

**Ерлан Дурмагамбетов, Управляющий директор по стратегии, устойчивому развитию и цифровой трансформации АО ФНБ «Самрук-Қазына»**

It is a great pleasure for me to attend the World Energy Week and XIV KAZENERGY Eurasian Forum. I would like to thank the organizers for kindly inviting me to the discussion session.

The global economy has reached the point where it has an urgent need for cooperation. The Trilemma Index, developed by WEC, underlines the three pillars of energy security, affordability and environmental sustainability.

The importance and relevance of this event for Kazakhstan appears even more substantial during these unprecedented times. The Covid-19 pandemic caused a severe disruption to the global economy and people's livelihoods, as a result introducing a renewed focus on the way our society interacts with the planet.

In Kazakhstan's energy mix the share of coal generation is relatively high at around 70%. One of world's cheapest prices for coal and electricity have led to the economy being very energy intensive, positioned 12<sup>th</sup> around the world. For countries in which coal generation continues to be the main source of energy, the rapid transition to renewable sources can lead to systemic problems with energy security, resulting in social instability and economic losses.

In addition, the growing demand for energy resources due to the rapid population growth, the digital revolution, automation and electrification of various industries have led to a disruption in the supply of electricity around the world.

Among the barriers on the way to achieve the Energy Trilemma, it worth mentioning electricity tariffs. Many years of preferring the social aspect over the economic and environmental one, namely by restraining electricity tariffs, have led to the fact that today we have enormous wear and tear of equipment and infrastructure, as well as lack of sufficient handling capacity. Therefore, the transition to the low carbon development requires structural shifts in the economy, supported by the government's commitment.

Kazakhstan has already entered the trajectory of sustainable economic growth, has noticeably improved the quality of life of its citizens and pursues a balanced foreign policy. In order to overcome electricity challenges, and reduce the country's emissions, Kazakhstan's policy is now based on promoting a more decentralised, balanced and environmentally friendly energy supply system. This recognizes not only the country's abundant fossil fuel sources, but the highly favourable landscape for renewable energy development.

The idea of energy transition marks structural changes in the system, both on demand and supply sides. From this viewpoint, all countries will have to strengthen environmental regulations, provide subsidies for R&D and optimize their economic structure with regard to clean energy. Besides, governments should help industries by stimulating and motivating entrepreneurs to invest in emissions reduction and energy-saving technologies.

As the world accelerates towards inclusive and sustainable future, at Samruk-Kazyna we have re-defined our strategic development program and policies to reflect the progressive commitment to reach carbon neutrality in the long-term. Moreover, we are currently working on a low-carbon development program, which represents a real challenge for us, considering that the company owns and operates the country's largest coal-fired power plants and key assets in the oil & gas, mining, transportation and other industries, accountable for more than 10% of the country's total CO2 emissions.

The energy challenges faced by each country are unique and complex, as evidenced by the variability in performance across the trilemma dimensions and contextual factors. The Index can help countries and energy stakeholders in an on-going dialogue to determine what areas of energy policies need to improve and examples from other countries that may help to determine which options might be more suitable.

In conclusion, in order to build a strong basis for prosperity and competitiveness, individual countries must balance the three core dimensions of what the World Energy Council have defined as the Energy Trilemma.

**Thank you!**