



Eurasian Development Bank

Take urgent action to combat climate change and its impacts (SDG 13)

Seventh North and Central Asia Multistakeholder Forum on the Implementation of the Sustainable Development Goals

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Climate change and related socio-economic transformation pose risks for the countries of the Eurasian region

Physical Risks



hazardous natural phenomena, extreme meteorological, hydrological, and climate events

- Central Asia is **particularly vulnerable** to adverse climate change consequences, including the shortage of water resources, food security risks, and increased frequency of extreme weather events.
- Limited availability of water **affects** the region's **agricultural sector**, and increases the risk of conflicts over the access to water resources.
- According to certain estimates, by 2050, the volume of water in the basins of the Syr Darya and the Amu Darya, two of the most important water sources in Central Asia, may decrease by **10–15%**.
- By 2030, spring wheat production in seven regions of Kazakhstan is expected to decrease by **13–37%**, with direct economic **losses in the sector amounting to ₸456.93 billion** in 2019 prices (about \$1.2 billion).

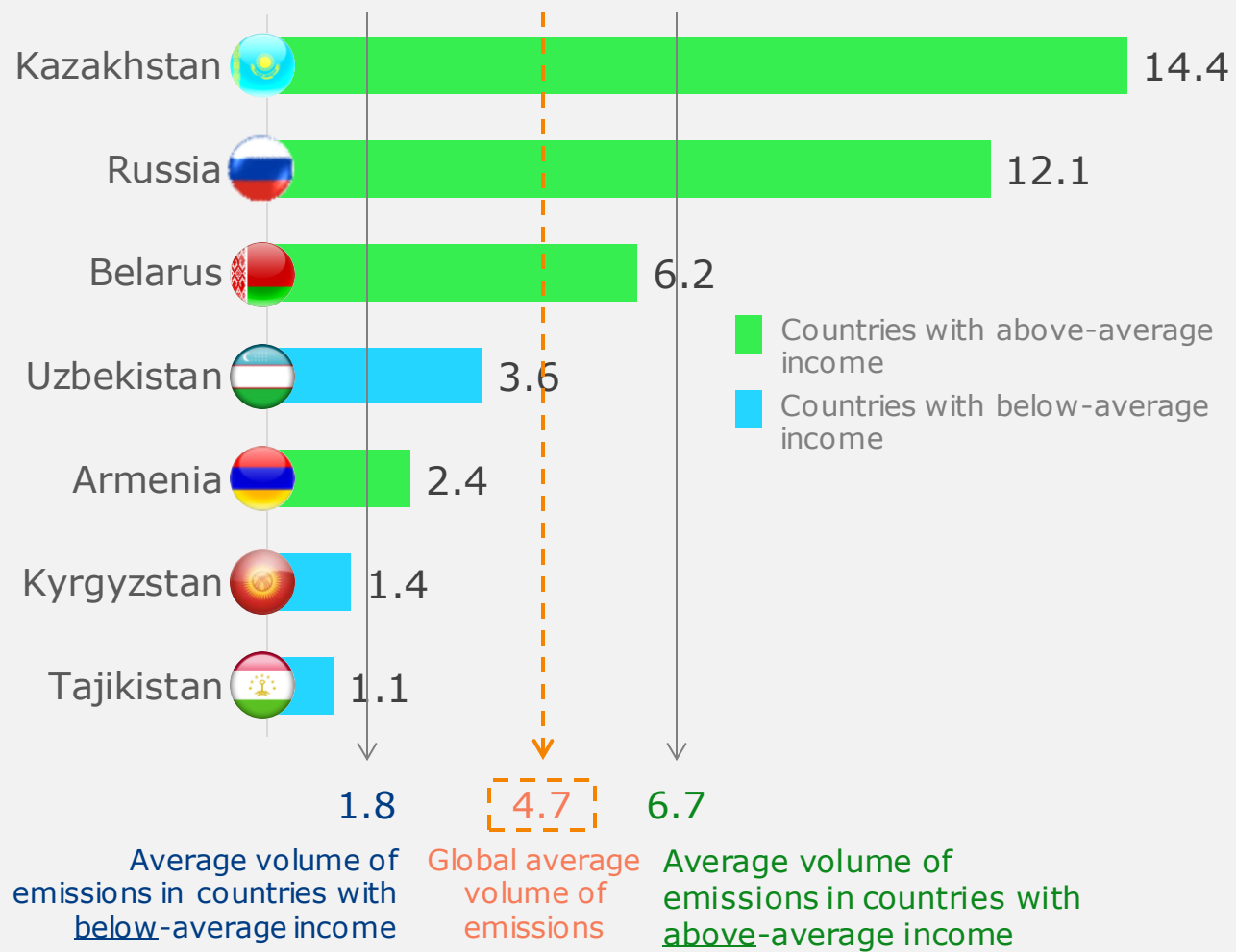
Transition Period Risks



related to regulatory, economic, and technological measures taken to complete the transition to low carbon economy

