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Patricia, et al:

Regarding the Kazakhstan IP, we would like to request additional information to learn more about the implications of energy subsidies for the use of CTF resources. Kazakhstan currently has substantial subsidies for fuel, electricity, district heating. The presence of these subsidies potentially undermines effective use of CTF resources in two ways: 1) A CTF project might not be necessary if energy was priced correctly, or at least require a smaller CTF contribution to cover incremental costs associated with the project. 2) The transformational potential of CTF interventions are weakened when energy subsidies discourage downstream investments to replicate or expand the intervention. Therefore, we would like to see a discussion of energy price subsidies and potential reforms in the enabling environment section.

Thanks,
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