

CAREC

**REGIONAL
ENVIRONMENT CENTER
FOR CENTRAL ASIA**



Annual Report 2014

CAREC

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01 WELCOME BY THE CHAIRMAN OF THE BOARD



Dear colleagues!

Let me welcome you on behalf of the CAREC Board of the Regional Environmental Center for Central Asia!

2014 has become for the Regional Environmental Center for Central Asia the year of endorsement of very important strategic documents – Concept of Development, Strategic Plan for 2014-2020 and Concept of Cooperation with Non-governmental Organizations. The endorsement of these documents made it possible for CAREC to introduce internal standards and to enhance the role of the Center as the platform for environmental cooperation in the region.

CAREC has considerably widened its cooperation framework, both with international and regional institutions and organizations. It has signed MOUs and Cooperation Agreements with a number of international and national research institutions.

CAREC takes an active part and contributes to the cooperation between regional organizations, such as the International Fund for Aral Sea and its executive structures, i.e. the Inter-state Commission for Water Coordination (ICWC) and the Inter-state Commission for Sustainable Development (ICSU). Memorandum of Understanding (MoU) has been signed with both SIC ICSU and with SIC ICWC, which opens up the possibility to implement joint projects aimed to address environmental problems in the region.

This annual report reflects the Center's activities covering its for targeted programs: Environmental Management and Environmental Policy; Support to Water Initiatives; Climate Change and Sustainable Energy and Education for Sustainable Development.

Dr. Mukhammet Durikov

Chairman of the CAREC Board of Governors,
i.a. Director of the National Institute of Deserts, Plants and Wildlife
Under the Ministry for Environment of Turkmenistan

02 WELCOME BY THE EXECUTIVE DIRECTOR



The Regional Environmental Center for Central Asia (CAREC) continues to operate successfully as a regional platform for cooperation on environmental areas.

CAREC was established as a platform for regional cooperation and as a link between Central Asia and global environmental processes. Recently, the Center has been transforming from a core budget-based organization into a regional entity, which is entirely project-based. CAREC has started to regain its regional status. As a project organization CAREC is active in four programme areas: Environmental Management and Policy, Climate Change and Sustainable Energy, Education for Sustainable Development and Water Initiatives Support. Since 2001 the Center has implemented 228 projects with the total budget of more than 19 million Euros. Until the end of the year 2014, CAREC will receive 1,365 million Euros¹ funding from different donor organisations supporting CAREC's projects.

For more than five years, CAREC has demonstrated its ability to transform successfully from a core budget funded organization into an entirely project funded organization. Still, the “disconnect” between the sources of CAREC's support and funding and its governance as an organization is so far not reflecting the changes which took part.

Undoubtedly the re-orientation of CAREC of having been entirely funded by one organization into an entity, which is supported by a wide spectrum of donors, both geographically, but also from both governmental- as well as private sector, was unique for any regional institution

in Central Asia.

In the short and medium term CAREC's appeal was based on the perception of CAREC by donor institutions considering CAREC's reorientation as a social entrepreneur as a true ovum, which proved that it was indeed able to operate successfully in Central Asia for an extended period. Yet, at a time of economic uncertainties, sustaining CAREC's current momentum remains a challenge.

A process of contemplating new governance approaches has to be considered in close dialogue with CAREC's board to ensure CAREC's long term sustainability – early considerations range from an assessed shared contribution to CAREC by its member states to creating a CAREC development fund, which would allow a much more proactive approach by CAREC as it would provide the material base for developing proposals in line with the needs of Central Asia rather than solely responding to tender calls by major bi- and multilateral organizations.

In 2015 CAREC will consider to establish an internal working group to develop a set of options to ensure a longer term sustainability of its organization so as to be able to respond adequately to the new challenges which will result from major global environmental meetings which will take place next years such as the COP 21 in Paris, France.

This report is a summary of CAREC's activities in 2014 focussing on its emerging regional role.

