

#### IN THIS ISSUE

- CAWEP-4 Reached Its Initial Fundraising Goal
- Empowering Central Asia's Hydromet
- Sustainable Hydropower Energy in Central Asia Discussed with Financiers in Brussels
- Building Bridges: Key Outcomes from the 13th IFAS Working Group Meeting
- Closing the Gap Between Theory and Practice: Evidence-Based Decision-Making in the Water-Energy-Food Nexus
- CAWEP Supports Electricity Trade in Central Asia

# **CAWEP-4 Reached Its Initial Fundraising Goal**



Collage of images by Midjourney

We are thrilled to announce that, with an additional contribution from the United Kingdom, the CAWEP program has reached its initial fundraising goal. In December 2024, our longstanding partner, the Foreign, Commonwealth, and Development Office (FCDO), announced the allocation of additional funds totaling nearly \$2 million to the program.

This generous contribution will significantly enhance our efforts in the water and energy sectors throughout Central Asia. With these additional resources, we are better equipped than ever to achieve our goals and continue our impactful work for the benefit of the region.

We extend our heartfelt gratitude to all our donors, including the European Union, as well as the governments of Switzerland and the United Kingdom, for their unwavering trust and commitment to our mission and efforts to create positive change.

### **Empowering Central Asia's Hydromet**

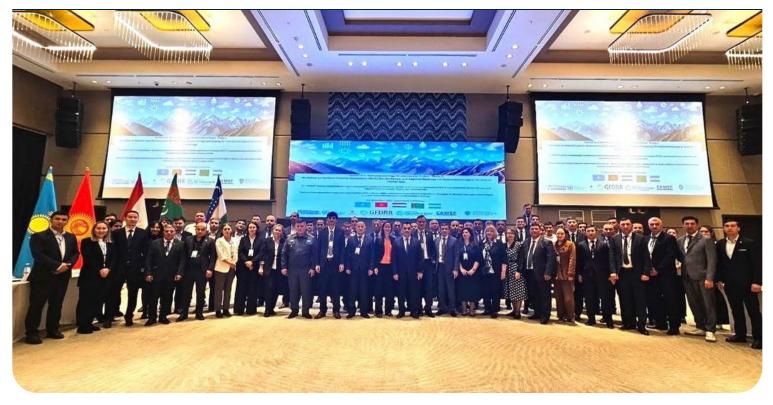


Photo: Participants of the Central Asia Hydrometeorological Workshop in Samarkand. (C) World Bank

Enhancing the accuracy of weather forecasts and establishing robust early warning systems for natural disasters is one of the goals of CAWEP. More accurate data helps to manage weather and climate risks, supporting informed decision-making in the economy and protecting communities from the impacts of natural disasters.

In November 2024, the Central Asia Hydrometeorological Workshop, organized with the backing of the World Bank, was convened in Samarkand, Uzbekistan. This collaborative event gathered officials from hydrometeorological services across Uzbekistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkmenistan. The workshop aimed to enhance regional cooperation in the framework of the Second Phase of the Central Asia Hydrometeorology Modernization Project (CAHMP II).

A highlight of the workshop was the completion of National Capacity Assessments (NCATs) in hydrology for all five participating countries. The NCAT, created by the World Meteorological Organization (WMO), helps countries evaluate and improve their meteorological and hydrological services. It identifies strengths and weaknesses in these services and provides guidance on how to enhance them to meet international standards and national needs. This tool supports better weather and climate services, aiding decision-making and economic development in sectors like energy, water management, agriculture, and disaster risk reduction. NCAT promotes collaboration among government agencies, academia, and the private sector at national and regional levels.

The NCAT assessments were made possible by grants from CAWEP and the Global Facility for Disaster Reduction and Recovery (GFDRR), and invaluable support from the World Meteorological Organization.

Additionally, participants reviewed the measures for promoting regional cooperation in hydrometeorology proposed in the draft Regional Roadmap for Capacity Development of Hydrometeorological Services under the CAHMP II project, including:

• Establishing mechanisms for data and knowledge sharing to enhance hydrometeorological services.

- Expanding training programs to build the technical expertise of hydrometeorological personnel.
- Implementing forecasting methodologies that evaluate the impacts of weather and climate on sectors such as agriculture and disaster risk management.

The workshop exemplifies the collaborative spirit and commitment to disaster risk reduction among Central Asian countries and the support of GFDRR to the regional hydrometeorological services.

