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Uralsk, West Kazakhstan Oblast

31 May 2017

RESOLUTION

International environmental “Uralsk Green Forum” Current concerns of ecology and energy saving. New approaches and solutions.

Initiative to hold the Forum belongs to international consortium Karachaganak Petroleum Operating bv and was fully supported by RoK Energy Ministry, WKO Akimat and WKO Environmental Prosecutor Office.

Forum intention is establishing effective communication and business platform in the oil and gas industry to address environmental and energy saving issues in the format of B2G and B2B, share experience for further cooperation to implement Green Economy concept, promote intensive development of environmental discipline across oil and gas sector.

Forum participants: Members of RoK Government, representatives of executive authorities, Astana International Financial Centre, major oil and gas companies, environmental public organizations, competent market experts, specialist non-governmental associations and societies.

The forum was organized in the form of plenary and break-out sessions:

- **Plenary session** “Oil and gas industry of Kazakhstan: transition to environmentally sustainable development model”;
- **Session 1** “Achieving “green” economic growth through energy saving and energy efficiency”;
- **Session 2** “Innovative solutions of waste management in oil and gas industry”;
- **Interactive discussion on the topic:** “Future prospects and effective interaction of stakeholders in the course of green economy development”;
- **Session 3** “Scientific and technical potential and new eco-opportunities for oil and gas business”.

Forum participants recognise the necessity for stakeholders to consolidate efforts for addressing the below mentioned issues of current importance in the sphere of subsurface use ecology:

- Currently waste management issues are not fully covered by national standards effective in Kazakhstan;
- Lack of licences for waste handling including hazardous waste;
- Lack of inter-agency coordination of waste management, respectively there three waste classifiers exist with mutually exclusive requirements;
- Cases of unlawful competition and waste treatment by non-specialised organisations take places;
- Infrastructure for waste collection, recycling and disposal is not developed in the region;



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- There is a real need for follow-up revision of current regulatory and technical documentation on waste management;
- Lack of mechanism for safe handling and managing chemicals and hazardous waste including persistent organics pollutants;
- Currently Kazakhstan does not have standards setting qualification requirements to food waste processing consequently there are no food waste processing enterprises exist;
- It is necessary to develop laws and regulations administering production and consumption waste handling including oil-containing waste which in future can cause public health deterioration, land degradation, surface and ground water contamination, disturbance of environmental balance;
- Energy saving targets approved at the governmental level are required to effectively implement the State Policy targeted at energy saving and energy efficiency improvement. The State Programme “Energy saving – 2020” which specified the integrated indicators for the RoK GDP energy intensity reduction lost its force in 2016, consequently, as of today, no key energy efficiency indicators (KPI) have been established in Kazakhstan;
- The existing energy consumption limits (established by the Order of Minister of Investment and Development of the Republic of Kazakhstan No.394 dated 31 March 2015) do not always apply to enterprise’s operations. Energy consumption limits specific to the enterprise shall be established as part of the energy audit and be included into the energy audit conclusion;
- The existing energy efficiency requirements applicable to design development mainly relate to buildings, constructions, structures and construction materials. The energy efficiency requirements that would address industrial equipment shall be established;
- Of high significance is energy management system developed and implemented at the enterprise, in particular, availability of competent energy managers, in instances when the enterprise is focussed on reducing energy intensity in releasing its products and services;
- Current national legislation does not provide for economic incentives to encourage commercial entities to adopt best technologies;
- It is important to introduce new ways of natural resources development which involve recyclable materials use in the commerce, use of renewable energy and implement modern approaches to environmental standardization with account for best available technologies;
- Both worldwide and in Kazakhstan the positive tendency has been observed for introducing renewable sources of energy. Therefore, the users of natural resources shall consider possibilities for studying and bringing renewable sources of energy into use;
- There is small percentage of innovatively active oil and gas enterprises. Oil companies shall contribute to development of innovations in the Region that would target at energy saving, energy efficiency improvement, manufacture of new materials and renewable sources of energy under social commitments, local content policy, etc.
- As for environmental protection and energy saving it is important to more effectively use potential of public environmental and energy organisations to shape active citizenship position and workmanship of entire community in Kazakhstan.



