

Responsible Business Conduct for Sustainable Infrastructure in Kazakhstan, Mongolia and Uzbekistan

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Agenda

- Why does responsible business conduct matter for sustainable infrastructure?
- Preliminary findings from the OECD:
How do Kazakhstan, Mongolia, and Uzbekistan promote responsible business conduct in infrastructure development?
- Country examples
- Questions and answers

New OECD reports on Responsible Business Conduct for Sustainable Infrastructure

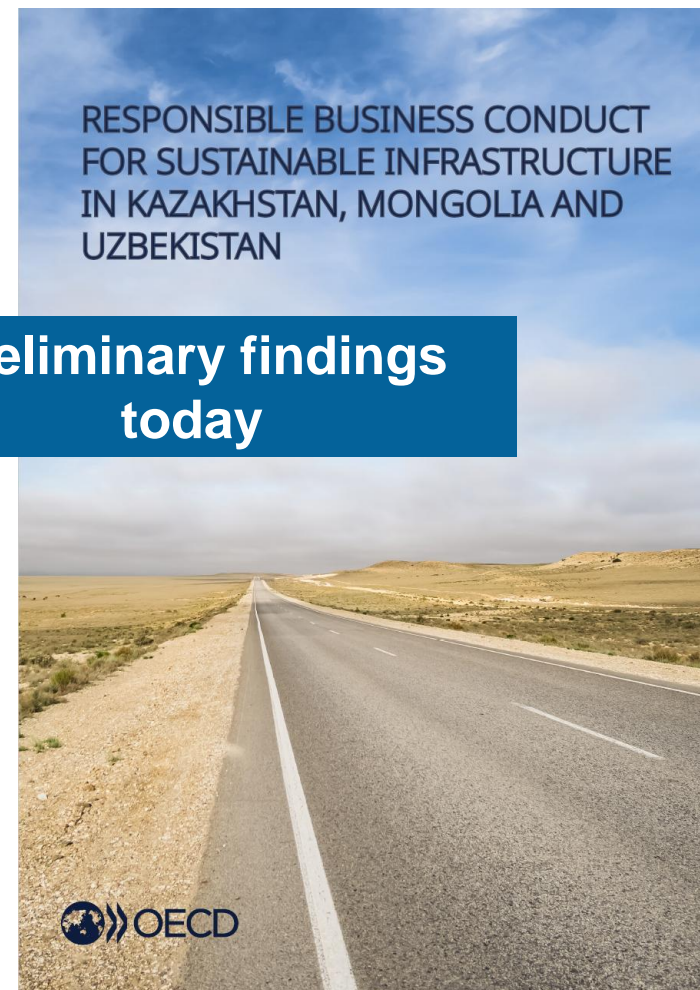
Already available: South-East Asia



Forthcoming

RESPONSIBLE BUSINESS CONDUCT
FOR SUSTAINABLE INFRASTRUCTURE
IN KAZAKHSTAN, MONGOLIA AND
UZBEKISTAN

Preliminary findings
today



Kazakhstan, Mongolia and Uzbekistan place infrastructure development at the heart of their development strategies

