



ESG Digest #32

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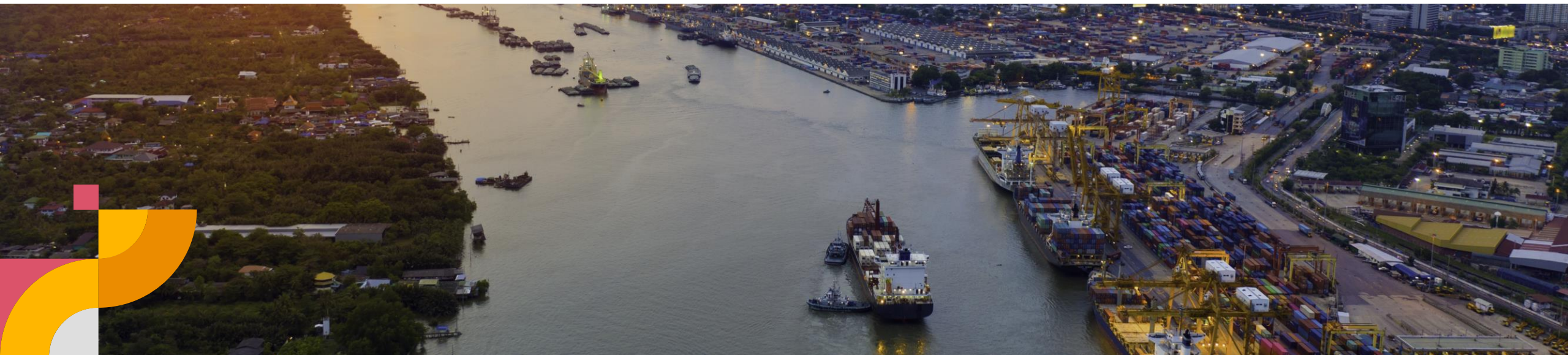


Global

EU Boosts Investment in Clean Transport Infrastructure

The European Commission has allocated EUR 422m to support 39 innovative projects aimed at deploying alternative fuels infrastructure across road, maritime, and air transport. These projects will focus on installing public electric recharging stations for both heavy-duty and light-duty vehicles, developing hydrogen refueling stations, electrifying airports and ports and providing infrastructure for alternative fuels like ammonia and methanol for shipping.

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European Commission Introduces Omnibus Package to Simplify Sustainability Regulations

On 26 February 2025, the European Commission (EC) published the first 'Omnibus' package intended to simplify EU sustainability reporting rules related to the EU Green Deal. The proposals include postponing the implementation dates for the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) until 2028, giving companies more time to prepare.

The requirements now apply only to large EU corporations with more than 1,000 employees and a turnover exceeding EUR 50m. The net turnover threshold for non-EU companies will triple, reducing the number of companies subject to the directives by about 80%.

The CSDDD requirements and EU taxonomy disclosures are also being simplified.

Additionally, small importers of CBAM goods, below the maximum threshold of 50 tonnes per year will no longer be subject to any CBAM obligation.

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EU Launches EUR 100bn Clean Industrial Deal for Decarbonization and Clean Tech Growth

The European Commission has unveiled the Clean Industrial Deal, a comprehensive plan to accelerate decarbonization and support clean tech growth with a EUR 100bn investment. This initiative aims to enhance industrial competitiveness, reduce dependency on critical raw materials, and address climate change.

Key measures include the introduction of the Industrial Decarbonization Act, which sets sustainability criteria for public and private procurements, and the launch of a voluntary carbon intensity label for industrial products starting with steel in 2025. The deal also includes plans to establish an Industrial Decarbonization Bank and new financing instruments to support renewable energy and grid component manufacturing.

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Countries Renew Efforts to Secure USD 200bn Annually for Biodiversity Amid Funding Disputes



Governments have reached an agreement to mobilize an additional \$200 billion annually to protect global biodiversity. This decision was made during the resumed UN Biodiversity Conference in Rome, following the Kunming-Montreal Global Biodiversity Framework.

The funds will support efforts to halt biodiversity loss, restore ecosystems, and protect the rights of Indigenous Peoples. Key measures include protecting 30% of the planet and 30% of degraded ecosystems by 2030.

The agreement aims to address the biodiversity finance gap and enhance global and national progress through planning, monitoring, and reporting.

