

# **Kazakhstan: A Global Energy Security Partner in Turbulent Times?**



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## **INTRODUCTION**

Domestic availability of energy-generating resources, whether from finite fossil fuels or from renewable sources, is vital for national security. Without energy, mass transit systems would fail. Hospitals would be unable to save lives. All telecommunications and IT systems would cease to function. The military and government would be unable to maintain order and society would be plunged into chaos and darkness. For example, it is estimated that petroleum accounts for 77% of the US Department for Defence's energy needs<sup>1</sup>. The vulnerabilities caused by changes to the geopolitical landscape are potentially enormous. Every aspect of modern life, in every country on Earth, is dominated by the availability of energy.

Few countries have sufficient natural resources to meet domestic energy demand. In addition, even countries that benefit from abundant natural resources may require components that are not available domestically to produce energy – for example, oil is needed for gas extraction, specialised magnetic alloy composites are required for wind turbine parts, and uranium is required for nuclear energy. The transportation of energy from its place of origin to the consumer inevitably crosses varied terrain and, often, international borders. The structure and practice of the producer varies according to whether the vendor is a private, part-nationalised or a nationalised company – and each will observe different rules and regulations. These requirements for energy, and for energy-producing raw materials and transportation, have the potential to create an unstable and diplomatically challenging international marketplace. The result is a network of vulnerable and interconnected producers and consumers.

Energy security policy aims to address these vulnerabilities by creating international protocols and systems to stabilise the global market. Energy security is threatened by a number of wide-ranging issues, including internal political instability of energy producing countries, regional and international instability, growing consumer competition for resources, terrorist attacks on supply infrastructure, accidents and natural disasters. To counter this, governments monitor their own energy security policies, and broader regional and international agreements have been established, such as the EU's 2007 Third Legislative Package<sup>2</sup>, which aims to improve efficiency, access and the sustainability of Europe's energy market. Long-term energy security requires international cooperation and new approaches to energy production, transportation and consumption.

### **Problems of Energy Security**

Increased competition for finite resources is a major – and growing – challenge, if not a threat, to energy security, particularly in view of the rapid industrialisation of India and China. Indeed, the United States Energy Security Council (UNESC) observes that the US-China relationship has become increasingly strained over conflicting energy consumption needs. The USESC has recently noted concerns about the negative impact on American interests of China and India's growing demand for energy, and stated that "the two countries' foreign policies are increasingly driven by the need to secure their energy supply, often at the

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<sup>1</sup> Parthemore, C. (2010). "Fueling the Force: Preparing the Department of Defense for a Post-Petroleum Era". Center for New American Security.

<sup>2</sup> [http://ec.europa.eu/energy/gas\\_electricity/legislation/third\\_legislative\\_package\\_en.htm](http://ec.europa.eu/energy/gas_electricity/legislation/third_legislative_package_en.htm)

expense of vital US interests.”<sup>3</sup> When concerns such as these arise between the world’s two largest economies, long-term solutions must be reached at an international level – and soon.

International conflict has been an ongoing energy security concern since the end of the Second World War. Conflict can disrupt both the supply of, and demand for, energy products. In addition, the control of a country’s energy supply can be misused to exert power. Intermediary countries, such as those who do not produce energy but through which pipelines or other transportation mechanism traverse, are also vulnerable to interception and exploitation. Internationally imposed trade embargoes are also a risk to energy markets.

The 1973 oil embargo against the US demonstrated just how vital to the USA their oil supplies were when they were cut off due to US support of Israel during the Yom Kippur War. It demonstrated that major oil exporters can exert considerable power over other countries if the latter rely too heavily on one type of commodity. In more recent times Venezuela, for example, has repeatedly threatened to cut off the USA’s oil supplies when the country disagreed with the USA’s foreign policies. Conflicts and tensions in the Middle East frequently cause fluctuations in crude oil prices which adversely affected US industry, such as during the 1991 Gulf War and the 2003 Iraq War. In response, America has continually made efforts to diversify its energy consumption and suppliers to improve its energy security<sup>4</sup>. Gas exporters can wield similar power, such as in January 2006 when Russia briefly cut off Ukraine’s gas supply during a dispute over Ukraine’s diversion of gas for domestic use – gas which was intended for use in the European Union. Another case in point is the current tense situation over Ukraine and the potential disruption in Russian gas supplies to Europe.

