainable husbandry and pasture management practices.

54. The Program provides opportunities to remodel the agriculture subsidy system by introducing incentives for environmentally friendly ways for cattle upbringing. Also, a priority for the Government of Kazakhstan is that the design of the Program should result in a net reduction in the level of GHG emissions.

Environmental System Assessment and Identification of Gaps

55. The borrower's systems that the Program's implementation will rely on is in compliance to large extent with the World Bank Core Principles. The existing system to the larger extent is consistent with the Core Principle 1, General Principle of Environmental and Social Impact Assessment and Management and the Cope Principle 2, Natural Habitats and Physical Cultural resources. Specifically, the strengths of environmental issues management include:

- National policies, legal and regulatory framework for environmental management are well defined. Also, the institutional systems identifying environmental permitting and licensing procedures to be followed are well defined. Akimats has their own Environmental permitting/licensing departments who can be contacted via e-licensing or directly for permits or any clarifications if required.
- The national EIA system (Environmental Code and regulations described above) provides a comprehensive legal and regulatory framework for environmental and social impact assessment that is broadly consistent with the Cope Principle 1 of the WB Policy and Directive. MOA and ACC are aware of ensuring compliance with EIA procedures.
- The building norms and rules for Feedlots, slaughterhouses as well as regulations that provide for safety zones around such facilities and other issues related to manure management.
- There is a commitment to ensuring a robust GRM exists. For example, ACC is trying to implement comprehensive GRM with call center (hot line), Facebook pages, and other communication lines to submit grievances.
- The nature reserve and other protected land is registered on the cadaster and cannot be permitted for pasture by akimats (regional authorities).

56. There are still some gaps between the Core Principles and the borrower's systems ability to minimize, mitigate and manage environmental risks including:

- Gaps in record keeping and availability of veterinary and genetic information and statistics, particularly regards to cattle in the national herd. Records and monitoring of imported cattle for their growth and processing is generally better.
- Coordination Gaps between implementing institutions (MOA) and compliance agencies (MEGNR) as well as gaps in the capacity of the implementing and partner institutions to enforce legal and regulatory frameworks guiding environmental management, especially veterinary medical waste, disposal of sick or diseased animals, and operations of feedlots and slaughterhouses.
- Gaps in the level and amount of extension services reaching individual farmers, particularly with regards to issues related to better environmental management, pesticide use, and GHG.
- Gaps in monitoring and reporting on compliance. While the MOA and other Program partner institutions have internal audit departments that deal with corruption issues, they do not have



departments for other compliance issues like environment and social laws and regulations. There are also no staff charged with follow-up on environmental and social issues.

- Gaps in current public spending on environmentally and climate friendly policies.
- Gaps in knowledge and statistics regarding GHG emission in the cattle beef sector.

57. Table 5, below, details the analysis of the environmental systems related to the Program.

Table 5: Environmental Systems Assessment

DLIs	Environment and Social Systems Assessed	Environmental and Social System Gaps and Risks	Environmental and Social Benefits
Results Area 1: Improve Veterinary Service Delivery and Animal Recording.			
DLI 1: Cattle is being registered in the Unified information system for traceability, genetic improvement, and animal health control.	<ul style="list-style-type: none"> • Veterinary Committee. • MOA Statistics and Record Keeping. 	<ul style="list-style-type: none"> • Gaps in record keeping and availability of statistics under the recently adopted preliminary national system for the domestic (as opposed to imported) herd. 	<ul style="list-style-type: none"> • Improved animal health and genetic quality due to improved record keeping and traceability. • Unified recording systems allows for better emergency planning. • Better records keeping results in improved genetics which is an important driver in increased production and income with reduced GHG emissions.
DLI 2 Small and Medium Farmers have access to improved and upgraded veterinary services.	<ul style="list-style-type: none"> • Veterinary Committee. • Akimat level veterinary services. • Ministry of Agriculture extension services. 	<ul style="list-style-type: none"> • Gap between regulations and enforcement on veterinary medical waste and animal disposal. • Risk of increased pollution due to inappropriate disposal of veterinary medical waste, animal biproducts, and culled animals. • Risk of inadequate veterinary capacity thus poor services. 	<ul style="list-style-type: none"> • Improved animal health due to provision of upgraded veterinary services. Thus, potential decrease in GHG emissions per unit of product. • Improved animal health and emergency/contingency plans will reduce vulnerability to climate emergencies.
Results Area 2: Scale-up the Farmer-Centric Service Delivery Model.			
DLI 3 Small and Medium Farmers have been trained and certified in Good Practices.	<ul style="list-style-type: none"> • Ministry of Agriculture extension Services. • National Agrarian-Scientific and Educational Center (NASEC). 	<ul style="list-style-type: none"> • Gap in the capacity of MOA and NASEC to deliver extension services to the numbers of farmers expected under the Program. 	<ul style="list-style-type: none"> • Better environmental management on farms. • Net GHG emissions due to improved diet, improved manure management, and improved grazing practices. • Increased carbon sequestration and biodiversity (i.e. improved pasturing, live fencing, late fodder harvesting).
DLI 4 The number of Small and Medium Farmers registered in the Sybaga Program and selling cattle to feedlots has	<ul style="list-style-type: none"> • Ministry of Agriculture extension Services. • NASEC. • National and Akimat legal frameworks related to land; and National and Akimat Land Management Systems. 	<ul style="list-style-type: none"> • Gap between regulations and enforcement on operation of feedlots and slaughterhouses. • Risk of land degradation due to overgrazing and poor pasture management as farm numbers increase. 	<ul style="list-style-type: none"> • More land under management using sound environmental practices. In particular, new farmers are expected to have higher rates of adopting new practices that reduce overall GHG



increased.		<ul style="list-style-type: none"> Risk of improper use of pesticides in feed lots, silage production, and silage storage. 	emissions, improve farm level carbon sequestration, better manage pesticide use, and other positive impacts.
Results Area 3: Implement Green Growth Policies for the Beef Sector.			
DLI 5 Share of public expenditure in support of green growth and sustainability in the beef sector.	<ul style="list-style-type: none"> State Program National statistics on GHG emissions including review of NDCs and NAMAs. Ministry of Agriculture extension Services. NASEC. 	<ul style="list-style-type: none"> Gap in current public spending on environmentally and climate friendly policies. Gaps in monitoring and reporting on environmental and social compliance. Gaps in knowledge about available statistics regarding GHG emission in the cattle beef sector. Risks related to disease and husbandry of imported species once delivered to farmers. Risk of point source pollution from manure management and waste disposal at increasing number of feed lots and slaughterhouses. Risk of biodiversity loss due to expansion of grazing areas into critical habitats (rangeland expansion for increased herd into Saiga Antelope habitats). Risk of improper pollution control and waste management in related industries (tanning, glue and gelatin production). 	<ul style="list-style-type: none"> Improved environmental regulation and enforcement in the cattle beef sector. Improved knowledge of sound environmental practices, particularly among farmers. New subsidies will lower GHG emissions for the sector through improved animal health, grazing practices, farm management, and manure management.
DLI 6 The Borrower has made commitments for the control of GHG emissions and adaptation to climate change in the beef sector.	<ul style="list-style-type: none"> State Program National statistics on GHG emissions including review of NDCs and NAMAs. Ministry of Agriculture extension Services. NASEC. 	<ul style="list-style-type: none"> Gap in knowledge and statistics regarding GHG emission in the cattle beef sector. Risk that farmers, feed lot managers, and production facilities/slaughterhouses do not adopt to policy changes. 	<ul style="list-style-type: none"> Decreased net GHG emissions. Increased carbon sequestration. Increased linkages and knowledge on how the cattle beef sector relates to GHGs and the NDCs.

An Overview of the Social Management System

58. Program boundary, in broad terms, is defined by its objectives, activities and results areas. Within this boundary, several systems – technical, financial, environmental, social- operating inter-meshing with one another. Assessing these systems individually (and in conjunction with others) enables in identifying gaps and risks associated with the program. Constituents of each system differ from one to another. The Social System is swotted in terms of the stakeholders, institutions, and systems and procedures (governing the functioning of the system) as related to the geographical boundaries as well as activities leading to the results areas. Given that this Program is a country wide operation, and all results do have some social



element, the social system is assessed chiefly in terms of the key activities/interventions and the stakeholders and institutions thereof.

59. Key program elements, from the social perspective, relate to: (i) establishing or expanding 20,000 new small and medium farms for beef production; (ii) developing effective out-reach to the existing small and medium farms; and (iii) provision for ensuring appropriate and adequate enabling support and effective service providers. The program portrays a highly diverse and heterogeneous stakeholder profile across the length and breadth of the country²⁴ - livestock farmers, agriculturists, farm scientists, veterinarians, traders, marketeers, processors and packagers, exporters, transporters, and several different authorities at national and akimat levels. Activity spread too, correspondingly, is quite large – livestock, water supply, sanitation roads, credit, transhumance, health and hygiene etc. Hence, one of the key challenges will lie in mapping out comprehensively the stakeholder profile and the ‘system’ thereof. This would imply identifying various sub-groups of beneficiaries/actors/functionaries; soliciting their expectations (from the project) and ascertaining the issues and concerns thereof. Results emanating from these enquiries will have to be adjudicated against the existing ‘system’ – policies, programs, legislation, institutions and service deliveries. For the purpose of convenience, stakeholders hence can be classified, into three groups- direct beneficiaries (livestock farmers); enablers (government ministries who make policies and strategies); and service providers such as extension agencies, credit institutions, traders and logistic companies, importers and exporters. An analysis thereof forms the basis for systems assessment.

60. Stakeholder analysis comprised mapping²⁵ in two steps. First, a universal list of stakeholders was drawn and then prioritization was done taking into significance a particular stakeholder group. For the purpose of expediency, mapping has been done considering vertical and horizontal spaces. The former relates to administrative domains (national, regional, district, and village). Further, segmentation has been done in each of these domains. Significance is gauged by assigning scores- 5 being maximum and 1 the lowest. Next, consultation meetings were held with different stakeholder groups. Program information were shared to evince their expectations and the issues/ concerns thereof. These consultations helped in, understanding not only the current functioning of the system but also in ascertaining the social issues likely to be addressed by the program. The results so obtained were consolidated and the initial set of impacts likely to occur as a result of the program interventions drawn. Consultations were held that covered a variety of stakeholders in order to identify gaps, risks, and potential actions. The Program beneficiaries and stakeholders will have different expectations from, and issues related to the Program.

61. ESSA preparation was chiefly based on consultations with a variety of stakeholders²⁶. These engagements enabled gauging expectations and the related issues/ concerns emanating from a variety of stakeholders. These have been fed into preparing the draft ESSA. Extensive consultations with the agencies were carried out during Program and ESSA preparation. A partial list of the stakeholders identified is presented in the Table 6, below.

62. One of the critical tasks of the PMO will be to continue active engagement of stakeholders and interested parties throughout Program implementation. Table 7 explores the details of the differing expectations, issues and concerns of different stakeholders as well as their perceived risks. Annex 4 contains details of stakeholder engagements during Program and ESSA Preparation.

²⁴ 7,031 rural settlements, 35 villages, 84 cities, 175 administrative districts, 2 republican cities and 14 regions.

²⁵ A stakeholder is defined as an individual or institution who/ which can impact on the program and/ or impacted by the program.

²⁶ While full details are available in the World Bank’s Country Office in Nur Sultan, a summary is found in Annex 3.



Table 6: Program Stakeholders

ENABLERS						
Ministry of Agriculture						
Department on Livestock Production and Processing	Department of Public services development and AIC digitalization	Department on Public Relations	Committee on Land Management Resource	Committee on Veterinary Control and Supervision	Committee on Water Resources	Committee on Forestry and Wildlife
Ministry of Finance						
Department of State Borrowings						
Ministry of Environment, Geology and Natural Resources						
Committee on Environmental Regulation and Control	Committee on Forestry and Wildlife	Water Resources Committee	Department of Climate Change	Department of Waste Management	Permitting Department	Department of Environmental Monitoring and Information
Ministry of National Economy						
Department of Investment Policy						
Ministry of Industry and Infrastructural Development						
Transport Committee	Railway Transport Control Office of Transport Committee	Vehicular Transport Control Office of Transport Committee				
Ministry on Investments and Development						
Civil Aviation Committee						
National Commission on Women, Family and Demographic Policy under the President's Executive Office - consultative & advisory body, implements gender policy						
Regional and Local Executive Bodies (akimats)						
Provinces	Cities/ Districts/cities of district sub ordinance	Self-governing bodies	rural settlements/ villages	Rural veterinarians reporting to akimats	Akimat Environmental Offices	
Prosecutor's offices in rural areas						
SERVICE PROVIDERS						
National Agrarian Scientific and Education Center (NASEC) – training modules and materials development						
Chamber of Commerce of Kazakhstan --extension services						
Chamber of Entrepreneurs of Kazakhstan (Atamiken) –extension services						
KazAgro Holding						
Agrarian Credit Corporation JSC	KazAgroFinance JSC	KazAgroMarketing LLP	JSC "KazAgroProduct"			
Lending programs for farmers	Leasing programs for agri-machinery	Marketing analysis and services	investment projects, promotion of exports, innovations in the livestock industry. Developed e-agriculture IT modules for web portals			
Agricultural Credit Fund						
Logistics Companies						



Kazakhstan Railway	Air Astana	Transportation Companies	
DIRECT BENEFICIARIES			
Farms			
Household Farms- men and women.	Peasant Farms	Agricultural Enterprises	
INDIRECT BENEFICIARIES			
Meat Union			
Large Livestock Production Farms	Feedlot Enterprises	Meat Processors	Meat Exporters
OTHER INTERESTED PARTIES			
International Organizations and Donors			
FAO	ADB	GIZ	USAID
	Irrigation of remote pastureland		
NGOs			
Farmers Union of Kazakhstan	Green Coalition/ Agrowomen	Association of Veterinarians	KazhLogistics Association
Media			
Print- News Papers	Electronic Media – TV, web sites,		Social media

Social Risks and Benefits

63. Stakeholder analysis reveal that the Results Areas identified under the program are expected to largely result in positive effects in the livestock sector and the rural economy. However, some social gaps do exist in the system, particularly in terms of understanding and enforcing laws and regulations at the Akimat (Regional/ District Governments) level in respect of assigning of land, as well as service delivery, gender, and citizen engagement. Based on the gaps, social risks are assessed to be Substantial. See Table 7, which details social gaps and risks, and benefits.

64. As envisaged by the overall government program, expansion of the sector entails making available land to new entrepreneurs; provision of capital and interest subsidy; and assistance on input supplies and output marketing. Within the Program boundary, the new ‘commercial beef farmers’ are expected to emerge from: (i) existing individual farmers who are engaged in crop or dairy production, (ii) current household farmers, who are interested in becoming registered commercial beef producing farmers; (iii) students from agricultural universities; as well as (iv) general public- youth, in particular.

65. Currently, the institutional arrangements required to accomplish these goals are spread across several agencies, such as MOA, Regional Akimats, District Akimats etc. making the bureaucratic processes difficult to navigate, particularly for new and potential farmers. Additionally, ensuring gender parity when implementing the Program may prove to be a challenge as women interviewed expressed apprehensions around access to resources like livelihood amenities and infrastructure facilities as well as fear of workload increases when farm responsibilities are combined with traditional female roles. Overall, the following have been identified as gaps for accomplishing *inclusive* development:

- Knowledge regarding available land for assignment to new small and medium farmers, who intend to become commercial beef producers;
- Complementary production support such as credit, grants, subsidy and infrastructure services;
- Universal and efficient access to information, appeal and grievance redressals; and
- Gender roles and women participation.



