

ESG Digest #35

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Regional



Kazakhstan and North Macedonia Discuss Expanding Renewable Energy Cooperation

During the Astana International Forum, Kazakhstan's Energy Minister, Yerlan Akkenzhenov, and North Macedonia's Energy Minister, Sanja Bozinovska, explored energy collaboration, focusing on renewable energy development. Kazakhstan emphasized its green energy strategy with plans for 4.6 GW projects by 2027, inviting Macedonian participation. A guaranteed 20-year electricity purchase commitment underpins Kazakhstan's renewables strategy. North Macedonia showed keen interest in Kazakhstan's regulatory initiatives and auction mechanisms to foster sustainable energy ties.

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Kazakhstan Introduces Roadmap for Sustainable Energy Goals

The SDG7 Roadmap for Kazakhstan, jointly developed by the United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), outlines a strategic vision to ensure access to affordable, reliable, sustainable, and modern energy by 2030. As part of the "Strengthening energy policies of Countries with Special Needs" project, the roadmap supports post-COVID recovery. It provides a matrix of technological and policy options to help meet SDG 7 and NDC targets by 2030. Developed using national data, it aims to guide informed governmental decision-making in energy strategy and investment.

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Halyk Bank Teams Up with Almaty Air Initiative to Combat Air Pollution in Almaty



Halyk Bank has partnered with the Almaty Air Initiative, founded by inDrive CEO Arsen Tomsy, to tackle air pollution in Almaty. Formalized through a memorandum, this collaboration focuses on creative awareness projects, environmental monitoring, and infrastructure changes, including low-emission zones. Alarming, PM2.5 concentrations reached $24.08 \mu\text{g}/\text{m}^3$ in 2024, far exceeding WHO guidelines. Halyk commits an initial KZT 100mln to support these initiatives.

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Azerbaijan Advances Carbon Accounting in Banking Sector

The British Embassy in Baku and the Central Bank of Azerbaijan (CBA) collaborated with the Partnership for Carbon Accounting Financials (PCAF) and the British Standards Institution (BSI) to deliver training on carbon accounting to Azerbaijani banks. This five-day program focused on equipping banks with strategies for managing emissions linked to financial activities, using global standards. This initiative supports Azerbaijan's move towards a more sustainable economy and robust climate risk management. Unibank was the first bank in Azerbaijan to become a signatory of PCAF.

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Kyrgyzstan Approves First Green Taxonomy

The Kyrgyz Cabinet of Ministers has approved its first green taxonomy, listing technologies, goods, and services recognized as environmentally friendly. Effective 10 days post-publication, the taxonomy will operate in pilot mode until June 2028. It aims to attract investment in green projects and simplify regulation, enhancing the nation's sustainable finance profile. The Ministry of Economy will oversee implementation and create resources to assist businesses and government agencies.

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Mongolia Advances ESG Supervision in Banking with UNESCAP Support

Mongolia is strengthening ESG supervision in its banking sector through a workshop held under the “Greening the Central Bank” initiative, co-led by the Bank of Mongolia and UNESCAP. The event introduced a new ESG Discussion Paper, highlighting the need for enhanced legal frameworks, risk-based supervision, and integrated ESG data systems. This marks a pivotal step toward aligning Mongolia’s financial sector with international ESG standards.

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Mongolia and Orano Deepen Sustainable Mining Commitments in USD 1.6bn Uranium Project

During a state visit to France, Mongolia and French nuclear firm Orano reaffirmed their ESG-focused partnership for the USD 1.6bn Zuuvch-Ovoo uranium project. The mine will use in-situ recovery and comply with International Atomic Energy Agency (IAEA) and International Council on Mining and Metals (ICMM) standards. A new Stakeholders' Council and radiological lab will promote transparency, supporting Mongolia's sustainable resource strategy and Orano's commitment to responsible mining.

