



AIFC GREEN FINANCE CENTRE

Aigul Kussaliyeva

Managing
Director

**Global Green Finance Leadership Program
(GFLP): Scaling-up Sustainable Finance in
Southeast Asia**

November 28 – December 1,
2022 Kuala Lumpur, Malaysia



TAXONOMY OF GREEN PROJECTS OF THE REPUBLIC OF KAZAKHSTAN



Renewable energy (wind, solar, geothermal, hydro, bioenergy, hydrogen production);



Pollution prevention and control (air quality, soil);



Energy efficiency (improving energy efficiency at existing and under construction facilities);



Sustainable use of water and waste



Sustainable agriculture, land use, forestry, biodiversity conservation and ecological tourism;



Green buildings (green buildings, related systems and building materials, green infrastructure);





Clean transport

FINANCIAL GOV INCENTIVES FOR GREEN PROJECTS IN KAZAKHSTAN

Under The National Project (gov program) for the development of entrepreneurship, issuers of green bonds and green loan borrowers are eligible for government financial support:

	Green Bonds	Green Loans
Maximum green bond/loan eligible size	3 billion tenge (\$6,3 million)	
Subsidy size	The final rate for the borrower/issuer is 6%, the amount of the subsidy depends on the base rate of the National Bank of Kazakhstan	

NEXT STEP FOR GREEN TAXONOMY: Updating of taxonomy to possibly include the following sectors

- Include Category "**Low pollution energy**" with sub-sectors "Generation of electricity and heat from gas, Fuel switch", and "Manufacture of equipment for nuclear energy", "Construction and operation of nuclear power plants" within Sector "Alternative sources, fuel switch" 
- Include the "Omira" National Green Building Certification Scheme as an alternative threshold criteria in the Green Buildings category 

Taxonomy subsectors that lack national standards in threshold criteria:

- **Green and energy efficient buildings** - standards for energy consumption during development, sustainability in buildings and construction works, building design
- **Energy Efficiency** - Energy Consumption and Energy Saving Standards
- **Sustainable Agriculture and Sustainable Tourism** - Eco-labels - Eco-labeling standards for organic products and organic agriculture, sustainable tourism, hotels