Table 7: Expectations, Issues, and Concerns

1. Group/ Subgroup	2. Expectations from the project	3. Current Status	4. Concerns and issues	5. Significance of Risks	6. Enabling Conditions required
Ministry of Agriculture (MOA)	To secure additional financing to meet the priority objectives of the State Program of the Agro-Industrial Complex Development of Kazakhstan for 2017–2021 to be updated, with specific focus on developing an export-oriented livestock sector.	MoA faces a real challenge in guiding and facilitating the orderly growth of the many parts of the value chain essential to the effective and inclusive growth of the livestock sector, and to comply with the quality and food safety requirements of international markets. Insufficient resources to promote broad-based livestock sector growth.	<ul style="list-style-type: none"> Non availability of quality land for establishing new livestock farms; Insufficient land management and pasture preservation (priority allocation of pastureland for farmers); Management of unirrigated, unused and under used pastureland; Lack of infrastructure in rural areas (water supply, power, heating supply facilities, pumps, fencing, roads); How to strengthen extension services. Inefficient traceability system and veterinary inspection services that operate to international standards; No export market assessment; Absence of a clear export strategy that builds on the country's comparative advantages (quality, price, and halal certification); Interface with the land management departments. Differential taxation system for agricultural farm incomes. 	High	<p>Revise the State Program of the Agro-Industrial Complex Development of Kazakhstan for 2020-2024.</p> <p>Build synergies with other state programs to improve local infrastructure in rural areas.</p> <p>Lobby the introduction of simplified agricultural taxation (unified agricultural tax for farming – 1% of turnover).</p> <p>Develop and implement Meat Export Strategy based on export market assessment.</p>
Livestock Production and Processing Department	Receive technical assistance and financial support for implementation of the National Plan of Kazakhstan's livestock sector development for 2018-2027 Introduce new model of livestock farming with farmer-central element of ecosystem	Government expenditures have traditionally favored large producers and focused on increasing agricultural production through direct subsidies rather than improving the quality and safety of products.	<ul style="list-style-type: none"> Low numbers of cattle, only enough to cover domestic consumption Fragmented market: more than 50% of cattle are in domestic households Low productivity of the non-breed cattle Low level of technology penetration The absence of strict food-safety certification Undeveloped distribution and marketing Undeveloped transportation system, including bad roads Low investment attractiveness of the industry due to unstable geopolitical factor and complicated subsidy system 	High	High and more focus on distant international markets than on nearby cross border trade to increase sector competitiveness while designing programs for small and medium farmers



1. Group/ Subgroup	2. Expectations from the project	3. Current Status	4. Concerns and issues	5. Significance of Risks	6. Enabling Conditions required
Department of Public services development and agro- industrial complex digitalization	Consolidate and digitalize pasture un- and underutilized pastureland resources for all 14 provinces	Piloting electronic pastureland cadaster only for 3 provinces. Administering 2 integrated livestock and their owners' databases.	<ul style="list-style-type: none"> Lack of farms accounting electronic system; Insufficient digitized consolidated statistics and big data; A system of end-to-end product traceability from farm to table has technical shortcomings 	Moderate	Integration and enhancement of the automated information and analytical systems Digitalization of public services of the MoA
Land Management Resource Committee	To conduct analysis on current irrigation of pastures and mapping of pastures for subsequent irrigation To analyze pasture use efficiency and priority allocation to farmers To receive technical assistance in sustainable pasture resource management	Country's rangeland resources are vast but under- or miss-utilized. Following the contraction in herd inventory, remote rangeland use decreased. As a result, vast areas of rangelands, far from human settlements, are not used.	<p>There are problems related to land tenure rights at the local level, secure property rights (this discourages ranchers from investing in the needed supporting infrastructure, such as watering points, roads, and barns).</p> <p>Lack of consolidated data on un-utilized and under-utilized land, which require up to three-year period to investigate and/or take back land plots through law courts to make them available to the new entrants</p>	High	Equitable land access policies and procedures; State subsidy support to farmers to building the pastureland infrastructure; Digitalization of unused pastureland countrywide;
Committee on Veterinary Control and Supervision	Minimize veterinary risks in the livestock production Implement monitoring of veterinary measures at the regional level	Control over the implementation of veterinary measures is with veterinarians reporting to akimats at the local level Cattle labeling started in 2011, now there is online livestock ID registration with Information-Analytical System "Republican System of Livestock" (IAS RSL) and vet portal integrated together.	Low penetration of technologies and lack of digitization in veterinary medicine and statistics; Low investment attractiveness of the industry due to high veterinary risks; Insufficient number of vegetarians countrywide; A separate registration database for genetic and selective cattle administered by the Chamber of Selective Milk Cattle. There are 7 million big cattle, 18 mln small cattle, 700,000 pigs, 2,1 mln horses, 178,000 camels, 20,000 veterinarians (including 15k at akimats, 3,5k lab specialists, 1,5k vet inspectors), 121 vet labs, 199 vet stations. Current doctors are old generation of vets, young people are not interested		Centralized veterinary control to be returned to the Ministry of Agriculture Animal identification system based on electronic ear tags RFID, equipping veterinarians with electronic scanners



1. Group/ Subgroup	2. Expectations from the project	3. Current Status	4. Concerns and issues	5. Significance of Risks	6. Enabling Conditions required
Committee on Water Resources	Loans for the reconstruction of irrigation systems Pasture flooding program	The lack of watering points limits access to remote pastures.	1 mln ha of land need to be irrigated to support livestock growth (irrigation infrastructure to be built in potential pastureland)		Synchronize the irrigation reconstruction program based on plans for the location of feed production facilities
Forestry and Wildlife Committee	Achieve the sector's growth potential in an environmentally sustainable and inclusive manner, by a) minimizing GHG emissions along beef supply chains, b) improving carbon sequestration in grasslands, and c) supporting research, development and promotion of renewable energy production systems for cattle farms and slaughterhouses.	(i) soil erosion due to overgrazing; (ii) water quality deterioration due to leakages of manure and other residue, (iii) dust and particulate matter in the air due to degraded grazing areas and feedlots; (iv) noise at the feedlots; (v) high GHG emissions (methane and CO ₂ emissions) from manure and animal wastes and reduced carbon sequestration.	Environmental risks of livestock production growth include (i) increased land degradation and overgrazing; (ii) waste of farming and of industrial processing; (iii) introduction of noxious weeds and/or animal diseases that may threaten plant and animal biodiversity; and (iv) unsustainable use of animal manure burning.	Substantial	Opportunities for environmental improvement can be seen in the improvement of grassland quality and the prevention of wildfires. Increase quality and volume of cattle fodder to preserve pastureland.
Kazakh Agro	Capacity enhancements to meet the credit requirements of the program.	Fully not aware of the implications	Inadequate capacity both on technical and managerial front	High	GOK / MOA should: develop a package proposal and define financial contours for the new farms. Steps to supplement and complement capacity are essential.
Ministry of Finance	Attract additional funding for the State Program on Agriculture Sector Development	There is a financial gap in state budget, as the first priority stays with the social sector			
Regional/ District Admin offices	Details of the program along with the expected role and responsibility.	Do not know fully the program and the requirements thereof. Lack of capacity in terms of personnel.	Specific rules and regulations along with guidelines required on how to make land available for livestock farms.	High	MOA has to interface and develop functional linkages to enable the program to take roots



1. Group/ Subgroup	2. Expectations from the project	3. Current Status	4. Concerns and issues	5. Significance of Risks	6. Enabling Conditions required
National Agrarian Research and Education Center (NASEC)	Knowledge and Capacity enhanced so as to cater to the farmers' capacity building throughout the country.	Limited Outreach Highly Sectoral focus	Have a large and definite mandate for extension services and capacity building. Need to position themselves strategically to be able to perform the functions	High	Program needs to provide supplementary and complementary support through strategic planning.
Meat Union	Access to highly competitive and regulated international markets by increasing efficiency and productivity of meat production Expand international meat exports (live animals, fresh & frozen meat) and to increase export revenues Develop Certified Natural Meat Program	High production costs and low competitiveness Large meat producers and processors are well organized and ready to expand, though they have low meat supplies from small and medium farms	<ul style="list-style-type: none"> • High operational costs of large meat producers and processors; • Exports remain at low levels; • Insufficient number of small and medium meat suppliers; • Limited transportation opportunities and high costs to arrange for international exporting; • Limited capacity of meat-packing plants; • Numerous certifications of origin for every meat exporting shipment; 	Moderate	Attract foreign investments for meat processing plants and farms Increase subsidy programs for meat producers and start-uppers Introduce simplified taxation (unified agricultural tax for farming – 1% of turnover) Launch an insurance mechanism in livestock production
Meat processors	Access to foreign investments; Expand and enhance meat export infrastructures; Improve marketing strategies		<ul style="list-style-type: none"> • Insufficient export infrastructure for meat processing and packaging; • High production costs; • Low meat supply rates by domestic producers 	Substantial	
Household Farms	Stable income Guaranteed state support and access to transparent and efficient subsidy programs Access to efficient pastureland with relevant infrastructure Availability of affordable extension and veterinary services	Market mentality among small meat producers (prefer to raise horses) No trust among small producers to establish agro-cooperatives Limited number of small and medium HHFs High unemployment among households	<ul style="list-style-type: none"> • High livestock feeding costs; • Limited pastureland in surrounding areas; • Non-transparent land allocation process; • Access to e-portals and e-applications are complicated, without external support is not impossible to complete them; • Long-term application process for state subsidy programs (1 year per application); • Non-transparent selection process for subsidies; • Insufficient knowledge in fattening foreign bulls; • Expensive veterinary services; 	High	Disseminate and increase public awareness about the new program. Supply of affordable feed crops and irrigation systems Access to free land user leases Long-term loans with low interest rates



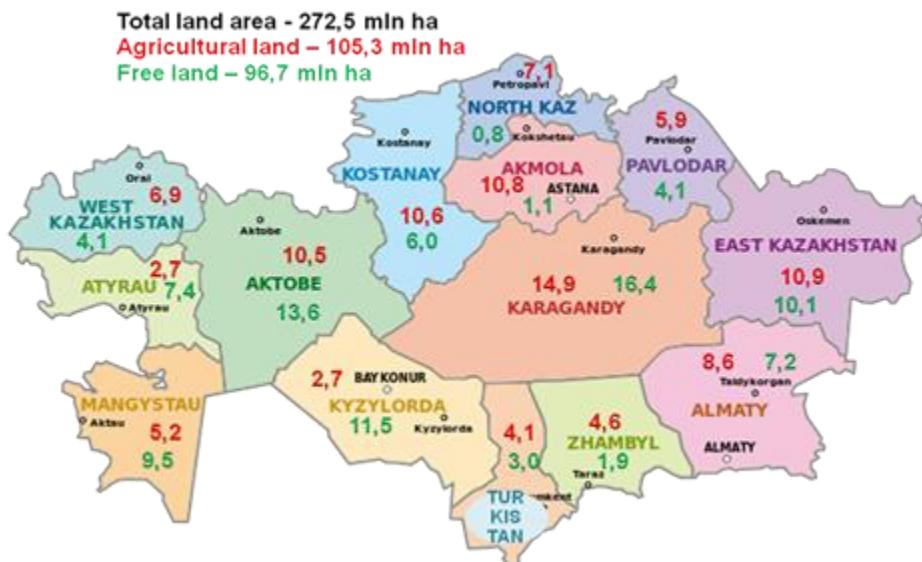
1. Group/ Subgroup	2. Expectations from the project	3. Current Status	4. Concerns and issues	5. Significance of Risks	6. Enabling Conditions required
Peasant Farms (both existing and prospective candidates)	Access to high-quality breeding cattle; Access to high quality fodder; Access to state low interest and mature subsidies/loans to expand farms; Access to livestock extension services; Access to new irrigated pastures;	Do not know what the program entails for them.	Existing farmers are apprehensive that they may be ignored, and instead, focus could be on the new/ elite ones. Securing land – how to secure; whom to approach, what documents are required, how long will it take place etc. Where are land available? Are there other infrastructural facilities? Financial Assistance – what type of assistances are available in terms of capital and interest subsidy? Will the program give any grants? How to access good quality animals, is it local or imported. Who will help in fetching them? Insurance- what happens if an animal dies or affected by natural disasters?	High	Full awareness about the program contents and the mechanisms for participation including whom to approach and the nature of facilitation services.
Green Coalition/ Agro-women (NGOs) Coalition represents a network of NGOs joined together to promote green economy concept.	Introduce and disseminate new green technologies; Engage NGOs into the monitoring and verification of services to be offered to farmers; Promote women participation in cattle farming.	Limited coverage of rural women by grants to start new businesses in rural villages; Partnership with Employment Program to assist in small business start-ups grant applications;	<ul style="list-style-type: none"> • Insufficient grant funding to expand the green economy concept and new technologies countrywide; • Insufficient financial support from the government to promote women entrepreneurship in agriculture; • Poor knowledge about the start-up funding opportunities (grants, loans, subsidies); • Low competencies in agricultural entrepreneurship among rural communities; 	Low	Partnership agreements with state establishments to provide outreach and capacity building services to potential farmers Expanding Grant programs Special State Subsidy Program for Women Farmers with discounted rates Strategy on Women Engagement in Agricultural Development in villages



66. **Social Risk** – The Program operation's social risk is rated as Substantial as there are several key risks that need be addressed, such as: potential expropriation of land to accommodate new farms; lack of credit and insurance for small and medium farmers; rich farmers benefiting more than small and medium sized farmers under the Program; and women not benefitting equally from the Program. In broad terms, these can be discussed under two broad heads: Land and Inclusion. The latter, for the sake of convenience, has sub-focus on Gender and Citizen Engagement. The above risks are deliberated in the sections below.

67. **Land Availability**²⁷. A key input/intervention for the expansion of beef production lies in making available lands. GOK envisages some 20,000 new/expanded small and medium farms, each at about 100 Ha which aggregates to minimum of 2 Million Ha. Given the land scenario in Kazakhstan, ESS assessments reveal that it is relatively easier to secure the lands. The same is discussed in the sections below.

68. Kazakhstan is the ninth largest country in the world by its territory 272,5 million ha located in the center of the Eurasian continent and is more than twice the combined size of the other four Central Asian states and 60% larger than Alaska. The total land area is 262,5 million ha²⁸; 184 million population; and population density of 6.80/ sq km.²⁹ As per the Ministry of Agriculture (Committee of Management of Land Resources), Reserve or Free lands is estimated at around 96,7 million ha or 36.8% of the total land.³⁰ (Figure-1). Most lands belong to the government and are leased out for a specific purpose with an agreed set of terms and conditions.



69. However, as per ESS assessment, in the context of Core Principle 4 (related to involuntary acquisition of lands), all the 96.7 MHa cannot be considered as 'free' and could be made use of. This gains ground as Kazakhstan's legislation provides for appropriation of lands, if the lands are: (i) not used for the

²⁷ Land related results are drawn from two analytical studies: one, legal perspective, a collaborative effort with the CA Country Lawyer; and other, land management issues, financed under a Trust Fund.

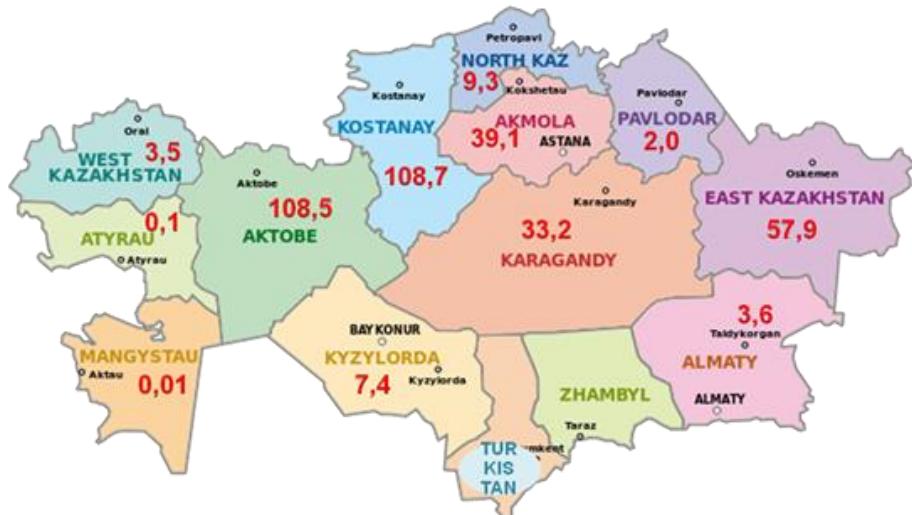
²⁸ Consolidated analytical report on land resources for 2018, CMLR

²⁹ <https://www.worldatlas.com/webimage/countries/asia/kazakhstan/kzlandst.htm>

³⁰ (<http://www.aisgzk.kz/aisgzk/en/content/14/>).



purpose it is meant for; (ii) un-utilized; and (iii) under-utilized. Kazakhstan government has laid out elaborate processes to ensure that appropriations are appropriate and justified. This includes: (i) ground truthing with onsite assessments by the district Aikimat's office; (ii) issuance of notices to the assignees; (iii) providing ample opportunity for the affected land assignees not only to make their case but also offer time to set right things, if required; (iv) if the situation does not improve, then, move the cases to courts; (v) each case is discussed and deliberated in the court; and (vi) ultimately decrees issued by the Judiciary. Following this process, GOK has, during the past 4-5 years, appropriated about 374,000 Ha (Figure-2)



70. However good the appropriation processes are, ESSA recommends that the program should exclude any land which is currently used or occupied by people (with or without formal or legal claims) as well as those appropriated by the authorities. Reasons for this are two-fold: One, appropriation of lands without due compensations and attention of impacts on livelihoods could mean involuntary acquisition; and Other, enough lands, which have not been assigned so far and/ or not being occupied/ used by anyone, exists abundantly. So, all it is required for the Program is to ensure that lands used are indeed totally 'free' from any/ all encumbrances. To ensure this, the following process shall be adopted.

