

STRENGTHENING THE MEANS OF IMPLEMENTATION AND REVITALIZING THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

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AIFC is strategically positioned to service the growing market of CIS countries, which encompass a region with a combined **GDP of \$2.3 tn** and a **population of 240 mln** people

AIFC Advantages



English common law jurisdiction



World class regulation standards



Emerging capital market



Independent judicial system



Special tax and currency regime

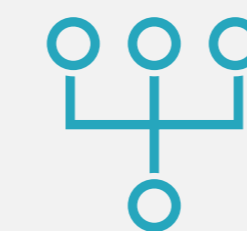


Internationally familiar legal framework

- Employment
- Corporate Regulation
- AML & FATF
- Contracts
- Data Protection
- Insolvency



Flexibility of corporate regulation



Variety of legal forms

- Private/Public companies
- Investment companies
- Trusts and Foundations
- Partnerships
- SPCs
- Non-profit org. etc.



AIFC Court's exclusive jurisdiction over disputes

Islamic finance

- Access to significant Muslim consumer market in Central Asia and CIS (~ 80 mln people in 2023, projected population growth to 100 mln in 2030)
- Cross-listed Sukuk (~ \$5bn)
- Authorised Islamic banks, finance companies, rating agency and Fintech companies
- Developed network of Shari'ah consultants

Green & Sustainable finance

- Growing size of sustainable finance market in Kazakhstan (\$541 million)
- Measures of state support
- Taxonomy of green projects
- Growing level of interest in green bonds (1 in 2020 vs. 21 in 2023)

Fintech

- Cryptocurrency trading opportunities
- The first start-up sandbox in the region
- Separate well-developed regulation tailored to fintech companies
- Opportunities for crowdfunding

AIFC provides a one-of-a-kind advanced framework for alternative innovative finance that is unparalleled in the region

66%

green bonds and
loans in Kazakhstan
externally reviewed
by GFC

**The only
company** in Central
Asia approved by Climate Bonds
Initiative and ICMA as verifier of
sustainable bonds

AIFC is **Founding
member** of



#1

in Eastern Europe and
Central Asia (as per
**Global Green Finance
Index**)

KAZAKHSTAN FRAMEWORK FOR SUSTAINABLE FINANCE



| | |
|---|---|
| Green taxonomy of Kazakhstan | ✓ |
| Adopted at AIX and in KZ (ESG bonds definitions, principles, verification) | ✓ |
| Social taxonomy of Kazakhstan | ⌚ |
| ARDFM guidelines on E&S risk management | ⌚ |
| AFSA regulations on ESG funds | ⌚ |

| | |
|-----------------------------------|--------|
| Green bonds / loans | \$374M |
| Social bonds | \$M |
| Sustainability-linked bonds (SLB) | ⌚ |
| Green equity / IPO | ⌚ |
| ESG index | ⌚ |



| | |
|---|---|
| ✓ | Subsidy scheme for green bonds / loans under the state program for SMEs <i>(Adopted in 2022 – cases are pending)</i> |
| ✓ | Benefits and differentiated fees for ESG instruments on exchanges (introduced at KASE) |
| ⌚ | Support from investors in ESG instruments – IFIs (EBRD, EDB, DBK, etc) <i>(There are cases of ESG investments by IFIs)</i> |

| | |
|---|---|
| ✓ | AIX voluntary ESG reporting guide <i>(Mandatory reporting to be introduced in 2024-25)</i> |
| ✓ | KASE mandatory ESG reporting <i>(introduced in 2021)</i> |
| ✓ | ARDFM guidelines on ESG reporting for financial institutions <i>(adopted by ARDFM in 2023)</i> |

