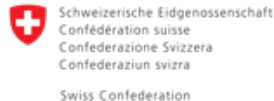


CAWEP

CENTRAL ASIA WATER & ENERGY PROGRAM



CAWEP-4 Newsletter • 1st edition • January - June 2024

Central Asia Water and Energy Program (CAWEP) has entered its fourth phase, and it is our great pleasure to share with you the first edition of CAWEP-4 Newsletter

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INVESTING IN WATER-ENERGY COOPERATION



US\$20 Million for Regional Water and Energy Cooperation Under a Changing Climate

Water and energy are intricately intertwined in Central Asia. Water scarcity compromises hydropower generation potential in the Kyrgyz Republic and Tajikistan, threatens the agricultural production in southern Kazakhstan, Turkmenistan and Uzbekistan, which, in turn, is requiring increasing amounts of energy for irrigation and increasing volumes of water for cooling thermal generation facilities. At the same time, regional cooperation holds multiple opportunities for reducing energy intensity of irrigation and decarbonizing regional energy production. As climate challenges mount, and economic growth increases water and energy needs in the region, CAWEP promotes regional cooperation for more resilient and better-integrated water and energy management.

In January 2024, long-term partners of the [Central Asia Water and Energy Program](#) (CAWEP) and the World Bank completed the signing process of the Administration Agreement to commence the fourth phase of the program in the region. The Swiss Confederation, represented by the State Secretariat for Economic Affairs (SECO), the European Commission on behalf of the European Union, and the United Kingdom of Great Britain and Northern Ireland through the Foreign, Commonwealth, and Development Office (FCDO) will provide continuous support to the implementation of the fourth phase of CAWEP, with an overall contribution of US \$20 million. This amount is significantly more than ever contributed by donors to any of the earlier phases of CAWEP.

Building on the encouraging results of the previous phases, CAWEP-4 pursues higher-level and more ambitious regional goals through policy dialogue and the development of regional institutions. The program seeks to deliver joint water-energy management, moving away from separate water and energy work. Additionally, CAWEP-4 aims to integrate climate change as an overarching theme, encompassing both adaptation and mitigation responses in water-energy management.