71. For identifying lands, as a first step, MOA will generate satellite-based data region/ district wise. Subsequently, it is passed on to the district authorities who will do the ground truthing and prepare an inventory. In each Akimat all lands will be mapped together with roads, markets, production centers, and critical infrastructure related to the beef cattle sector.³¹ The lands are then classified into the following categories:

- i. Land not assigned to anyone to date.
- ii. Land assigned to individuals and/ or companies in the decade following independence where the beneficiaries have bankrupted or abandoned farming in the 90s and are willing to relinquish title to the land.
- iii. Un-used and/ or under-used land assigned to individuals and/ or companies who are not initially willing to relinquish title to all or a portion of that land, but who, after dialogue and negotiation

³¹ Results Area 2 addresses policy and institutional bottlenecks that currently prevent small and medium farmers' participation in export-oriented high-value beef supply chains, including: (i) review and improvement of land access policies; and (ii) strengthening local governments' capacity to manage common pastureland and related water points that would eventually improve access of farmers to more productive pastures



with authorities are convinced to relinquish title to the land in order to have it become (more) productive.

- iv. Un-used and/ or under-used land assigned to individuals and/ or companies who are not willing to relinquish title to all or a portion of that land even after dialogue with authorities, who, contest in the courts.

72. Program will make use of lands under categories (i) and (ii) only. Detailed maps with lands thus categorized are displayed widely at prominent places – One Stop Citizen Service Centers; Region/ District Akimat offices; Public Councils, and on the websites of the government. This way, prospective program participants will also come to know the details about lands available and a choice can be exercised. On the other hand, if anyone has objection(s), the same could be raised with the Grievance Redressal authorities.

73. Finally, this brings to the fore the importance of District Aikimats with whom rests the ‘land management’ responsibility. The Program (MOA) needs to focus on how to ensure an effective interface with these authorities.

74. **Inclusion.** Program has the laudable objective of bringing into its fold people from all walks, especially unemployed youth and fresh agriculture/veterinary graduates and young women and other aspiring entrepreneurs as well as existing small /marginal cattle farmers. For this to happen, an Information, Education and Communication (IEC) campaign is essential which could entice expression of interest. If the EOIs exceed 20,000, then, criteria for selection will need to be worked out. IEC should also spell out clearly the package offered by the Program – land, credit/ grants (how much and terms and conditions), technical assistance (in terms of imported animals, breeding, input management), extension services and input supplies/ output marketing. Lastly, a separate package also needs to be made explicit to benefit the existing small / marginal farmers.

75. **Resilience.** Risks and uncertainties are quite high. So, the package necessarily should have ‘insurance’ and/ or other insulatory measures.

76. **Enabling.** Program should specify the institutional and implementation arrangements. Today, role and responsibilities are spread across several agencies. Any program should necessarily be on a Mission Mode and with a Single Window Delivery. Prospective candidate (farmers) will find it difficult to move from one agency to another across several agencies.

77. Table 8, below, details the analysis of the environmental systems related to the Program.

Table 8: Social Systems Assessment

DLIs	Environment and Social Systems Assessed	Environmental and Social System Gaps and Risks	Environmental and Social Benefits
Results Area 1: Improve Veterinary Service Delivery and Animal Recording.			
DLI 1 Cattle is being registered in the Unified information system for traceability, genetic improvement, and animal health control.	<ul style="list-style-type: none">• Veterinary Committee.• MOA Statistics and Record Keeping.	<ul style="list-style-type: none">• Gaps in record keeping and availability of statistics under the recently adopted preliminary national system for the domestic (as opposed to imported) herd.	<ul style="list-style-type: none">• Unified recording systems allows for better emergency planning.• Better records keeping results in improved genetics which is an important driver in increased production and income with reduced GHG emissions.
DLI 2 Small and Medium Farmers	<ul style="list-style-type: none">• Veterinary Committee.• Akimat level veterinary services.	<ul style="list-style-type: none">• Risk of inadequate veterinary capacity thus poor services.	<ul style="list-style-type: none">• Improved animal health.



have access to improved and upgraded veterinary services.	<ul style="list-style-type: none"> • Ministry of Agriculture extension services. 		
Results Area 2: Scale-up the Farmer-Centric Service Delivery Model.			
DLI 3 Small and Medium Farmers have been trained and certified in Good Practices.	<ul style="list-style-type: none"> • Ministry of Agriculture extension Services. • National Agrarian-Scientific and Educational Center (NASEC). 	<ul style="list-style-type: none"> • Gap in the capacity of MOA and NASEC to deliver extension services to the numbers of farmers expected under the Program. 	<ul style="list-style-type: none"> • Productivity and household incomes increase in the cattle beef sector.
DLI 4 The number of Small and Medium Farmers registered in the Sybaga Program and selling cattle to feedlots has increased.	<ul style="list-style-type: none"> • Ministry of Agriculture extension Services. • NASEC. • National and Akimat legal frameworks related to land; and National and Akimat Land Management Systems. 	<ul style="list-style-type: none"> • Gap in the level and amount of extension services reaching individual farmers. • Gap in the knowledge regarding available land for assignment to new small and medium farmers. • Gap in statistics available on women farmers. • Risk of potential expropriation of land to accommodate additional small and medium farmers. • Risk of non-availability of institutional credit and insurance for small and medium farmers. • Risk that program will be appropriated by large/rich farmers rather than benefitting small and medium sized farmers. • Risk that women farmers will not benefit equally from the Program. • Risk that quality and accessibility of land for new farms is not adequate. • Risk that bureaucracy at national and Akimat levels prevents timely application for and assignment of land to new farmers. 	<ul style="list-style-type: none"> • More land under management using sound environmental practices. • Increased incomes to farmers, including small and medium farmers, due to better education and management practices. • Higher productivity and meat export results in more jobs both on-farm jobs as well as in secondary and tertiary sectors where value is added. Beneficiaries will include youth, students, subsistence farmers, and the unemployed. • Improved overall spatial development and increased infrastructure development, particularly at the Akimat level.

Gender Aspects

78. Kazakhstan developed a Gender Equality strategy 2006-2016 by a decree of the President in 2005 which paved way for a tangible implementation of equal rights and opportunities for women and men. The Strategy identified seven priority areas in view of realizing the state gender policy including:

- Gender equality in the public and political spheres;
- Gender equality in the economic sphere;
- Gender education;
- Improving reproductive health of men and women;



- Prevention of gender-based violence;
- Strengthening of the family; and
- Raising public awareness on gender equality.

79. With the result, Kazakhstan today stands classified as having “very high human development” according to the Gender Development Index (GDI). It is one of only 21 countries worldwide, and the only in Central Asia, in which the female Human Development Index (HDI) score is equal to or greater than the male HDI score (see Table 9). With a higher life expectancy and greater educational attainment, women in Kazakhstan outperform men on all HDI indicators except for income. In 2017, average income among men was 71% greater than among women (per capita gross, 2011 PPP\$). Despite a higher female HDI, the United Nations Development Program’s (UNDP) Gender Inequality Index (GII) finds that women in Kazakhstan are still not reaching their full human development potential due to gender inequalities across three dimensions: i) reproductive health, ii) empowerment (measured by educational attainment and political participation), and iii) labor market participation. However, gender inequalities in Kazakhstan result in a smaller loss to female human development than in the Kyrgyz Republic, Tajikistan, Uzbekistan, as well as in Europe and Central Asia as a whole. Kazakhstan’s GII has also improved significantly since 2008 thanks to fewer maternal deaths, a reduced adolescent birth rate, more women in parliament, and a higher share of women with at least some secondary education.

Table 9: Kazakhstan’s Performance on the Gender Development Index, 2017

Score for 2017	Gender Development Index	Human Development Index - Male	Human Development Index - Female
Kazakhstan	1.007	0.795	0.801
Kazakhstan 1995	1.004	.663	.665
Kyrgyz Republic	.960	.681	.654
Tajikistan	.933	.669	.624
Uzbekistan	.945	.726	.687
Europe & Central Asia	.956	.785	.751
Very high HDI countries	.983	.899	.884

Data source: UNDP (2018). Note: The Gender Development Index is a ratio of the female HDI to the male HDI

80. Thus, there has been important progress in promoting women’s empowerment in public life, achieving important results over the last decade. Yet women remain underrepresented in key decision-making posts and traditional gender roles continue to dominate education and employment decisions. However, it has so far failed to address gender inequalities in the public sphere and has not brought about equal outcomes for women and men in political, economic and social sectors.

81. Kazakhstan has almost reached gender parity for access to education, and women represent the majority of students at higher education institutions making up 64 percent of those studying for masters’ degrees and 58 percent of those pursuing doctoral studies. Despite the high numbers of women in



employment and in full-time education, Kazakh society is prone to traditional perceptions about the roles of women and men. Consequently, the majority of the female labor force is predominantly concentrated in three traditional sectors such as education, health and services. The division of responsibilities within families remains rigid and women experience a double work burden of home-related tasks and employment in the labor force. There is significant underemployment and unemployment among women in Kazakhstan. It is estimated that there are two million women categorized as 'self-employed'. In fact, these are either women who are informally employed or are employed in the informal sector, and are denied and lack all social guarantees, such as maternity benefit, sickness benefit, and pensions. There is also vertical and horizontal discrimination of women in the labor market.

82. A significant socially vulnerable group in Kazakhstan is rural women – especially those who have been obliged to marry early or have low levels of education. Rural households in general, suffer from high unemployment rates and low incomes, because seasonal work for many households is the only means of earning a living. The root cause of violence against children in rural areas is frequently household poverty and lack of opportunities for women. The prevalence of gender-based violence remains an important socio-economic barrier for women, with every one out of three women suffering from a form of physical, sexual or other form of violence.

83. In summary, the gender agenda—pursued integrally through economic and social policies—has been mainstreamed into education, health, social protection, and labor market policies. Key issues are the political empowerment of women; making the business climate friendlier to women and addressing unmet demand for childcare facilities. The coverage of preschool education is low and full coverage by 2020 is an official objective. In addition, gender gaps in three areas require attention: low male life expectancy, lagging male tertiary enrollment, and the gender wage gap. The male-female gap in life expectancy at 10 years exceeds the world average of six years. The gender gap in tertiary education is large (32 percent vs. 45 percent) raising concerns about sustaining productivity gains into the future. Finally, the gender wage gap in Kazakhstan of 35 percent is above the regional average of 29 percent and could reflect factors such as occupation segregation, hours worked and years of experience. The forthcoming Concept on Family and Gender Policy for 2030 in Kazakhstan is currently being elaborated and includes, among other issues, important action plans to develop the public sector capacity, increase international collaboration, reduce stereotypes in education and employment and combat violence against women.

84. As regards farm sector, women have been historically under-represented in agricultural enterprises and collective farms, there are fewer women in management positions in agricultural enterprises. In addition, due to gender stereotypes and traditionally dominant role of men, women have been allowed lesser access to land rights (ownership and lease). Women also tend to benefit less from the government programs, including subsidies, agricultural advisory services and others, unless these programs specifically target women. Women are often unaware about their opportunities on land rights, subsidies and credits and do not have appropriate qualification and management skills and proper knowledge to fill out documents and procedures on getting credits. Second, while women tend to participate in agricultural associations, cooperatives or other forms of partnerships, their specific needs are less likely to be addressed, because lesser agricultural asset ownership and high demands on their time mean that they are often underrepresented. Furthermore, the lack of rural women's organization networks also limits their capacity to advocate with subnational and national governments women earn less than men. Typically, women's farm work tends to be under-reported as they either are not the principal owners of farms or their work on family farms is not viewed as economic contribution.



85. Given the above situation, the PforR will incentivize interventions that will be tailored to address women specific needs. Specifically, special training and demonstration program as part of the improved agricultural advisory and knowledge transfer activities will be designed and tailored for women and will be included in the improved advisory curriculum. Women farmers will have opportunities to participate in those programs that address their specific needs and concerns. The PforR program action plan will include an action to address equal access of women to services and interventions supported by the PforR Program. However, gender gaps in respect of the farmer centered intervention in the livestock sector can be gauged only during implementation – to address fully the major apprehensions as expressed by women include: access to resources, livelihood amenities and infrastructure facilities in/ around the new farms, work load increases – could result in increased drudgery -- and loss of social networks as a result of moving to new farms. Hence, an in-depth gender analysis of agriculture is will be initiated during implementation to assess how to ensure full participation for women in the Program.

Citizen Engagement and Grievance Redress

86. Given that the proposed program will be nationwide and comprise multi sectoral activities and various actors/ agencies, the program's interface with the stakeholders, in general, and the direct beneficiaries will have to be under the overall realm of the Citizen Engagement. This will have to cover four broad areas: (i) Information Dissemination to enable fuller awareness creation about the program; (ii) responding to queries and facilitation of services; (iii) grievance redressal mechanism (GRM); and (iv) beneficiary feedback. Fuller awareness will be essential to invite expression of interests from prospective cattle farmers. Facilitation will be critical, especially during the initial stages of implementation. Further, it will be required to establish one common office to receive/ entertain all queries/ complaints and act as a single window delivery agency at the MOA. The GRM and community outreach will be essential to ensuring the program uses only land that is currently unallocated and/or unused, and without prior claims and encumbrances.

87. Mechanisms to address appeals/ queries/ complaints by the Ministry of Agriculture of Kazakhstan are well established in compliance with legal provisions described in three laws of the Republic of Kazakhstan: Law on Access to Information, Law on State Services and Law on Procedures for Considering Appeals of Individuals and Legal Entities. In accordance with the Law on Access to Information MoA has a website³² and Facebook page³³ to provide access to wider audience to the news, plans and achievements within the agricultural sector and its subsectors. The MoA press center regularly uploads to the updated agricultural news and information. The website also has the feedback mechanism (public reception) to file a request for information, submit a recommendation or a grievance. The MoA Facebook page is another opportunity for citizens to comment or provide feedback to uploaded new postings, as well as serves as a complaint platform. The most frequently used Facebook page is *Astanawanttoappraise/complain*, it has about 80 thousand subscribers, providing feedback to diverse range of incidents and misbehaviors of all state bodies throughout the country.

88. To comply with the Law on Public Services, all the services offered by the state bodies are standardized and being digitalized. Once digitalization is complete, the MoA through its regional and local branches offers/ or will be able to offer (in future) some 60 public services, including state subsidy program, agricultural entity registration, licensing and product certification, agricultural land tenure, mapping and geodesy etc. These services are monitored by the MoA Department on Public Services and

³² <https://moa.gov.kz>.

³³ <https://www.facebook.com/minagri.gov.kz/>.



Agro-industrial Complex Digitalization. Complaints are accepted at the regional/oblast and local service providers (agricultural departments and divisions); however, citizens have the right to file a complaint directly to the above-mentioned Department. Public services, including agri-services, are evaluated on an annual basis by independent research company, and findings³⁴ are published at the MoA website.

89. The Public Relations Department serves as one stop window to receive diverse range of public audience, complainants, visitors and requests. They maintain relations and file any grievances and letters received orally or in writing, but no anonymous ones. The MoA website includes work contacts of key MoA officials and employees³⁵, and anyone may contact them. At the same time in accordance with the Law on Procedures for Considering Appeals of Individuals and Legal Entities, the high officials of state bodies are obliged to accept citizens and representatives of legal entities personally at least once a month.³⁶ MoA Vice Ministers are available every two weeks for two hours to accept walk-in visitors to listen and take measures on the issues related to their competences.³⁷ Office of the Ethics shoulders responsibility for overall monitoring of these activities/ processes and conduct of the government officials.