GROWTH OF SUSTAINABLE FINANCE MARKET



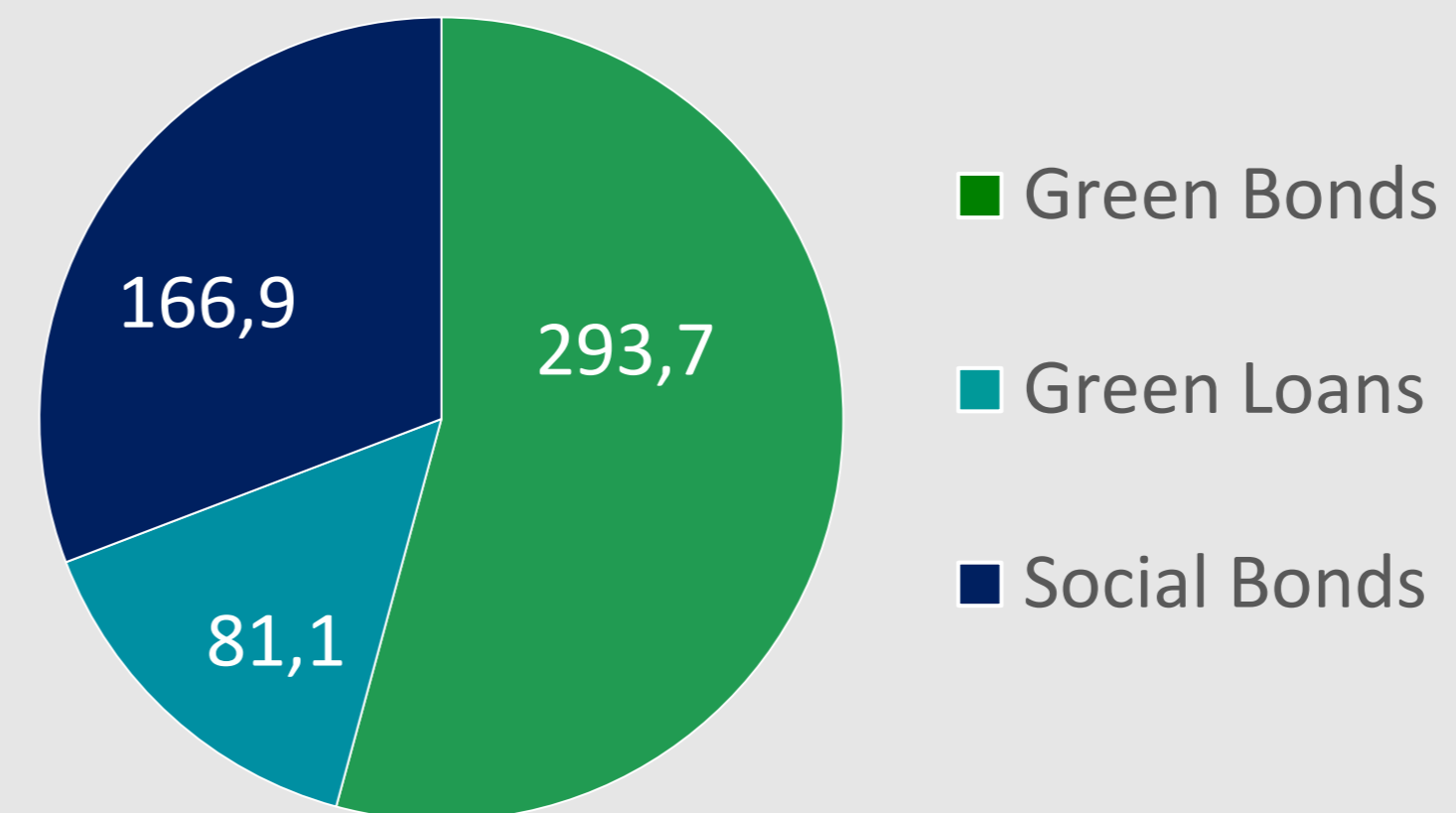
\$541M

(Q3 2023, +70% from \$320M in 2022)