- The gradual abandonment of fossil fuels (in particular, the use of coal for power generation) and the increasing profitability of RES generation reduce the **demand for conventional energy resources**, while hydrocarbon exporters find that their sales markets are declining.
- If the current energy policy continues, the global **demand for natural gas will increase by only 5%** in 2021–2030, while 75% of new global investment in the energy sector will be associated with green energy.
- Under the baseline scenario, **additional costs** incurred by Russian companies due to the imposition of the EU CBT may be as high as **\$14.7 billion**, of which steel exporters will pay \$6 billion, and aluminium exporters \$5.6 billion.
- After the imposition of the EU CBT in 2026, Kazakhstan exporters may be losing **up to \$250 million in revenues per year**.

CO₂ emissions per capita in the region on average exceed the global average emissions



9.9 tons per person the population-weighted average amount of CO₂ emissions in the region

- **Kazakhstan and Russia** have the highest CO₂ emissions per capita, compared with other Eurasian countries and with global averages.
- **In Kazakhstan**, it is due to predominance of coal-fired power; **in Russia**, - due to high energy intensity of the economy and emissions generated in the oil and gas sector.
- The low level of emissions per capita in **Kyrgyzstan** and **Tajikistan** is associated with a large share of hydroelectric power in the energy sector.

Source: Global Carbon Project, 2021, calculations of EDB analysts.