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Uzbekneftegaz Secures USD 207mln for ESG Initiatives in New Credit Agreement

Uzbekneftegaz (UNG) has secured a USD 207mln credit agreement with Standard Chartered, MUFG Bank and Abu Dhabi Commercial Bank to enhance ESG-related projects. This funding will boost sustainable and responsible investment initiatives. UNG's commitment is also shown in its issuance of EURO 850mln in Eurobonds, with plans for capital investments aligned with ESG principles. Further financing sources are being explored.

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Uzbekistan Launches Gender-Oriented Budgeting Project to Promote Equality in Government Resource Allocation



Uzbekistan has launched a new project focused on incorporating gender-oriented budgeting to address the needs of women and vulnerable groups in governmental planning and resource allocation. Facilitated by UN Women and the Uzbekistan's Ministry of Economy and Finance, with funding from the EU, the initiative aims to embed gender equality principles into national policy frameworks. The program seeks to ensure a fair distribution of public resources, considering the unique challenges faced by women and girls. The Ministry of Agriculture will pilot GRB over the next two years. The project also includes training for civil servants and development of national strategies.

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S&P Affirms Uzbekistan's 'BB-/B' Rating with Stable Outlook Amid Reform Progress

S&P Global Ratings has improved Uzbekistan's credit rating outlook to positive due to progress in economic resilience and institutional reforms, despite maintaining a 'BB-/B' rating. The country aims to boost fiscal sustainability and attract investments through energy pricing modernization and green energy expansion. However, challenges remain, including high inflation, a narrow export base, and institutional constraints.

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Uzbekistan Launches Green Hydrogen Production through Strategic Partnership with ACWA Power

Uzbekistan is poised to join the ranks of green hydrogen producers, with pilot production in Tashkent Region expected to launch in June, in collaboration with Saudi Arabia's ACWA Power. This initiative positions Uzbekistan as the sixth nation globally to harness environmentally friendly fuel, marking a significant stride in sustainable energy. Announced by Energy Minister Jurabek Mirzamakhmudov at the UEW-2025 event, the production aims to yield 3,000 tons of green hydrogen initially. The project will eventually expand to include ammonia production and wind power development, promising to decarbonize the fertilizer sector and create high-value export opportunities.

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Uzbekistan Adopted a Concept Focused on Increasing Environmental Awareness among its Population by 2030

The Government of Uzbekistan has enacted a resolution ([PQ-184](#) as of 15.05.2025) to enhance ecological awareness by 2030, targeting 3.3 million preschoolers and 4.2 million school students that is aligned with the Aarhus Convention, aiming to improve public access to environmental information. Starting in 2027, the plan will follow a biannual roadmap, featuring the 'Yashil Makon' initiative, a national eco-championship, monthly awareness campaigns and a Student Eco-Volunteer Movement. A newly created non-profit organization Community of Environmental Scientists will connect students and researchers in environmental science.

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Global



EU Council Streamlines CBAM, Exempting 90% of Importers

The EU Council adopted a negotiating position to simplify the Carbon Border Adjustment Mechanism (CBAM), introducing a new 50-tonne exemption threshold per importer annually. This adjustment reduces compliance burdens, removing 90% of importers while ensuring coverage for 99% of emissions in imports like iron and steel. The proposal aims to streamline emissions calculations and reporting, reducing regulatory costs for affected companies. Final adoption awaits interinstitutional negotiations.

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EU Council Adopts CO₂ Rule Flexibility for Automakers

The European Council adopted amendments to CO₂ emissions standards, aligning with the Commission's proposal to allow automakers to average emissions over 2025-2027. This provides manufacturers with increased flexibility to meet targets amid slow EV adoption, mitigating penalties like Volkswagen's predicted USD 1.5bn penalty in 2025. The regulation takes effect 20 days post-publication in the EU Official Journal.

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EBA Launches Consultation to Enhance ESG Disclosure Standards

The European Banking Authority (EBA) initiated a consultation on proposed amendments to Pillar 3 disclosures under CRR3, an EU banking regulation. Affecting financial institutions, the revisions aim to enhance transparency in ESG risks, equity exposures, and shadow banking entities. It prioritizes proportionate reporting based on institution size and complexity, easing compliance burdens.