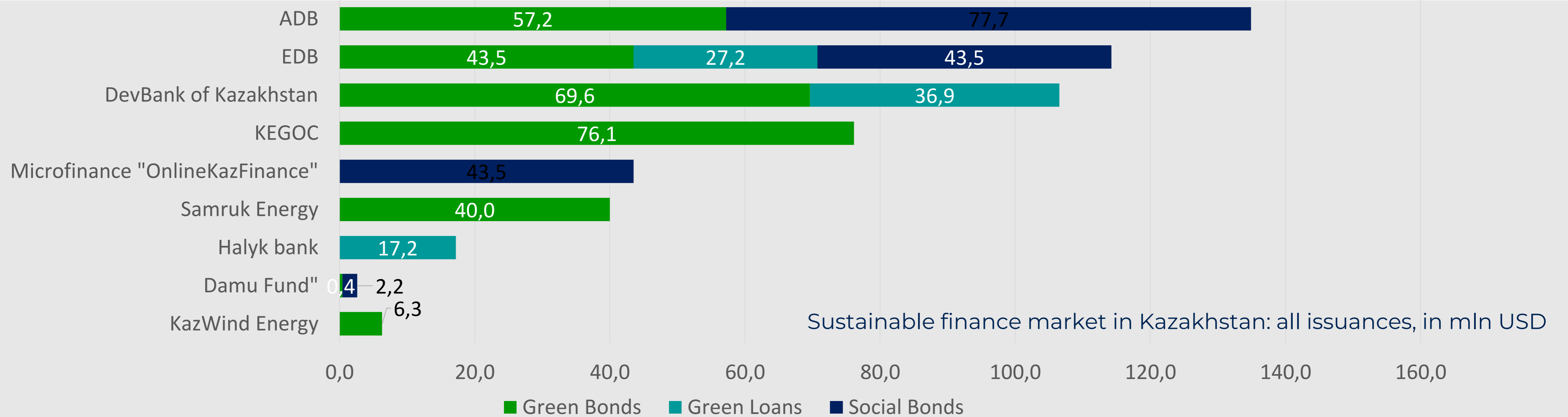
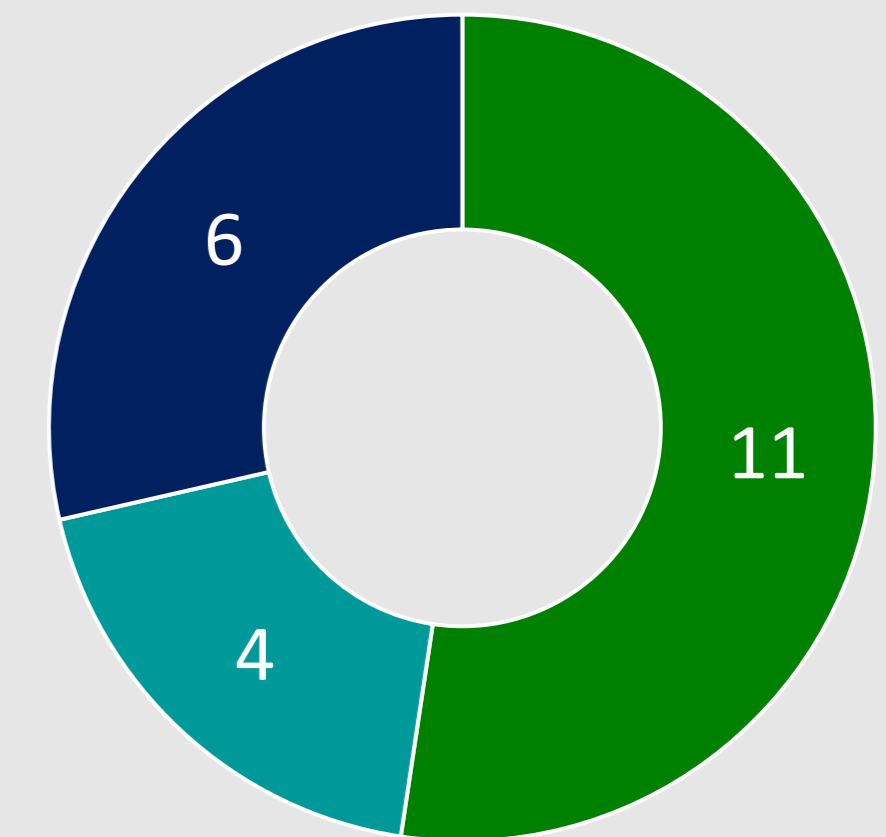
Sustainable finance market in Kazakhstan