All countries of the Eurasian region have set voluntary climate commitments

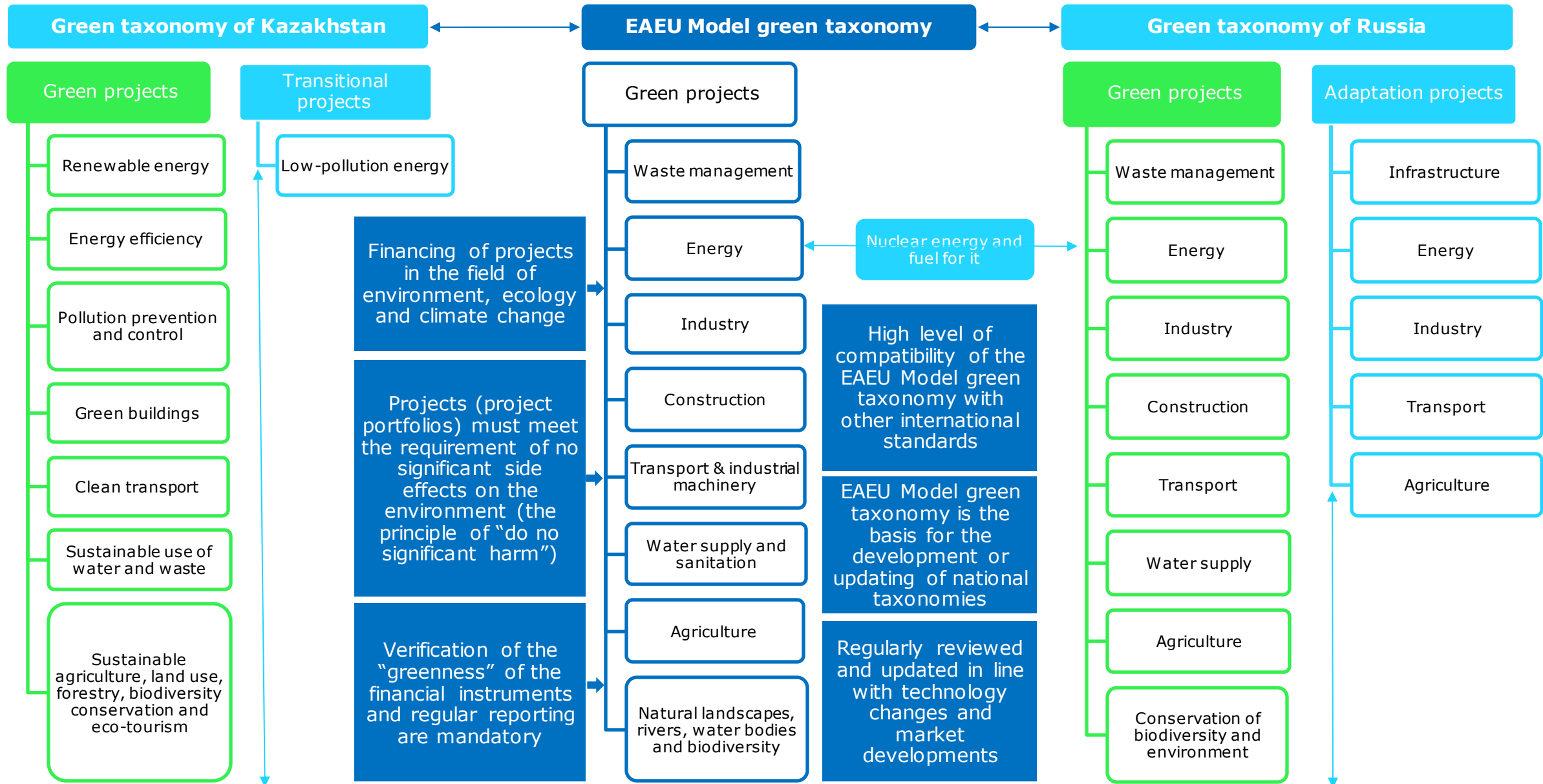
Country	GHG emissions target by 2030 compared to 1990	GHG emissions in 2020 compared to 1990*	Carbon neutrality target
Armenia	Decrease by 40%	Decrease by 61,5% (in 2019)	2050
Belarus	Decrease by 28%-35%	Decrease by 39%	-
Kazakhstan	Decrease by 15% (by 25% in case of international support)	Decrease by 11,1%	2060
Kyrgyzstan	Decrease by 15.97% (by 43.62% in case of international support)	Decrease by 40.4% (as of 2019)	2050
Russia	Decrease by 30%	Decrease by 35.1%	2060
Tajikistan	Decrease by 30-40% (by 40-50% in case of international financial and technical assistance)	-	-
Uzbekistan	Decrease by 35% (*to the level of 2010)	Growth by 6.7% for the period of 1990-2017	2050 but only for electricity production

Estimates on the cost of achieving carbon neutrality:

- Kazakhstan (2060) – \$666.5 billion
- Russia (2060) – \$6.5 trillion
- Kyrgyzstan (2050) – \$10 billion

