

THE EBRD IN KAZAKHSTAN

Green economy transition, EBRD Green Cities and renewable energy

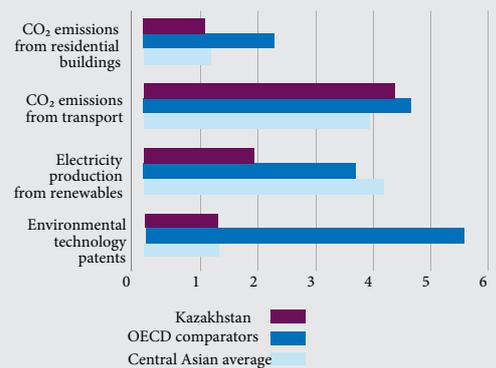
2015-20

Related SDGs



Kazakhstan is the largest emitter of greenhouse gases in Central Asia, registering one of the highest CO₂ intensities in the world. More than 70 per cent of Kazakhstan's electricity is produced in ageing coal-fired plants, served by large volumes of cheap local coal, in the north-east of the country. Consequently, the energy sector, in particular power and heat generation, accounts for 80 per cent of the country's carbon emissions. With rapid economic growth and increasing electricity and energy demands, it has become essential for Kazakhstan to invest in a more decentralised, balanced and environmentally friendly energy supply system that includes a range of renewable resources. Therefore, Kazakhstan has embarked on building a green economy, leading the charge among its Central Asian neighbours.

EBRD score (1-worst, 10-best)



How we work

The EBRD promotes a shift to more environmentally friendly energy supply systems and performance by investing in municipal sectors, renewables, energy-efficient technologies and resource efficiency. We combine investments with policy dialogue to develop a good regulatory framework for sustainable energy, water and resource use. Through EBRD Green Cities, we support municipalities in developing Green City Action Plans to address key environmental challenges and to invest in sustainable infrastructure. The EBRD also provides green credit lines via partner banks, such as the Green Energy Financing Facility (GEFF), which uses the Green Climate Fund to provide technical advice to lenders and borrowers.

In numbers (2015-20)

€1.37 billion

Green economy financing commitments

15

Renewable energy projects (with €237 million in operating assets)

€237 million

Cumulative disbursements under the GEFF and Renewables Framework

Quick links

- > [Green Economy Transition](#)
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EBRD GREEN CITIES

EBRD Green Cities offers more than €2.5 billion of EBRD and donor support to address cities' most pressing environmental challenges through investment, policy actions and capacity-building in the economies where the EBRD invests.



Achievements and results: Green economy transition, EBRD Green Cities and renewable energy

We promoted energy efficiency and increased renewable energy by:

- ▶ improving legislation on renewable energy to develop carbon markets, introducing renewable energy auctions and developing a green financial system approach with the Astana International Financial Centre
- ▶ promoting women's access to green finance and green entrepreneurship (for example, through gender activities under the GEFF and the Kazakhstan Renewables Framework).
- ▶ financing the first solar power plant (Burnoye Solar) under the country's new renewable energy legislation, supported by the Clean Technology Fund as one of the country's first privately owned renewable energy generators
- ▶ investing and partnering with private co-financiers (such as investors from the United Kingdom, France, China and Germany) to improve the electricity grid for renewable energy projects

We helped to reduce vulnerability to climate change and address environmental challenges by:

- ▶ financing the shift from coal to more sustainable alternatives, for example, by supporting the modernisation of the gas network to enhance gasification while reducing pollutant greenhouse-gas emissions and methane leaks and supporting tariff reform in the sector
- ▶ supporting companies in improving their operational efficiency and compliance, for example, through ozone-friendly hydrocarbon refrigerators for Caspian Beverage Holding.
- ▶ launching EBRD Green Cities in four cities (Almaty, Semey, Shymkent and Ust Kamenogorsk) to address environmental challenges by developing Green City Action Plans and undertaking infrastructure investments, policy actions and capacity building

A level playing field for more competition

EBRD advice helped the government to abandon its local-content premium to attract private investors to the renewable energy sector and to improve the likely financial success of power purchase agreements.

Energy saved

An estimated 9.5 million GJ/year of energy was saved through EBRD-supported solar power investments, corresponding to the electricity use of more than 300,000 homes for one year.

Cleaner air

EBRD-supported gas modernisation projects have led to an estimated 2.5 million-tonne reduction in CO₂ emissions and 2.7 million tonnes of coal saved from burning, equivalent to removing more than 500,000 cars from the road for one year.

Increased renewable energy in the energy mix

The EBRD is helping to gradually shift power generation from coal and gas by financing an increase in renewable energy capacity by an estimated 687 MW, corresponding to almost half of the country's renewable capacity. Most of the newly installed capacity (463 MW) is financed through the EBRD's Renewables Framework.



The EBRD's Kazakhstan Renewables Framework received an award for its contribution to the development of a green financial system in the country at the Nur-Sultan International Financial Centre Finance Awards.



Greener cities

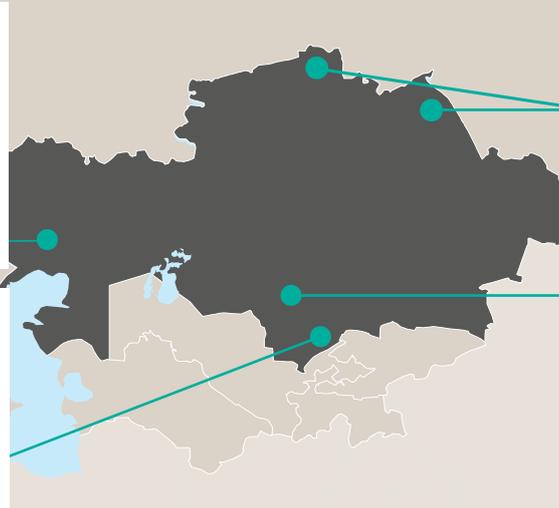
Over 3.4 million people in southern and eastern Kazakhstan are expected to benefit from cleaner cities and sustainable infrastructure under the EBRD Green Cities programme.

Supporting a low-carbon transition in Atyrau:

The EBRD financed the construction and grid connection of an 11MW cogeneration gas-engine-based power plant in Atyrau, introducing new high efficiency and low carbon distributed generation technology. The grid has achieved an electric efficiency improvement of more than 40 per cent, and is estimated to reduce carbon emissions by more than 40,000 tonnes of CO₂ per year.

Making cement production more energy efficient in Shymkent:

The EBRD financed new dry lines and alternative fuels to transform a local cement plant and make it the most energy-efficient plant in the country. The Bank also engaged in policy dialogue with the Kazakh cement industry and authorities to set higher environmental standards in the sector.



Reducing energy loss in Pavlodar and Petropavlovsk:

The EBRD supported the installation of more than 16,100 smart meters across the northern cities of Pavlodar and Petropavlovsk, contributing to a reduction in electricity losses (of 6.3 per cent on average) and increase in collection rates.

Increasing renewable energy in Chulakkurgan:

Under the Kazakhstan Renewables Framework, the EBRD financed a 50MW greenfield solar project in the rural Chulakkurgan district. The project is supporting the entry of a new private player into the Kazakh power market and is expected to contribute to annual CO₂ savings of 68,000 tonnes.