SUSTAINABLE FINANCE MARKET IN KAZAKHSTAN

257 million USD - sustainable finance market in Kazakhstan



188 million USD - the volume of the green finance market in Kazakhstan

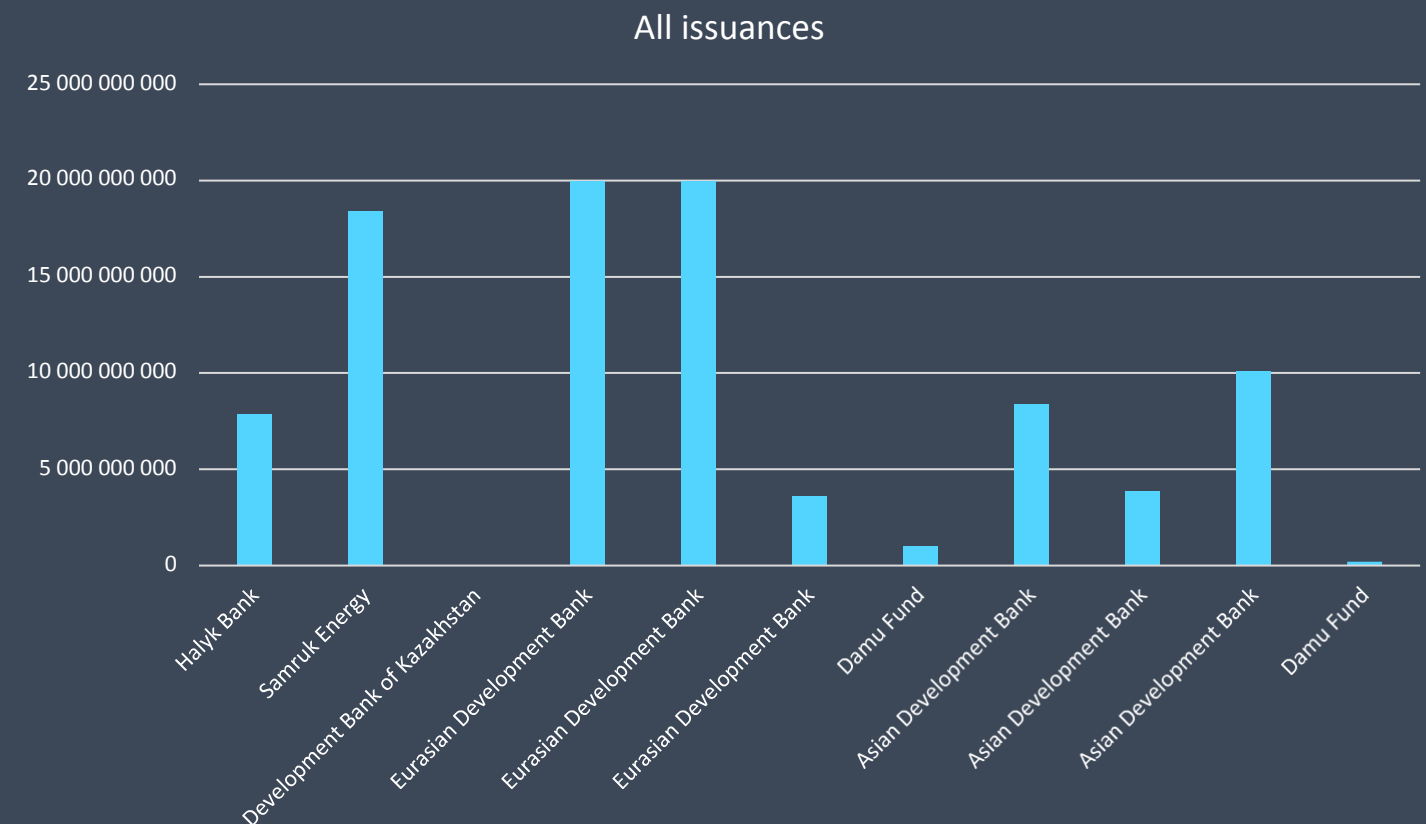
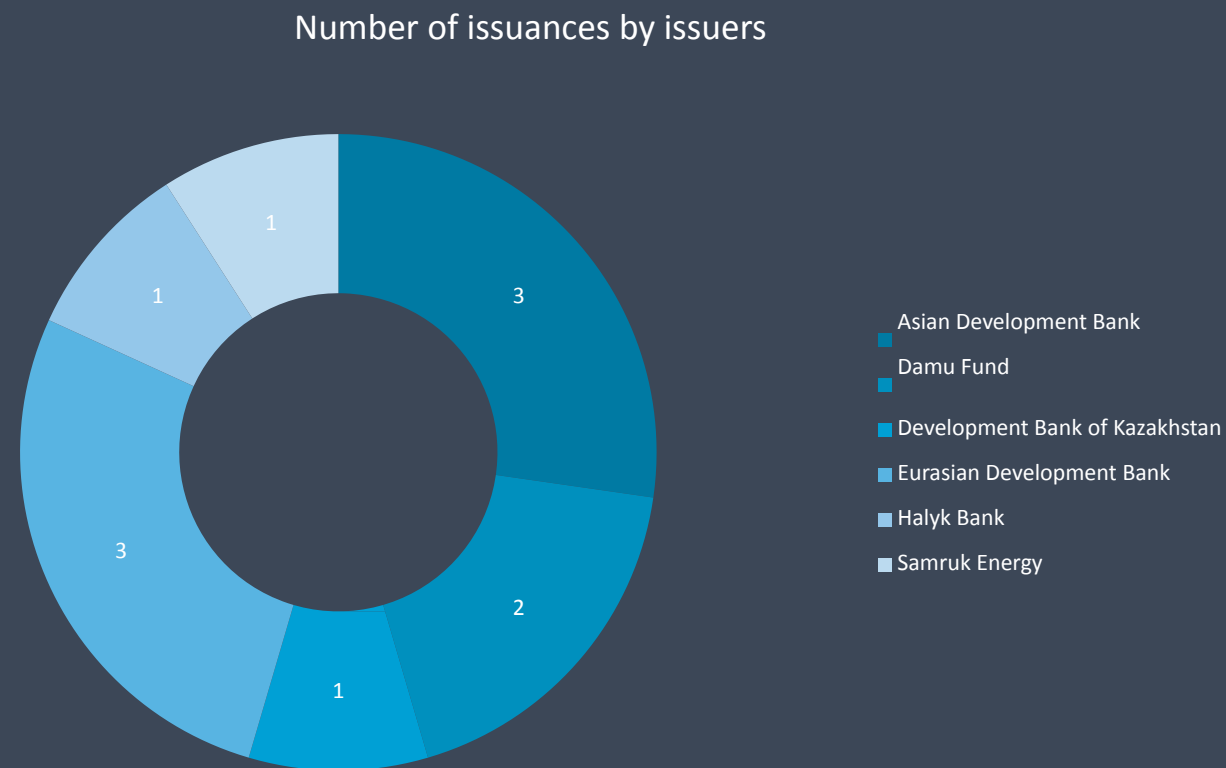
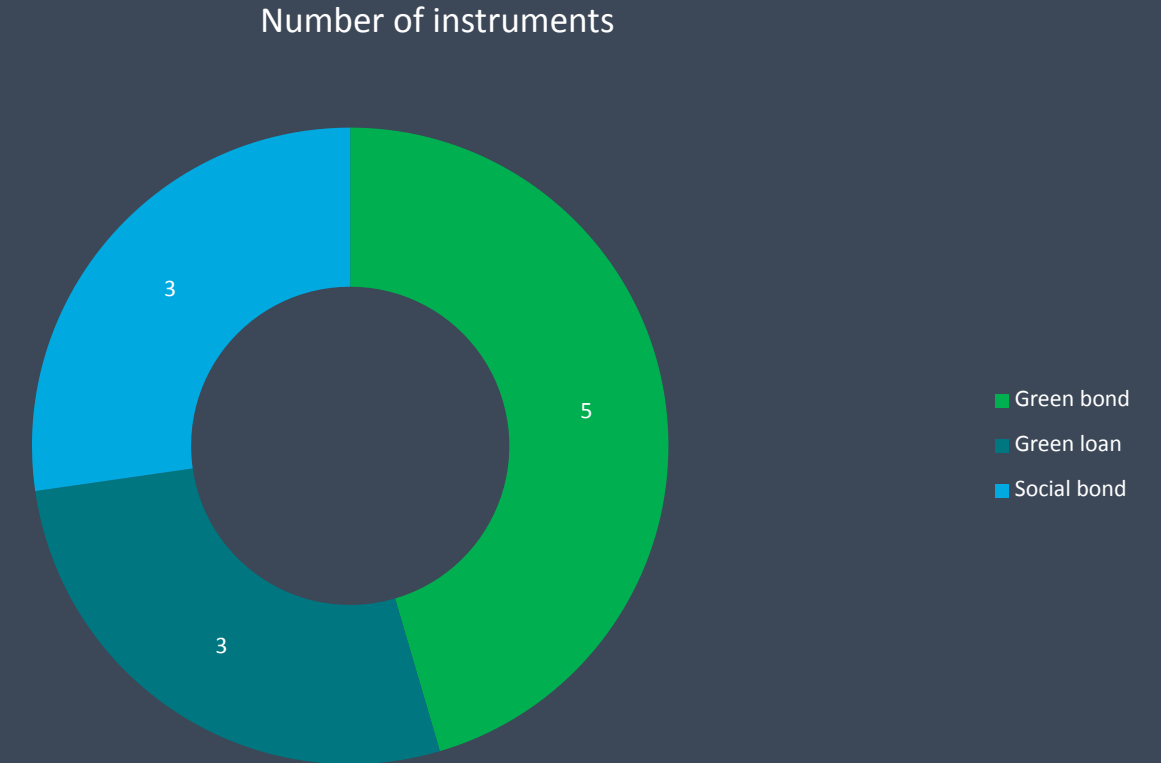
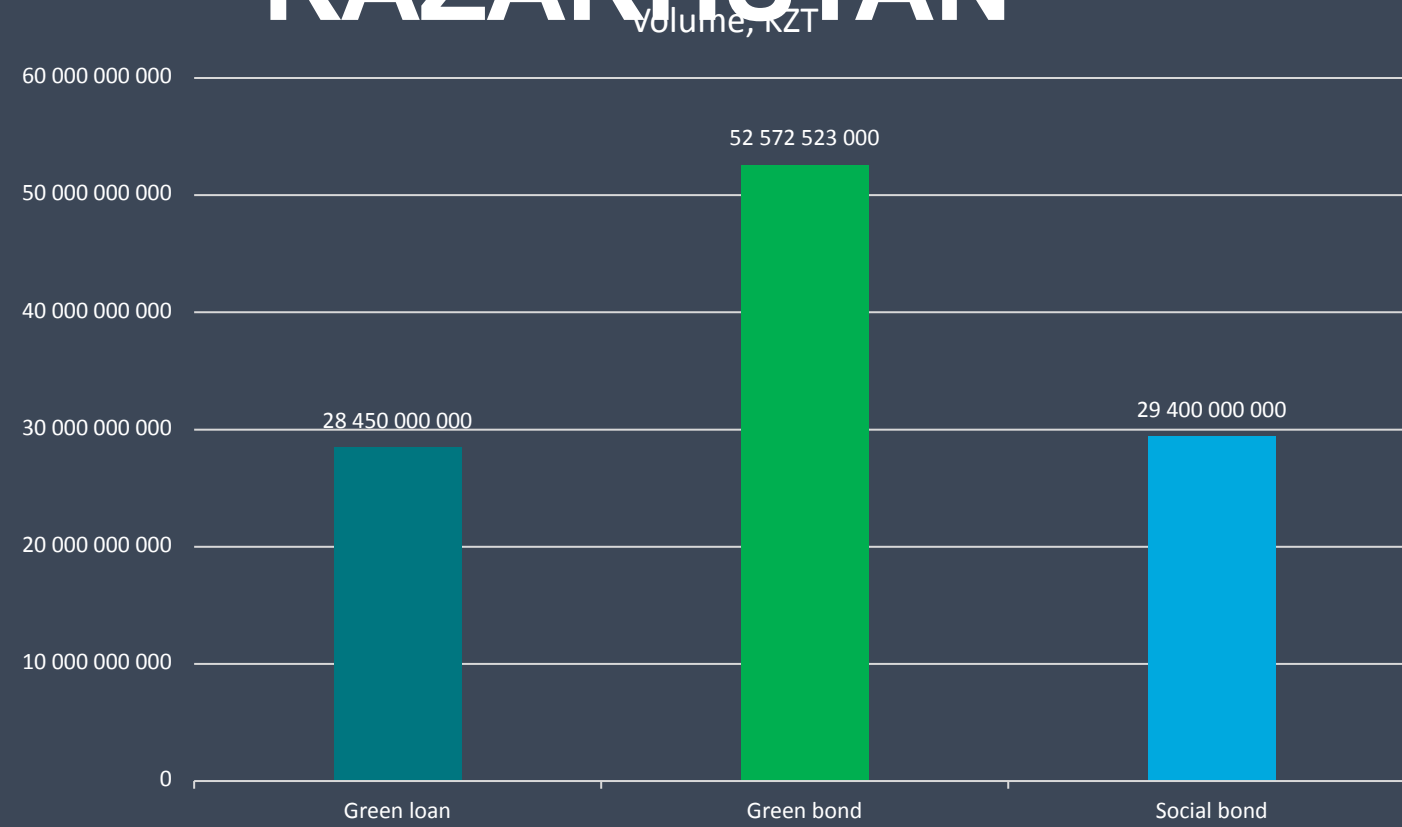
65%
share of green bonds