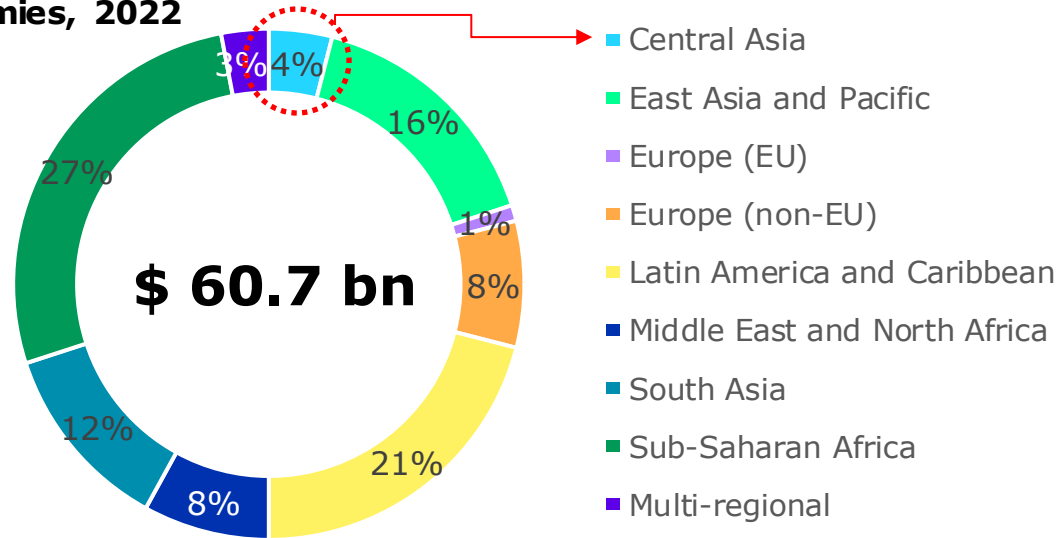
Sources: the Register of the UNFCCC, the World Bank, Sberbank, the EEC, calculations of EDB analysts (* taking into account LULUCF)

Green taxonomies of Kazakhstan, Russia and the EAEU aim to further increase green financing flows

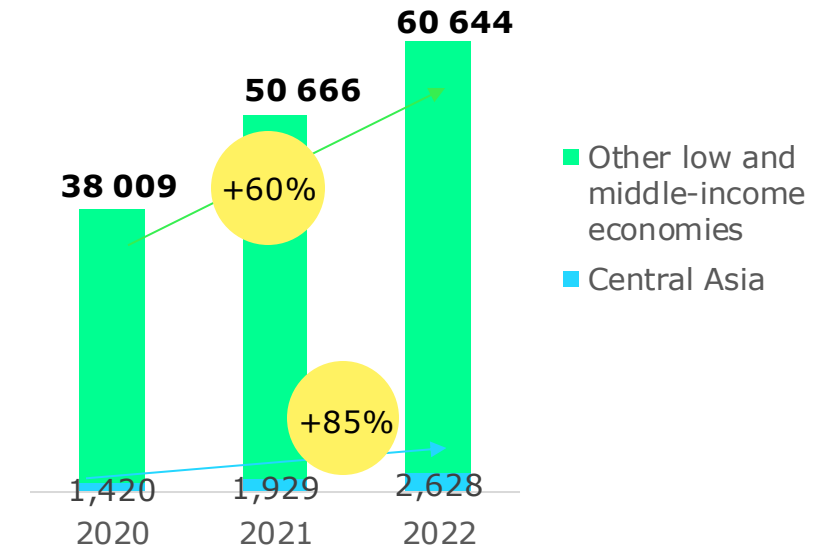


MDBs ramp up climate finance in developing economies but Central Asia is not in the spotlight

MDB's climate finance by region in low- and middle-income economies, 2022



MDB's climate finance in low- and middle-income economies, \$million, 2020-2021



- In 2022, the volume of climate financing for MDBs amounted to \$99.5 billion
- More than \$60.7 (61%) billion has been provided to countries with **low- and middle-income per capita** for climate mitigation and adaptation
- Of all the targeted low- and middle-income income economies, **Central Asia region has received only 4%** of MDB's climate finance (\$2,626 million)