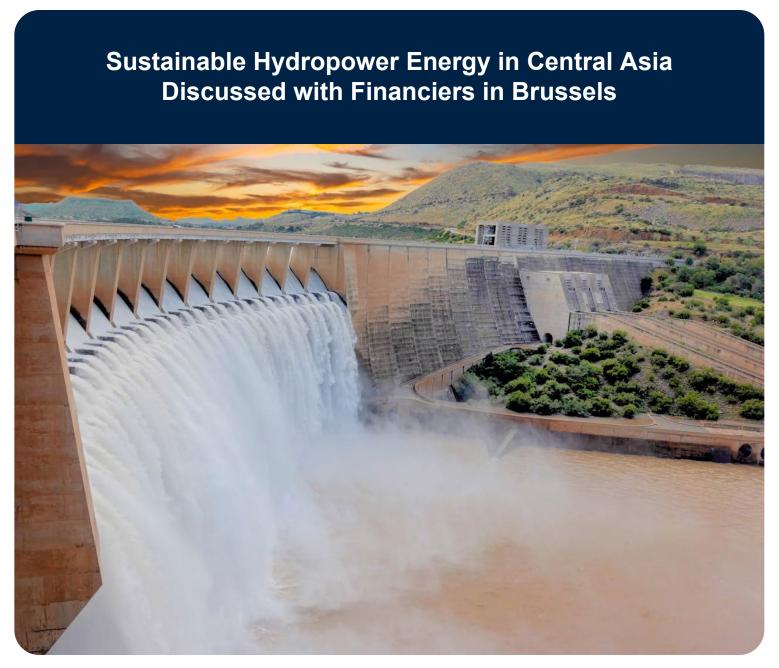


Photo by Frans van Heerden from Pexels

On November 18 and 19, 2024, the World Bank hosted a director-level, donors-only meeting at its office in Brussels, Belgium. The two-day event, supported by CAWEP, brought together donors involved in the financing of the Rogun Hydropower Project and the Kambarata-1 Hydropower Project. The discussions focused on potential financing structures and cooperation among donors. The meeting emphasized the need for a coordinated approach among donors to successfully address the projects' challenges and maximize opportunities for broader sustainable development in the region.

## Building Bridges: Key Outcomes from the 13th IFAS Working Group Meeting



Photo: Participants of the 13th IFAS Working Group Meeting in Almaty discussing regional cooperation and institutional reforms. (C) World Bank

On December 12 and 13, 2024, in Almaty, Kazakhstan, the Working Group on the Reform of the International Fund for Saving the Aral Sea (IFAS WG), supported by CAWEP, held its 13th meeting. Representatives of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan, including officials from the ministries of water, energy, and foreign affairs, engaged in constructive discussions aimed at strengthening regional cooperation. Hamidulla Shamsiyev, Director of the Regional Coordinating Dispatch Center (CDC) Energia, shared valuable insights on the need for and potential structure of regional cooperation mechanisms for the energy sector.

Following intense discussions, the group reached a consensus on proposed revisions to the internal structure and a potential new name for the organization that is "Organization for Cooperation of Aral Sea Basin Countries." While the agreement is still subject to formal endorsement by all participating countries, this is a significant step forward within the third stage of the reform process.

CAWEP has been supporting the discussion on IFAS reforms and is committed to contributing to the

development of statutes for the commissions of the reformed organization. In January 2025, the IFAS Secretariat formally requested assistance with this task. The next Working Group meeting, tentatively scheduled for May or June 2025, will review the new statutes.

### Closing the Gap Between Theory and Practice: Evidence-Based Decision-Making in the Water-Energy-Food Nexus



Image by DALL·E

Water, energy, and food sectors are intricately connected, especially when they compete for scarce resources. In the face of climate change, economic volatility, and fast-evolving political environments, evidence-based decision-making is crucial for robust policymaking.

While computational methods have advanced quantitative modeling, policymaking has not fully benefited from these advances in research. The lack of communication between researchers and policymakers has hindered progress in addressing practical issues at the intersection of water, energy, agriculture, and economics.

To bridge this gap, on December 10, 2024, the World Bank organized a life-streamed webinar on evidence-based decision-making in the water-energy nexus focused on applying advanced modelling to policy issues in Europe and Central Asia. Held in collaboration with the Stockholm Environment Institute and Texas A&M Energy Institute, the event took place on the sidelines of the American

Geophysical Union Conference in Washington, DC, USA.

During one of the panel discussions, participants learned about the CAWEP-4 funded water-energy systems modeling work in the Aral Sea Basin. These models can support resource planning by demonstrating the likely outcomes of today's decisions in each subsystem for the future of the whole basin. Here are some key takeaways from that session:

- Policymakers need to balance the needs of the agricultural and energy sectors by rethinking traditional water allocation strategies and investing in efficient technologies.
- Regional cooperation in water and energy management is essential for addressing the variations in output under different climate scenarios and management strategies.
- Evidence-based analysis is critical for informing policy decisions and guiding investments in water and energy infrastructure across Europe and Central Asia.
- Adopting adaptive, climate-resilient, and integrated water management strategies can help navigate the trade-offs between hydropower generation and agricultural production, ensuring sustainable water resource management.

The webinar, which brought together over 150 participants, including experts from Central Asia, emphasized the importance of involving local stakeholders in modeling and knowledge exchange to inform decision-makers effectively.