Indeed, national and regional instability can cause energy security concerns in highly unpredictable ways if infrastructure fails to cope with natural disasters. Events such as Hurricane Katrina and the Japanese earthquake and subsequent tsunami in 2011 caused major disruption to energy supplies. A number of countries around the world have experienced severe earthquakes that resulted in serious damage to their energy supply infrastructure, including Chile, China, Haiti, Indonesia, Italy, Japan, Mexico, the Philippines, Turkey, and the United States<sup>5</sup>.

There are further, man-made threats to energy security. Terrorist threats to pipelines, tankers, refineries, and oil fields are so common in the oil industry that they are referred to as “industrial risks”<sup>6</sup>. The risks involved in transportation are barely less – particularly regarding shipping around the Horn of Africa and Western Africa, where piracy continues to pose major problems for the shipping industry<sup>7</sup>. Since 2005 piracy and armed robbery of oil tankers has increased dramatically in the Gulf of Aden and on Africa’s West Coast<sup>8</sup>. These acts increase the price of crude oil and risk the reliability of the supply network.

Energy infrastructure has been cited as one of Al Qaeda’s potential targets. Energy security expert and Chair of Cambridge Energy Research Associates Daniel Yergin has warned, “Al Qaeda has threatened to attack the ‘hinges’ of the world’s economy, that is, its critical

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<sup>3</sup> [http://www.usesc.org/energy\\_security/index.php/energysecurity](http://www.usesc.org/energy_security/index.php/energysecurity)

<sup>4</sup> [http://www.usesc.org/energy\\_security/index.php/energysecurity](http://www.usesc.org/energy_security/index.php/energysecurity)

<sup>5</sup> *IEEE Magazine* editorial, March/April 2011.

<sup>6</sup> Luft, G; Korin, A. (2003). "Terrors Next Target". *Journal of International Security Affairs*.

<sup>7</sup> <http://www.shipping.nato.int/Pages/Piracystatistics.aspx>

<sup>8</sup> <http://www.imo.org/OurWork/Security/SecDocs/Pages/Maritime-Security.aspx>

infrastructure - of which energy is among the most crucial elements. The world will increasingly depend on new sources of supply from places where security systems are still being developed, such as the oil and natural gas fields offshore of West Africa and in the Caspian Sea”<sup>9</sup>. Further to this, the international community has long expressed concerns over the possibility of enriched-uranium falling into the hands of terrorists.

At the 2009 Organisation for Security and Co-operation in Europe (OSCE) conference, “Strengthening Energy Security in the OSCE Area”, the Slovak Minister of Foreign Affairs, H.E. Miroslav Lajcak, has stated: “The issue of energy security encompasses a broad array of technical, technological, economic and security aspects, which are covered by a political umbrella. The role of the OSCE is not to duplicate, but rather to complement the activities of international energy organizations.”<sup>10</sup>

The following year, the Republic of Kazakhstan became the first Central Asian nation ever to hold the OSCE’s chairmanship<sup>11</sup>. Kazakhstan has pursued this OSCE agenda of energy security both in domestic and foreign affairs, and has made it an integral part of the country’s long-term strategy, known as *Strategy 2050*<sup>12</sup>, which sets out the country’s most central ambitions for the coming decades. In particular, it states the country’s commitment to “promote protection of the balance of interests of producers, transit countries and consumers of energy resources, and creation of diversified, stable and secure export routes.”

### **Kazakhstan: A Growing Energy Partner**

There is no question that the energy sector is one of Kazakhstan’s greatest interests. It follows that Kazakhstan has considerable interest, and involvement, in international energy security. Kazakhstan has a huge share of raw materials needed for energy production. It is in the top fifteen of the world’s oil producers, and its estimated oil production in 2013 was 1.64 million barrels per day (bbl/d). In addition, Kazakhstan’s proven oil reserves were estimated at 30 billion barrels by the *Oil and Gas Journal* in January 2013<sup>13</sup>, or about 3% of the world’s total reserves<sup>14</sup>. In February 2014, the Organization of the Petroleum Exporting Countries (OPEC) predicted that Kazakhstan’s oil production would rise by 90,000 barrels per day (bpd) to average 1.73 million bpd<sup>15</sup>. Kazakhstan also produces considerable volumes of natural gas (29.6 bn cubic metres in 2007), and is one of the world’s largest coal producers (134 m short tons in 2013)<sup>16</sup>. The country is also ranked in the top five exporters of minerals such as manganese, chromium, lead, zinc and uranium.