Under existing conditions a special attention should be given to:

- Improving regulatory-legal framework in terms of: handling waste, technical regulation of environmental activities in particular environmental standardisation and economic incentives;
- Improving system of state environmental management through environmentally and economically justified separation of functions and authorities of governmental agencies at all levels;
- Consolidating interaction of state authorities and non-governmental environmental associations; channel activity of public organisations towards environmental education of community.

Participants of international environmental “Uralsk Green Forum” have made decision to:

1. Recognise initiative and extend thanks to Karachaganak Petroleum Operating bv for hosting and organising environmental forum and company’s commitment to environmentally-friendly attitude;
2. As per proposal of WKO Akimat hold similar environmental forum every year;
3. Jointly with Competent Authorities develop annual joint actions plan aimed at continuous improvement of RoK environmental legislation;
4. Look into the possibility of creating consultancy environmental centre under auspices of Karachaganak Petroleum Operating bv with a view to render professional and technical support to small and medium sized businesses to implement environmental and energy management systems at the enterprises;
5. Support inter-agency project aimed at resolving waste management issues “Let’s save nature together”;
6. Create information electronic resource nationwide with a view to setup platform for interactive discussion of draft legislations related to environmental protection and energy efficiency improvement as well as exchange information about the latest energy saving technologies and technologies in sustainable use of natural resources;
7. Cover outcomes of the international environmental forum in the mass media to promote awareness of stakeholders.

Participants of international environmental “Uralsk Green Forum” recommend to:

I. Governmental regulatory and oversight authorities and their regional divisions:

- When formulating new laws and statutory acts it is mandatory to test them on local levels making conclusions of their effectiveness in pursuing goals - reducing negative impact;
- In every possible way put into practice the state monitoring principles of project management, where key benefits is outcome-driven team working;
- Develop incentives mechanism for nature users encouraging them to implement environmental activities, apply resource-saving technologies and remedial landscaping/offset vegetation;
- On a constant basis and in response to inquiries of legal entities and individuals promptly conduct consulting and explanatory work on collisions of



environmental legislation, in particular, on the issues of waste storage/disposal in order to avoid unfounded fine sanctions, and on the issues of energy saving and energy efficiency improvement;

- Ensure clear-cut separation of jurisdictions between regulatory and oversight authorities to avoid duplication and excess of powers;
- Involving independent expert, non-governmental organisations and National chamber of entrepreneurs Atameken design methodology and compose environmental (specific environmental emissions per unit of production, GHG emissions, associated and natural gas utilisation, wastewater disposal and reuse and waste recycling) and energy ratings/benchmarking (specific consumption of energy per unit of production) of Kazakhstan oil and gas sector companies, reflecting strong and weak points;
- The key energy efficiency indicators shall be determined and established for each sector of economy (KPI) and approved at the governmental level;
- Incorporate the requirement for setting energy consumption limits that would be specific to the enterprise as part of energy audit and including these limits into the energy audit conclusion;
- Establish the energy efficiency requirements that would apply to industrial equipment;
- Continue discussing matters associated with CO₂ emissions exchange trading with potential use of created exchange AIFC-AIX.

II. Nature users:

- Jointly with competent authorities and non-governmental associations take active part in policymaking with a goal to improve environmental legislation;
- Establish close interaction with regulatory and oversight authorities and non-governmental associations to promptly resolve current environmental challenges, elaborating focused solutions;
- Promptly refer to regulatory and oversight authorities to get clarifications when facing collisions of legislation;
- Proactively engage national design, scientific-research organisation and higher education institutions in addressing current discipline-related sector-specific concerns (best available technologies in environmental protection and energy saving area);
- Consider possibilities for studying and bringing renewable sources of energy into use;
- Contribute to development of innovations in the Region that would target at energy saving, energy efficiency improvement, manufacture of new materials and renewable sources of energy under social commitments, local content policy and etc;
- Make use of opportunities of Astana International Finance Centre for placing green bonds and attracting investors for environmental projects.

III. WKO non-governmental association and high education institutions:

- Take active part in improving environmental legislation;



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- With involvement of stakeholders look into possibility of promptly arranging “round-table” sessions, meetings to cover environmental issues of current importance in West Kazakhstan region in whole and in response to application of specific enterprises in particular;
- Consider an opportunity of holding training workshops on the environmental and energy saving topics within West Kazakhstan region.

Forum participants express confidence that practical implementation of the above recommendations will become an important step in building social-environmental-economical platform for successful delivery of “Green Economy” concept and transition of Kazakhstan to sustainable development model.