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Hong Kong Strengthens ESG Disclosure Rules for Pension Fund Managers

Hong Kong's Mandatory Provident Fund Schemes Authority (MPFA) has mandated that the 12 participating fund managers, including HSBC and Manulife, enhance their ESG disclosure standards. This initiative aims to improve transparency, enabling contributors to better understand risk management and investment strategies. Fund managers are now required to clearly outline ESG strategies, detail risk management approaches, and assess and report on ESG performance in annual governance reports. Fund managers have until September 30 to comply with these new guidelines.

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IFRS Foundation Issues Guide for Climate-Related Disclosures Under ISSB Standards

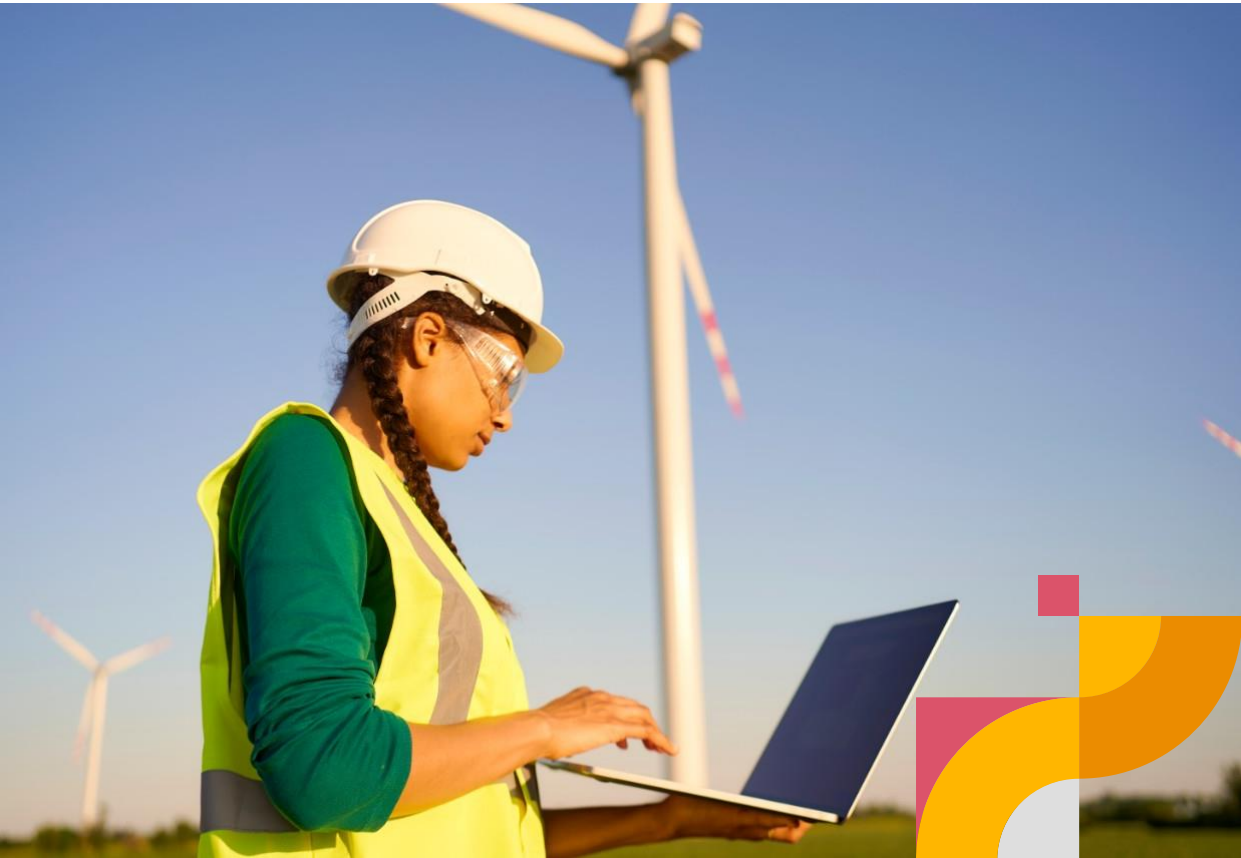
The IFRS Foundation has released “Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2,” a guide to assist companies in reporting climate-related information using International Sustainability Standards Board (ISSB) Standards.

This initiative responds to investor demands for urgent climate-related data and acknowledges challenges in data availability for other sustainability aspects. The guide clarifies how companies can utilize the ‘climate-first’ transition relief, allowing them to focus initially on climate-related disclosures per IFRS S2, while applying relevant requirements from IFRS S1.