90. The grievance redress reports are prepared and published on the MoA website on semiannual basis. Grievances are usually resolved within 15 calendar days, and if investigation is needed than it will require up to 30 calendar days.

91. The stakeholder's consultations confirmed that the current practice at the district level is as follows: residents usually approach the Agricultural Departments and Akimats for complaints and issues they may have. All complaints and resolution status are recorded and resolved within up to 30 calendar days. The complainant is informed about the decision and actions to be taken in written form.

92. Within three months the complainant can submit an appeal, if s/he does not agree with the decision, or if the complaint case requires further assessment and actions on a higher level, then s/he addresses the Agricultural Department and Akimat at the regional level. Regional bodies are required to take measures within 15 calendar days, if no investigation is needed; in latter case the terms are extended to 30 calendar days. If grievance was resolved at the regional level, the complainant will be informed of the outcome in written form. After three-month period, the complainant can appeal the decision, his belated appeal will be accepted, however late submission maybe the reason for objection.

93. If the complainant does not agree with the decision, the complainant can file a grievance at the central level. All the complaints at the central level are received through the MoA General Department and forwarded through the assigned Vice Minister to the respective Committee to resolve the case within up to 30 calendar days. If the complainant is not satisfied, information will be provided to the complaining party about why the case was not resolved, and how the complaining party can make appeal to the country's court, if wished so.

94. Thus, elaborate arrangements are in place to address appeals from citizens. This is working satisfactorily in and around urban areas and may as well work for the program too. But, ensuring outreach in the rural areas will be a challenge due to remoteness, inaccessibility and illiteracy. So, the program will bring into its ambit the 360 one stop public 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 Program Management

³⁴ <https://moa.gov.kz/en/documents/499>.

³⁵ https://moa.gov.kz/documents/1565691764606_ru.pdf.

³⁶ Article 13, Law on Procedures for Considering Appeals of Individuals and Legal Entities.

³⁷ <https://moa.gov.kz/ru/manager/5>.



Office (PMO). Also, Public councils, headed by the local Akims and comprising chiefly non-government agencies/ individuals, can also serve as forums for dissemination and receiving complaints/ queries. Finally, quick and rapid surveys, to evince feedback from the stakeholders, conducted on an annual basis, will form a part of the implementation.

95. 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 described above 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>. For a full description of the GRM, see Annex 1.

Summary of Environmental and Social Systems

96. Table 10, below, summarizes the potential mitigation measures identified for environmental and social gaps and risks for the Program.

Table 10: Environmental and Social Gaps, Risks, and Mitigation

Results Areas	Environmental and Social Gaps and Risks	Potential Mitigation Measures
Results Area 1: Improve Veterinary Service Delivery and Animal Recording.	<ul style="list-style-type: none">• Gaps in record keeping and availability of statistics under the recently adopted preliminary national system for the domestic (as opposed to imported) herd.• Gap between regulations and enforcement on veterinary medical waste and animal disposal.• Risk of increased pollution due to inappropriate disposal of veterinary medical waste, animal biproducts, and culled animals.• Risk of inadequate veterinary capacity thus poor services.	<ul style="list-style-type: none">• Implementation of standard veterinary medical waste disposal procedures, including incinerators for larger facilities.• Implementation of standard disposal procedures for animals culled due to disease or potential exposure to disease.• Increased veterinary health standards including treatment of healthy animals (breeding, vaccines, etc.).• Increased veterinary inspections, record keeping of those inspections, and follow-up on deficiencies noted.• Capacity building for veterinarians and veterinary students included in the Program.
Results Area 2: Scale-up the Farmer-Centric Service Delivery Model.	<ul style="list-style-type: none">• Gap in the capacity of MOA and NASEC to deliver extension services to the number of farmers expected under the Program.• Gap in the level and amount of extension services reaching individual farmers.• Gap in the knowledge regarding available land for assignment to new small and medium farmers.• Gap in statistics available on women farmers.• Risk of potential expropriation of land to	<ul style="list-style-type: none">• Mechanisms in place to ensure that all land allocated under the Program is currently unallocated and/ or unused, and without prior claims and encumbrances.• Development of "one stop service centers" in each Akimat for land allocation, assistance with identifying financing, insurance, etc. particularly for new small and medium farmers.• Mechanisms in place to ensure that land allocated to new farmers is accessible,



	<p>accommodate 20,000 additional small and medium farmers.</p> <ul style="list-style-type: none">• Risk of non-availability of institutional credit and/or insurance for small and medium farmers.• Risk that program will be appropriated by large/rich farmers rather than benefitting small and medium sized farmers.• Risk that women farmers will not benefit equally from the Program.• Risk of land degradation due to overgrazing and poor pasture management as farm numbers increase.• Risk of improper use of pesticides in feed lots, silage production, and silage storage.• Risk that quality and accessibility of land for new farms is not adequate.• Risk that bureaucracy at national and Akimat levels prevents timely application for and assignment of land to new farmers.	<p>fertile, and environmentally favorable for raising beef cattle.</p> <ul style="list-style-type: none">• Increased extension services:<ul style="list-style-type: none">◦ on new pasturing techniques◦ on developing effective pesticide alternatives, particularly for feedlots and silage production;◦ on pesticide management, particularly in feedlots and silage storage; and◦ developing on farm and feedlot pesticide management practices.• Ensure compliance with the conditionality criteria for new subsidies for agri-environmental practices (i.e. pasturing, windbreaks, live fences, and watershed protection).• Keeping regulations on pesticide use and management up to date.• Development of clear criteria for eligibility for land allocation to new small and medium farmers.• Develop clear systems and eligibility criteria to ensure gender equity in selection of new small and medium farmers to participate in the Program.• Proactive planning to prevent expansion of sector into critical habitats or protected areas.
Results Area 3. Implement Green Growth Policies for the Beef Sector.	<ul style="list-style-type: none">• Gap in current public spending on environmentally and climate friendly policies.• Gaps in knowledge about available statistics regarding GHG emission in the cattle beef sector.• Risks related to disease and husbandry of imported species once delivered to farmers.• Risk of point source pollution from manure management and waste disposal at increasing number of feed lots and slaughterhouses.• Risk of biodiversity loss due to expansion of grazing areas into critical habitats (rangeland expansion for increased herd into Saiga Antelope habitat).• Risk of improper pollution control and waste management in related industries (tanning, glue and gelatin production).• Gap in knowledge and statistics regarding GHG emission in the cattle beef sector.• Risk that farmers, feed lot managers, and production facilities/slaughterhouses do not adopt to policy changes.	<ul style="list-style-type: none">• Stronger licensing and inspection procedures at the Akimat levels for new and existing facilities.• Upstream planning around necessary environmental regulation for potential expansion of related industries related to value added from by-products.• Extensive and on-going training and outreach to all segments of the cattle beef sector to ensure uptake of new technics and policies.• Quarterly monitoring and reporting on condition of imported cattle for the first 18 months in country.• GIS Mapping to include protected areas in relationship to cattle farming in order to ensure planning and land allocation excludes activities that might endanger protected areas or critical habitats.



CHAPTER IV – ASSESSMENT OF PROGRAM CONSISTENCY WITH PROGRAM CORE PRINCIPLES

97. This Chapter provides an assessment of the extent to which the applicable systems are consistent with the core principles and key planning elements expressed in the Bank's policy on PforRs. It also provides a review of the implementing agencies capacity and aspects where gaps exist between Bank policy requirements and the country systems.

98. **Core Principle #1 - Environment and Social management systems:** The Program will be operating within a well-defined legal and regulatory framework. Considering the Program financing will focus on scaling up farmers centric model it will generate environmental and social issues through increasing the number of small and medium farms. The assessment has identified gaps and risks. The ESSA Action Plan has been developed to assist in the mitigation of those risks.

99. The assessment looked at the capacity of the implementing institution capacity, and the laws and regulations on environmental protection, environmental impact assessment, land and pasture management, and water protection and usage, waste management indicates that the national legal and institutional frameworks for managing environmental issues in the agricultural and agribusiness sector are adequate. The EIA and permitting procedures that can be accessed via eGovernment system either at the regional level (run by Environmental Departments at Akimat level) for low and moderate impact activities, or by the MEGNR (Permitting Department at the MEGNR) for substantial risk activities (high risk activities are outside the boundaries of the Program). National laws and regulations that support good practices in pasture management, provision veterinary services, food safety, manure and wastewater treatment and management are in place and will be strengthened through the Program. The MOA, through the PMO and Akimats, is establishing a robust GRM, through the use of a center (hot line), Facebook pages, and other communication lines to submit grievances.

100. **Core Principle #2 - Natural Habitats and Cultural Resources:** the legal framework to identify and protect natural habitats and cultural resources exists. And there are institutions in place to insure enforcement. The Program will further strengthen these institutions by providing GIS layers to Akimat level maps for natural and critical habitats as well as sites of cultural significance. The assessment also notes that activities that might result in high risk activities, including those related to natural habitats and cultural resources, are excluded from the Program.

101. **Core Principle #3 - Public and Worker Safety:** the ESSA identifies gaps in regulatory enforcement for production facilities (feedlots and slaughterhouses) that will require capacity building for the MOA and Akimats involved in the Program. Additionally, the need for improved extension services and training on developing effective pesticide alternatives, particularly for feedlots and silage production.

102. **Core Principle #4 - Land Acquisition:** the ESSA has undertaken an extensive enquiry into the policies as well as management practices on 'land management'. This has enabled categorizing land available in the country and led to the decision that the program uses only a specific type of land – unused and unencumbered- land. Legal Agreement will specify this stipulation and ensure monitoring of the same throughout the implementation.

103. **Core Principle #5 – Indigenous People and Vulnerable Groups:** there are no indigenous peoples in Kazakhstan. Some of the new candidate-farmers are expected to be 'vulnerable' as they will be undertaking the livestock farming anew and will encounter many challenges – technical, financial, institutional, managerial and social. Program elements to help them should include effective and inclusive



IEC, concise package, extension support and other help in input supplies and output marketing. In addition. Special focus will need to be on 'women'. As the program gains momentum, and kind of participants and the geographical contours become known, a quick and rapid assessment will be undertaken to identify the women-friendly interventions and enable their effective participation.

104. **Core Principle #6 - Social Conflict:** This is not relevant for the program in Kazakhstan.



CHAPTER IV – KEY ENVIRONMENT AND SOCIAL ACTIONS

105. ESSA preparation was chiefly based on consultations with a variety of stakeholders. These engagements enabled gauging expectations against the related environmental and social risks and the identification of possible mitigation measures to alleviate those risks. The ESSA Action Plan has been developed to augment the Program and ensure that actions critical to the delivery of the PDO are achieved in an environmentally and socially sustainable manner. In a broader context, the measures recommended are designed to help proponents improve system performance and to address important gaps between the provincial systems and the Program core principles and key elements. The Program should incorporate institutional structures including capacity to adhere social and environmental requirements as well as to track, analyze, and eventually work to mitigate negative effects, and replicate positive ones where applicable.

106. The ESSA Action Plan proposes eleven actions across four main areas: governance; extension, training, and farm-based innovation; communications and outreach; and mapping, records, and reporting. Those actions are as follows:

- Governance:
 - A1. Appoint a focal person responsible for (1) communication and outreach, (2) outreach to akimats to ensure compliance, and (3) environmental and social risks mitigation, monitoring, and reporting at the PMO.³⁸
 - A2. Ensure land assigned to farmers are unused and free from prior claims and incumbrances.
 - A3. Strengthening Environmental and Veterinary certification and inspection systems within the MOA and at Akimat level (farms, feedlots, slaughterhouses, etc.).
- Extension, Training, and Farm Based Innovation:
 - A4. Development, strengthening, and implementation of programs to offer advisory services specifically aimed at Program objectives including expanding veterinary services; GHG reduction through better feeding practices; GHG reduction through better pasture and land management; biodiversity protection through changes harvesting and planting; modern integrated pest management; etc.
 - A5. Ensure compliance with the conditionality criteria for new subsidies for agri-environmental practices. These will include carbon sequestration through live fences, wind breaks, watershed protection, and pasture management.
- Communications and Outreach:
 - A6. Bring the existing One Stop Citizen Service Centers into the arena of the program for enabling easier information, appeal and grievance redressal.
 - A7. Development and implementation of “Single Window” program assistance for small and medium farmers at Akimat level with links to MOA’s PIU.

³⁸ PMO should be staffed with adequate professional, fiduciary, administrative and technical personnel, with qualifications, experience and terms of employment acceptable to the Bank, all as described in the Program Operations Manual (“POM”)



- A8. Undertake a quick and rapid appraisal and identify the role for women in the Program.
- A9. Development and implementation of an effective and inclusive Information, Education and Communication (IEC) campaign for the Program linked to Extension Services, including guidelines and best practices (access to land; access to credit and grant programs; access to improved veterinary services; pasture management; tree planting for windbreaks, live fences, and watershed protection; manure management; pest management; etc.).
- Mapping, Records, and Reporting:
 - A10. Ensure continuous access to GIS Mapping for rangelands, grasslands, and pastures that includes layers for: assignment; registered use; actual use; size of farms; transport routes; production infrastructure; ecosystems (water courses, lakes, wetlands, drylands, etc.); ecosystem services schemes (water course protection, wind breaks, orchards and other tree planting schemes, etc.); protected areas; and critical habitats.
 - A11. Development and implementation of a program to include statistics related to the Program in National Statistic Reporting, including environmental and social statistics as well as those related to NDC and National Action Plan for Adaptation (GHG/carbon sequestration).

107. Actions two, four, seven, eight, nine, and ten are particularly important; therefore, they are also included in the Program Action Plan, which will be part of the overall Legal Agreement governing the Program.

108. Full details of the ESSA Action Plan are found in Annex 3.

Consultation and Disclosure Process

109. A multi-stakeholder disclosure workshop was organized on March 5, 2020 in Nur Sultan by the Green Coalition, a women-centric NGO, at the request of the Bank. It was attended by a group of 40 diverse stakeholders from across Kazakhstan. The workshop participants included farmers, academics, government representatives, civil society, private sector, international donor agencies, and representatives of nongovernment organizations. Major feedback received from the public consultation was incorporated into the final ESSA. Notes from the workshop and a full list of participants are found in Annex 5.

110. For easy and fuller understanding, the final ESSA will be translated into Russian and Kazak and will be disseminated in hard copy and electronically to all Akimats as well as published on the MoA and World Bank websites.



ANNEX 1: CITIZEN ENGAGEMENT AND GRIEVANCE REDRESS MECHANISM

Citizen engagement will involve a process of receiving prompt and unbiased information, processing and handling of appeals in the form of claims, suggestions, complaints, requests, feedbacks related to the Program. This Citizen Engagement activities are implemented in accordance with the Law on the Procedure for Handling Appeals of Individuals and Legal Entities, Law on Access to Information, Law on State Services, Law on Public Councils. The CE will take place through multiple channels at national, local and institutional level:

- National level: E-Government – Integrated call center and online portal
- Local level: Public Service Centers and Public Councils
- Institutional level: MoA own instruments

Public Services: Electronic Government

The State Corporation “*Government for Citizen*” is a single provider engaged in the provision of public services to individuals and legal entities on the basis of the “one stop shop” principle. The appeals handling mechanism is implemented through the Electronic Government (*e-Gov*) portal, which is an access point on the web³⁹ or through calling to Integrated Call Center⁴⁰, providing the ability to file any kind of appeals including complaints or requests of public services. These appeals can be filed from individuals and legal entities on any issues of interaction with the government. *e-Gov* is the integrated mechanism of interaction between the state and individuals, state agencies with each other, ensuring consistency with the help of informational technologies. Therefore, *e-Gov* is aimed to improve communication between the state and the people thereby enabling for more effective, transparent and accessible work of government agencies. Currently, *e-Gov* provides such services as registration of liens of movable property not subject to mandatory state registration of individuals and legal entities, technical inspection of buildings, structures and their components, maintaining the state land cadaster, pension and social security and many other. This mechanism reduced queues to state agencies and simplified acceptance of certificates, references, permits and many other documents and services. The shareholder of the State Corporation is the Government of the Republic of Kazakhstan represented by the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan.