Dr. Iskandar Abdullaev

Executive Director
The Regional Environmental Center for Central Asia

¹ Estimate, based on the figures provided in chapter 7

03 HIGHLIGHTS, CHANGES AND CHALLENGES

HIGHLIGHTS OF THE YEAR 2014

In 2014, CAREC strengthened its role as a regional platform for environmental cooperation in Central Asia. The year started with the 32nd Meeting of the CAREC Board approving three strategic documents of CAREC: (i) The Change Concept, (ii) The 2014-2020 Strategic Plan, and (iii) The Concept of Cooperation with NGOs. These documents have shaped CAREC's internal and external environment. The Center has managed to introduce internal standards and is actively promoting regional cooperation through its Strategic Plan and the NGO Partnership Concept.

In 2013-2014 CAREC has undergone significant institutional changes to transform itself into a sustainable organization. The Change Concept targets improvements in the fields of organizational governance, performance, partnership as well as information and knowledge management. The changes imply setting up internal support units to assist CAREC in the implementation of its mandate through its programmes and country offices. To increase its overall performance CAREC has established a management group, introduced an intranet and streamlined its organizational structure.

CAREC's Programmes have continued their participation in flagship activities such as the Nationally Appropriate Mitigation Actions (NAMA), Payment for Ecosystem Services (PES), Integrated Water Resources Management (IWRM) and Shared Environmental Information System (SEIS). The Center is a regional pioneer of those instruments and interventions in Central Asia.

CAREC has also expanded its portfolio with projects aiming to facilitate synergies between research and development such as the "Valuation of Ecosystem Services for Improving Agricultural Water Management in Kazakhstan" implemented jointly with the International Center for Agricultural Research in the Dry Areas (ICARDA). The main aim of such partnerships is to couple research and development interventions in the CA.

CAREC has regained its regional role and successfully built working relations with other regional institutions like International Fund for Saving the Aral Sea (IFAS), Interstate Commission for Water Coordination (ICWC) and the Interstate Commission on Sustainable Development (ICSD). The Center signed corresponding Memorandum of Understanding (MoU) and started to back those with activities. For example, CAREC is implementing the ASBP-3 together with EC IFAS, supporting the ICSD in preparing various regional initiatives and is jointly implementing projects with the SICs of ICWC and ICSD.



22nd Meeting of the OSCE Economic and Environmental Session

03 HIGHLIGHTS, CHANGES AND CHALLENGES

ORGANISATION DEVELOPMENT

CAREC's organisation development process is orientated towards the implementation of the Strategic Plan 2020. Already tangible results have been achieved in all four directions of change:

RESULTS

| STRATEGIC DIRECTION | | | |
|--|---|--|---|
| GOVERNANCE | PARTNERSHIP | PERFORMANCE | INFORMATION AND KNOWLEDGE MANAGEMENT |
| <ul style="list-style-type: none"> Supportive and proactive CAREC Board Improvement of CAREC's structure More transparent decision making Management team Staff assessments Staff benefits | <ul style="list-style-type: none"> NGO Partnership Concept Strengthened national, regional and international Partnerships New consortiums formed CAREC recognized as knowledge center CAREC expertise is in demand | <ul style="list-style-type: none"> Improved Reporting (CAREC Annual Reports, Project reports) CAREC Events (CAREC conference) Improved quality of services Systematic products | <ul style="list-style-type: none"> CAREC Intranet and web site News and improved information flow Value of CAREC's information and knowledge |

A review of the change process stated the fast process of CAREC's organisation development within the 1st phase, where much of the development was directed to internal processes and partnerships.

While moving towards the 2nd phase, soft factors such as resource mobilization, communication and entrepreneurial skills and governance aspects will gain further importance.