² As of 01.09.2023, NBK official rate, 459.69 KZT

Issuance – \$mln



Number of Issues



Sustainable finance market in Kazakhstan: all issuances, in mln USD

REGIONAL CHAPTER OF GREEN INVESTMENT PRINCIPLES (GIP) FOR BRI IN CENTRAL ASIA



GREEN INVESTMENT PRINCIPLES SIGNATORIES

| | | | |
|---|--|---|---|
| Agricultural Bank of China 中国农业银行 | Agricultural Development Bank of China 中国农业发展银行 | Al Hilal Bank 阿尔希拉尔银行 | Ant Financial Services Group 蚂蚁金融服务集团 |
| Astana International Exchange (AIX) 阿斯塔纳国际交易所 | Bank of Bangkok 盘谷银行 | Bank of China 中国银行 | Bank of East Asia 东亚银行 |
| BMCE Bank of Africa 摩洛哥外贸银行 | BNP Paribas 法国巴黎银行 | China Construction Bank 中国建设银行 | China Development Bank 国家开发银行 |
| China International Capital Corporation (CICC) 中国国际金融股份有限公司 | China International Contractors Association (CHINCA) 中国对外承包工程商会 | China Merchants Port 招商局港口集团股份有限公司 | China Ping An Insurance 中国平安保险 |
| Commerzbank AG 德国商业银行 | Credit Agricole-CIB 法国东方汇理银行 | DBS Bank 新加坡星展银行 | Deutsche Bank 德意志银行 |
| Export-Import Bank of China 中国进出口银行 | First Abu Dhabi Bank (FAB) 阿联酋阿布扎比第一银行 | Habib Bank (HBL) 巴基斯坦哈比银行 | Hong Kong and Shanghai Banking Corporation Limited (HSBC) 香港上海汇丰银行有限公司 |
| Hong Kong Exchanges and Clearing Limited (HKEX) 香港交易及结算所有限公司 | Industrial and Commercial Bank of China (ICBC) 中国工商银行 | Industrial Bank 兴业银行 (中国) | Khan Bank 蒙古国可汗银行 |
| Luxembourg Stock Exchange 卢森堡证券交易所 | Mizuho Bank 日本瑞穗实业银行 | Natixis Bank 法国外贸银行 | Silk Road Fund 丝路基金 |
| Societe Generale 法国兴业银行 | Standard Chartered Bank 渣打银行 | Trade & Development Bank of Mongolia (TDB) 蒙古贸易和发展银行 | UBS Group AG 瑞银集团 |

- In June 2021 AIFC Green Finance Centre became the regional office of GIP in Central Asia

OFFICE OBJECTIVES:

- Assisting banks of Central Asia in greening their activities and issuing green bonds through GIP implementation
- Program of activities to increase the capacity of banks in the region
- Providing access to international capital markets for regional green projects through the GIP project database
- Dissemination of the GIP Working Group research results in the region

SIGNATORIES FROM CENTRAL ASIA



GIP SIGNATORIES:

- Position as financial institutions with a strong ESG orientation
- Report on their GIP implementation progress
- Get access to:
 - Networking with global GIP member financial institutions leading the ESG agenda and sharing experiences
 - Capacity building program in the field of transition climate risk management, ESG practices, climate reporting, etc.
 - GIP database of green projects

