

CLIMATE INVESTMENT FUNDS

CTF INVESTMENT PLAN

Kazakhstan

The Republic of Kazakhstan, the largest economy in Central Asia and a country having recently attained middle-income status, depends to a large degree on revenues from oil as its primary export commodity.

An energy-intensive economy, Kazakhstan is rich in fossil fuels, especially coal, and is a major producer of oil and gas. It is also the world's largest exporter of Uranium ore. As the region's largest greenhouse gas emitter, the country has set a goal to ensure that future economic growth will not harm the environment.

As a result, the Government has established a national Strategy of Transition to Sustainable Development by 2024 which envisages:

- Doubling GDP by 2015;
- Tripling labor productivity; and
- Reducing by half the energy intensity of GDP by 2015.

The CTF Investment Plan will help support a spectrum of sectoral activities to help Kazakhstan meet these goals, including:

- Increasing renewable energy: small hydroelectric, wind power generation, solar;
- Leveraging financing of small renewable energy projects through commercial financial institutions;
- Modernizing district heating systems in demand-side interventions;
- Managing demand-side and end-user efficiency in small and medium enterprises, commercial, municipal and residential sectors.



KAZAKHSTAN CTF INVESTMENT PLAN

CTF financing: **\$200 million**

Co-financing: **\$1.07 billion**

PROJECT APPROVALS

Waste Management Framework (KWMF)

CTF Approval Date: Jun '11

CTF financing: **\$22.5 million**

Co-financing: **\$268 million**

Partner MDBs: **European Bank for Reconstruction and Development**

District Heating Modernization Framework

CTF Approval Date: Jan '11

CTF financing: **\$42 million**

Co-financing: **\$160 million**

Partner MDBs: **European Bank for Reconstruction and Development**



Renewable Energy Development

The CTF plan will include: constructing and restoring small hydropower installations of up to 25 MW per installation; constructing wind, solar, and other renewable installations with a unit abatement cost below \$50/tCO₂eq or feed-in tariff required for acceptable rate of return not higher than 20 KZT/kWh; constructing and strengthening electric power distribution networks connecting renewable energy installations to the power grid.

District Heating Modernization

Supply of heat to multi-apartment buildings (district heating) during the cold season of the year is a vital yet technologically obsolete sector in Kazakhstan. The CTF Investment Plan will include modernization of building-

level heat exchanger substations; installation of heat and hot water meters at the building level; installation of modern variable flow pumps at boiler plants.

Sustainable Energy Finance

The Investment Plan will include addressing barriers which prevent local financial institutions from providing finance for small scale EE/RE projects in SME, commercial, municipal and residential sectors by providing funding where liquidity is an issue; risk sharing to support on lending activities by reducing risk perceptions of lenders; and capacity building to help financial institutions develop financial products for energy efficiency and renewables financing and to help them understand the risks associated with such projects.

What is the CTF?

The Clean Technology Fund (CTF) is a multi-donor trust fund created in 2008 as part of the Climate Investment Funds (CIF) to provide scaled up financing for the demonstration, deployment and transfer of low carbon technologies that have a significant potential for long-term greenhouse gas emissions (GHG) savings. CTF resources amount to approximately \$4.5 billion pledged by donors (Australia, France, Germany, Japan, Spain, Sweden, United Kingdom, United States). The CTF supports a selected series of investment plans that meet the criteria of significant GHG emissions savings, demonstration potential at scale, development impact and implementation readiness.