Nevertheless, the climate finance flows to Central Asia **increases in a high rate** (+85% 2022 vs 2020) than the overall climate finance to low- and middle-income economies (+60% 2022 vs 2020)

Multilateral development banks can encourage private sector investment in green projects, mitigating risks

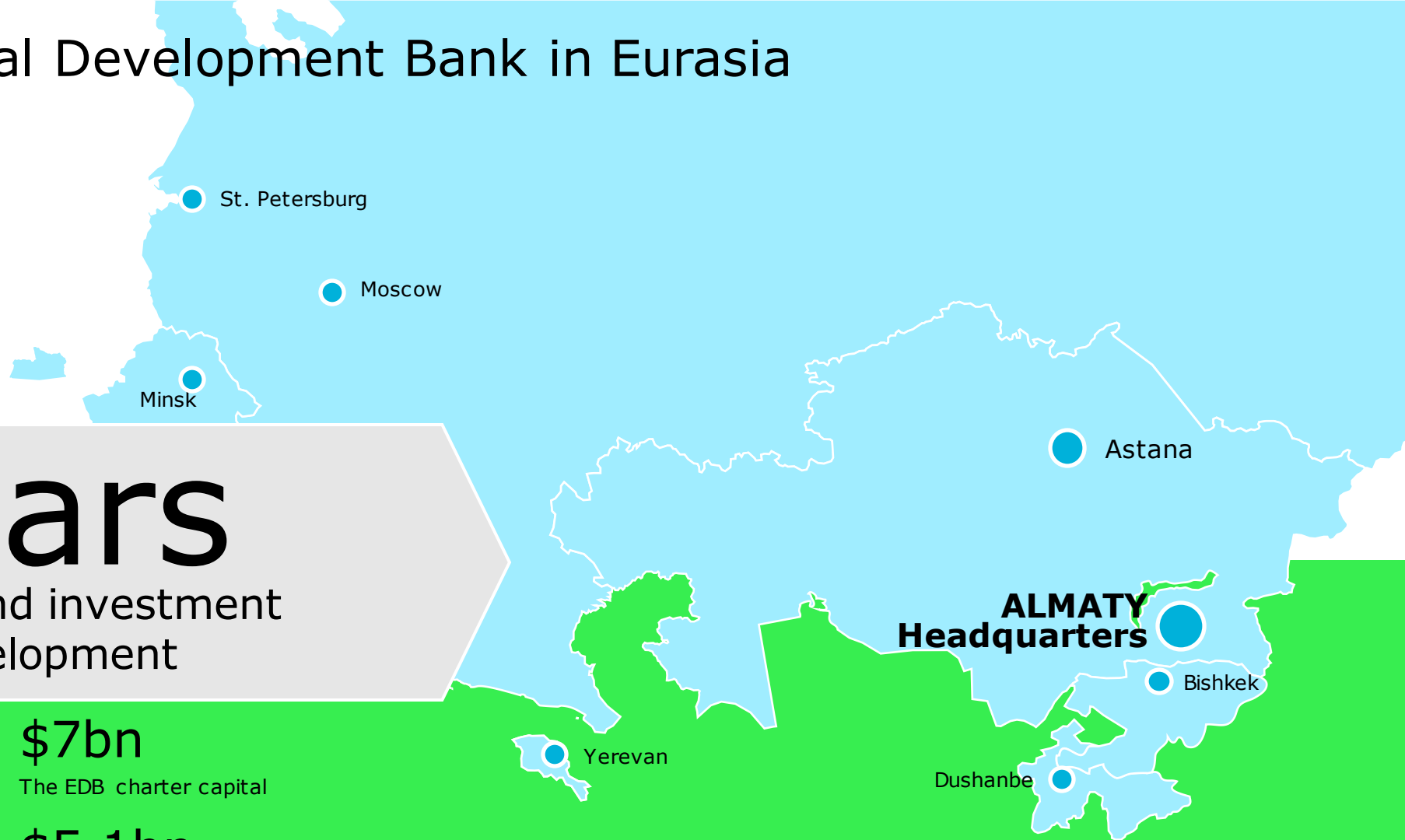
MDB's climate finance commitments in low- and middle-income countries, 2022 (million dollars)