03 HIGHLIGHTS, CHANGES AND CHALLENGES

ACHIEVEMENTS, CHANGES AND CHALLENGES

Environmental issues in Central Asia are still excluded from the mainstream priority policy-making as Central Asian states tend to focus more on socio-economic challenges. Some countries of the region are among these with the highest environmental footprint and the highest input of natural resources per produced economic output worldwide. Lately states re-affirmed their will to transfer their economic development to a more sustainable and “greener” growth pattern. All Central Asian states renewed their respective legal basis for sustainable development and green growth, where Kazakhstan with the Green Economy Concept, is taking the lead. On the regional level the efforts on setting up a regional environmental program, i.e. the Aral Sea Basin Program 3 (ASBP-3), targeted to revitalize regional environmental cooperation. Approved by the 5 CA states and widely shared with international partners, the ASBP-3 could become a joint regional environmental cooperation strategy. The Interstate Commission on Sustainable Development (ICSD) has launched negotiations with member-states and international partners to renew the Regional Environmental Goals (REG). If this initiative succeeds, the REG could play the role of the legal basis for strengthening regional cooperation in Central Asia.

CAREC has attended the International Donor Conference in Urgench, 28-29 October 2014 and signed a MoU with the State Committee for Nature Protection of Uzbekistan and the Executive Committee of the International Fund for Saving the Aral Sea for the joint implementation of the Aral Sea Basin (ASBP-3). This strengthen CAREC’s role as a facilitator for regional environmental cooperation.



04 PROGRESS REVIEW

CAREC addresses environmental and development challenges at the local, national and regional level through multi-state and multi-stakeholder cooperation and knowledge exchange. CAREC is supporting the development and implementation of innovative environmental development policies, management approaches and international best practices in the region through its four key programmes:

- I Environmental management and policy,**
- II Water initiative support,**
- III Climate change and sustainable energy,**
- IV Education for sustainable development.**

Coherent and coordinated activities of CAREC programmes, in line with the priorities of the Central Asian states and societies, are realizing synergies thus adding value to individual projects which is a unique strength of CAREC and a main driver for the successful realisation of CAREC's mandate.

Mandated by both, the Central Asian States and civil society, CAREC acts as a catalysing and coordinating body addressing environmental and sustainable development challenges as a social entrepreneur for the best of Central Asia. The efforts of CAREC and its key thematic programmes to respond to tenders of various bi- and multilateral organizations aims to close "the disconnect" between our mandate as a regional organization and the still limited commitment of the countries represented.

As a project-based organization, CAREC is committed to transparency and accountability; international standards for project and financial management, including regular audits of projects. CAREC's performance ensures its compliance with the procedures of various international development partners.



04 PROGRESS REVIEW. ENVIRONMENTAL MANAGEMENT AND POLICY PROGRAMME

The objective of the Environmental Management and Policy (EMP) programme is to support Central Asian countries improving environmental management and monitoring on the local, national and regional levels. The EMP programme supports national strategies and regional initiatives and assists member-states to respond to national commitments resulting from multilateral agreements.

The EMP follows two main directions:

EMP supports partner countries to develop compatible environmental information and reporting systems and facilitates the development of respective national environmental policies;

EMP works on an integration of environmental economics and ecosystem services into policy making and development planning through the establishment of incentive-based economic management approaches and modelling tools.

The programme works both at the political level and at the local level to pilot, evaluate and mainstream best management and policy approaches.

Results

In 2014, the EMP initiated projects with new partners, namely the United Nations Environmental Program (UNEP) and the International Center for Agricultural Research in Dry Areas (ICARDA). These projects are oriented towards a range of research-oriented activities, expected to deliver practical and relevant insights to decision makers. With the support of ICARDA, a SWAT (Soil Water Assessment Tool) model has been calibrated in the Turkestan district of Kazakhstan based on main biophysical indicators of the project area. This model will assist in developing different scenarios in terms of land or water, pesticides or fertilizer use change, so that decision makers are better informed on potential impacts of land use, agriculture, and water policies.