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Qatar Launches USD 2.5bn Green Bond Fund for Sustainable Development



Qatar has announced a USD 2.5bn green bond fund to support renewable energy, eco-friendly real estate, and infrastructure projects. This initiative aligns with Qatar's National Vision 2030, which emphasizes economic diversification and environmental sustainability.

Key projects include Lusail City and Msheireb Downtown, showcasing smart city innovations like AI and energy-efficient technologies. Despite challenges such as rising construction costs and supply chain disruptions, this investment aims to position Qatar as a global leader in sustainable urban development while addressing the growing demand for green infrastructure.

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Green Climate Fund Commits USD 686m to Global Climate Action

The Green Climate Fund (GCF) has pledged USD 686.8m for 11 projects across 42 countries to enhance climate resilience, forestry, and early warning systems. This initiative, created to address climate vulnerabilities in developing nations, will impact 115.5 million people and mitigate 45.3 million metric tonnes of CO₂. Key efforts include first-time investments in Serbia for forest resilience and in Togo for community adaptability.

GCF will also establish a regional presence and expand private sector collaborations to enhance access to funds and increase the impact of its projects in developing countries.

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Australia Launches AUD 1bn Green Iron Fund to Decarbonize Steel Industry

The Australian government has introduced an AUD 1bn **Green Iron Fund** to support the transition to low-carbon steel production. This initiative aims to reduce emissions from the steel industry, which is a significant contributor to global carbon output.

The government is partnering with industry leaders to develop green hydrogen and renewable energy solutions. These efforts are expected to create jobs, boost the economy, and position Australia as a leader in sustainable steel production.

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Canada Raises CAD 2bn Through 7-Year Green Bond Issuance



The Government of Canada has successfully issued a 7-year green bond, raising CAD 2bn. The funds will finance projects supporting Canada's sustainable development goals, including renewable energy and green infrastructure.

Notably, this issuance is the third issuance of Canada's green bonds and the first under Canada's updated Green Bond Framework, which includes certain nuclear energy expenditures as eligible projects, reflecting country's position that nuclear power is vital for achieving net-zero emissions by 2050.

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A satellite map of the Americas, showing North and South America. A large white rectangular area covers the left side of the image. On the right side, there is a colorful geometric graphic consisting of overlapping shapes in shades of orange, yellow, and pink. The word "Regional" is written in a black serif font on the white background.

Regional

AIFC Report: Challenges and Prospects for Developing Emissions Trading Systems and the Voluntary Carbon Market in Kazakhstan

The Astana International Financial Centre (AIFC) has released the report “Emissions Trading Systems and Voluntary Carbon Market: Global Overview and Prospects for Kazakhstan,” that highlights the importance of these systems in building a green economy and reducing greenhouse gas emissions. Operating since 2013, KAZ ETS covers 47% of emissions from 212 installations across 135 companies, aiming to meet national decarbonization goals. Key barriers include free allocation of credit allowances, low transparency in transactions, high requirements for commodity exchanges, and lack of liquidity. Proposed solutions involve paid carbon allowances, expanded ETS coverage, and a carbon fund.

The report projects Kazakhstan's voluntary carbon market (VCM) to reach 43 million carbon credits by 2030 cumulatively, with Central Asia reaching 319 million. To facilitate VCM development, the AIFC has launched the Carbon Platform on AIX.

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Kazakhstan and Kyrgyzstan Strengthen Cooperation in Hydropower

Kazakhstan and Kyrgyzstan have agreed to collaborate on the construction of small hydropower plants in Kyrgyzstan. This agreement was signed during the official visit of Adylbek Kasymaliev, Chairman of the Cabinet of Ministers and Head of the Administration of the President of Kyrgyzstan, to Kazakhstan. The roadmap outlines key areas of cooperation in the energy sector, aiming to strengthen bilateral energy ties and develop Kyrgyzstan's hydropower potential.

This initiative reflects the broader commitment of Central Asian nations to advancing regional energy infrastructure and diversifying energy sources.

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Uzbekistan has designated 2025 as the "Year of Environmental Protection and the Green Economy"

The decree issued by the President of Uzbekistan, which focuses on environmental transformation and fulfilling international climate commitments as part of the 'Uzbekistan – 2030' Strategy, has now entered into force.