Kazakhstan’s oil and gas output is expected to grow significantly in the coming years due to significant international investment and favourable global market conditions for crude production. It is believed that a large-scale study currently taking place of the subsoil areas in the Caspian and Aral Seas may lead to a significant expansion of resources. Already, 62% of the country is occupied by oil and gas areas, and there are 172 oil fields, of which more

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<sup>9</sup> [Ensuring Energy Security](#) *Foreign Affairs*, March/April 2006, Daniel Yergin

<sup>10</sup> [http://www.ensec.org/index.php?option=com\\_content&view=article&id=226:how-the-osce-can-contribute-to-energy-security&catid=102:issuecontent&Itemid=355](http://www.ensec.org/index.php?option=com_content&view=article&id=226:how-the-osce-can-contribute-to-energy-security&catid=102:issuecontent&Itemid=355)

<sup>11</sup> [http://mfa.gov.kz/en/#!/foreign\\_policy/international\\_organizations/osce/](http://mfa.gov.kz/en/#!/foreign_policy/international_organizations/osce/)

<sup>12</sup> [http://mfa.gov.kz/en/#!/konceptcia\\_2020\\_engl/](http://mfa.gov.kz/en/#!/konceptcia_2020_engl/)

<sup>13</sup> <http://www.eia.gov/countries/analysisbriefs/Kazakhstan/kazakhstan.pdf>

<sup>14</sup> [http://www.kmgep.kz/eng/about\\_kazakhstan/oil\\_and\\_gas\\_sector](http://www.kmgep.kz/eng/about_kazakhstan/oil_and_gas_sector)

<sup>15</sup> [http://www.opec.org/opec\\_web/en/publications/338.htm](http://www.opec.org/opec_web/en/publications/338.htm)

<sup>16</sup> <http://www.eia.gov/countries/country-data.cfm?fips=kz>

than 80 are currently under development. It has several giant gas and oil fields, notably at Tengiz, Karachaganak, and Kashagan. Oil fields can be found in six of the fourteen provinces of Kazakhstan: Aktobe, Atyrau, West Kazakhstan, Karaganda, Kyzylorda and Mangystau<sup>17</sup>. Extraction productivity levels have been steadily increasing and are predicted to continue to rise in coming years.

Kazakhstan has ensured that its energy infrastructure receives continued investment and updates. Being landlocked, Kazakhstan depends on pipelines to transport millions of tons of oil from Kazakhstan each year. The government plans to expand its oil and natural gas pipeline network to help address the predicted increase in both production and global demand. The Caspian Pipeline Consortium, for example, which exports Kazakh oil to the Black Sea, now transports record levels of oil deposits due to recent pipeline expansion<sup>18</sup>. It also provides a second oil transportation route from the country in addition to the more northern Russian pipelines. The proposed Nabucco gas pipeline is another strategic international gas pipeline under consideration, that would cross Azerbaijan, Georgia and Turkey to the Mediterranean, allowing Central Asian energy resources direct access to European consumers, although its future remains uncertain.

Foreign investors continuously demonstrate confidence in Kazakhstan's prudent management of their oil and gas reserves and Kazakhstan's exports have grown steadily as a result. Reuters financial columnist and industry analyst, Martin Hutchinson, has predicted that European foreign investment in Kazakhstan is likely to continue due to Kazakhstan's abundance of materials such as copper and rare earths, which have a buoyant market in Europe. He has also stated that: "Europeans also want to diversify so they are not totally dependent on Russia for their natural gas imports, and although Kazakhstan is a close trading partner of Russia, it will be a welcome additional source of gas and other resources."<sup>19</sup>

As a global energy player, Kazakhstan is exceptionally well-placed to understand the needs of producers, intermediary suppliers and consumers. The Ministry of Oil and Gas of the Republic of Kazakhstan is the central executive body of the country that formulates and develops state policy, coordinates the management of oil, gas and petrochemicals industries, and the transportation of raw hydrocarbons<sup>20</sup>. Alongside the ministry, there are several regulatory agencies involved in the oil sector, which include the Ministry of Finance (which monitors pricing, reporting of revenues, and taxes), the Ministry of Environmental Protection and Water Resources (which monitors compliance with environmental regulation), and the Ministry on Emergency Situations (which monitors compliance with health and safety regulations). These departments work to ensure that Kazakhstan fulfils international best practice so that foreign investors obtain fair and secure access to Kazakhstan's plentiful resources.