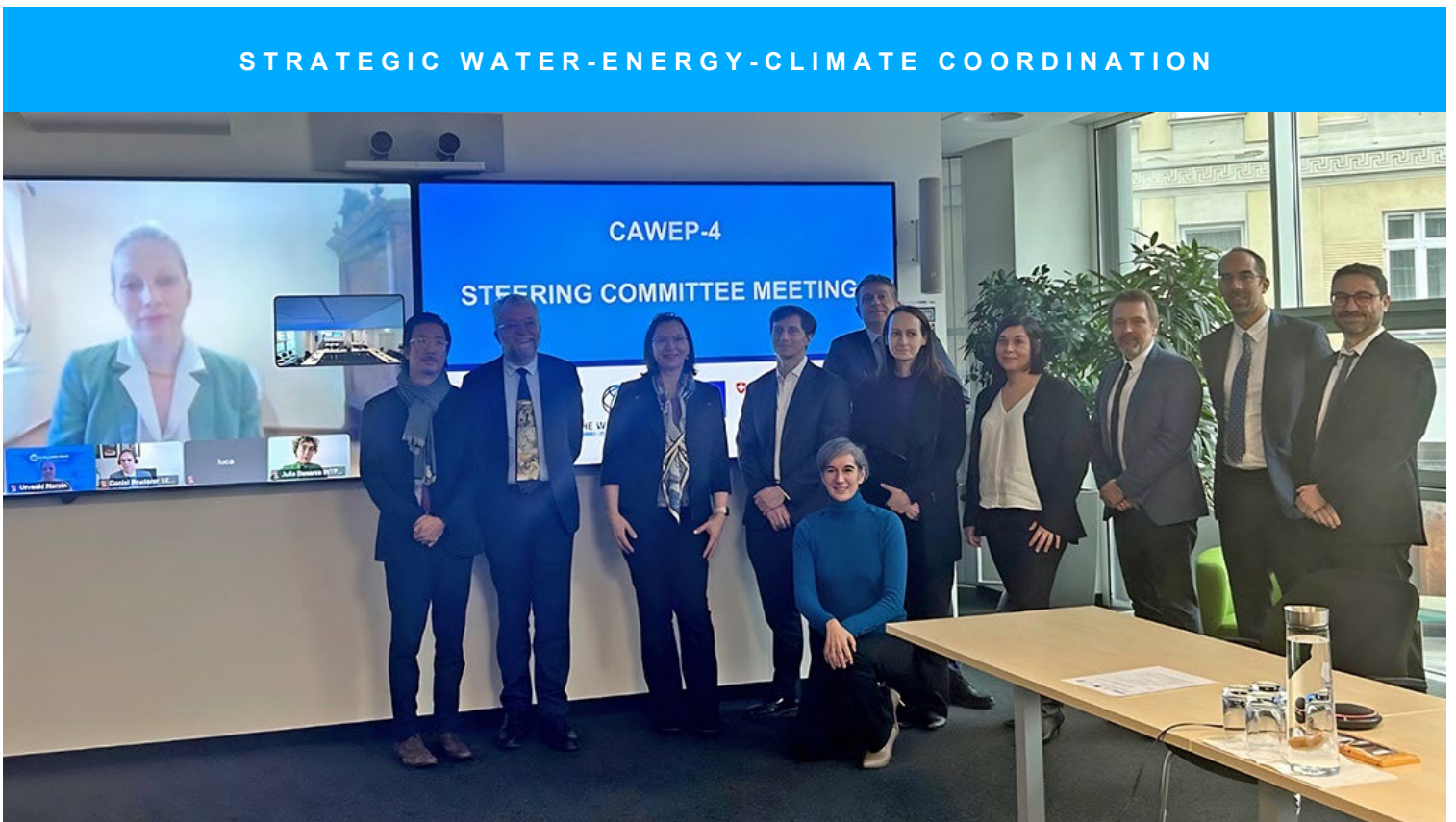
Listening to Our Client Countries

Between October and December of 2023, the CAWEP-4 team held a series of visits to Kazakhstan, Kyrgyz Republic, Tajikistan, Uzbekistan, and Turkmenistan introducing the goals of the CAWEP-4 program and gathering feedback on proposed activities. The team engaged with key government stakeholders to discuss priorities for enhancing regional water energy security, management, and climate resilience.

Discussions were held with a wide range of stakeholders, including Ministries of Water Resources, Energy, Ecology, and Foreign Affairs, as well as the International Fund for the Aral Sea (IFAS), the Scientific Information Center of the Interstate Commission for Water Coordination (SIC ICWC), Basin Water Organizations, Hydromets, other line ministries, research institutes, and the donor community.