## **CAWEP Supports Electricity Trade in Central Asia**



Collage of images from Freepik

The energy sector has been a key driver of economic growth in Central Asia for years and will continue to play an important role in regional economies as the region transitions toward cleaner, greener, and more inclusive development. However, aging energy infrastructure, high energy losses, and frequent outages pose significant challenges. Current electricity losses in Central Asian countries are estimated to be <u>15–20%</u> of total net generation, contributing to disruptions at both national and regional levels.

The World Bank's Regional Electricity Market Interconnectivity and Trade (REMIT) Project, currently under preparation, aims to enhance energy trade and connectivity in Central Asia. One of REMIT's key components focuses on strengthening existing national and regional institutions to support ongoing and planned investments.

As part of this effort, CAWEP facilitated a knowledge exchange tour to Nord Pool in Oslo, Norway, a leading European power market. The tour provided energy sector experts and policymakers from Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan with an opportunity to learn from the experience of designing electricity markets, regional energy connectivity and trade in Norway, Europe and Southern Africa. The delegation from Central Asia discussed with their hosts market transparency, regulatory frameworks, and cybersecurity related to the operation of the local electricity market.

This exchange tour underscores the World Bank's commitment to fostering regional collaboration, connectivity, and capacity building in the energy sector. Learn more by watching this video: <u>Building</u> <u>Central Asia's Energy Future: Lessons from Norway's Electricity Market</u>.

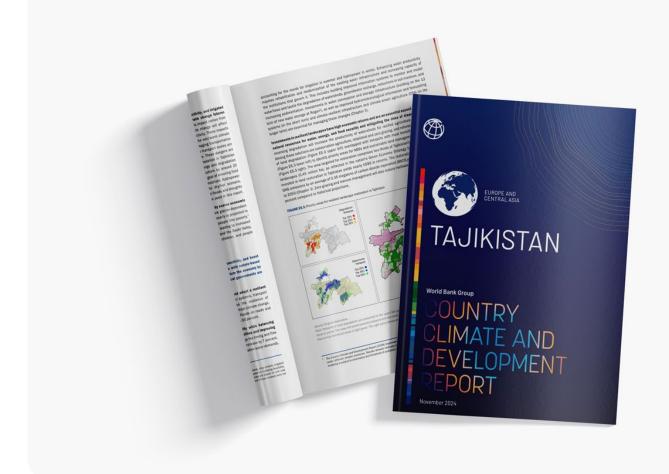
#### PUBLICATIONS

#### **Tajikistan Country Climate and Development Report**

CAWEP team is excited to present <u>the Tajikistan Country Climate and Development Report (CCDR)</u>, exploring the impact of climate change and global decarbonization on Tajikistan's development. The report, prepared with the support of CAWEP, identifies key areas for enhancing climate resilience and deepening decarbonization. It outlines priority recommendations for a successful green transition in Tajikistan. These recommendations emphasize structural reforms, climate-conscious policies, and inclusive strategies for a resilient and sustainable future.

Over the past two decades, Tajikistan has achieved economic growth and poverty reduction. However, its reliance on natural resources and remittances is unsustainable, as it depletes natural capital and limits job creation.

The government's green transition plan prioritizes renewable energy and aims to enhance energy security, foster economic growth, and increase regional electricity exports. However, further efforts are needed to transition to a resilient development path. A complementary reform program is needed to unlock significant economic benefits, promote climate adaptation, and support low-carbon development. These efforts will not only benefit Tajikistan but also strengthen Central Asia's electricity systems.



Climate change poses significant risks to Tajikistan, threatening water security, agricultural productivity, and infrastructure. It may reduce GDP per capita by as much as 5-6% by mid-century and push 100,000 people into poverty. Adaptation measures to mitigate climate change risks should focus on water management, increased resilience of landscapes, climate-smart agriculture, and disaster risk management.

A low-carbon development pathway offers a more resilient and prosperous future, with near net-zero emissions in energy and waste sectors by 2050, boosting economic growth, and job creation and reducing air pollution. Achieving these goals requires substantial investments and institutional reforms to mobilize private capital and attract green foreign investment. Development partners can contribute to Tajikistan's green transition and climate resilience by providing financial assistance, technical expertise, and capacity building. Read more <u>here</u>.

#### MULTIMEDIA

We are excited to share a new short video that highlights the main goals of the Central Asia Water and Energy Program. The <u>video</u> provides an overview of how CAWEP supports regional cooperation, sustainable water and energy management, and climate resilience in Central Asia.



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.

Subscribe • Unsubscribe from this list

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.

This newsletter was produced by financial support of the European Union, Switzerland and UK. Its content is the sole responsibility of the World Bank and can in no way be taken to reflect the views of CAWEP donors.

For more information visit our website.

Copyright © 2025 The World Bank Group. All rights reserved.