### **A Valued Energy Security Partner of the West and Neighbouring Countries**

Kazakhstan's long term, multi-vector foreign policy positions the country in a privileged position in an energy security context. It has strong relationships with all of its neighbours, all of whom are large-scale energy producers and consumers, and is involved in a number of

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<sup>17</sup> [http://www.kmgep.kz/eng/about\\_kazakhstan/oil\\_and\\_gas\\_sector/](http://www.kmgep.kz/eng/about_kazakhstan/oil_and_gas_sector/)

<sup>18</sup> <http://uk.reuters.com/article/2014/03/05/cpc-oil-idUKL6N0M21UJ20140305>

<sup>19</sup> <http://www.edgekz.com/kazakhstan-and-europe-building-ties.html>

<sup>20</sup> <http://www.mgm.gov.kz/news/52>

regional initiatives such as The Cooperation Council of Turkic Speaking States<sup>21</sup> (Azerbaijan, Turkey, Kazakhstan and Kyrgyzstan). It has also forged excellent relations with many European countries, including France, Germany and Great Britain. As President Nazarbayev has said, “Kazakhstan has worked hard to be both good neighbours and good global citizens and to provide a bridge between East and West.” Several major European energy corporations have enjoyed success in Kazakhstan, such as Total of France, EniSpA of Italy, Royal Dutch Shell of Great Britain and the Netherlands, and British Gas, in developing Kazakhstan's oil and gas fields<sup>22</sup>. The success has been tempered somewhat by the expected delay until at least 2015 in the start of the commercial production at the Kashagan oil field, where the majority of these companies have a stake.

Kazakhstan's positive relations span eastwards, too. It is a vast landlocked country with borders with Russia, China, Kyrgyzstan, Turkmenistan and Uzbekistan, and it enjoys good relationships with all its neighbours. The borders with Russia and China are 6,800 km and 1,800 km long respectively. Kazakhstan's western border also includes the Caspian Sea, which is home to several oil fields. For some time, Kazakhstan has viewed its regional role – at the crossroads of Europe and Asia – as a guardian of energy security<sup>23</sup>. Kazakhstan is in an unusually influential position to mediate in an objective and fair-minded way, benefitting as it does from solid relationships with its neighbours and a highly diverse population that informs its political thinking. Kazakhstan's historically Muslim heritage has allowed it to gain friendly relations with much of the Gulf countries and the Middle East<sup>24</sup>, other great energy producing territories. Notably, Kazakhstan is an active member of the Organization of Islamic Cooperation (OIC) and actively chaired the OIC in 2011-2012<sup>25</sup>.

Kazakhstan's leadership extends to a range of international agencies. It chaired the Shanghai Cooperation Organization (SCO) in 2010-11, and the Organization of Islamic Conference (OIC) in 2011-2012. In 2012, Kazakhstan became the first Central Asian state to be elected to the UN Human Rights Council (UNHRC), and is currently fulfilling its responsibilities in the body through 2015. Kazakhstan also served as chairman of the Organization for Security and Cooperation in Europe (OSCE) in 2010<sup>26</sup>. It has demonstrated the ability to acquire widespread diplomatic support for its initiatives, such as its efforts to foster better relations throughout the Central Asian region, revealing the trust and respect that other countries in the international community hold for Kazakhstan and its foreign policy agenda.

### **Kazakhstan's Commitments to Global Energy Security**

As demonstrated above, Kazakhstan is in a beneficial position to exert influence on global strategy and decision-making, and is committed to creating a responsible and accountable energy market, as seen also in its work with the IAEA to host the world's first nuclear fuel bank, for which negotiations are due to be completed soon<sup>27</sup>. Kazakhstan is also committed

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<sup>21</sup> <http://www.turkkon.org/eng/>

<sup>22</sup> <http://www.edgekz.com/kazakhstan-and-europe-building-ties.html>

<sup>23</sup> <http://eurodialogue.org/Kazakhstan-Strategic-Significance>

<sup>24</sup> <http://www.kazakhstanun.org/documentation/statement-02.html>

<sup>25</sup> Statement by Ambassador Abdrakhmanov, the Permanent Representative of the Republic of Kazakhstan at the United Nations Security Council open debate on the situation in the Middle East, including the Palestinian question, January 20, 2014, New York, <http://www.kazakhstanun.org/documentation/statement-04.html> accessed 11<sup>th</sup> March 2014