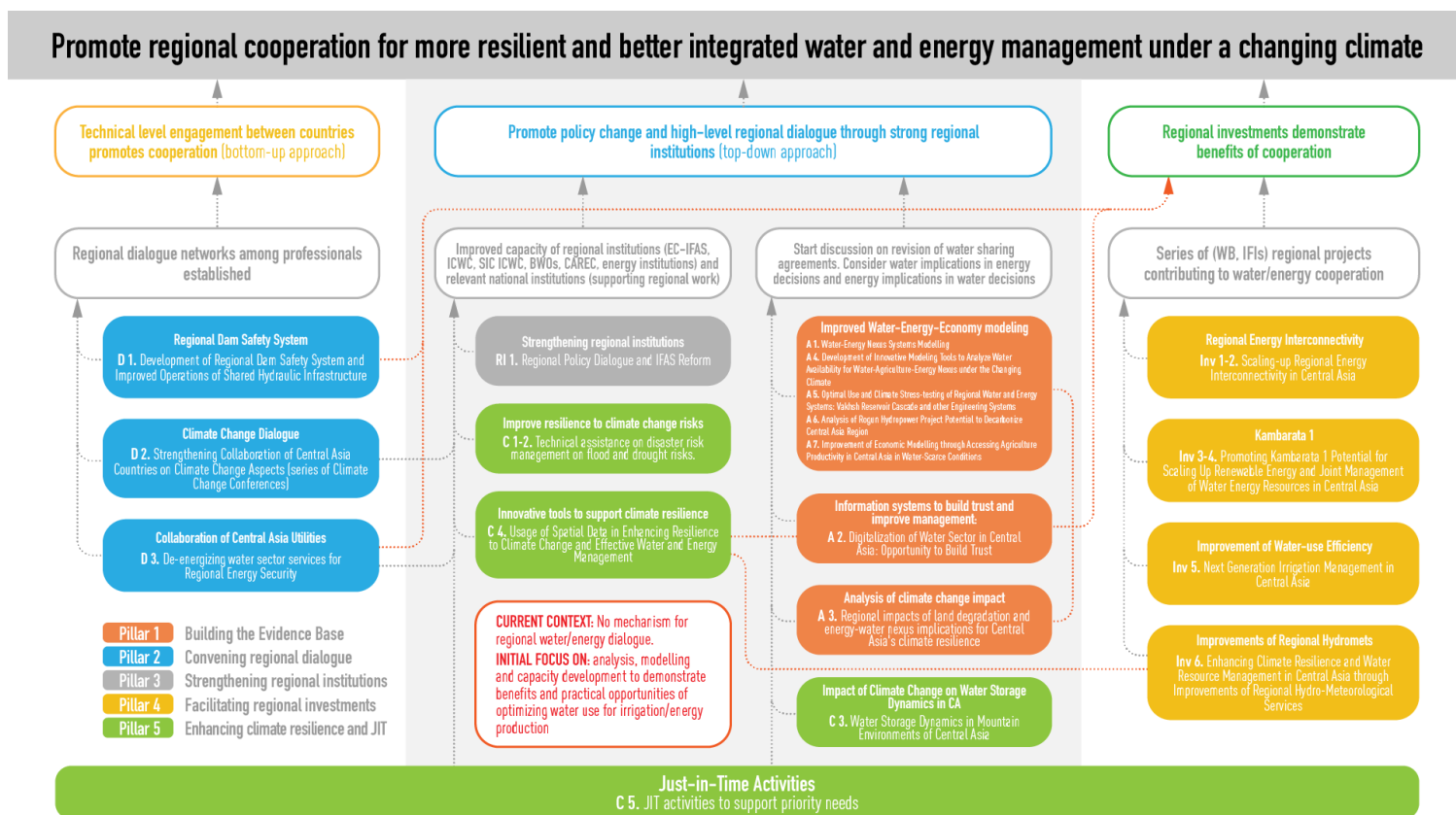


These consultations helped identify the areas of program work that would be beneficial for each country, as well as to formulate the work plan that was discussed by the CAWEP Steering Committee in February 2024. We hope that the close engagement with the client countries at the planning stage will ensure committed cooperation of the governments and other stakeholders through the program.



CAWEP-4 Steering Committee Approves Strategic Approach on Water–Energy–Climate Activities

CAWEP Steering Committee (SC) meetings are held annually to inform the partners about the program activities, ensure their agreement with overall strategy and approaches and inform them about the results of the program.



The first CAWEP-4 SC meeting on February 1, 2024, in Vienna discussed program priorities and the 2024 - 2025 annual plan, and approved **21 activities** supporting the five program pillars:

1. **Building the Evidence Base:** the impact of water on energy decisions and vice versa, assessing economic outcomes of various options for managing the regional water–energy system in the context of climate change.
2. **Convening regional dialogue:** supporting evidence-based high-level policy dialogue
3. **Strengthening regional institutions and relevant national institutions** through a series of technical-level engagements and the establishment of a professional network to enhance cooperation
4. **Facilitating regional investments**, such as the Regional Energy Market and the Kamarata project.
5. **Enhancing climate resilience and just-in-time support:** building regional and sub-regional resilience to climate change, ultimately improving water and energy management.

Moreover, the participants explored the next steps for the strategic water-energy dialogue and opportunities for enhanced coordination of water-energy-climate activities in the Central Asia region among the donor community.



