

 Early Warning System

ADB-53341-001

Supporting Renewable Technology-Inclusive Heat Supply Legislation



### Quick Facts

<b>Countries</b>	Kazakhstan
<b>Financial Institutions</b>	Asian Development Bank (ADB)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	U
<b>Borrower</b>	Ministry of Energy
<b>Sectors</b>	Energy, Technical Cooperation
<b>Investment Type(s)</b>	Fund
<b>Investment Amount (USD)</b>	\$ 1.20 million



## Project Description

ADB is going to provide this knowledge and support technical assistance (KSTA) for the development of the renewable technology-inclusive heat supply legislation for the Republic of Kazakhstan. This TA was requested by the Ministry of Energy of Kazakhstan and is in line with the goals of the Country Partnership Strategy 2017-2021. Kazakhstan is the biggest country in Central Asia (2,724.9 sq. kilometers of land area) with a population of approximately 17.9 million, and a gross domestic product (GDP) of \$ 170.54 billion (2018). It is very rich with natural resources, including fossil fuel, ranking as 9th and 15th country in the world with proven reserves of oil and natural gas, respectively. It is the largest greenhouse gas emitter (14.363 metric tons per capita as of 2014) and second most energy intensive country in the region and energy and heat supply sector is a main contributor to country's greenhouse gas emissions.

## Project Objectives

The heat supply sector of Kazakhstan is based on old and obsolete technologies characterised by meaningful losses in the system (30%). There's an increasing demand on one hand with very low if any incentives for energy efficiency (mainly due to the lack of individual metering especially in residential sector) and on the other hand, due to low tariffs and unmeasured consumption, DH companies cannot generate capital to upgrade and rehabilitate their assets, thus creating a vicious cycle of technical and financial deterioration.

Government of Kazakhstan, has set low carbon development targets to be met by 2050. In this context, Aged assets, increased fuel price, organizational and financial issues of the utility companies and unreliable supply of heat and hot water has been identified by Government as main problems in the heat supply sector. Decreasing the heat losses (considered to be reaching 30%) has been identified as main target. To address these problems and to achieve the government's strategic targets of green development, a separate law on heat supply, along with the package of related legal acts including the new tariff methodology is required. Clear and effective regulatory framework will also help attracting the needed investments in the sector.

## IMPACT and OUTCOME

CO2 emissions in electricity and heat production reduced by 15% for 2030 (baseline 2013) and the share of alternative energy sources increased up to 30% by 2030.

Heat Supply Law adopted by the Parliament of the Republic of Kazakhstan.



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### Investment Description

- Asian Development Bank (ADB)



### Contact Information

#### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>

#### Ministry of Energy

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Republic of Kazakhstan



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### Bank Documents

- [Project Disclosure PDF](#) [\[Original Source\]](#)