

# CLIMATE FINANCE

## MARKET OPPORTUNITIES IN KAZAKHSTAN & HOW TO GET READY



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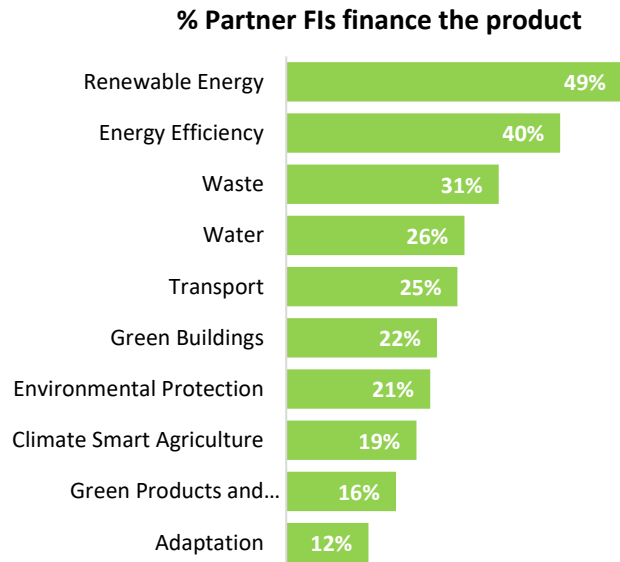
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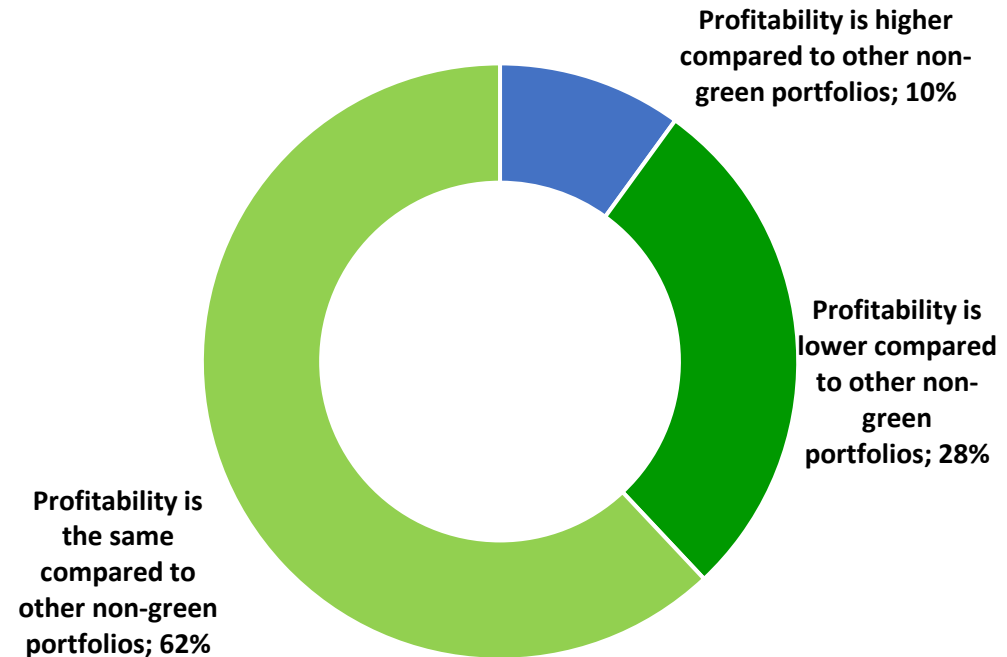
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# BANKS ARE FOCUSING ON GREEN FINANCE

70% of IFC's top clients provide climate financing. Top products are Renewables, Energy Efficiency, Transport, Waste, and Water.



72% of FIs report the same or higher profitability in the green portfolio vs. non-green portfolio.



Source: IFC Climate Survey 2019. 129 FIG investment portfolio clients surveyed

**Green Finance is a growing and profitable business for IFC client financial institutions**

# THE CHALLENGE: EXPANDING CLIMATE FINANCE IN KAZAKHSTAN

Lack of capacity in FI's



Identifying green finance



Incorporating Climate Risk



Access to funding

**Insufficient knowledge** base of FI staff on development of a profitable green portfolio

Most FIs are without climate strategy or ESG framework and knowledge of how to develop/implement

Aligning its financial flows with the objectives of the **Paris Agreement**

**Lack of tools** to easily measure impact and identify green lending

Agreed common understanding of what climate finance encapsulates

Building and quantifying demand for climate smart projects


How to **integrate climate risk** into all pricing decision to accurately measure the potential losses.

Insuring climate risk a component of **stress testing** framework

**Access to funding** with potential concessional pricing based on reduced risk profile

Capacity to access alternative funding sources including **green and blue bonds**

IN PARTNERSHIP WITH:

 Federal Ministry  
Republic of Austria  
Finance



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# IFC'S 3-PRONGED APPROACH TO GREEN FINANCE

## IFC GREEN FINANCE ADVISORY APPROACH

### Green Finance Regulatory Environment

- Sustainable Finance Framework
- Green / Blue / Sustainability / Social Bond Principles
- Sustainable Finance Taxonomy
- ESG frameworks

### Green Finance Capacity Building and Awareness Promotion

- What is green finance?
- Already financing green?
- How to go green?
- Sustainable finance capture strategy
- Sustainable finance transformation
- Climate risk management
- Sharing knowledge **Green Banking Academy**

### Green Finance Demand Side Development

- Economic/financial analysis of green value chains
- Mapping of climate finance opportunity
- Cultivating demand
- Specialized green financing products

IN PARTNERSHIP WITH:

 **Federal Ministry  
Republic of Austria  
Finance**

 **IFC** | **International  
Finance Corporation**  
WORLD BANK GROUP

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## 6) TOOLS FOR STANDARDIZATION & IMPACT MEASUREMENT

### Substantial financing opportunities in-country



Cost effective green building certification

- 3 performance levels (20%; 40%; net-zero building)
- recognized globally by all types of investors including IFIs
- from 0.20 USD per m<sup>2</sup>



A digital, web-based platform, helps banks and other financial institutions to verify whether a project meets internationally agreed-upon criteria for climate finance. The platform includes criteria for a range of categories: adaptation, energy efficiency, green buildings, renewable energy, transport, water efficiency, and more.