



Energy Dialogue
Germany – Central Asia



International Conference

"PROBLEMS OF ENERGY EFFICIENCY IMPROVEMENT IN THE HOUSING SECTOR OF KAZAKHSTAN"

Date: 18 October 2024, 8:30 a.m. - 2:30 p.m.

City: Astana

Place: Sheraton Astana Hotel

Language: Russian and German (with translation)

Conference Summary:

As part of the **Energy Dialogue** between the governments of Kazakhstan and Germany, with the support of the Ministry of Industry and Construction of the Republic of Kazakhstan, a conference was held in Astana on 18 October 2024 to discuss the possibility of establishing a *Project office* for energy efficient refurbishment of existing buildings in Kazakhstan.

Kazakhstan has a goal of achieving carbon neutrality by 2060. Decarbonisation of the building stock is central to achieving this goal. The building sector, as in most other countries in the world, accounts for more than a third of energy consumption and greenhouse gas emissions.

Despite the fact that buildings, especially those already built, have not yet received the attention they deserve, a number of national and international companies are already developing concepts to reduce energy consumption and greenhouse gas emissions from the construction and operation of buildings.

They all face the same challenges, especially when it comes to raising awareness of the need for energy modernisation of buildings. In order to bring together and coordinate the efforts of these stakeholders more effectively in the future, a project office should be established.

With its support, all stakeholders can have the opportunity to work together to achieve the goal of carbon neutrality. There are already many initiatives and ideas in Kazakhstan, and there are also interesting international projects. At the conference, some of the stakeholders had the opportunity to present their experiences and thus serve as inspiration and stimulus for future cooperation under one umbrella.

After welcoming remarks by **Azamat Panbaev, Chairman of the Industry Committee of the Ministry of Industry and Construction of the Republic of Kazakhstan** and opening remarks by of the German Energy Agency (dena), short keynote speeches described the existing problems and possible solutions.

Sergey Khudyakov, Chairman, "Petropavlovsk Association of Apartment Owners' Cooperatives" and **Arkady Rubtsov, "Almaty City Association of Apartment Owners' Cooperatives"** presented an

analysis of current housing modernisation programmes, which was developed within the EU-funded project "ENABLE - Empowered Civil Society for a Sustainable and Efficient City". They highlighted the opportunities and limitations of the current programmes.

Larissa Schreckenbach, Housing Initiative for Eastern Europe (IWO e.V.), Berlin, Germany, Project manager of "ENABLE - Empowered Civil Society for a Sustainable and Efficient City", explained why energy modernisation of the housing stock in Central Asia should not be postponed either.

Valius Serbenta, International Expert on Energy Efficiency in Buildings, Vilnius, Lithuania described how a small country can purposefully modernise a similar housing stock built mostly during the Soviet era. By reducing the energy consumption of apartment buildings by at least 40 percent and using renewable energy sources, mainly in the form of biomass, Lithuania is on its way to achieving climate neutrality.

Thilo Cunz, Head of Department "Buildings International", German Energy Agency (dena), Berlin, Germany, summarised 10 important elements of the energy transition in the German building sector, which relate to the legislative framework, financing, development of the necessary expertise and tools for the practical implementation of building modernisation.

Ilona Schwarzkopf, Director of the Investment Policy and Planning Department of the Ministry of Economy and Budget Planning of the Republic of Kazakhstan, presented the project office as a management element for organising project activities in the public administration system. Such programmes are already in place in several regions ('Oblasts') under the leadership of the relevant ministry and are managed in an impressively clear and structured manner.

Ekaterina Shchugareva, Deputy General Director of Yevniy Consulting Group LLP, certified trainer-consultant on project management, told how such a project office is created in practice and what tools it has.

Tolegen Omarbekov, Chairman of the Board of the Electric Power and Energy-Saving Development Institute of Kazakhstan (EEDI), presented, inter alia, a register of some 20,000 buildings and an analysis of their current energy consumption.

Dr.-Ing Gulzhan Tleukenova, PhD, Head of Energy Efficient Buildings Group, Buildings International, German Energy Agency (dena), Berlin, Germany, elaborated on the instruments for decarbonisation of buildings, especially with regard to the legal framework.

André Fabian, Felicity II Project Manager at GIZ, presented the programme of the **German Society for International Cooperation GIZ and the European Investment Bank** aimed at removing barriers to comprehensive modernisation of existing buildings, including in Kazakhstan. Through the implementation of pilot projects, it is planned to gain experience on how modernisation projects should be organised so that they can be financed by international banks.

Finally, **Lyazzat Ibragimova, Chairman of the Board of Otbasay Bank JSC**, Kazakhstan's construction society, presented programmes to encourage new constructions within the framework of the national sustainability standard OMIR and highlighted the trend towards the development of green mortgages.

Overall, the event offered a very wide range of different activities and showed how comprehensively we need to think in the context of decarbonising buildings and how actively this is already being done. It brought together stakeholders who often work in parallel without knowing in detail about each other's activities.

Conference Summary:

- (1) Kazakhstan has the necessary prerequisites for the development of energy efficiency policies in buildings (legislative framework, programmes to support owners during the refurbishment of MFHs, sufficiently developed structures in the field of housing and communal services, ...).
- (2) But at the same time, there is still no targeted, systematically developing policy on energy saving in buildings - even though 40 percent of the total energy is consumed in buildings.
- (3) For policy making it is advisable to use the Project Office as a tool for strategic development, which implies a structure responsible for energy efficiency in buildings (new construction, modernisation) and complies with modern rules of efficient management.

Arguments why this problem should not be postponed:

- (1) Most of the buildings are residential – the energy modernisation of which, from the experience of both Western European and post-Soviet countries, is a big challenge:
 - i. The year by year deteriorating condition of the housing stock (especially houses built in the 60s-90s)
 - ii. The need for comprehensive consideration of modernisation - energy, communal infrastructure and buildings / residential buildings (experience of many countries confirms this - financial savings are significant). The current government policy aimed at modernisation of the energy and communal structure without taking into account buildings / residential buildings is a more costly option for the country.
 - iii. Solving the problem of subsidised heat and electricity tariffs for the population - how subsidies should be reduced along the heat / electricity value chain for the population (taking into account social support for the socially disadvantaged).
 - iv. Long preparatory work for energy modernisation of multi-family residential buildings (MFH) - long decision-making by owners (high privatisation of flats in MFHs 97 %).
- (2) Need for inter-institutional dialogue to overcome long decision-making processes (i-iv). The Project office will help to structure and speed up the process.
- (3) If the framework conditions for large-scale modernisation of buildings / housing stock are organised - this will result in economic benefits for all participants (homeowners, state, business, environment).

The idea of a Project Office proposed by the Association of Management, Service and Energy Service Providers in the Housing Sector "Shanyrak", Astana, within the framework of the European Union project PROMHOUSE - Professionalisation of Housing Management in Kazakhstan and Uzbekistan, 2020-23, **will be continued in a smaller circle at a round table on 06 November**. It will also discuss further steps to establish a joint office to reduce energy consumption and greenhouse gas emissions in the buildings sector.

In case of questions, please contact:

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