INNOVATION PERFORMANCE REVIEW (IPR) OF KAZAKHSTAN, RECOMMENDATIONS
CHAPTER 8: INNOVATION AND INTERNATIONAL ECONOMIC INTEGRATION
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The increased importance of recent regional integration initiatives (i.e. CIS, EurAsEC), creates the institutional prerequisites for closer collaboration in innovation-related areas, resulting in an increase in innovation capacities. Traditional links with neighbouring countries suggest a significant potential in this area.

However, in terms of implementation, there is still room for considerable improvement and the existing potential is not fully explored. There is not yet a clear national strategy that seeks to exploit the opportunities created by these integration processes. Institutions, particularly at the sub-national level, are not fully equipped to facilitate linkages in this regional context.
Recommendation 8.4

Innovation policies should be strengthened through better alignment with regional integration initiatives, in particular those within the Commonwealth of Independent States and the Eurasian Economic Community.

The authorities could consider promoting and consulting with partner countries participating in regional integration initiatives measures such as:

- The elaboration of a strategy for the promotion of innovation in a regional context, which exploits and evaluates scientific collaboration with neighbouring countries and countries where strong traditional links exist and links it with trade patterns and increased opportunities for foreign investment.
Recommendation 8.4 (continued)

- Promoting joint technology-based projects with countries where strong traditional links exist (such as Russia, Belarus and Ukraine, among others) in specific sectors that would benefit from the ongoing integration drive;

- Including regional integration aspects in institutional or organizational innovation policy actions, including, for example the envisaged creation of sub-national entities involved in innovation support activities; and

- Reciprocal opening up of national innovation support schemes to support innovation projects involving cross-border collaboration with partners from countries participating in regional integration initiatives.
The Customs Union increases competitive pressures, not only for firms, but also for R&D institutions. This challenge is also an opportunity, if the capabilities to meet future customer demands are improved, including through higher innovation activity.

However, there is a shortage of empirical evidence on the impact of the customs unions, that would allow to develop tailored policy instruments.
Recommendation 8.5

The authorities should implement an adequate monitoring and evaluation system to facilitate an informed and deeper analysis on the impact of the Customs Union and other integration initiatives on Kazakhstan’s economy and innovation system.

The research could be carried out under the auspices of the newly established Ministry of Economic Integration but closer cooperation linkages should be developed with existing entities inside and outside of Kazakhstan that perform research in the same or related areas.
Thank you for your attention!

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