



14 February 2020

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Resilient nations.*

**Minutes of the Local Project Appraisal Committee (LPAC) meeting  
for the project "Assistance to the Republic of Kazakhstan in fulfilling international  
obligations to reduce greenhouse gas emissions by reducing the carbon footprint of  
electricity suppliers for the leading technology company Bitfury"**

**Nur-Sultan**

**Participants:**

<b>Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan</b>		
1.	Mr. Magzum Mirzagaliyev	Minister
2.	Ms. Zhanat Samat	Advisor to the Minister
3.	Mr. Akhmetzhan Primkulov	Vice-Minister
4.	Mr. Demeu Seitzhanov	Deputy Chairman of the Committee for Environmental Regulation and Control
5.	Ms. Zulfiya Suleimenova	Deputy Director of the Department of Climate Policy and Green Technologies
6.	Mr. Maksat Yelemessov	Head of the Department of Forestry and Protected Areas of the Forestry and Wildlife Committee
7.	Ms. Dana Aldabergenova	Chief Expert of the Department of Climate Policy and Green Technologies
<b>UNDP</b>		
8.	Mr. Yakup Beris	Resident Representative
9.	Mr. Arman Kashkinbekov	Head of the Sustainable Development and Urbanization Unit
10.	Ms. Victoria Baigazina	Programme Associate of the Sustainable Development and Urbanization Unit
11.	Mr. Talgat Kerteshev	Biodiversity Projects Portfolio Manager
12.	Ms. Meruyert Sarsembayeva	Expert on Financial tools for Biodiversity conservation, BIOFIN
13.	Ms. Sabina Mendybayeva,	Communications Officer
14.	Ms. Meruyert Sadvakassova,	Communications Officer
15.	Ms. Aizhan Baimukanova	Biodiversity Projects Portfolio Assistant
<b>Bitfury</b>		
16.	Mr. Vadim Krutov	Chief of Staff, Global office Bitfury
17.	Mr. Timur Bairov	CEO Bitfury in Kazakhstan
18.	Mr. Kemel Aitzhanov	Bitfury Sales Manager in Kazakhstan
19.	Mr. Doskhan Kudaibergenov	Bitfury Expert in Kazakhstan

## **Agenda**

### **1. Welcome remarks**

**Mirzagaliyev Magzum Maratovich**, Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan

**Yakup Beris**, UNDP Resident Representative in the Republic of Kazakhstan

**Vadim Krutov**, Chief of Staff, Bitfury Global Office

### **2. Potential of Kazakhstan's forests in the context of fulfilling obligations under the Paris Climate Agreement. Legal and staff capacity of Kazakhstan for the implementation of forest carbon projects**

Talgat Kerteshev, UNDP Biodiversity and Ecosystems Projects Manager

### **3. Aim and objectives of the Project "Assistance to the Republic of Kazakhstan in fulfilling international obligations to reduce greenhouse gas emissions by reducing the carbon footprint of electricity suppliers for the leading technology company Bitfury"**

Meruyert Sarsembayeva, expert on economic mechanisms of environmental management of the BIOFIN-UNDP Global Program

### **4. Exchange of opinions, discussion and recommendations**

**Magzum Mirzagaliyev:** noted that the pressure on ecosystems was growing every year, and without natural carbon sinks, i.e. forests, the concentration of greenhouse gases would only increase, and it would be almost impossible to achieve the goals of the Paris Agreement. He emphasized that in addition to the efforts of the state, support and environmental responsibility of the private sector were extremely important and therefore the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan (MEGNR) welcomed the initiative of Bitfury and UNDP in the field of climate protection. The Minister also noted the success of the partnership with UNDP within the framework of the past and ongoing joint environmental projects; the high relevance of the new project for the Government of Kazakhstan within the framework of forest and climate protection activities and fulfilling national obligations under the Paris Agreement. The Minister outlined a few specific tasks for the Forestry and Wildlife Committee, Departments of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan on the development and approval of legal and regulatory acts to introduce a mechanism for carbon offsetting with forests.

**Yakup Beris:** noted that the project aimed to mitigate the effects of climate change by increasing the forest area of Kazakhstan, sustainable management of existing forests and biodiversity. He emphasized the role of private investment in implementing measures to reduce greenhouse gas emissions and noted the need to improve the current tools to combat climate change and the approaches to environmental management. He stressed the commitment of UNDP to assist the Government of Kazakhstan in the implementation of environmental activities that demonstrated new opportunities for sustainable development to the general public. He informed that UNDP had developed several legislative proposals for the draft of the new Environmental Code, which included new forest assessment methodologies, guidelines for the development and implementation of forest carbon projects in accordance with the UN climate agreements.

**Vadim Krutov:** emphasized the company's high environmental responsibility and commitment to achieve the Sustainable Development Goals. He expressed gratitude to the Ministry of Ecology, Geology and Natural Resources and UNDP for supporting the

company's initiative to demonstrate in practice the mechanism for offsetting greenhouse gas emissions. He noted that the new project being launched would allow having clear goals and objectives that would make it possible to offset the company's carbon footprint by 110%.


**Talgat Kerteshev:** made a presentation on the capacity of the forests of Kazakhstan in the context of fulfilling commitments under the Paris Climate Agreement. He outlined several problematic issues and opportunities for the implementation of forest carbon projects in the framework of the current legal and human potential of the country. He presented several priority areas for forest carbon projects. He noted the need to approve methodological documents, since local companies were not ready to carry out verification and validation of projects without a methodology for assessing the capacity of forests to absorb emissions. He stressed the importance of consolidating in the Environmental Code and by-laws the norms for the development and implementation of forest carbon projects, standards for the export of carbon units and attracting investments in the forest sector from private companies in any industry.

**Meruyert Sarsembayeva:** made a presentation on the goals and objectives of the project "Assistance to the Republic of Kazakhstan in fulfilling international obligations to reduce greenhouse gas emissions by reducing the carbon footprint of electricity suppliers for the leading technology company Bitfury". She spoke about the main stages, activities and expected results on the 4 components of the project. She provided information on the amounts of the expected energy consumption, the volumes of the expected CO2 emissions and the capacity of unaccounted forests to absorb CO2 with forests of the East Kazakhstan and Pavlodar regions.

#### **Summary / decisions taken:**





*The LPAC Committee made the following recommendations:*

1. To note the relevance of the project for the Government of the Republic of Kazakhstan in the framework of actions to protect forests, protect the climate and fulfill obligations under the Paris Agreement.
2. Endorse the project and assist in its successful implementation.
3. Signing the tripartite Partnership Agreement between the United Nations Development Programme in the Republic of Kazakhstan, the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan and Bitfury for implementing the Project "Assistance to the Republic of Kazakhstan in fulfilling international obligations to reduce greenhouse gas emissions by reducing the carbon footprint of electricity suppliers for the leading technology company Bitfury".




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**Yakup Beris**  
Resident Representative  
UNDP

Description/Background of attached Document	Comments by Clearing Officer and/or by SM
<p><u>Description/Background:</u> Minutes of the Local Project Appraisal Committee (LPAC) for the project "Assistance to the Republic of Kazakhstan in fulfilling international obligations to reduce greenhouse gas emissions by reducing the carbon footprint of electricity suppliers for the leading technology company Bitfury"</p> <p><u>SM:</u> For approval</p>	
<p>Initiated by: Victoria Baigazina </p>	<p>Date: 26.02.2020</p>
<p> Cleared by:  Zhanette Sabeshova Resources Monitoring Associate</p>	<p>Date: 26.02.20</p>
<p>Approved:</p>	<p> Date: 3.02.20</p>