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EU Funds Hydrogen Projects to Cut 15 Million Tonnes CO₂



The European Commission has allocated EUR 992mIn to 15 renewable hydrogen production projects across five EEA countries, including Germany, Spain, Finland, Norway and the Netherlands. These initiatives aim to produce 2.2 million tonnes of hydrogen in sectors like transport and chemicals over ten years, significantly reducing over 15 million tonnes of CO₂ emissions, supporting decarbonization goals.

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France and Germany Urge Elimination of EU's Corporate Sustainability Directive

French President Emmanuel Macron, alongside German Chancellor Friedrich Merz, advocates scrapping the EU's Corporate Sustainability Due Diligence Directive. Aimed at reducing businesses' regulatory burdens, this call seeks to enhance competitiveness with global giants like the U.S. and China. Initially adopted in 2024, the directive faced backlash and revisions limiting its scope, now only applying to companies with over 1,000 employees.

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Trump Administration Lifts Halt on Major New York Offshore Wind Project



The Trump administration lifted the halt on Empire Wind, an offshore wind project by Empire Offshore Wind LLC, a subsidiary of Equinor ASA. Located off New York's coast, the project will power 500,000 homes by 2027. Since the early 2000s, Equinor has invested USD 60bn in U.S. energy projects, transitioning from oil and gas to low carbon solutions, renewables, and critical minerals.

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New York Budget Allocates USD 1bn to Climate Initiatives

Governor Kathy Hochul signed New York's 2025-2026 budget, allocating USD 1bn to the Sustainable Future Fund for climate action, including building emissions reduction and electrified transportation expansion. The budget also boosts the Environmental Protection Fund and bans PFAS, persistent environmental chemicals, in firefighting gear. Despite these measures, it omits the proposed cap-and-invest program for sustained greenhouse gas emission reduction.

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California Budget Extends Cap-and-Invest Program Through 2045

The revised 2025-2026 budget proposal by the Governor of California extends the state's Cap-and-Invest program until 2045, requiring major emitters to purchase allowances for excess carbon emissions. The extension is intended to maintain the California Climate Credit, which provides USD 60bn in utility bill credits for residents. To date, over USD 33bn has been raised for climate solutions across California, supporting 117 programs through the proceeds of cap-and-trade.

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EU Mandates CO2 Storage Capacity for Oil and Gas Producers by 2030

The European Commission adopted a regulation specifying CO2 storage rules for oil and gas companies. Under the Net-Zero Industry Act, 44 producers must develop geological CO2 injection sites to meet the EU's 2030 target of 50 million tonnes annually. This initiative supports decarbonizing hard-to-abate industries, aligning with the Industrial Carbon Management Strategy. Companies with minimal production are exempt from these obligations.

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UK and EU Agree to Link Carbon Markets



The UK and EU have agreed to connect their emissions trading systems, promoting a unified carbon market post-Brexit. This linkage will enhance price stability and liquidity, fostering faster industry decarbonization and reducing costs. It also shields UK exporters from the EU Carbon Border Adjustment Mechanism (CBAM), saving an estimated GBP 800mIn by 2030, and advances CO2 storage investment opportunities.

[Read more](#)

India Seeks Public Input on Climate Finance Taxonomy Framework

The Indian Department of Economic Affairs has released a draft framework for the nation's Climate Finance Taxonomy, inviting expert and public comments. Announced in the Union Budget 2024-25, this framework aims to enhance capital availability for climate adaptation and mitigation. The taxonomy will clarify methodologies for classifying climate-supportive projects, aligning with India's Net Zero by 2070 vision.

[Read more](#)



NGFS Releases First Short-Term Scenarios to Assess Climate Policy Impacts

The Network for Greening the Financial System (NGFS) has unveiled its first short-term scenarios as a public tool to analyze the immediate impacts of climate policies and climate change on financial stability and economic resilience. Main insights reveal that regional extreme weather events cause significant GDP losses and delayed transitions escalate economic costs. These scenarios enable better climate risk analysis relevant to near-term financial and policy planning.

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