A Leading Multilateral Development Bank in Eurasia



6 Eurasian countries
8 offices



17 Years

of stable growth and investment
in sustainable development

284

successful national
development
projects and
integration projects

\$7bn

The EDB charter capital

\$5.1bn

current investment
portfolio

\$1.9bn

equity

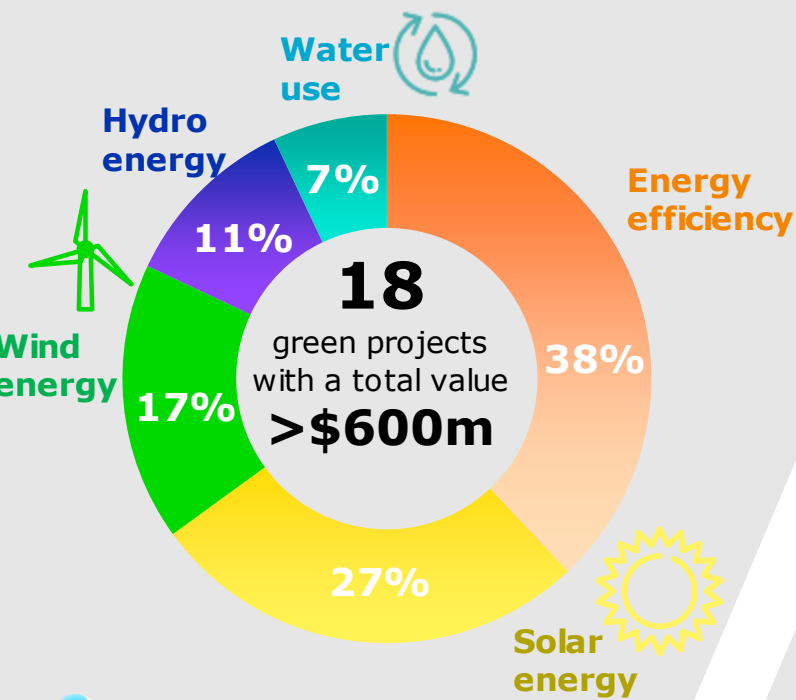
The EDB invests in promoting better living standards for >200 million people living in Eurasian region

Promoting sustainable development

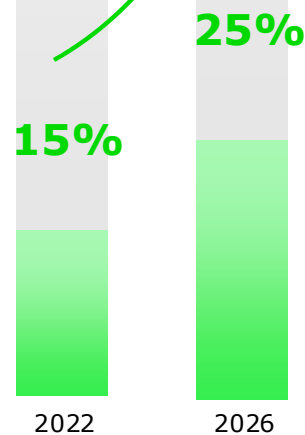


Unleashing the potential of climate finance in the region in a timely manner is one of the Bank's main goals.

Development of renewable energy sources is one of the key priorities of the energy sector of the participating countries



SHARE OF GREEN PROJECTS IN PORTFOLIO BY 2026



EDB implements the best international practices for responsible finance



Water Finance Coalition



Explores the potential of the region's green economy

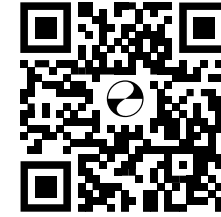
Integrates ESG aspects across all business processes through the Sustainability Committee


Undergoing ESG assessment by rating agencies



Green and social bonds

In 2021, bonds were issued for a total amount of 40 billion tenge in accordance with ICMA standards



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