Water–Energy Nexus in the Spotlight During the Visit of the World Bank Group Executive Directors

On March 9th, 2024, a delegation of the World Bank Group Board of Executive Directors (EDs) concluded [a landmark visit to Central Asia](#). The EDs observed the region's development efforts firsthand in the Kyrgyz Republic, and Tajikistan, with a particular focus on climate change through the prism of the water-energy nexus.

Dominique Favre, the World Bank's Executive Director for a group of countries including Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan, particularly welcomed the increased focus on regional projects to address the many joint challenges Central Asian countries are facing.

CAWEP-4 team showcased the program as a stellar example of regional partnership. CAWEP partners and other key players on water, energy and climate agenda confirmed close cooperation with the World Bank, giving the EDs an extensive overview of the regional water-energy-climate agenda.

27-29.05.2024



ЦЕНТРАЛЬНО-АЗИАТСКАЯ КОНФЕРЕНЦИЯ ПО ВОПРОСАМ ИЗМЕНЕНИЯ КЛИМАТА
Соединяя климатические цели с действиями: воплощение амбиций в реальность

THE CENTRAL ASIA CLIMATE CHANGE CONFERENCE
Bridging Climate Goals with Action: Making Ambitions a Reality

Experts from Across Central Asia Discussed the Impact of Climate Change on the Region

Delegations from the countries of Central Asia and international experts gathered in Almaty, Kazakhstan, from May 27 to May 29, 2024, to discuss pressing issues around sustainable water and land management, energy, food security and environmental sustainability in the context of climate change in the region.

Central Asia is increasingly impacted by climate change and climate-driven water scarcity, land degradation, and natural disasters. [The Central Asia Climate Change Conference \(CACCC\)](#) serves as an annual platform for multilateral dialogue to advance regional cooperation in addressing climate change impacts and transboundary climate risks. This year's conference gathered over 400 participants, including policy- and decision-makers from Central Asia countries, international development partners, civil society, the private sector, and academia. Participants reviewed progress, challenges, and gaps in the implementation of climate commitments of Central Asian countries, issues of carbon neutrality, green transition and security, and explored possible further collective action to reduce climate-related disaster risks. The participants also reviewed available platforms and capacity for strengthened regional cooperation on climate change adaptation.



The countries participating in CACCC have also discussed the participation of their governments in the upcoming 29th Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC COP29) scheduled for November 11-22, 2024, in Baku, Azerbaijan.

The CACCC-2024 was organized by the Regional Environmental Centre for Central Asia (CAREC) within the Climate Adaptation and Mitigation Program in the Aral Sea Basin (CAMP4ASB), Central Asia Water and Energy Program (CAWEP), and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), in cooperation with The Global Partnership for Sustainable and Resilient Landscapes (PROGREEN), NDC Partnership (NDCP), Coalition for Capacity on Climate Action (C3A), Asian Development Bank (ADB), Asian Development Bank Institute (ADBI), International Organization for Migration (IOM), and the International Federation of Red Cross and Red Crescent.

Read more about the event [here](#).

MEDIA TRAINING FOR JOURNALISTS



Media Training on Climate Journalism for Content Creators

In May 2024 CAWEP and [PROGREEN](#) organized a three-day media training for 23 journalists and bloggers from across Central Asia to raise their awareness of climate issue and build capacity to better understand and report on how climate change impacts people's lives, the economy, and development. Different experts, including environmentalists and economists, explained regional climate related challenges to participants. CAWEP presented its goals, exposing content makers to the complex regional water and energy challenges and possible solutions. Representatives of the World Bank's [RESILAND](#) and Climate Adaptation and Mitigation for the Aral Sea Basin ([CAMP4ASB](#)) programs told participants about protecting, restoring and making more resilient Central Asia landscapes on which so many livelihoods depend.

After the training, participants attended the 2024 Central Asia Climate Change Conference (CACCC), where they connected with and interviewed regional experts, helping spread the knowledge on climate-related challenges and solutions. As a result, within one week after the start of the conference, they made 90 different publications directly reaching over a million people. The publications included general information about the conference and interviews with experts on different climate related topics.