<sup>26</sup> [http://mfa.gov.kz/en/#!/konceptcia\\_2020\\_eng/](http://mfa.gov.kz/en/#!/konceptcia_2020_eng/) accessed 7<sup>th</sup> March 2014

<sup>27</sup> <http://www.astanatimes.com/2014/03/talks-iaea-nuclear-fuel-bank-kazakhstan-near-completion/>

to The Extractive Industries Transparency Initiative (EITI), an international standard initiated by the United Kingdom that ensures transparency around countries' oil, gas and mineral resources which is overseen by a coalition of governments, companies, civil society, investors and international organisations. The EITI Standard is adopted by governments to help address country-specific sector issues relating to reporting and transparency. Kazakhstan is fully EITI compliant and is in the process of EITI implementation<sup>28</sup>. Chair of the EITI Board Claire Short said, "Kazakhstan has reached an important milestone by becoming a full member of the EITI family. I hope that all parties will now work to ensure that this increase in transparency will lead to reform in the management of the extractive industries, bringing real benefits to the people of Kazakhstan and providing leadership in other countries in the region."<sup>29</sup>

### **Nuclear Energy Security**

At Independence in 1991, Kazakhstan became the holder of the world's fourth largest nuclear arsenal. At that time the Kazakhstan Government immediately, with the support of the Kazakh people, chose to relinquish its entire nuclear arsenal. Kazakhstan witnessed horrifying first-hand experience of the dangers of nuclear weapons and Kazakhstan's people are still enduring the aftermath of Soviet-era nuclear testing programmes, such as at Semipalatinsk. These experiences have given Kazakhstan a deep insight into the need for responsible nuclear energy use and the desire to bring about a nuclear weapons-free world.

Any country that wishes to use nuclear power must fully understand the potential dangers and should sign up to every international protocol and commitment to safeguard its people and the environment from radioactive material. Kazakhstan has done this. Since Independence, Kazakhstan has shown absolute commitment to all international instruments of non-proliferation and implementing safety measures for the use of nuclear energy. This includes Kazakhstan's work with its neighbours to establish the Treaty on the Establishment of a Zone Free of Nuclear Weapons in Central Asia, and signing up to a host of international conventions such as the Convention on the Prohibition of the Development, Production, Stockpiling and use of Chemical Weapons and on Their Destruction; the Proliferation Security Initiative, the Global Initiative to Combat Nuclear Terrorism, and the Convention on Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their destruction.

Nuclear energy currently provides about 13% of the world's energy<sup>30</sup>. While concerns exist about the safe production, use and disposal of radioactive components needed for nuclear energy generation, it is a low-carbon and renewable energy source. Kazakhstan supports the responsible use of nuclear power for energy generation and is one of the world's leading suppliers of uranium for the energy market. In his 2014 annual address, President Nazarbayev said "the need for cheap nuclear energy will only grow in the foreseeable future." He added, "as the global leader in uranium mining, Kazakhstan should develop its own production of fuel for nuclear plants and build its own atomic plants." Construction of Kazakhstan's first nuclear power plant is to be completed in 2020, alongside 13 wind, 14 hydropower, and four new solar power plants<sup>31</sup>.

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<sup>28</sup> <http://eiti.org/Kazakhstan>

<sup>29</sup> <http://eiti.org/news/kazakhstan-accepted-eiti-compliant>

<sup>30</sup> <https://www.iea.org/publications/freepublications/publication/kwes.pdf>

<sup>31</sup> <https://globalenergyinitiative.org/resources/world-energy-news.html>



Kazakhstan has singled out energy security as one of its “four pillars” on which it has based its bid for a non-permanent seat on the United Nations Security Council in 2017-8. Alongside this is nuclear security. These priorities are interlinked and reflect Kazakhstan’s long-term strategic aims, as set out in *Strategy 2050*. Kazakhstan is committed to working with the international community to counter nuclear terrorism.

Nuclear security was one of the country’s top priorities during its chairmanship in OSCE in 2010, and Kazakhstan has regularly called for greater nuclear security, particularly with respect to the possibilities of nuclear aggression and nuclear terrorism. Kazakhstan shares its borders with several nations in possession of nuclear weapons, and is well acquainted with the technical requirements for nuclear security, whether for arms or energy. It is well placed to take advantage of its strong track record in negotiating nuclear security agreements in the Central Asian region to good effect in other regions. Kazakhstan is especially well placed to attempt to broker these deals, owing to the country’s exceptional track record of maintaining friendly relations with a diverse range of countries.

