

PFM4CA Pilot Executive Briefing: Greening Public Financial Management

CLIMATE RISK WORKSHOP

Organization: Samruk-Kazyna (Kazakh SOE)

[Samruk-Kazyna](#) is the largest SOE in Kazakhstan. It is a holding company and includes enterprises of the oil and gas, transport and logistics sectors, chemical and nuclear industries, mining and metallurgical complex, energy and real estate. The Fund's assets amount to about USD 69 billion, which is around 26% of Kazakh GDP in 2023. This holding and its subsidiaries are also important employers and account for a significant share of employment.



Transition risks for a 1.5°C scenario: Net Zero by 2050

To evaluate transition risks, you are asked to consider the Network for Greening the Financial System (NGFS) Net Zero by 2050 scenario

This scenario assumes that strict climate policies are implemented immediately. Net CO₂ emissions reach zero by 2050, offering at least a 50% chance of limiting global warming to below 1.5 °C by the century's end, with minimal overshoot (<0.1 °C) in earlier years. While physical climate risks are low, the transition risks—such as economic disruptions from rapid policy and market changes—are high. (Source, NGFS, 2024)

Useful indicators for assessing transition risk under the Net Zero Scenario is available on pages 14-21 of NGFS (2021), [Climate Scenarios for central banks and supervisors June 2021](#). Please consult this material. It contains useful information.

Updated macroeconomic impacts from transition (and physical) risks are available on pages 24-27 of NGFS (2023), [NGFS Scenarios for central banks and supervisors November 2023](#). The NGFS Climate Scenarios Portal (<https://www.ngfs.net/ngfs-scenarios-portal/explore>) similarly visualises key indicators for 'Reaching net zero by 2050' – and allows you to compare these with a Current Policies scenario. Note, the Net Zero Scenario has been updated over time by NGFS.

Instructions for the assignment:

You are a team of advisors to the Board of Directors who have been tasked to:

- (i) identify the transition risks of the holding under the given scenario;
- (ii) try to “qualify” the magnitude of these potential fiscal impacts, e.g. low, medium, or high; and
- (iii) develop a strategy to address these transition risks. This strategy must consider that the holding generates substantial revenue for its owner, the Republic of Kazakhstan, and thus represents a significant financial risk to the public budget.

You will be asked to present your findings to the cohort of your peers.