A detailed step-by-step user manual for this electronic service has been published on this resource. These appeals are not anonymous and require preliminary registration on the *e-gov* web portal and obtaining a digital signature. The appeal filling-out form allows choosing any listed government body or SOE. In addition to the MOA as the implementing agency, this list includes all the key institutions identified at the time of assessment as participating in the Program (KazAgro holding and its subsidiaries, NASEC holding and its subsidiaries, Akimats, etc.), as well as all state supervisory authorities, including Anti-Corruption Agency, CIPA, Accounts Committee, National Bank, etc. Given that the *e-gov* web portal is integrated with electronic document management systems of all government bodies and SOEs, the filed appeal is immediately received by the recipients and the system informs about the status of the appeal. Applicants are promptly notified of the results of their appeals in their personal accounts.

³⁹ Electronic Government portal: www.egov.kz,

⁴⁰ Integrated Call Center Portal of the Republic of Kazakhstan through dialing short number 1414 or 8 800 080 7777 (free call).



Open dialog

“Open dialog” is an open platform for dialog between citizens and government. In 2009, a single blog platform initiated where citizens can send their questions or suggestions straight to Chairman of the central government agency. In 2015, executives of local executive bodies of the Republic of Kazakhstan were connected with a blog platform to provide more efficient communication with citizens from cities and villages and also, to attract the attention of local bodies to topical issues among citizens. The main objective of the portal is to involve citizens in government agencies’ performance. Individuals can send their requests and suggestions to a particular government agency or local akimat, inform on the quality of mobile communication and participate in socially important polls. The portal consists of three main services:

- Blogs of government agencies` executives
- Internet conferences
- Polls

The portal also provides web conferences with participation of representatives from local executive bodies, which have been regularly executed since 2008 on the e-Gov portal. Web conferences are designed to provide users with an opportunity to address questions or make requests to local executive bodies and to receive thorough answers online. Also, Polls are executed on the portal, the objective of which is to receive feedback, complaints, expectations from individuals through a gathering of their opinions via published polls.

Public Service Centers (ЦОН - Центр обслуживания населения)

The Public Service Centers (PSC) were introduced in 2007 to provide a wide variety of state services to all citizens of the country through the "single window" system. This allows for eliminating barriers and bureaucracy. PSC has the following positive qualities:

- Helps all groups of the population to receive equal access to public services;
- Provides an opportunity to carry out all necessary procedures and sign all documents in one place;
- Excludes any contacts between the executors of documents and citizens who want to receive them (which eliminates bureaucracy).

To improve the performance of PSCs in 2011 it has been completely modernized and integrated with e-Gov. With this modernization, the time for servicing each client was reduced, an assessment of the work of PSC employees was introduced and allowed to book visiting time to PSC. About 360 PSCs are located in cities and administrative centers of the province.

Public councils in Kazakhstan

Public councils are the advisory and consultative, supervisory bodies formed by the ministries, bodies, directly subordinate and accountable to the President of the Republic of Kazakhstan and also bodies of local public administration concerning their competence together with non-profit organizations, citizens. Public councils are aimed to support the implementation of state policy on the formation of a state accountable to the population, ensuring the wide participation of non-profit organizations, citizens in decision-making by state bodies at all levels.

Public councils can be formed at two levels - republican and local. Public councils are autonomous and independent. Public councils of the corresponding administrative and territorial unit treat public councils



of the local level. At the same time functions of the Public Council at the level of the village, the settlement, the rural district, the city of district significance are assigned to a meeting of the local community.

The number of representatives of civil society in the Public council should make at least two-thirds of the total number of its members. Recommendations of public councils are obligatory for consideration by state bodies to make decisions and respond.

The purpose of Public councils is the expression of opinion of civil society on socially significant issues. Objectives of Public councils are:

- 1) representation of interests of civil society and take into consideration the opinion of the public during discussion and decision making at the republican and local levels;
- 2) development of interaction of the central and local executive bodies and local government bodies with civil society;
- 3) organization of public control and ensuring transparency of activities of the central and local executive bodies and local government bodies.

Public oversight mechanisms are carried out through:

- 1) access to information on the activities of the entity of public control;
- 2) participation of members of the Public council and entity of public control in meetings of collegial bodies of a state body;
- 3) inclusion in the composition of state commissions of members of Public councils;
- 4) filing individual or collective appeals of citizens;
- 5) submitting requests;
- 6) other methods determined by the Public council, not prohibited by the legislation.

Complaint Handling Mechanisms at the Ministry of Agriculture of Kazakhstan and KazAGRO

The complaint handling mechanisms at the Ministry of Agriculture of Kazakhstan and KazAGRO are established in compliance with legal provisions described in above mentioned three laws of the Republic of Kazakhstan. In accordance with the Law on Access to Information MoA KazAGRO have websites⁴¹ linked with the e-Gov platform and social media accounts⁴². The public relations department and press centers of MoA and KazAGRO regularly maintain relevant pages with news, information and reports. The MoA website includes work contacts of key MoA officials and employees⁴³, and everybody may contact them. The websites also have the feedback mechanism (Minister blog and KazAGRO Chairman blog⁴⁴) to file a request for information, submit a recommendation or a grievance. To comply with the Law on Public Services, the services of both blogs are standardized and publicly open. MoA and KazAGRO officials are obliged to accept walk-in visitors according to the disclosed schedule to listen and take measures on the issues related to their competences.⁴⁵ MoA and KazAGRO Facebook pages also provide an opportunity to disseminate information to the wider community and also for individuals to comment or file a complaint. MoA and KazAGRO are open and accept all means of communications from individuals and legal entities.

⁴¹ Ministry of Agriculture of Kazakhstan <https://moa.gov.kz> and KazAGRO <https://www.kazagro.kz/>.

⁴² Facebook of MoA <https://www.facebook.com/minagri.gov.kz/> and KazAGRO <https://www.facebook.com/kazagro.kz>.

⁴³ https://moa.gov.kz/documents/1565691764606_ru.pdf.

⁴⁴ Minister blog (<https://dialog.egov.kz/blogs/32773/welcome>) and KazAGRO's Chairman blog <https://dialog.egov.kz/blogs/2490368/welcome>.

⁴⁵ <https://moa.gov.kz/ru/manager/5>.



The grievance redress reports are prepared and published on the MoA website on a semiannual basis and on the KazAGRO website annual report which includes information on grievances. Grievances are required to be resolved within 15 calendar days, and if the investigation is needed then it will require up to 30 calendar days. As part of this assessment of MOA, it was observed that in 2018 out of 2041 received appeals in the MoA only 26% (539 appeals) are received from the e-Gov web portal. The remaining 1502 appeals are received from their own channels. Out of 2041 appeals - 12% are complaints and the other 72% are applications and 16% requests/queries. The analysis of appeals shows that most raised issues are relevant to land, and request for assistance in the provision of subsidies and loans.

Compliance with ethical standards

An independent post of Ethics Officer has been introduced in the MoA. Ethics Officer reports directly to the Executive Secretary. There 47 Ethics Officers: one in each of the three Committees – Land, State Inspection and Veterinary Control, one in KAZ AGRO and the rest is in the territorial units. Ethics Officer is required to ensure (i) compliance with ethical standards and (ii) avoid violation cases of the rights of civil servants or by civil servants. Therefore, these officers are working towards the protection of rights and interests of public servants, communication between citizens and the Ministry, enabling good working climate in the Ministry, considering complaints against civil servants. Complaints or applications may come from public or state servants and are received in any form: letters – hard copy or e-mail, phone call, in the Minister's blog, or on the Facebook page. All applications/complaints are registered (in the Excel spreadsheet) and have to be considered according to the Law on the Procedure for Handling Appeals of Individuals and Legal Entities. If an application or complaint is not under the mandate of the Ethics Officer, it is transferred to the related government entity for further consideration. Reports on corruption have to be submitted to the Anti-Corruption Committee on a monthly basis.



The World Bank

Sustainable Livestock Development Program (P170365)

Environmental and Social Systems Assessment (ESSA) – Annex 1

e.gov | Public services and information online

Search on the portal

1414 Single contact center
THE CALL IS FREE
+7 7172 701 998 PAID CALL
for foreign calls

SERVICES **PAYMENT** **OPEN GOVERNMENT** **PERSONAL ACCOUNT** **ABOUT PORTAL** **HELP**

DIGITAL KAZAKHSTAN

FOR CITIZENRY / FOR BUSINESSES

LIST OF ONLINE SERVICES > **SERVICES PROVIDED BY STATE AGENCIES >**

FAMILY	HEALTHCARE SERVICE	EDUCATION	JOB PLACEMENT AND EMPLOYMENT
SOCIAL SECURITY PROVISION	CITIZENSHIP, MIGRATION AND IMMIGRATION	REAL ESTATE	CUSTOMS AND TAXES
LEGAL ASSISTANCE	TRANSPORTATION AND COMMUNICATION	TOURISM AND SPORTS	MILITARY REGISTRATION AND SECURITY

SERVICES

Receive or reissue EDS
Search for movable property pledge
Checking the status of participation in the program to reduce debt burden

POPULAR SERVICES

- Issue of certificate on existance or absence of conviction record
- Issue of a certificate of the absence (presence) of real property of a legal entity
- Issuance of information on the state of pension savings
- other legal entities
 - Obtaining a certificate on recognition of the legal entity as inactive legal entity or involvement of its participants in inactive legal entities
 - Obtaining a certificate of all registration activities of a legal
- Obtaining a certificate of absence (presence) of immovable property of an individual
- Birth registration of a child, including the introduction of changes, additions and corrections in the civil registration records.

Виртуальный ассистент

Picture 1: e-Gov web portal



The World Bank

Sustainable Livestock Development Program (P170365)

Environmental and Social Systems Assessment (ESSA) – Annex 1

E-government • Open government • Government of the Republic of Kazakhstan •
Mobile version of the site • Version for visually impaired persons

қаз рус eng | Log in or sign up

OPEN DIALOG e.gov Search ... Search Advanced search About Portal Blogs of government agencies' executives Internet Conferences Surveys

Blogs All Posts Actual questions All Applications Apply

Blogs > Omarov S.K.

Dear Sirs and Mesdames,
Welcome to my weblog.
It is focused on provision of users with valuable information concerning the activity and the strategy of the Ministry.
My expectations are to establish the feedback with the readers of my blog. You are welcome for your comments, ideas, opinions and proposals. I will consider all the information received.
I hope this weblog will be useful for you.


OMAROV S.K.
Minister of Agriculture of the RK

Posts
Biography
Actual questions
Applications

Picture 2: Minister blog welcome page

Электронное правительство • Открытое правительство • Правительство Республики Казахстан •
Мобильная версия сайта • Версия для слабовидящих

қаз рус eng | Войти или зарегистрироваться

ОПЕРЫТИЙ ДИАЛОГ e.gov Поиск Расширенный поиск О портале Блоги руководителей ГО Интернет-конференции Опросы

Блоги Все записи Актуальные обращения Все обращения Подать обращение

Блоги > Карапшукев Е.Ш.

Уважаемые друзья, гости и читатели блога!
Приветствую Вас на моей странице, где вы можете задать все вопросы касательно деятельности группы компаний АО «Национальный управляющий холдинг «КазАгро».
Прежде всего, хочу отметить, что деятельность Холдинга «КазАгро» направлена на реализацию государственной политики в АПК, в том числе на обеспечение продовольственной безопасности и устойчивого развития экономики села.
Для этого у Холдинга имеется необходимый спектр инструментов поддержки субъектов АПК.
На сегодняшний день в состав Холдинга входит: АО «НК «Продкорпорация», АО «КазАгроФинанс», АО «Аграрная кредитная корпорация», АО «КазАгроПродукт», АО «Фонд финансовой поддержки сельского хозяйства». Каждая из этих компаний ориентирована на решение задач государственной аграрной политики в соответствии с потребностями субъектов АПК – от мелкого фермерства до крупных сельхозтоваропроизводителей, осуществляя дальнейшее развитие производственной и сервисной инфраструктуры АПК.
Сельский бизнес должен стать драйвером экономики. Правительство Казахстана прилагает все усилия для создания благоприятного инвестиционного климата и развития отрасли АПК. Это подтверждает заинтересованность в привлечении новых технологий, передового опыта и знаний для создания предприятий по производству конкурентоспособной продукции в сфере АПК.
Холдинг «КазАгро» всегда открыт для конструктивного диалога. Благодаря возможностям этого блога надеюсь, что мы выстроим площадку для обсуждения вопросов, с которыми вы сталкиваетесь в получении государственной поддержки и сможем найти пути их решения.
Мы постараемся обеспечить вас нужной информацией в кратчайшие сроки и готовы обсудить все ваши предложения и пожелания!


KARASHUKEV E.SH.
Председатель Правления
АО «Национальный
управляющий холдинг
«КазАгро»

Записи
Биография
Актуальные обращения
Обращения

Picture 3: KazAGRO's chairman blog welcome page



ANNEX 2 - ENVIRONMENTAL AND SOCIAL LEGAL AND REGULATORY FRAMEWORK

This Annex summarizes the borrower's legal and regulatory framework that is relevant to manage environmental and social risks associated with the Program

Environment Legal and Regulatory Framework

The environmental protection system of Kazakhstan is based largely on ***the Environmental Code***, which was adopted on January 9, 2007, and most recently amended on November 26, 2019. Article 5, Chapter 1 of the Environmental Code declares the main principles of the environmental legal framework, that include: achievement of sustainable development; ecological safety; usage of ecosystem; state regulation; preventing environmental impacts and compensating environmental damage; permitting procedure to use ecosystem resources; recycling and waste management; and presumption of environmental impacts from any planned activity.

The Environmental Code lists the objects of the environment that need to be protected (e.g. soil, sub-soil, surface and underground water, forests, flora, fauna and living organisms, climate and the Earth's ozone layer, etc.). It also defines the rights and responsibilities of individuals, civil society organizations, local authorities, and competences of the state governing entities in protecting the environment. It also defines the activities that require licensing including normative approach, environmental impact assessment procedure, environmental expertise, environmental permitting, and environmental audit. There are also chapters that cover economic stimulus for environmental protection and assessment of cost of an environmental impacts and damage, environmental control (state entities, civil society control and by enterprises), environmental monitoring and cadaster (of environmental resources, polluted areas, stored hazardous materials/wastes, et al), area with critical environmental conditions (high level of pollution, etc.), and environmental education.

The process for environmental permitting, including the environmental impact assessment (EIA) procedure is covered in the Chapter 6 of the Environmental Code. An EIA is defined as a procedure to asses possible impacts from economic activities on the environment and public health, to develop measures to prevent adverse effects (destruction, degradation, damage and depletion of natural ecological systems and natural resources), and to improve the environment, taking into account the requirements of the environmental legislation of the Republic of Kazakhstan. EIAs are mandatory for activities with direct or indirect impacts on the environment and public health. The implementation of activities with environmental impacts without EIA is forbidden. EIA results are an integral part of preplanned, planned, pre-design and project documentation. The project developer must take into account the results of the EIA and ensure the adoption of such an option that causes the least harm to the environment and human health. The EIA report must be disclosed, reviewed by public and approved by relevant authorities in order to obtain the necessary environmental permits.

"Sanitary and epidemiological requirements for setting sanitary zone for industrial facilities" were adopted by the Order #237 of the Ministry of Economy of the Republic of Kazakhstan on May 20, 2015 specify the division of activities into 5 hazard classes by level of impacts/hazard. These Rules guide the division of the significance and completeness of the assessment for 4 categories of the activities as per Article 40, Chapter 6 of the Environmental Code.

- Category I includes objects of 1st and 2nd hazard classes;
- Category II includes objects of 3rd hazard class;
- Category III includes objects of 4th hazard class; and
- Category IV includes objects of 5th hazard class.



The class of hazard of a feedlot or slaughtering house can be found on Chapter 10 (Chapter 7 for some facilities processing parts of slaughtered animals that did not enter the food chain), Annex 1 to this rule. For example, the breeding facilities/feedlots with over 5000 heads of cattle, storage and processing of manure in open facilities is 1st hazard class of activities. Also, the same chapters of Annex 1 to this Sanitary Rules regulate the size of safety (sanitary) zone around different industrial and other facilities, including feedlots. For example, the objects/facilities of the 1st hazard class would require the safety zone of 1000 meters and more; the objects/facilities of 2nd hazard class would require the safety zone from 500 meters to 999 meters; the objects/facilities of 3rd hazard class should have a safety zone from 300 meters to 499 meters; the objects/facilities that belong to the 4th hazard class should have a safety zone from 100 meters to 299 meters; and the objects/facilities of the 5th hazard class should have the safety zone around them from zero meters to 99 meters.