Kazakhstan is in negotiations with the IAEA to host the first international low-enriched uranium fuel bank. The fuel bank would be run with the backing of the IAEA and international community, and would provide uranium fuel to enable states to power civilian nuclear reactors without the need for individual countries to acquire uranium-enriching technologies. Only countries which meet IAEA conditions would be able to access the bank. As one of the world’s largest producers of uranium ore and with its well established position on nuclear safety, Kazakhstan is a clear choice for this role.

### **A Green, Efficient and Diverse Economy**

While Kazakhstan has huge reserves of oil, gas and coal, the government is acutely aware that a secure and progressive future requires a firm commitment to the environment and renewable energy sources. Domestically, Kazakhstan is committed to diversifying both its production and consumption of natural resources. By doing so, it will be joining many other nations in taking action to reduce its own energy security risks, which will also stimulate new and greener economic development.

Kazakhstan has set itself clear, specific and achievable targets for the main resources. Alternative electricity will constitute 50% of the country’s energy supply by 2050 and efficient energy use will increase by 10% annually until 2015<sup>32</sup>. These energy production and consumption targets, set within manageable time frames, are a clear departure from the “business as usual” trajectory of the Kazakh economy. The Government is incentivising participation and increasing citizen awareness for energy saving in daily life, providing financing for industries to invest in alternative sources, and actively ensuring that standards are complied with. It will consider a dual approach of raising tariffs and providing capital support for new innovations, and, at the same time, assess the needs and problems presented by the oil and gas sectors.

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<sup>32</sup> [www.eco.gov.kz/files/Concept\\_En.pdf](http://www.eco.gov.kz/files/Concept_En.pdf)

Kazakhstan's *Strategy 2050*<sup>33</sup> set out the government's commitment to investing in green energy. It stated the government's intention to promote initiatives for the development and introduction of modern services to create an environmentally sustainable energy supply, including the Global energy and environmental strategy, aimed at finding solutions to the problems of a post-industrial society.

In 2011 the Green Bridge Partnership Program was founded, in partnership with the United Nations Development Plan, to bring green strategies to the heart of Kazakhstan's economy. The Green Bridge Programme is a mechanism for 'greening' the economy through the development of new and long-term fields of environmentally friendly business. It aims to reform national and international policies for the creation of legal, economic and institutional conditions to enable the existing economy to develop into a safer and more sustainable economy. It provides measures to create conditions and infrastructure to improve access to more efficient technology and investment, and transfer of practical and successful management experience to interested countries and organisations. It will improve informational infrastructure, outreach and education. The Green Bridge Programme encourages environmentally friendly business and technologies, enabled by beneficial financial and economic mechanisms, and sets standards for a sounder and sustained environmental economy. It will work towards the conservation of mountain, water and other ecosystems and the development of efficient sustainable energy.

In 2012 Kazakhstan set out its broader green economy strategy. As stated earlier, it outlines the government's plan for the share of renewable sources in electricity generation to increase to 50% by 2050. To encourage such investment, Kazakhstan is introducing fixed rates on renewable energy and in 2013 launched a pilot version of the national carbon-trading scheme. In 2017, Kazakhstan will for the first time host the specialized international Expo exhibition, dedicated to "Future Energy."

Kazakhstan has been working with Germany to develop its renewable energy supply. The German firm FWT Trade is currently building turbines for the first wind park in Ereymentau, 150km from the Kazakhstan's capital of Astana. The wind park, with an installed capacity of 45 MW, is co-financed by Samruk-Energy and the Eurasian Development Bank. This facility, which will be ready in December 2014, will also generate electricity for the Expo 2017 exhibition. Germany also donated solar panels for the roofs of the Baikonur space launch facility and the Eurasian National University of Astana in 2012, sponsored by the German Energy Agency (Dena) and the Federal Ministry of Economics and Energy. Dena also helped to create the German-Kazakh Institute for Energy Efficiency and Management, which trains politicians, energy professionals, and academics. These initiatives will support the Kazakh government's targets on energy intensity reductions in industry by 10% before 2015 and by 25% by 2020, based on 2008 levels<sup>34</sup>.