OBSERVERS FROM CENTRAL ASIA



Евразийский Банк Развития

MEMBERS OF THE PROPOSED GREEN FINANCE COUNCIL UNDER TURCIC COUNCIL



Kazakhstan

- Astana International Financial Centre



Azerbaijan

- Ministry of Economy
- Central bank



Hungary

- Magyar Nemzeti Bank



Kyrgyzstan



Türkiye

- Capital Markets Board Turkey (CMB)
- Borsa Istanbul



Turkmenistan

- Ministry of Finance and Economy
- Ashgabat Stock Exchange

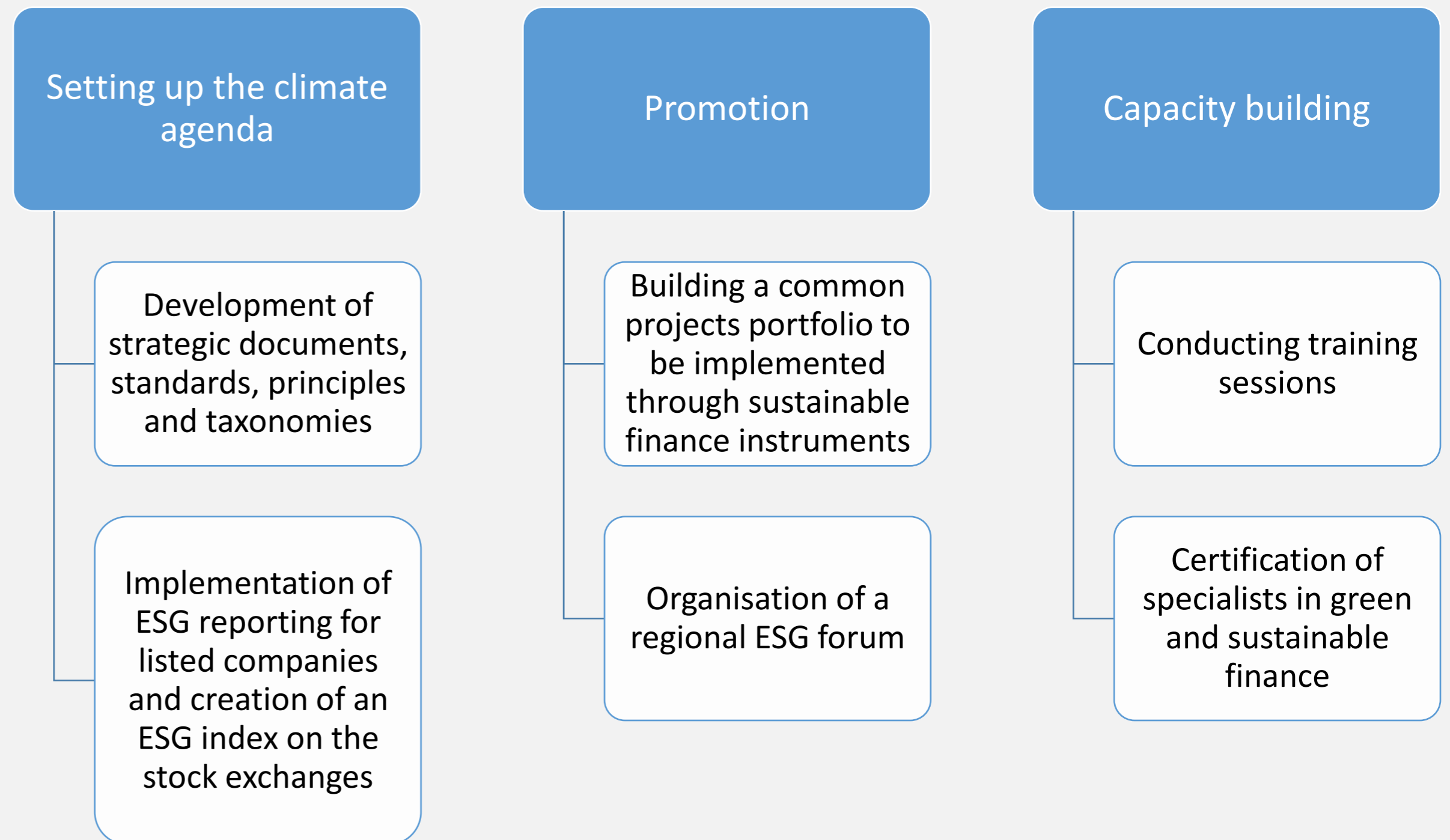


Uzbekistan

- Ministry of Economy and Finance

“To expand the capital market in this industry, I propose creating a Turkic Green Finance Council, which can be established on the basis of AIFC Green Finance Centre.”

PRESIDENT OF KAZAKHSTAN K. TOKAYEV
at 9th Summit of the Turkic Council



THANK YOU