The greenhouse gases (GHG) emissions and sequestration are regulated by Chapter 9-1 added to the Environmental Code by an amendment in 2011. This amendment introduced the system of quotas for GHG emissions allocated to operators of facilities whose emissions exceed 20,000 tons of CO₂-eq./year. These quotas are allocated based on a national allocation plan. The amendments also introduced the emissions trading system (ETS). In addition, the amendments introduced the State Cadaster of GHG Emissions and Capture, the State Register of Carbon Units and the procedures for verification and validation of GHG emissions inventories submitted by operators.

In addition the Environmental Code's Chapter 45 contains the State Regulation regarding of greenhouse gas (GHG) emissions and ozone-depleting substances, which establishes the main principles and state management for protection of climate and the ozone layer of the Earth, management plans, maximum permissible GHG emissions, and regulation on consumption of ozone-depleting substances, the state inventory of emissions sources; state mapping of consumption of ozone-depleting substances, and the state inspection requirements. If a subsoil user activity will result in the emission of GHG or ozone-depleting substances, the user is required to conduct an inventory of relevant sources and submit inventory report on annual base to control authority.

The Environmental Code stipulates a framework for waste management including agricultural and biological wastes, specifying requirements for waste management from production and consumption is in Chapter 42 and limitation for landfills is in Chapter 43.

The Land Code⁴⁶ was adopted on June 20, 2003 describes the legal requirements for allocation, provision and utilization of land for different uses. With regards to environmental issues, requires owners/users of land, regardless whether it is state or privately owned, to maintain sustainable business by not harming public health or the environment; to sustainably use the land; to minimize or avoid pollution of the land or cause deterioration to soil fertility; to conserve topsoil and to rehabilitate disturbed land. The amendment introduced in 2016 prohibits allocation of land plots within 500 m of a water body if the water protection zones and strips and the regime of their economic use are not yet defined. This measure should prevent chaotic construction activities at riverbanks.

The Law on Pastures was adopted on February 20, 2017 replaced the 2003 Land Code regulation on pasture management. The use of pastures is free (only the land tax is paid). The Law stipulates pasture management plans development by akimats (local executive authorities) and approval by local representative authorities approve. The participation of pasture users is an important aspect of developing such plans. Pasture management plans for the period 2018–2019 were adopted in almost all akimats. Pasture infrastructure development and restoration are in the competency of akimat-level authorities. One of the key measures to improve the use of remote pastures is stock water development for pastures.

The 2015 Rules for rational use of agricultural land (2015 Order of the Acting Minister of National Economy No. 268) define key principles for rational use of such land, except pastures. Key instruments to ensure rational use are the crop rotations

⁴⁶ https://online.zakon.kz/document/?doc_id=1040583#pos=6;-155.



plan that is developed by the farmer and shared with local executive authorities and the passport for every agricultural plot, which includes information about humus content and the state of the plot as regards land reclamation.

The Law on Veterinary Services adopted on July 10, 2002⁴⁷ stipulates the provision of accessible veterinary service, regulate veterinary drugs, animal individual traceability and registration. It also stipulates that all animals must be slaughtered after veterinary checkups (a subsequent Order of the MOA No. 370 was adopted on April 27, 2015 and approved the Rules for the organization of slaughter of farm animals). A collective demand for slaughter services is being created by the requirements of the veterinary law. Technical Regulation Requirements for the Safety of Meat and Meat Products makes cross references to Order No 336, adopted on April 18, 2008. The Requirements for the Safety of Meat and Meat products apply to all manufactured and imported species of meat animals, poultry, edible parts, sausages, and other products.

In addition to the Law on Veterinary Services required adoption of several rules, requirements that were adopted subsequently. For Example, the Order of the MOA of the RK No. 832 "On approval of veterinary (veterinary and sanitary) requirements for production facilities that procure (slaughter animals), store, process and sell products and raw materials of animal origin", issued on September 18, 2015. There is another Order of MOA No. 307 adopted on April 6, 2015 that stipulate the rules on biological wastes utilization and destruction. There are also a number of orders and agreements/standards of the Eurasian Economic Union and the WTO that impose consistent standards for product safety built upon a set of technical regulations and quality standards.

The Law on Fauna Protection, Reproduction and Use adopted on July 9th, 2004 is a primary law that regulates fishing and hunting.

The Law on Specially Protected Natural Areas was adopted on July 2006 and the Forest Code adopted by the Law No 477-II on July 8, 2003 and has been amended several times has provisions to protect areas with high biodiversity.

The Water Code adopted by Law No 481 on July 9, 2003 has also been amended a number of times. The Code specifies the competencies of the state authorities regarding water resources management. The Water Code establishes the legal conditions for a variety of water uses. It covers the main legal requirements regarding water conservation, including protection of water from contamination and depletion. Permits for water abstraction, water use and effluent are under responsibility of the Water Resources Committee that was moved to the recently created MEGNR (from the MOA).

Kazakhstan is also party to a number of international conventions related to environmental protection include the following:

- The Convention on Biological Diversity (1992).
- United Nations Framework Convention on Climate Change (1992);
 - Kyoto Protocol (1997).
 - The Doha Amendment to the Kyoto Protocol (2012).
 - Paris Agreement (2016).
- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (1975).
- The Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat (1971).
- The Convention of the Protection and Use of Transboundary Watercourses and International Lakes (1992).
- The Stockholm Convention on Persistent Organic Pollutants (2004).
- The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (1992).

⁴⁷ Accessed on May 28, 2019 at https://online.zakon.kz/document/?doc_id=1032052#pos=5;-155.



- Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (2004).
- The United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (1996).
- The Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) (1983).
- Convention on Environmental Impact Assessment in Transboundary Context (1997).

Social Legal and Regulatory Framework

The social legal and regulatory framework in Kazakhstan, laws, regulations as well as guidelines that are relevant to the activities proposed under the program. It also provides an assessment of the adequacy of the coverage on social aspects in the legislative and regulatory framework. In the context of ESSA, as the farmer centered approach aiming to expand the livestock farms and farmers assumes central stage, legal framework related to Land is significant. So, bulk of the attention is on laws and regulations related to land management. The other legislations enumerated relates to livestock sector and social protection. Besides these, International treaties ratified by GoK are also listed.

Land

Kazakhstan's laws and regulations regarding land and land ownership derive from the Constitution, which states that land (surface and underground) is in principle owned by the State but can also be privately owned (Article 6.3). Article 26.3 also states that no one may be deprived of property unless stipulated by a court decision. *Forcible alienation of property for public use in extraordinary cases stipulated by law may be exercised on condition of its equivalent compensation.*

In Kazakhstan, although most land is owned by the State, it can be privately owned, transferred, sold or rented to individuals or enterprises. State land also is commonly leased for private purposes, generally for 49 years. Once land is in private hands, the State can reclaim it only for specific uses, and only after compensating the owner for the asset and other losses.

Standard Regulation on Land Commissions was approved by the Order of the Deputy Prime Minister of the Republic of Kazakhstan - Minister of Agriculture of the Republic of Kazakhstan (No.359 dated August 27, 2018). The Land Commission is a permanent collegial body in the territory of oblasts, cities of republican significance, the capital, districts, cities of oblast subordination within their competence. Article 4 describes legal provisions on functions of the Commission to review applications and prepare conclusions on granting rights to land plots (on determining the winner of a tender for granting temporary land use (lease) for a fee to conduct peasant or farming enterprise, agricultural production), on changing the designated use of land plots and on the transfer of water reserve land to other categories of land. It is also entitled to request and receive from state bodies the data on availability or absence of a land plot, on encumbrance on a land plot etc. It functions on a permanent basis and chaired by the deputy akim of the oblast, city of republican significance, the capital, district, who oversees land issues.

The Land Code of the Republic of Kazakhstan (No. 442 of 20 June 2003) covers the reservation of land for State Needs, stating that *a land plot may be reserved for state needs by way of purchase or by granting an equivalent land plot with the consent of the owner or land user* (Article 84.1). In the case of leased land, the land user is compensated for the full amount of losses and may be granted an alternative plot (Article 84.4). The availability of suitable land to swap varies by region. Landowners and users must be notified of the decision to purchase a year in advance, unless the owner or user agrees to release the land more quickly (Article 85.2). If part of a land plot is reserved and the remainder of the plot cannot be used as before (creating orphaned parcels), then the whole plot should be purchased (Article 86 Para 2).

The price of a land plot purchased for state needs is determined by agreement with the owner or land user (Article 87.1). *The payment price includes the market value of a land plot or rights to it and of real estate situated on it, as well as all*



losses caused to the owner or land user due to loss of a land plot, including losses that they incur in connection with the premature termination of obligations to third parties (Article 87.2). If the owner or land user agrees, another plot of equal value can be substituted instead of cash compensation (Article 87.3).

Outside of towns and settlements, land is generally owned by the state and managed by the district administration. Land used for agriculture or livestock is typically leased to land users at a modest rent on a 49-year term. Informal use is prohibited. Majority of land areas are currently leased out to private users, primarily for grazing. Land leases are typically on the order of 100 ha. Meetings with district officials confirm that unused land plots are being taken by the court decision (Article 94 of the Land Code).

Prior to the beginning of the forced alienation of land or other immovable property the Resolution of the Government of the Republic of Kazakhstan or local executive body (Akimat) in accordance with the Land Code (Article 84) of the Republic of Kazakhstan assigning a local executive body (Akimat) to act within the competence provided by the Land Code of the Republic of Kazakhstan.

The Resolution generally contains the following:

- a. the purpose and the basis for the forced alienation;
- b. location, area, cadastral number of the land plot;
- c. the owner of the property or non-state land user;
- d. the date of forced alienation, but not earlier than three months from the date of the official publication of the given resolution; and
- e. places, where the owner or non-state land user may appeal for the reconciliation procedure.

In case if any changes are made in the specified resolution regarding subparagraphs b and d above, then the procedure of forced alienation for public use is carried out again from the date of publication of the amended resolution. Such resolutions shall be published in the national or local media respectively within three working days from the date of its adoption.

In case, the private ownership right for the land plot is not registered in accordance with the legislation of the Republic of Kazakhstan, the owner has the right to formalize the private ownership right after the adoption of the resolution. At the same time, the period for the forced alienation established by the resolution, is extended for not more than six months. The Land Code does not entitle encroachers to compensation for the loss of access to the land they use informally, but it does not explicitly say they cannot be compensated.

An executive authority or subordinating executive body on behalf of the superior body should send a written notice of intended forced alienation with attached draft contract on land acquisition or other immovable property subject to acquisition to the owner by mail with mandatory receipt of the notification of the receipt of posting no later than three calendar days after publication of the resolution. In the absence of notification of the receipt of the documents specified in this paragraph, it shall be sent anew. A notification of forced alienation of land as a legal claim is subject to state registration in accordance with the Law of the Republic of Kazakhstan "On state registration of rights to immovable property." A contract on land acquisition or other immovable property serves as a basis for forced alienation for public purposes.

If an owner disagrees with the decision to purchase (reserve) or disagrees with the price offer or other conditions of the purchase, the authority that issued the decision to purchase can file a lawsuit to ask the court to purchase the plot (Article 88 Para 1) after the year of notification has passed (Article 88 Para 2). In disputed cases, the land cannot be accessed until the court adjudicates a settlement that specifies levels of compensation and losses (Article 166.7). Compensation must be



paid to the owner or user before the reservation is processed by the rayon level office of the Land Resources Management Committee and registered at the Registration Service Committee, which is required before civil works can begin on the land involved.

When residences are affected, the *Law on Housing Relations also applies*. If a house is demolished for State Need, the owners can choose either to receive a new residence or receive compensation at the market value of the house. An owner who chooses the replacement option can select a home from a list of available homes. If the value of the selected house is higher than the market value of the building to be demolished, the exchange is completed; if the cost of the selected building is lower than the market value of the one to be demolished, the owner is compensated in cash for the difference. Disagreements over the evaluation are settled in court.

While the legal framework for reserving land and compensating owners is clear, procedures are regulated by Government Resolution No 403, On Approval of Provisions for Procedures to Withdraw and to Buy Out Land Areas for State Needs (8 April 1996). *Market value calculation of land plots to be withdrawn or purchased* is also legally prescribed by the recently amended *Law on State Registration of Rights to Immovable Property* (No. 217-VI, dated 21 January 2019) in compliance with Article 67, para 1.

Replacement Land vs. Cash Compensation: The Land Code offers owners the option to replace land or buildings in lieu of compensation. In some areas, alternative land may not be readily available. Nonetheless, all affected persons are to be informed of the options and all local administrations are to be requested to assess the availability and location of replacement land plots. Where land is available for swap, officials involved in the land acquisition process are instructed to offer affected persons the option to swap land and buildings for compensation instead of cash, if they choose. However, there are not always equal alternative land plots available, cash compensation maybe offered to the PAPs, if any. The owner of the seized property or non-state land user is entitled to initiate the conciliation procedures by submitting a relevant application to the local executive body within one month after receipt of written notice on the land or other immovable property expropriation in connection with the seizure of land for public use. The specified application will be recorded on the submission day.

The local executive body shall consider the proposals of the owner or non-state land user to the draft contract on land or other immovable property purchase in connection with the seizure of land for public use in terms of the composition of the seized property for persons whose rights will be terminated or limited in respect of the seized property, and the amount of damages to be recovered within one month. Upon the receipt of proposals, the local executive body is obliged to arrange an independent appraisal procedure to assess the value of the property seized for public use and to determine the procedure for financing of government expenditures for the purchase of the property, as well as carry out other activities related to the transfer of the property ownership rights.

Upon reaching an agreement between the local executive body and the owner or non-state land user of the property seized for public use, as well as other persons whose rights will be terminated or limited in respect of the seized property within expropriation, a draft contract on land or other immovable property purchase in connection with the seizure of land for public use will be forwarded to the local representative body for approval.

In case of failure to agree on the transfer of property with any concerned entities referred to in paragraph 3 of this Article, land or other immovable property expropriation in connection with the seizure of land for state needs will be carried out judicially.

Requirements for compensation payment before the transfer of the property ownership rights to the Republic of Kazakhstan or an administrative and territorial unit and other terms of compensation payment set out in Articles 67 and 68 of the Law of the RK "On State Property" cannot be canceled by mutual agreement.



Land Expropriation. Article 92 of the Land Code determines the terms for *expropriation of a land plot not used for its designated purpose* and not developed by a land plot owner and/or user. The timing and conditions for development of a land plot are set by local executive bodies and are indicated in agreements on sale or land use (lease). Paragraph 3 sets that if a land plot intended for running a peasant or farm enterprise, agricultural production has not been used for two years in a row since the first detection of its non-use, such a land plot is subject to expropriation. The cases of a failure to use a land plot provided for running a peasant or farm enterprise and/or agricultural production for its designated purpose are as follows:

- a. on arable land – a failure to cultivate a land plot for sowing crops;
- b. on hayfields – a failure to hay on a land plot, its being overgrown by weeds, bushes, low forest and other signs of grass degradation;
- c. on pastures - no farm animals for grazing or their number is less than twenty percent of the maximum permissible rate of load on the total area of pastures established by the authorized body for the agro-industrial complex development, and (or) no haymaking for harvesting fodder; and
- d. on perennial plantations – a failure to maintain, harvest and grub up downgraded perennial plantations.

The expropriation of a land plot, not used for its designated purpose and not developed, does not apply to a land plot owned by orphaned children, children without parental care, until they reach twenty-one years of age.

Article 94 of the Land Code narrates the *procedures for expropriation of a land plot not used for its designated purpose* or used with violation of the legislation of the Republic of Kazakhstan. The expropriation procedures are implemented based on a lawsuit claimed by the bodies responsible for state control over the use and protection of land at the location of a land plot. The owner/user must be notified of commencement of the procedure on expropriation of such land plots by a relevant body exercising state control over the use and protection of land and will be given *1-year grace period to start using it for designated purpose* or 3 months to eliminate violations. If within the set-in notification period, the owner/user will not take measures the lawsuit will be commenced.