Kazakhstan has worked hard to establish international cooperation, such as in their relationship with Germany described above, to enhance its green energy strategy. Kazakhstan views itself as a regional leader in Central Asia for innovation and modernity, and hopes to encourage its neighbours to follow in their footsteps to make the Central Asian region more diverse and environmentally responsible. To this end, Kazakhstan has been

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<sup>33</sup> [http://mfa.gov.kz/en/#!/konceptcia\\_2020\\_engl/](http://mfa.gov.kz/en/#!/konceptcia_2020_engl/) accessed 7<sup>th</sup> March 2014

<sup>34</sup> <http://energytransition.de/2014/02/kazakhstan-goes-renewable/>

working closely with other Central Asian nations in a coordinated effort to create cohesive transnational environmental policies<sup>35</sup>.

By diversifying its energy production and consumption, Kazakhstan expects to strengthen its economy and to cater to both shorter- and longer-term global energy market needs. Opportunities for developing renewable energy resources and for making significant improvements to energy efficiency exist across Kazakhstan's diverse terrain. The Government is confident that they will be able to attract international interest in exploiting its natural landscape for a more sustainable source of energy production.

### **Kazakhstan: A Global Energy Security Partner**

Kazakhstan has publicly declared its long-term strategy in the *Foreign Policy Concept for the Republic of Kazakhstan for the Years 2014-2020*<sup>36</sup>. The Concept detailed a range of policies that address economic, geopolitical, environmental and social factors. Notably, energy security featured heavily in this document – clearly demonstrating the centrality of energy security to the government's long term concerns and ambition. Kazakhstan has a long-held and deserved reputation as a champion of nuclear security, and it is now similarly establishing itself as a guardian of energy security.

It shares the concerns of various international bodies such as the UN, NATO and EU for the need for greater cooperation between nations to ensure a safe and responsible energy industry. During its time as chair of the OSCE Kazakhstan made clear the need to focus on energy security if we are to establish a stable and peaceful future. Kazakhstan has set itself ambitious and wide ranging energy targets, from diversifying its energy sector to establishing new and greener energy sources. The Government of Kazakhstan believes that its energy security policies will support a secure and sustainable future for the world's energy needs.

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<sup>35</sup> <http://www.kz.undp.org/content/kazakhstan/en/home/presscenter/pressreleases/2013/08/26/green-bridge-conference-2013/>

<sup>36</sup> [http://mfa.gov.kz/en/#1/koncepcia\\_2020\\_engl/](http://mfa.gov.kz/en/#1/koncepcia_2020_engl/) accessed 7<sup>th</sup> March 2014

## ABOUT THE ECFA

Central Asia is a region larger than Western Europe and contains five countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Blessed with some of the richest and most diverse resources anywhere in the world, over the last twenty years the region has shown its commitment to become a reliable, long-term partner of the West.

Kazakhstan is Central Asia's engine for economic growth, and the Government of Kazakhstan has taken the lead in developing relations with the European Union. In its commitment to the process of deepening political and economic relations with the European Union, Kazakhstan is participating in the establishment of the **Eurasian Council on Foreign Affairs** (ECFA), which is a new and dynamic think tank working at the heart of the European Union.

The first Honorary President of the Eurasian Council on Foreign Affairs is H.E. Erlan Idrissoy, Foreign Minister of the Republic of Kazakhstan.

The Eurasian Council on Foreign Affairs has been modelled on the Council on Foreign Relations in the US, the United Kingdom's Royal Institute of International Affairs at Chatham House and the EU's own European Council on Foreign Relations. It is envisaged that over time, the Eurasian Council on Foreign Affairs will become a valuable and independent source of high-quality research, publications and information that will keep Europe fully abreast of the fast-changing development of the Central Asian region. This is a work-in-progress, and it will require dedication and commitment from the ECFA's team of researchers and writers.

The grant for the establishment costs and first-year programme of the ECFA has been provided by the Ministry of Foreign Affairs of the Republic of Kazakhstan. The ECFA and its staff are grateful for this generous donation and thank the MFA. It is envisaged that, as with similar institutions in other countries, governments in the region as well as corporate sponsors and private individuals will over the longer-term join the funding base of the ECFA.

A list of upcoming publications can be [found here](#). The formal [launch of the ECFA](#) is currently planned for November 2014, by which time we anticipate the establishment of a distinguished Advisory Council. The Director, Rauan Kenzhekhanuly, will provide regular news updates on the region in his [Blog](#), and you can [subscribe here](#) to receive all news updates as well as the ECFA's regular newsletters and bulletins.