

RESOLUTION

CLIMATE DIALOGUE

"PRIORITIES AND RISKS OF DECARBONIZATION OF THE EXTRACTIVE INDUSTRY OF KAZAKHSTAN"

NUR-SULTAN, KAZAKHSTAN

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Participants of the Climate Dialogue, organized by the Ministry of National Economy of the Republic of Kazakhstan jointly with the REC "Green Academy" with the support of the EU Delegation to the Republic of Kazakhstan, the OECD SIPA regional platform - representatives of government bodies (ASPR, MTL, MIID RK), academia, business and NGOs, having discussed the presentations provided by international and national experts, adopted the following recommendations for the draft Strategy for Achieving Carbon Neutrality of the Republic of Kazakhstan (LEDS):

1. Kazakhstan has ratified the Paris Agreement, which sets the goal of active contribution to preventing global temperature rise above 2°C and contribution to efforts to keep global temperature rise below 1.5°C. To achieve this goal, the country by 2060 needs to decarbonize the fuel/energy and mining sectors and demonstrate readiness to achieve climate neutrality by 2060 through the approval of targets and technological modernization measures to achieve the nationally determined contribution (NDC) in the field of greenhouse gas emissions reduction **by 2025-2030**.

2. The government of Kazakhstan, in order to implement the future Strategy for Achieving Carbon Neutrality, prevent technological backwardness, improve the health, welfare and living standards of the population, as well as to attract international climate finance instruments, needs to develop and begin implementing an energy transition policy to move from fossil fuels to "green" energy sources, including RES, geothermal and hydrogen energy.

3. The main pillars for Kazakhstan's development in order to achieve carbon neutrality by 2060, announced by the President of the Republic of Kazakhstan K. Tokayev (December 2020) are the following:

1) decentralization of renewable energy sources; 2) improve energy efficiency, especially in the extractive industries; 3) support small and medium-sized "green" businesses; 4) support electrification of mine transportation systems; 5) improve

emission monitoring guided by international standards; 6) introduce a transparent and efficient emissions trading system and its integration with international carbon trading; 7) organize the production of fuel ethanol (bioethanol) at idle distilleries, which will increase non-carbon exports, expansion of sugar beet production as a raw material for production.

4. Kazakhstan is in the top 10 countries of the world with high energy intensity of production and outdated production capacities. The mining and fuel/energy complex need to **develop effective low-carbon development strategies** aimed at advanced modernization of enterprises in which:

- 1) greenhouse gas emissions to be reduced to net zero by 2060;
- 2) integrated systems to be introduced based on the digitalization of the production cycle: extraction - transportation - processing - product sales;
- 3) protection, sustainable management and restoration of natural capital to be ensured;
- 4) health and well-being of the citizens of mining areas to be protected from the risks and impacts associated with emissions and the state of the environment.

4.1. The LEDS should contain a package of necessary investments and effective financing instruments aimed at ensuring a fair and inclusive transition to clean energy.

4.2. The LEDS should cover all sectors of the economy (in addition to mining and fuel/energy) - transport, energy, agriculture, construction and other infrastructure sectors.

4.3. The most important component of the LEDS should be a transparent emission monitoring system, in accordance with the requirements of the UNFCCC and organized using digital technologies, including blockchain.

5. The implementation of these comprehensive tasks requires the development of a **special integrated program for Kazakhstan** with the support of international partners (EU, OECD, World Bank, ADB and other international financial institutions) with mandatory public participation and possible creation of special centers and institutions accountable to the UN.

In this regard, we call upon the Government of the Republic of Kazakhstan and international partners to join efforts to achieve climate neutrality of Kazakhstan and

create a showcase of effective partnership in the run-up to COP-27 in order to implement the Paris Agreement.