According to para 3 in case of expropriation of a land plot from a land plot owner or a land user pursuant to *a court decision* on the grounds specified in Article 92, the right of ownership of a land plot or the land use right (with respect to land lease rights purchased from the state) shall be sold through bidding (tenders, auctions) in the manner established by the civil procedure legislation of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of enforcement agents. In case of expropriation of a land plot provided free of charge from its owner pursuant to a court decision on the grounds specified in Article 92 of this Code, this land plot shall be included in a special land fund for further redistribution without compensating the cost to the land plot owner.

According to para 5 after deducting expenses for expropriation of a land plot and/or payment to the pledgee of the number of claims for obligations, a former land plot owner/user shall be paid the remaining compensation cost.

"Methodology on setting maximum sizes of agricultural land plots to be owned/used by a citizen of the Republic of Kazakhstan for maintaining a peasant or farm enterprise, a non-state legal entity of the Republic of Kazakhstan and its affiliated entities for agricultural production" is approved by Order of the Deputy Prime Minister of the Republic of Kazakhstan - Minister of Agriculture of the Republic of Kazakhstan dated August 22, 2018 № 353⁴⁸. The methodology is developed in accordance with point 2-7) of paragraph 1 of Article 14 of the Land Code of the Republic of Kazakhstan dated June 20, 2003. The base marginal area of land plots of the district on land types shall be determined from the average

⁴⁸ <http://adilet.zan.kz/eng/docs/V1800017365>.



area of the rural district of the region by land designated for agricultural use and separately by types of land stock (arable land, hayfields, pastures) in the following sizes:

- a. for running peasant or farm enterprises for citizens of the Republic of Kazakhstan – 5%; and
- b. for agricultural production by non-state legal entities of the Republic of Kazakhstan and their affiliates – 25%.

Sector Specific Legislation

Law on Livestock Breeding of the Republic of Kazakhstan (No. 278, dated 9 July 1998) determines the legal, organizational and economic basis of carrying out activity in the field of livestock breeding, directed to preservation and augmentation of gene pool of breeding animals, as well as reproduction and improving quality production, regulates activity of the state bodies, individuals and legal entities, engaged in the field of livestock breeding.

Law on Veterinary Medicine of the Republic of Kazakhstan (No. 339, dated 10 July 2002, updated 24 July 2009) determines legal, organizational and economic basis of carrying out the activity in the field of veterinary medicine and is oriented to ensuring of veterinary sanitary safety. Veterinary system includes: 1) authorized body of the Government of the Republic of Kazakhstan; 2) subdivisions of state bodies carrying out the activity in the field of veterinary medicine; 3) state veterinary organizations created in accordance with the normative standard of the state veterinary organizations network; and 4) individuals and legal entities carrying out entrepreneurial activity in the field of veterinary medicine. Article 10-1 states the competences of akims of a district, a rural settlement, a village to determine places of pasturing of animals on land of inhabited locality and to organize sanitary clearance of the territory of inhabited localities.

Law on Food Products Safety of the Republic of Kazakhstan (No.301 dated 21 July, 2007) establishes the legal basis of ensuring of food products safety for protection of life and health of person, legal interests of consumers and environmental protection in the territory of the Republic of Kazakhstan. It applies to food products produced in the Republic of Kazakhstan and imported (imported) to the territory of the Republic of Kazakhstan, as well as to the processes (stages) of development (creation), production (manufacturing), circulation, utilization and destruction of food products. Article 9.1 states that all products produced are subject to state registration and testing. Article 11 describes the obligations of all entities to comply with the food products safety requirements established by the legislation of the Republic of Kazakhstan and to provide preliminary and periodic medical inspections and hygiene training of staff of all entities.

Law on Pastures of the Republic of Kazakhstan (No.47-IV LRK, dated 20 February 2017) regulates public relations related to national use of pastures, and aimed at improving pastures conditions and their infrastructure, preventing pasture degradation processes. According to Article 8 local executive body of a district or town is entitled to develop and implement pasture management plans. While local self-government bodies participate in development and implementation of pasture management plans and contribute in redistribution of pastures located within their territories. Article 12 entails establishment of Association of pasture users to conduct joint activities when using pastures. The pasture users have the right to form an association of pasture users and promote their rights. Article 15 describes the order of allocation and use of pastures. Pastures located within the territory of settlements and rural areas that are in state ownership are provided to meet the needs of local population for maintenance of breeding (milking) livestock. Grazing in pastures are allowed for other farm animals only if the maximum permissible load norm on the total area of pastures is observed. If the maximum permissible load norms are exceeded, pastureland is provided according to pasture management plans.

Law on Agricultural Cooperatives of the Republic of Kazakhstan (No.372-V dated 29 October 2015) determines legal status, rights and duties of members of agricultural cooperatives. Agricultural cooperative is a *commercial legal entity* created on the basis of membership by voluntary association of individuals and (or) legal entities for implementation of joint



production and (or) other economic activities to meet their social and economic needs in production, processing, marketing, storage of agricultural products, aquaculture (fish farming), supply of the means of production and logistical resources, credit, water supply or other service of the cooperative members and associated members of the cooperative. Article 14 states that local executive bodies (akimats) of oblasts, cities of Republican significance, capital, districts (cities of regional importance) in order to stimulate creation of agricultural cooperatives are to develop proposals and carry out actions to provide the state support to agricultural cooperatives.

Law on Peasant or Farm Enterprise of the Republic of Kazakhstan (No. 214, dated 31 March 1998) defines legal, organizational and economical bases of the principles of creation and functioning of a peasant or farm enterprises in the Republic of Kazakhstan. A peasant or farm enterprise shall be recognized as a *labor association*, where conducting of individual entrepreneurship is inseparably linked with the use of agricultural land for production of agricultural products, as well as processing and sale of these products. Subjects of a peasant or farm enterprise shall be the citizens of the Republic of Kazakhstan, engaged in entrepreneurial activity *without the establishment of a legal entity*.

Law on Agricultural Partnership and its Associations (Unions) of the Republic of Kazakhstan (No. 133-II, dated 25 December 2000). The Law determines the legal status of agricultural partnerships regulate relations between partnership and its members. Members of agricultural partnership may be individuals and legal entities, engaging in commodities production of agricultural products, relevant to the profile of partnership. Agricultural partnership shall be noncommercial organization and may carry on entrepreneurial activity only insofar as this corresponds to its charter purposes. Agricultural partnerships may be divided into marketing, processing, supply, service and combined types depending on the basic activity. Basic activity of agricultural partnership shall be affected in its name.

Law on State Regulation of Development of Agricultural Complex and Rural Territories of the Republic of Kazakhstan (dated 8 July 2005) determines legal, organizational, economic and social grounds for the state regulation of development of agricultural complex and rural territories in the Republic of Kazakhstan. Article 7 underlines the competencies of local representative bodies (maslikhats) and local executive bodies (akimats) in the field of state regulations of development of agro-industrial complex and rural territories. Paragraph 17-9) assigns them to *subsidize the interest rate for lending*, as well as leasing for the purchase of farm livestock, machinery and technological equipment. Akims of districts, rural settlements, and villages are also assigned to identify low income households for participation in microcredit programs.

Subsidy Rules on Setting Interest Rates for Loans and Leasing of technological equipment, livestock animals purchase, and leasing of agricultural machinery were approved by the Order of the Deputy Prime Minister of the Republic of Kazakhstan - Minister of Agriculture of the Republic of Kazakhstan (No.436, dated 26 October 2018). Loan agreements are signed for at least 4 (four) years. Subsidies are provided under a loan agreement for purchase of agricultural equipment, purchase of livestock animals and fixed assets, construction (except for production of flour, mineral water and soft drinks) at 10 % (ten) per annum in KZ tenge. Subsidies under the loan agreement for expanding current assets are set at 5 % (five) per annum in KZ tenge.

Subsidy Rules for Reimbursement of a Part of the Expenses Incurred by an Agro-Industrial Complex Entity, in the Context of Investments were approved by the Order (No. 317, dated 23 July 2018) signed by Acting Minister of Agriculture of the Republic of Kazakhstan to increase access to goods, works and services as part of investment projects in the priority sectors of the agro-industrial complex by reducing capital intensity and increasing the payback of investments. According to Article 4, each year prior to February 1 of the relevant year, the working body chooses an expert organization on a competitive basis and concludes an agreement on provision of services to administer selection and implementation processes. Investment subsidies are provided for investment projects being in operation not earlier than two years before submitting an electronic application through the web portal of "electronic government". In the case of an agricultural cooperative, the aggregate area of agricultural land registered with the members of the agricultural cooperative shall be taken into account. Investment subsidies are calculated based on the actually invested investments. The percentage of cost recovery



is set in accordance with the share of compensation provided in the project passports. The share of compensation is up to 35% depending to additionally allocated subsidies from the local budgets (Article 16).

Social Laws

Law on Procedures for Consideration of Appeals of Individuals and Legal Entities of the Republic of Kazakhstan (dated January 12, 2007) regulates public relations linked with filing and consideration of applications of individuals and legal entities for the purpose of realization and protection of their rights, freedoms and legal interests. Article 8 sets the *30 calendar-day period* as a timeframe for consideration and taking a decision on appeals submitted by an individual or legal entity. In cases where it is necessary to conduct additional examination or verification, the period of consideration shall be extended by additional 30 calendar-days and informing the applicant within 3 calendar days from the date of extension period need for consideration. According to Article 10. Responses to appeals shall be substantiated and motivated in the state language or the language of appeal as referred to the legislation of the Republic of Kazakhstan, it shall contain particular facts denying or confirming the arguments of an applicant, with explanation of their right to appeal the adopted decision.

Law on Competition of the Republic of Kazakhstan (No.112 – IV, dated 25 December 2008) regulates the social relations in the field of protection of competition, restriction of monopolistic activity and protection of legal rights of consumers. Article 33 sets the anticompetitive actions, agreements of the state, local executive bodies, expressed in adoption of acts or decisions, which led or may lead to restriction or elimination of competition or impairment of legal rights of the consumer, protection of social order, rights and freedom of person, health and morality of population shall be prohibited and recognized as invalid in whole or in part according to the procedure, established by the legislation of the Republic of Kazakhstan. *Provision of benefits or other privileges to the separate market entities*, which put them in a privileged position relative to the competitors or providing of adverse and discriminatory conditions of activity compared to competitors is recognized as *anticompetitive actions of the state, local executive bodies*.

Law on Access to Information of the Republic of Kazakhstan (No. 401-V, dated 16 November 2015) regulates the social relations, arising in a result of implementation of constitutional law of everyone to freely receive and disseminate information by any means not prohibited by law. Article 14 obliges the heads of central executive bodies, akims and heads of national higher educational institutions to report to the population about the executed work at least once a year. According to Article 18, an unlawful restriction of the right on access to information may be appealed to a higher state body (a higher civil servant) or to a court no later than 3 months after the citizen be known on the commission of an action or adoption of a decision by the relevant civil servant or body.

Law on Protection of Consumer Rights of the Republic of Kazakhstan (No. 274-IV, dated 4 May 2010) determines legal, economic and social grounds of protection of consumer rights, as well as measures on providing the consumers by safe and quality goods (works, services). State bodies within their competence shall *consider appeals of individuals or legal entities* in the field of consumers' rights protection. Article 7 sets the consumer rights to free conclusion of contracts for acquisition of goods (performance of works and rendering of services); *receipt of information on goods*, as well as on a seller (producer, executor); acquisition of safe goods (work, service) etc. Article 10 provides consumer right to receipt full trustworthy and well-timed information on goods (work, service), as well as on a seller (producer, executor). The right of consumers to purchase safe goods (work, services) is provided by Article 11. According to Article 24, a seller (producer, executor) is obliged to *provide information on goods* (work, service), as well as on a seller (producer, executor) *in Kazakh and Russian languages*; ensure safety of goods (work, service); ensure proper quality of goods etc. The manufacturer is obliged to establish an expiration date and (or) shelf life in accordance with the legislation of the Republic of Kazakhstan in the field of technical regulation for the goods which consumer properties may deteriorate over time.

Law on Consumer Cooperatives of the Republic of Kazakhstan, (No. 197, dated 8 May, 2001) determines the legal status of consumer cooperatives, organizational, economic and social conditions of their creation, activity, reorganization and



liquidation, rights and obligations of members, powers and responsibilities of management and supervisory bodies. Article 8 regulates the relations between the state and a consumer cooperative. State bodies and agencies of local self-government shall not have the right to interfere the activity of a consumer cooperative, except for cases, provided by the legislative acts of the Republic of Kazakhstan. Members of a consumer cooperative may be the citizens, attained the age of eighteen, and legal entities. Members of a consumer cooperative shall have the right to appeal through the courts against the decisions of executive, supervisory and other bodies of a consumer cooperative, affecting their interests (Article 14).

Law on Rural Consumer Cooperation in the Republic of Kazakhstan (No. 450-I dated, 21 July 1999) determines legal status and regulates public relations between shareholders and rural consumer cooperatives and their associations (unions); determines procedure for creation, reorganization and liquidation of rural consumer cooperatives and their associations (unions); rights, obligations, conditions of protection of rights and interests of shareholders and third parties; powers and responsibility of the bodies of rural consumer cooperatives and their associations (unions).

Law on Combating Corruption of the Republic of Kazakhstan (No. 410-IV LRK dated 18 November 2015) regulates social relations in the field of combating corruption and is aimed at implementing the anti-corruption policy of the Republic of Kazakhstan. Article 23 describes *public participation in combating corruption*, including reporting committed corruption offences; coming up with proposals on improving the legislation and law enforcement practices in terms of combating corruption; requesting and receiving information on the anti-corruption activity from state bodies; *awareness-raising work through mass media* and arrangement of socially significant anti-corruption events. According to Article 11, individuals and legal entities, engaged in state property management, have to submit reports on all transactions of material nature and financial activity relating to state property to the state body exercising proprietary rights over the state property.

Women's rights⁴⁹

Adopted in 2009, the Law on State Guarantees of Equal Rights and Opportunities for Men and Women governs gender policy. Kazakhstan's Strategy of Gender Equality for 2006-2016 set practical targets to measure progress in attaining gender equality in policy, the economy, education, family affairs, access to healthcare and the prevention of violence against women and children. Subsequently, Government of Kazakhstan approved the Concept of Family and Gender Policy which seeks to ensure equal rights for all and prevent gender-based discrimination and gender imbalances.

Kazakhstan has ratified several major international treaties, including the UN Convention on Elimination of all Forms of Discrimination Against Women (CEDAW), the Beijing Declaration and Platform for Action, the Convention on the Political Rights of Women, the Convention on the Nationality of Married Women, six International Labour Organization (ILO) conventions and the 2030 Agenda for Sustainable Development (SDGs).

The government reported to the United Nations their plan 2006-2016 Strategy for Gender Equality in Kazakhstan. In 2009 Kazakhstan introduced the law "On Prevention of Domestic Violence." The law provides comprehensive measures to prevent all forms of violence against women.

International Women's Day is an official state holiday in Kazakhstan.

Targeted Social Assistance (TSA)⁵⁰

The Targeted Social Assistance (TSA) scheme was introduced in January 2002 to improve the existing social assistance scheme. Local governments are fully responsible for organizing and delivering TSA. Delivery of TSA is family-unit based and when aggregated monthly family income divided by the number of family members falls below the poverty line,

⁴⁹ This section will be helpful in drawing a specific gender action plan which is discussed in a later section.

⁵⁰ This can complement the livelihood of young entrepreneurs taking cattle farming anew.



defined as 40 percent of the subsistence minimum, the family is entitled to receive TSA. The subsistence minimum is calculated for regions and for the country as a whole. The amount of TSA given to recipients as well as the allocation of TSA budget is determined every quarter, but actual payments of TSA are made monthly.

Ratified International Conventions and Treaties

The following International Conventions and Treaties have been signed and ratified by the Government of Kazakhstan:

- Convention on Labor Inspection in Agriculture (ratified on 7 May 2001);
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (ratified on 29 June 1998);
- Convention on the Elimination of All Forms of Discrimination against Women, adopted (ratified on 29 June 1998);
- Convention on Discrimination in Respect of Employment and Occupation (ratified on 6 December 2000);
- 1964 Employment Policy (ratified on 6 December 2000);
- Convention on Freedom of Association and Protection of the Right to Organize. (ratified on 13 December 2001); and
- Convention on Tripartite Consultations to Promote the Implementation of International Labor Standards (ratified on 13 December 2001).



