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Energizing the Future: Kazakhstan at COP29, a Commitment to Sustainability

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Dear Associates,
how could we not talk about COP29, given its proximity to Kazakhstan (Baku, which is now part of a collaborative agreement between Central Asian countries in an attempt to create an energy 'middle corridor)
Kazakhstan, the largest country in Central Asia, attended COP29 with the intention of strengthening its commitment to the fight against climate change. Despite being one of the largest producers of energy and natural gas in the region, the country has undertaken a number of initiatives to reduce its dependence on fossil fuels and promote more sustainable energy solutions.
At COP29, Kazakh President Kassym-Jomart Tokayev reaffirmed the country's desire to achieve climate neutrality by 2060. This ambitious goal is part of a broader framework of energy reforms and policies, which aim to diversify the national energy mix and increase the share of renewable energy in energy production.

Another highlight of Kazakhstan's speech at COP29 was the announcement of the creation of a Green Climate Fund (GCF) for sustainability and financing of innovative projects in the clean energy sector. This fund is intended to support private and public initiatives, especially those related to the transition to solar, wind and hydropower.
Kazakhstan also stressed the importance of international cooperation to address the climate crisis. The country called for more investment from developed countries to help developing countries achieve the energy transition, a topic that was at the center of the debate during COP29.
As we know, we need to deal with reality. Despite the progress, Kazakhstan's energy transition is not without challenges. One of the main difficulties is the outdated infrastructure, which is not always able to efficiently integrate energy from renewable sources into the national electricity system. The country's electricity grid is traditionally designed to handle large coal and gas power plants, and the integration of solar and wind power plants requires infrastructure modernization, increased energy storage capacity, and improved grid management technologies.
Finally, financed by EBRD, the Aktobe-Atyrau link is starting up, think about the fact that the country is currently not even connected between east and west, let alone a ring grid as one would wish……
Furthermore, the shortage of skilled labour in the renewable energy sector is another barrier. Although Kazakhstan has developed training programmes for engineers and technicians in the renewable energy sector, the demand for experts still exceeds supply. This has led the Kazakh government to form alliances with developed countries and international companies to promote knowledge and technology transfer.
Looking ahead, Kazakhstan continues to push to attract foreign investment in the renewable energy sector. The country has participated in numerous international agreements on climate change and has partnered with global organisations to improve its ability to address environmental sustainability challenges.
In addition, the country is trying to attract innovative technologies by creating special economic zones dedicated to renewable energy, where companies can operate with tax incentives and other benefits. These efforts are part of a strategy to make Kazakhstan a regional leader in clean energy.
We are not going to list the Memoranda signed at COP29, since they are reissues of plants already announced, however the interesting fact that emerged from COP29, brought by a German study company, is that with the current trend, not only will there not be a 20% reduction in emissions by 2035, but there will instead be a 35% increase in the fraction of energy produced from coal, thus rising from 66% to over 80%.
The contradiction undoubtedly leaves one speechless, but the beauty of Kazakhstan is that decisions are actually fluid and not based on organised programmatic considerations.

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GREEN SPARK

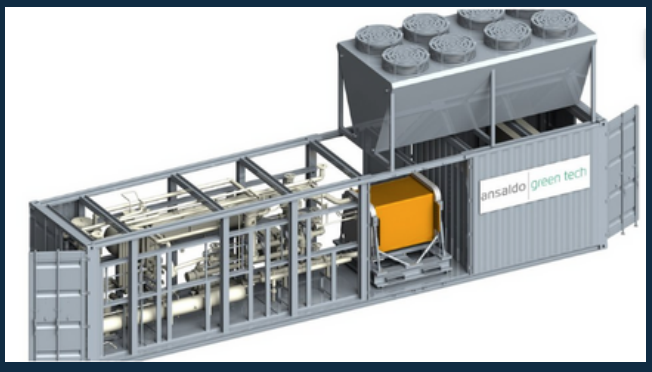
Often the right hand does not know what the left hand is doing, so while Ansaldo and Siemens (by the way, welcome to Ansaldo GreenTech in Kazakhstan's green hydrogen alliance) are converting two power stations in Almaty from coal to gas, the other hand is building three coal-fired plants in the north of the country.

However, this is not to say that all is lost; on the contrary, we must not lose heart, and continue to propose solutions based on sustainability, bearing in mind that it is not enough just to be economically viable, there must also be an awareness of bringing progress. In Kazakhstan, mining is often associated with the maximum technological and economic capacity that the country can express, and proposing alternative solutions is often confused with a 'happy degrowth' approach, which I believe is not acceptable in rich countries and even less so in developing countries like Kazakhstan.

For 2025, since we will probably have to be kinder next month during the Christmas period and so we will only talk about positive things, let's make some plans.

The first thing we would like to do will be to link Confindustria Kazakhstan to the associations in the area, starting with those of state or governmental origin, to bring a more direct contribution and allow Italian companies to talk directly to the consumer. This is for both renewable energy and green hydrogen.

The second will be to connect the initiatives present throughout Central Asia, using Astana as a pivot but approaching the entire Central Asian area as one, since the issues are very similar and policies tend to converge.



Third, we will try to produce webinars and/or introductory courses on renewable energy with a focus on Central Asia and of course also on green hydrogen. In this regard, we will try a trial run next month, assembling some of the most important information gleaned from an informed conversation with Ludwig-Bölkow-Systemtechnik, a German consulting firm that gave us a lot of bad news about global warming but also reinforced our conviction about the development of green hydrogen, discarding alternatives on the basis of rigorous 'German-style' calculations

And lastly, we will try to keep the progress of green hydrogen initiatives more consolidated, there is undoubtedly progress and in 2025 we will see several small projects come to life.