Kazakhstan Strategy 2050

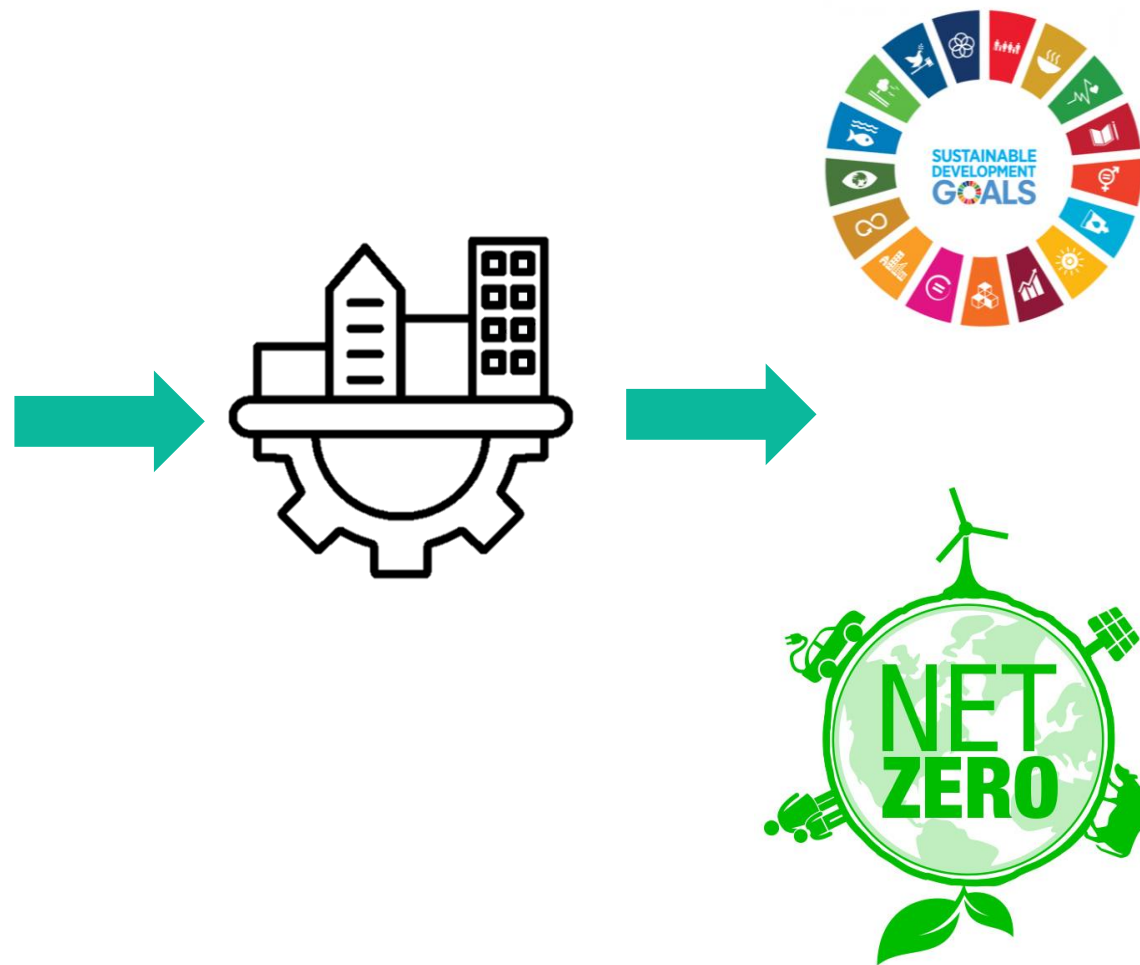
Kazakhstan Strategy to Achieve Carbon Neutrality by 2060