ANNEX 3 – PROPOSED ESSA ACTION PLAN

The eleven actions in this ESSA Action Plan are critical to the successful delivery of the Program and it is incumbent upon the PMO to ensure they are carried out. Actions two, four, seven, eight, nine, and ten (in bold) are particularly important; therefore, they are also included in the Program Action Plan, which will be part of the overall Legal Agreement governing the Program.

Recommended Action	Results Area	Due Date	Implementing Entity	Indicator/Completion measurements
Governance				
A1. Appoint a focal person responsible for (1) communication and outreach, (2) outreach to akimats to ensure compliance, and (3) environmental and social risks mitigation, monitoring, and reporting at the PMO. And develop Environmental and Social Guidelines for the Implementing Institutions of the Program.	1, 2, and 3	At the start of the Program (when POM is due)	PMO PMO	Focal Point Appointed Guidelines included in the POM.
A2. Ensure land assigned to farmers are unused and are free from prior claims and incumbrances.	2 and 3	On going	MOA; Akimats	The Government, through the Akimats, make available maps indicating available plots for new and expanding small and medium farms (see Action 10 for mapping).⁵¹
A3. Strengthening Environmental and Veterinary certification and inspection systems within the MOA and at Akimat level (farms, feedlots, slaughterhouses, etc.).	1, 2, and 3	Template (when POM is due) On going	Veterinary Committee; MEGNR; and Akimats Verification by Independent verification agency	Reporting template included in the POM Annual Program Implementation Reports
Advisory services, Training, and Farm-Based Innovation				

⁵¹ Results Area 2.3 will focus on (a) review and improvement of land access policies; and (b) strengthening of the Akimats' capacity to manage common pastureland and related water points so that farmers' access to more productive pastures is improved.



Recommended Action	Results Area	Due Date	Implementing Entity	Indicator/Completion measurements
A4. Development, strengthening, and implementation of programs to offer advisory services specifically aimed at Program objectives including expanding veterinary services; GHG reduction through better feeding practices; GHG reduction through better pasture and land management; biodiversity protection through changes harvesting and planting; modern integrated pest management; etc.	1, 2, and 3	On going	MOA; Akimats; PMO Verification by Independent verification agency	Advisory services Delivered Annual Program Implementation Reports
A5. Ensure compliance with the conditionality criteria for new subsidies for agri-environmental practices. These will include carbon sequestration through live fences, wind breaks, watershed protection, and pasture management.	2 and 3	On going	MOA; Akimats; PMO Verification by 3 rd Party Agent	Scheme implemented Annual Program Implementation Reports
Communications and Outreach				
A6. Bring the existing One Stop Citizen Service Centers into the arena of the program for enabling easier information, appeal and redressal.	1, 2, and 3	6 months after the start of the Program Operational throughout Program Implementation	MOA; Akimats; PMO Verification by 3 rd Party Agent	Offices Established in each Akimat Annual Program Implementation Reports
A 7. Development and implementation of “Single Window” program assistance for small and medium farmers at Akimat level with links to MOA’s PIU.	1, 2, and 3	6 months after the start of the Program Operational throughout Program Implementation	MOA; Akimats; PMO Verification by 3 rd Party Agent	Offices Established in each Akimat Annual Program Implementation Reports
A8. Undertake a quick and rapid appraisal and identify entry points to strengthen female participation in the Program.	2,2,3	6 months after the start of the Program	MOA	Assessment completed. Results incorporated into the program. Annual Program Implementation Reports



Recommended Action	Results Area	Due Date	Implementing Entity	Indicator/Completion measurements
A9. Development and implementation of an effective and inclusive Information, education and communication campaign for the Program linked to Advisory Services, including guidelines and best practices (access to land; access to credit and grant programs; access to improved veterinary services; pasture management; tree planting for windbreaks, live fences, and watershed protection; manure management; pest management; etc.).	1, 2, and 3	6 months after the start of the Program Operational throughout Program Implementation	MOA; PMO	Campaign Developed Annual Program Implementation Reports
Mapping, Records, and Reporting				
A10. Ensure continuous access to GIS Mapping for rangelands, grasslands, and pastures that includes layers for: assignment; registered use; actual use; size of farms; transport routes; production infrastructure; ecosystems (water courses, lakes, wetlands, drylands, etc.); ecosystem services schemes (water course protection, wind breaks, orchards and other tree planting schemes, etc.); protected areas; and critical habitats.	2 and 3	Continuous throughout Program Implementation	MOA; Akimats; PMO	GIS Maps developed and published
A11. Development and implementation of a program to include statistics related to the Program in National Statistic Reporting, including environmental and social statistics as well as those related to NDC and National Action Plan for Adaptation (GHG/carbon sequestration).	1, 2, and 3	1 year after the start of the Program Reported annually	MOA; PMO	Annual reports by National Statistics Agency Annual Program Implementation Reports



ANNEX 4: LIST OF PARTICIPANTS IN STAKEHOLDER ENGAGEMENT CONSULTATIONS

The following Stakeholder Consultation were held during Program and ESSA Preparation.

No	date	organization	Discussion points
1	3 September 2019	Ministry of Agriculture of the Republic of Kazakhstan; KazAGRO	Preparation steps of the Sustainable Livestock Development Project: timeline, technical part/indicators, financial and procurement matters, assessments that need to be prepared by the WB team. Total number of participants: 20
2	3 September 2019	Ministry of Finance of the Republic of Kazakhstan	Preparation of the Sustainable Livestock Development Project: timeline, technical part/indicators, financial and procurement matters, assessments to be prepared by the WB team. Ministry provided assistance help in data collection, including detailed costs breakdown. Ministry's team asked to consider a possibility of getting a loan in KZT. Total number of participants: 15
3	4 September 2019	Ministry of Agriculture of the Republic of Kazakhstan; Meat Union	Ministry of Agriculture made a presentation of the National Plan of Kazakhstan Livestock Sector Development for 2018-2027. Total number of participants: 21
4	6 September 2019	Meat Union	Access to markets, agro-logistics, main beneficiaries of the program, family farming and upcoming changes in land regulations. Total number of participants: 6
5	6 September 2019	Green Economy Coalition	Women in agriculture: how the Coalition works with women in rural areas, facilitating access to knowledge and finances, providing grants to the best students. Total number of participants: 15
6	7 September 2019	Farmers in Zhaltyrkol village	Farming, veterinary services, land issues, credits and available government programs. Total number of participants: 5
7	7 September 2019	Farmers in Arnasai village	Farming, veterinary services, land issues, credits and available government programs. Total number of participants: 5
8	9 September 2019	Veterinary Committee of the Ministry of Agriculture of the Republic of Kazakhstan	Structure of veterinary system in Kazakhstan, its successes, challenges and plans for development; systems used for consolidation and storage of data, related to animals; traceability, possibility to track project results. Total number of participants: 9
9	9 September 2019	Ministry of Agriculture of the Republic of Kazakhstan, Department of Digitalization	Digitalizing the data on land, using satellite imagery to control whether the land is utilized according to its purpose. Total number of participants: 10
10	10 September 2019	Embassy of the United States of America	Land, definition/quality of pasture, quality and accessibility of veterinary services. Total number of participants: 9
11	10 September 2019	GIZ, Kazakh-German Agri-Political Dialogue	Land, quality of pasture and weather conditions as natural constraints to the program implementation; lack of specific skills on farming with new farmers. Total number of participants: 5
12	10 September 2019	Embassy of Canada	Land and quality of pasture, risks of having cattle, importance of training and awareness, vet services, logistics chains. Total number of participants: 4
13	11 September 2019	Farmers	Importance of developing of the existing farms to their full capacity, that requires long credits, land, access to water, developed and accessible veterinary services system, access to information, access to education – to know about and be able to use modern studies and technologies, well-maintained infrastructure. What needs to be improved: tracking system, breeding value index needs to be introduced,



No	date	organization	Discussion points
			access to subsidies for small and medium farms, logistics chain is currently too long to be profitable for farmer. Total number of participants: 11
14	12 November 2019	Akimat of Akmola oblast, Administration of control on land utilization and protection	Land management Total number of participants: 7
15	12 November 2019	Administration of land relationships	Land management Total number of participants: 5
16	12 November 2019	Akimat of Burabay district (rayon)	Land management Total number of participants: 5
17	14 November 2019	Multi Stakeholder Meeting in Nur Sultan	Program as a whole Total Number of participants: 45
17	20 November 2019	Akimat of Kostanay oblast, Administration of control on land utilization	Land management Total number of participants: 4
18	20 November 2019	Akimat of Kostanay oblast, Administration of agriculture and land relationships	Land management Total number of participants: 4
19	20 November 2019	Akimat of Kostanay oblast, Akimat of Kostanay district (rayon)	Land management Total number of participants: 5
20	20 November 2019	Akimat of Kostanay oblast, Akimat of Kostanay district (rayon)	Land management Total number of participants: 5
21	22 November 2019	Akimat of North Kazakhstan oblast, Administration of control on land utilization and protection	Land management Total number of participants: 7
22	22 November 2019	Akimat of North Kazakhstan oblast, Administration of land relationships	Land management Total number of participants: 5
23	22 November 2019	Akimat of North Kazakhstan oblast, Akimat of Kyzylzhar district (rayon)	Land management Total number of participants: 5
24	22 November 2019	Akimat of North Kazakhstan oblast, Akimat of Kyzylzhar district (rayon)	Land management Total number of participants: 5
25	21 January 2020	Ministry of Agriculture, Ethics Officer	Applications and complaints from public and the related procedures. Total number of participants: 3
26	21 January 2020	Ministry of Agriculture, Public Services and AIC Digitalization Department	Applications and complaints from public and the related procedures. Total number of participants: 3
27	23 January 2020	KazAGRO	Applications for credits and the related procedures, access to information. Total number of participants: 4
28	23 January 2020	KazAGRO	Applications for credits and the related procedures, access to information. Total number of participants: 10
29	24 January 2020	Coalition for Green Economy	Request for assisting in organizing consultations, agreed timeline for March 5, 2020 Multi-stakeholder Disclosure Workshop. Total number of participants: 5
30	5 March 2020	Multi Stakeholder ESSA Disclosure Workshop	Total Number of participants: 40



ANNEX 5: MULTI-STAKEHOLDER DISCLOSURE WORKSHOP

Date: Thursday, March 5, 2020

Meeting held: Rixos Hotel, Nur-Sultan, Kazakhstan

Attendees: 31 attendees from the following organizations:

Coalition for green economy, National Agrarian Science and Education Center (NASEC), JSC “Asyl Tulik”, Chamber of local horse breeding, Kazakhstan-German Agrarian and Political Dialogue, Public fund “Iskerlikke demeu”, Project “Improving Competencies in the Field of Milk Production”, Agrarian Union of Women of Kazakhstan (Agrowomen), FAO, Public Foundation “Development and Support of Rural Women MukaramaAna”, and representatives of various individual farms.

Meeting purpose:

- Share the results of ESSA and evince a feedback.
- Deliberate on strength and weaknesses of the existing system and agencies responsible for managing environmental and social risks that may occur in the course of the Program implementation.
- Discuss and deliberate on the Program Action Plan meant to address the gaps in the national system to manage social and environmental risks.
- Improve coordination and partnership among stakeholders.

Topics of discussion:

Overall, the meeting welcomed the Program intervention and felt that the time is apt for such an intervention, which is thinking beyond Oil and Gas and Minerals (traditional backbone of Kazakhstan’s economy). The meeting expressed happiness on the Program’s objective to open the doors for all sections of the society, specially, unemployed youth and agriculture/ veterinary graduates. Key focus was on ‘gender’. Keen interest was shown in knowing what avenues exists in the program for women participation. Ultimately, the meeting emphasized on introducing the latest technologies, techniques and management practices such as to ensure the development of rural economy, in general, and in particular livelihoods for women. Same time, several concerns were raised on efficacy of the government agencies in service delivery. Meeting recommended establishing rural centers with a focus on rural cooperatives.

Some specific questions raised are listed below.

- **Support of women farmers.** *What types of support is offered within the Project to empower women farmers? Will the trainings be adjusted to/considerate of the needs of women farmers? (participation in trainings might be limited due to busy lifestyle, work and family obligations, and specifics of gender roles in Kazakhstan). Is there a way of creating a rural education center/ rural field schools based in a village? Will there be a dialogue platform based in rural areas to ensure transparency of the system?*
- **Opportunities for young farmers and students of agrarian science background.** *Is there a way to target and motivate younger population of agrarian background to stay in the field and/or become farmers? What is the general strategy on recruiting 20 000 new farmers within the Project?*
- **Accessibility to grants and financial support.** *What forms of financial support will be offered within the Program? Will there be funds allocated to support other areas of animal husbandry, such as horse, sheep, dairy cattle etc.?*



- **What kind of financial assistance is available under the Program for beef cattle? Is there any package/ brochure available which lists the details including whom to approach?**
- **What kind of assistances are available for input supplies and output marketing?**
- **What is the duration of the Program and when is it likely to start?**
- **Is this a country wide operation or restricted to certain regions only?**
- **Improvement of quality and productivity of beef cattle.** Implementation of artificial insemination to improve productivity and prevent infectious diseases from spreading.
- **Improvement of veterinary services.** Will vet pharmacists go through trainings, since they simultaneously serve as firsthand advisors/consultants to the farmers?
- **A section of the house was eager to know why the Program is so heavily focused on beef cattle.** Why are the dairy and horses are not included?

List of participants

Full Name	Position
Rauan Erulankzy	Deputy Chairman of the Board (NASEC)
Erkin Satenbayev Nishanbayevich	Director of the Department of Science (NASEC)
Marat Jadayev Maraluly	Director of Extension Services Department (NASEC)
Dias Zhunusov Kalimovich	Manager at the Extension Services Department (NASEC)
Dana Borumbayeva Bagdatovna	Director at the Department of International Cooperation (NASEC)
Bolat Seysenov Sekenovich	Chairman of the Board JSC "Asyl Tulik"
Kanat Zhangozin Nakoshevich	Deputy Chairman of the Board JSC "Asyl Tulik"
Erkegul Tilegen	Chamber of local horse breeding
Nurzhan Kurmanov Avganovich	Veterinary Expert
Alexander Barneviz	Project Manager of the Kazakhstan-German Agrarian and Political Dialogue
Alexander Lysenkov	International Expert in Organic Agriculture
Lunara Umralinova	Local Expert in Agricultural Financing
Abay Kenzhebay	DJi-Star
Erik Zhandarbekov Kenzhebayevich	Public fund "Iskerlikke demeu"
Kuanish Nurkenov Toleukhanovich	Public fund "Iskerlikke demeu"
Aynagul Ayaganova Kabdullayevna	Deputy Head of the Project "Improving Competencies in the Field of Milk Production"
Adil Rakhimov Muratovich, PhD	an employee of NicZhiv, a long-term expert of the Project "Improving competencies in the field of milk production"
Lyazat Kazhitayevna Askarova	Executive Director of the Agrarian Union of Women of Kazakhstan
Aigul Seitova Zhaksybaevna	Head of individual farming (livestock and crop production), Kostanay region
Dauren Oshakbayev	FAO
Lyudmila Lider	FAO
Balbope Irtaeva Galimzhanovna	Executive Director of the Public Foundation "Development and Support of Rural Women" MukaramaAna ", Kostanay Region
Erkin Shukurova Zhandidullaevna	Head of the Public Association "Agrarian Union of Women of Aktobe Region"
Guzel Sagintayeva	Consultant for the countries of the CIS and the Middle East on export and investment attraction
Gulmayra Baymakova	Head of the farm, Akmola region
Gulmira Kusain	Chairman of the Council of Businesswomen, Chamber of Commerce "Atameken", Akmola region
Zhanargul Zhumabaeva	Expert, business coach
Guliyam Zhakupova Tolegenovna	Manager of "Agrarian Union of Women of Kazakhstan"
Shinar Shokpanova	Manager of "Agrarian Union of Women of Kazakhstan"
Manasova L. Z.	Uralsk, West Kazakhstan
Gulzada Birkenova	Chamber at Aulekol