At the final session of the CACCC, journalists from Central Asia made a joint appeal to climate experts for more simplified information about climate change and its impact on the people of the region, so they can better understand and deliver crucial climate-related messages to their audiences.



Clean Energy Transition in the Kyrgyz Republic Attracts International Donors and Investors at Energy Forum

The Government of the Kyrgyz Republic, with the support of the World Bank Group, convened a meeting of high-level delegations from Central Asia, Europe, the Middle East, international financial institutions, and private investors to discuss the future of energy in Central Asia at the [Kyrgyz Republic International Energy Investment Forum](#). The forum took place on June 10, 2024 in Vienna and was co-hosted by the Government of Austria. CAWEP and the Energy Sector Management Assistance Program (ESMAP) supported the forum.

The forum brought together over 200 delegates and showcased the Kyrgyz Republic's progress in energy sector reforms, explored investment opportunities, and emphasized the region's potential to expedite a clean energy transition. The Government of the Kyrgyz Republic presented 12 investment opportunities amounting to US\$16 billion, focusing on hydropower and solar initiatives that will expand and diversify the country's power generation and maximize the impact of public and private investments.



A key focus of the forum was the Kambarata-1 hydropower project (HPP), a strategic initiative poised to transform Central Asia's energy and water sectors. Kazakhstan, the Kyrgyz Republic and Uzbekistan signed the [agreement on cooperation in construction of the Kambarata-1 Hydro Power Plant](#). Supported by unprecedented cooperation among these three countries, the project will elevate regional cooperation ensuring energy security and green transition, while also improving the water supply across seasonal and cyclical variations. This, in turn, will bolster irrigation, water supply, and food security across the region.

The forum inaugurated the Kambarata-1 HPP Donor Coordination Committee, comprising major international financial institutions and development partners. Participants agreed that the Donor Coordination Committee will establish an effective multilateral platform aimed at providing a holistic and comprehensive support on the development of the Kambarata-1 HPP project within a sustainable macro-economic, commercial, environmental, and social framework.

Read more about the forum [here](#).

UZBEKISTAN'S IRRIGATION SECTOR REFORM



CAWEP Supports Irrigation and Drainage Sector Reform in Uzbekistan

Agriculture accounts for 90 percent of Uzbekistan’s water use, and irrigated agriculture accounts for about 25 percent of the country’s workforce and GDP. In anticipation of future water shortages arising from the effects of climate change and increasing competition for this scarce resource, the government is seeking greater water use efficiency in the irrigation and drainage (I&D) sector. A shift toward a service-oriented approach in irrigation is envisaged by Uzbekistan Water Sector Development Concept (2020-2030).

CAWEP-3 has supported the irrigation and drainage (I&D) sector reform with the policy note that explores the potential for a service-oriented and performance-based approach to accelerate the transformation of the I&D sector. [Policy Perspective for Irrigation and Drainage Sector Reform](#) highlights:

- Efficiency improvements can be achieved through (i) expanding technologies for water accounting and monitoring water use and (ii) addressing human resource and political economy constraints.

- I&D investments must shift from a simple focus on spending more on infrastructure toward a focus on spending better, i.e., on the right objectives.
- The sector can spearhead the country's green growth and decarbonization efforts. Electricity costs of pumping account for 65-70 percent of budget expenditures in the sector and more than 3 million tonnes of carbon dioxide equivalent (CO₂ eq) emissions every year, or about 2 to 3 percent of the country's total emissions.

The policy note identifies a set of next steps for moving the reform agenda forward, including a framework for development partners to engage in this process. Read the full [publication](#) on the World Bank website.

This quarterly newsletter follows the progress of CAWEP-4 and highlights some of the inspiring results achieved by our teams that promote regional cooperation for more resilient and better integrated water and energy management under a changing climate.

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CAWEP funds initiatives that improve water and energy management under a changing climate, strengthen national and regional institutions, and facilitate regional dialogue on water and energy security.

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