Mongolia Vision 2050

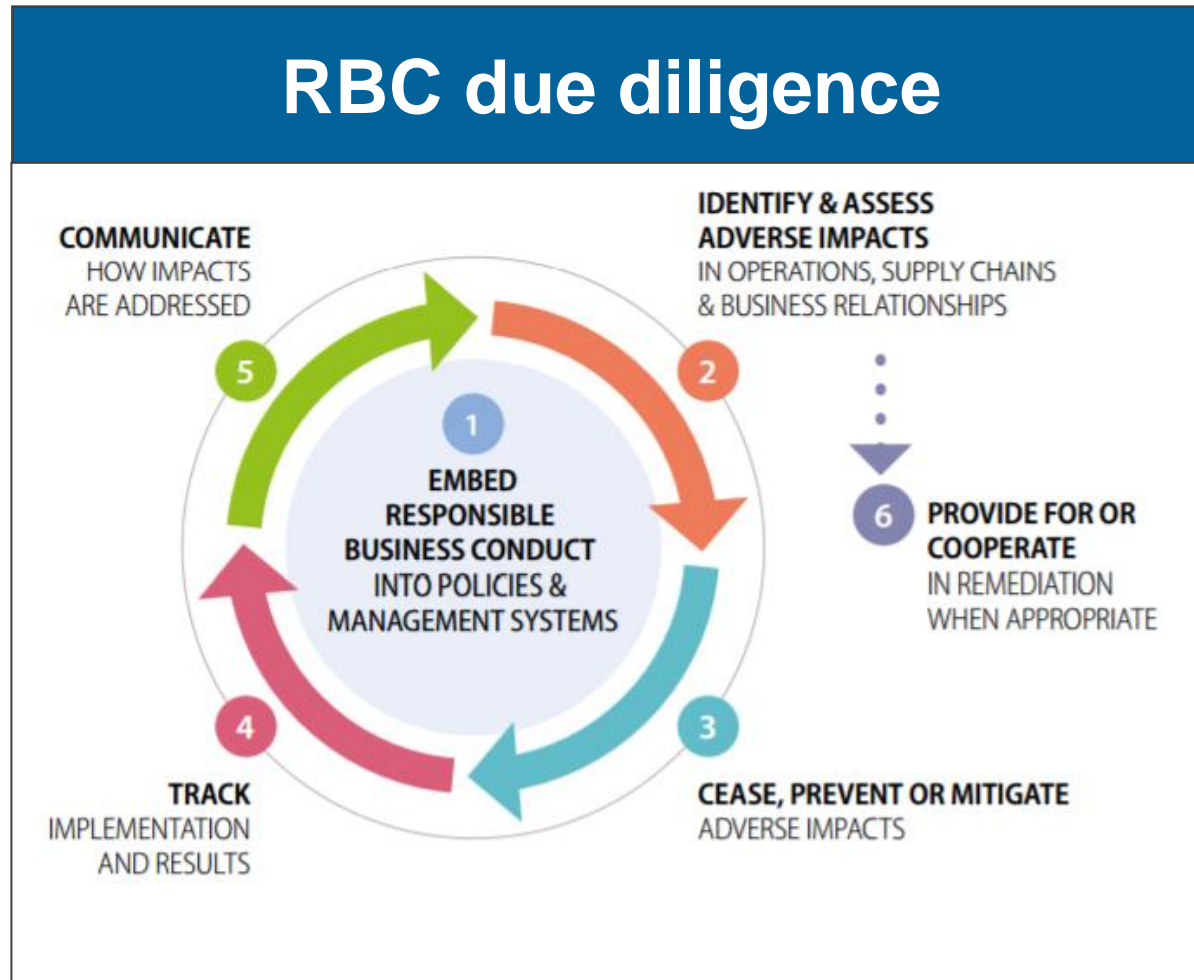
Mongolia Government Action Plan 2024-2028

Uzbekistan 2030 Strategy

New Uzbekistan Development Strategy 2022-2026



Responsible Business Conduct means that businesses avoid and address adverse impacts of their operations and in supply chains