One of the key areas is the development of ESG strategies for major companies, which involves incorporating environmental, social, and corporate governance principles. The decree mandates companies such as Uzbekistan Airways, Uzbekistan Airports, Uzbekneftegaz, Almalyk Mining and Metallurgical Complex, and Navoiy Mining and Metallurgical Complex to obtain ESG ratings. This is expected to contribute to reducing the carbon footprint, improving the quality of life for the population, and transitioning to a sustainable economic model.

The decree also includes measures to increase the share of renewable energy, create "green" infrastructure, and implement modern energy-saving technologies. Special attention is given to developing long-term strategies for achieving carbon neutrality and adapting to climate change. The goal is to increase the share of renewable energy sources in electricity generation to 26%, and in the overall structure of generation capacity to 40%.

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The World Bank highlights the key role of the public sector in Uzbekistan's transition to a "green" economy

The World Bank published a report highlighting the key role of the public sector in Uzbekistan's transition to a "green" economy. The government aims to reduce greenhouse gas emissions, develop renewable energy, and improve energy efficiency.

State banks and companies, which control a significant portion of lending and investment, can become leaders in supporting environmental initiatives. The "Entrepreneurship Development Company" JSC, "Business Development Bank" JSCB, and "Uzbekistan Mortgage Refinancing Company" JSC actively participate in promoting ecological projects by supporting the development of solar energy and the issuance of "green" bonds. State enterprises, including "Uzkimesanoat" and "Thermal Power Plants" JSC, are working on reducing emissions and implementing environmentally friendly technologies.

Direct investment and agricultural support funds also play an important role by attracting foreign investments and enhancing the agricultural sector's resilience to climate change. The success of these efforts depends on effective cooperation between the public and private sectors, as well as clear strategies and political leadership.

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Uzbekistan raised USD 1.5bn through the issuance of sovereign eurobonds for "green" projects and social development



In February 2025, Uzbekistan raised USD 1.5bn through the issuance of sovereign eurobonds denominated in US dollars, euros, and Uzbek soms. The bonds were placed on the London Stock Exchange and attracted significant investor interest, with total bids amounting to USD 4.2bn.

The raised funds will be allocated for various purposes. Euro-denominated eurobonds will be used to finance "green" projects, including water-saving technologies and sanitation. The funds obtained from dollar and national currency bonds will cover the state budget deficit, develop housing programs and mortgages, and finance the construction and reconstruction of social facilities such as schools and kindergartens.

This bond issuance is part of Uzbekistan's broader strategy to attract external financing for achieving Sustainable Development Goals and "green" financing. In previous years, the country has also actively issued bonds for these purposes, including the involvement of international organizations such as the United Nations Development Programme (UNDP).

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Strengthening Environmental Cooperation: Uzbekistan and Japan's Joint Crediting Mechanism (JCM)

The governments of Uzbekistan and Japan are working together to reduce greenhouse gas emissions by launching green initiatives under Article 6 of the Paris Agreement.

On February 26, the inaugural Joint Committee meeting for the Joint Crediting Mechanism (JCM) between the two nations took place at Uzbekistan's Ministry of Economy and Finance. During this meeting, the committee established the rules and guidelines outlining its roles, responsibilities, and the procedures for implementing projects designed to reduce greenhouse gases and facilitate international carbon trading through the JCM.

On February 27, a seminar was held in Tashkent, organized by Uzbekistan's Ministry of Economy and Finance alongside Japanese ministries and organizations. The seminar aimed to explore the opportunities presented by the JCM, with over 150 participants from both countries' public and private sectors, including PwC Uzbekistan. The primary objectives were to support the transition to a green economy, attract Japanese technological expertise, and foster business negotiations. Presentations highlighted Uzbekistan's low-carbon policy development, JCM projects, and the experiences of other countries.

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Central Bank of Azerbaijan approves Guidelines on Green and Sustainability-linked Loans

The Central Bank of the Republic of Azerbaijan has approved the Guidelines on Green and Sustainability-Linked Loans as part of its 2023-2026 Sustainable Finance Roadmap. The Guidelines, aligned with international principles, aim to foster green and sustainability-linked lending. They provide credit institutions with recommendations on structuring internal policies, managing loan portfolios, and establishing a clear sustainability framework. This initiative strengthens the financial ecosystem for sustainable investments in Azerbaijan.

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