35%
share of green loans

69 million USD - the social bond market in Kazakhstan



SUSTAINABLE FINANCE MARKET IN KAZAKHSTAN



SOCIAL FINANCE MARKET IN KAZAKHSTAN

Issuer	Category	Use of proceeds	Amount, KZT	Issue date	Maturity date	Coupon rate, %
Eurasian Development Bank	Social bonds	Bank's social projects in Kazakhstan	20 000 000 000	05.11.21	05.11.24	10,6
Damu Entrepreneurship development fund	Social bonds	Financing of SMEs through STBs and/or microfinance organizations and/or leasing companies in the context of the COVID-19 pandemic with the possibility of maintaining and/or creating jobs	1 000 000 000	15.09.21	15.09.26	11,9
Asian Development Bank	Social bonds	Reducing gender inequality and promoting the empowerment of women and girls	8 400 000 000	15.02.21	17.12.30	10,15
Asian Development Bank	Social bonds	Reducing gender inequality and promoting the empowerment of women and girls	14 000 000 000	25.02.22	17.12.30	11,0

Total volume of social bonds issued in Kazakhstan is 43.4 bln. KZT (~91 mln. USD)

Draft Taxonomy of social projects of Kazakhstan has been developed

Social project selection and verification tool for social, PPP loans and bonds

Principles

- Projects under the Social project classification (taxonomy) are funded through social and other bonds
- Social projects are directly aimed at solving or mitigating a specific social problem and / or achieving positive social outcomes for the target population
- No significant negative social or environmental side effects (“Do No Significant Harm”): a social project should not be implemented to the detriment of other areas

Outline of the taxonomy of social projects

1. Creating accessible basic infrastructure
 1. urban environment and rural settlements
 2. transport
 3. digitalization
2. Ensuring access to socially significant services
 1. healthcare
 2. education
 3. culture, art, tourism
 4. sport
3. Affordable housing and infrastructure
 1. affordable and comfortable housing
 2. housing and communal infrastructure
4. Support for employment and entrepreneurship
 1. employment
 2. entrepreneurship and self-employment
5. Food security and sustainable food service delivery systems
 1. food security and access to food
6. Development and creation of prosperous and fair socio-economic conditions
 1. Social responsibility



Address: Nur-Sultan city, Mangilik el avenue 55/16, C-3.1
block Call-centre: +7 (7172) 64 74 10
Email: greenfinance@aifc.kz
Web-site: <https://gfc.aifc.kz/>