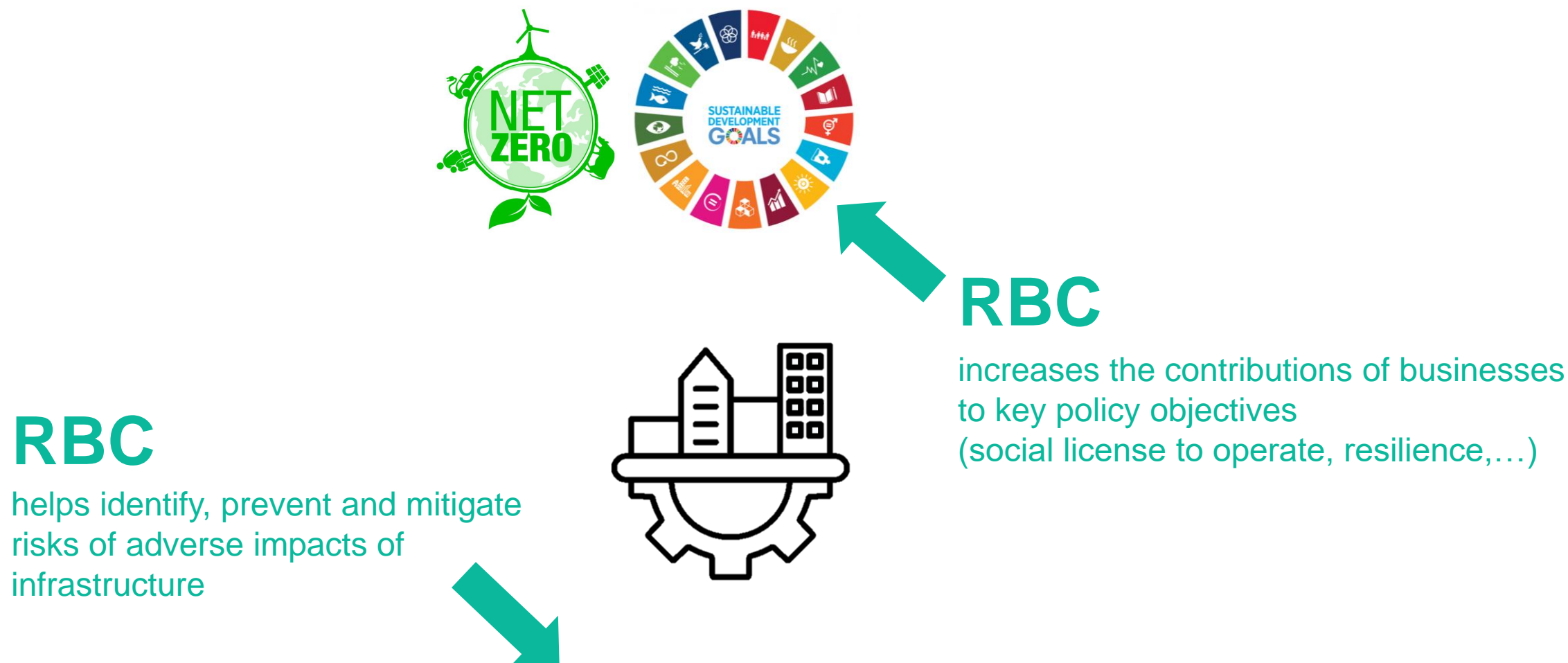


Related but different:

ESG

CSR

RBC enhances the quality and sustainability of infrastructure



Protect people and planet from adverse impacts

Adjusting legal and policy frameworks to address risks of adverse impacts of infrastructure development

Examples of adverse impacts

- Dangerous levels of pollution
- High CO2 emissions
- Land degradation
- Water scarcity
- Dangerous working conditions
- Challenging conditions for unions
- Gender inequality in the workspace
- Land and housing rights affected
- Loss of livelihoods
- Incidents of corruption

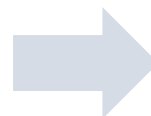
Way forward and positive dynamics

- Legal frameworks are improving:
Enforcement of existing standards is critical
- Enhance environmental protection: Strengthen compliance, Best Available Technologies
- Ongoing improvements to labour regulation, importance to strengthen labour inspections
- Ensure attention to human rights impacts, e.g. in environmental and social impact assessments
- Istanbul Anti-Corruption Action Plan: Implement OECD Recommendations from 2024 Monitoring

Strengthening the overall enabling environment for RBC

Establishing a general framework for RBC

- Still low awareness, but positive dynamics
- National Actions Plans on Business and Human Rights
- Kazakhstan adherent to OECD instruments on RBC



- Use actions plans and strategies for multi-stakeholder engagement, co-ordination and monitoring

Stakeholder engagement

- Consultation requirements for project development, but application in practice is uneven
- Civic space important for stakeholder engagement



- Ensure consultation requirements are applied
- Strengthen civic space and labour rights

Access to remedy

- Judicial and non-judicial grievance mechanisms resolve some cases, but challenges persist



- Address barriers in accessing mechanisms
- Support state-owned and private enterprises in introducing grievance mechanisms

Exemplifying RBC in infrastructure development via the state's economic role and commercial activities

State-owned enterprises (SOEs)

- SOEs are key actors in infrastructure sectors.
Opportunity to exemplify RBC
- Ongoing dynamics, e.g., sovereign wealth fund in Kazakhstan and support to ESG strategy and mandatory sustainability reporting in Uzbekistan

Sustainable Finance

- Dynamic in each country to promote sustainable finance through bonds, frameworks and guidance (e.g. Mongolia), financial institutions' practice...
- Strengthen the engagement with institutions that focus on infrastructure finance such as national development banks

Public procurement and public-private partnerships (PPPs)

- Dynamics for green and sustainable procurement exist, but are not fully exploited
- Attention to environmental and social impacts in frameworks for PPPs could be strengthened

Opportunities for regional dialogue and peer learning

Opportunities for regional dialogue

- Attention to transboundary impacts of infrastructure projects
- Numerous regional infrastructure projects around connectivity involving two or more countries
- CAREC as a forum to discuss infrastructure development

Peer learning

- Progress in different areas provides opportunities for peer learning. Today:
 - **Kazakhstan:** incentivising best available technologies (BAT)
 - **Uzbekistan:** promoting ESG risk management in state-owned enterprises

Country Interventions



Thank you

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