

## **1. Background and Objectives**

The Republic of Kazakhstan, which has a vast national land of 272.7 million hectares and borders with Russia, China, and Central Asian countries, abounds in natural resources such as coal, oil, and mineral resources including rare metals. Under the strong leadership of President Nazarbayev, economic reform has been promoted based on the Kazakhstan Long-term Development Strategy 2030. Kazakhstan is now breaking away from being an economy in transition and is participating in global economic competition as a market economy owing to high rates of economic growth.

Kazakhstan is expected to become a key supplier in the international energy market because of its rich oil and other reserves on the coast of the Caspian Sea. The development of energy resources is progressing, and Japanese companies are playing a part in that development. However, income disparities between regions and between industries are emerging as a social problem. In addition, environmental damage caused by policies insensitive to the environment pushed ahead during the former Soviet era together with environmental problems caused by the recent developments of resources mean that Kazakhstan is now facing a number of environmental issues, including water resource problem, desertification, air pollution in industrial areas and urban areas, water and soil pollution.

This study investigates the state of affairs regarding the environment as well as the actual condition of the environmental administration and environment related legislation, etc. The objective of this study is to contribute to the effort to improve the strategic features, efficiency, and transparency of Japan's Official Development Assistance (ODA) to the Republic of Kazakhstan.