Another environmental economic model is being developed at the national scale in Kazakhstan and uses a macro-economic approach to define the value of water in national economic accounts. This project is funded by UNEP and implemented in partnership with the University of Minnesota. Although this project is at its starting point, training organized in Astana already raised awareness of policy makers and representatives

from different ministries on the importance to integrate values of ecosystem services into national accounts.

The programme continues supporting Central Asian countries to participate in global environmental processes. The Environmental Monitoring in Central Asia (MONECA) component of the EU action Forest and Biodiversity Governance Including Environmental Monitoring (FLERMONECA) supports countries to improve their environmental monitoring systems, indicators and reporting in line with UN-ECE standards. This allows to compare environmental information not only within Central Asia, but as well across the Pan-European region. As an example, MONECA has supported the development of an interactive website for the State of the Environment Report in the Kyrgyz Republic and developed work plans in Turkmenistan and Uzbekistan.

In the frame of its field activities related to ecosystem services, the programme has been implementing four pilot projects in Tajikistan, Kazakhstan and the Kyrgyz Republic. These projects have established formal cooperation mechanisms between local stakeholders, including rewards (in kind Payment for Ecosystem Services) for sustainable use of ecosystems. Implemented in different natural and institutional settings, such as Kyrgyzstan, Tajikistan and Uzbekistan, highlighting the potentials, barriers and opportunities that allow to further develop incentive-based economic management mechanisms at a larger scale.

All EMP projects include capacity building components on various levels. For example, capacity building of local stakeholders on payment for ecosystem services has been an important aspect of the pilot projects implemented in 2014 in Kazakhstan, Tajikistan and the Kyrgyz Republic. In the frame of the ICARDA funded project: "Valuation of Ecosystem Services for Improving Agricultural Water Management in Kazakhstan" project partners and CAREC staff were trained on using GIS technologies and specific modelling tools in September 2014, Almaty. Finally, at a higher level, the MONECA (Environmental Monitoring in Central Asia) component of the EU action Forest and Biodiversity Governance Including Environmental Monitoring improved capacities of government specialists in collecting, sharing and reporting environmental data and information in national and regional trainings, seminars and working groups.

04 **PROGRESS REVIEW. ENVIRONMENTAL MANAGEMENT AND POLICY PROGRAMME**

Outlook

A steady exchange between European – and Central Asian institutions will strengthen those processes. This is why a study tour to Europe is foreseen in 2015 as part of the MONECA project. Participants – statisticians and representatives of ministries of environment from Central Asian countries will learn how European countries have developed efficient environmental reporting systems and data exchange.

Furthermore, the EMP programme plans to develop new activities in the field of Environmental-Economic Accounting and Public Environmental Expenditure Review to foster instruments of green economies. These approaches aim to integrate the value of ecosystems in national accounts and provide the opportunity to connect macro-economic policies with local incentive based management approaches.

It is also expected to contribute to the regional cooperation component of the UNDP-UNEP Poverty and Environment Initiative project, which is at its second phase until 2017.

CAREC actively will promote and lead post-2015 processes in Central Asia, contributing to accountability and monitoring systems for the implementation of the Sustainable Development Goals.



“ The EMP programme plans to develop new activities in the field of Environmental-Economic Accounting and Public Environmental Expenditure Review to foster instruments of green economies.

04 PROGRESS REVIEW

WATER INITIATIVE SUPPORT PROGRAMME

Water Initiatives Support (WIS) Programme is focusing on four main directions:

- I Water quality and environmental aspects;**
- II Transboundary cooperation;**
- III Training and capacity building for the water sector;**
- IV Knowledge hub and cooperation platform.**

In order to address these four directions, the programme has implemented various projects in 2014:

- USAID-CAREC: “Stakeholder’s partnerships in collaborative policymaking: Fostering transboundary cooperation on small watersheds in CA”;
- Norwegian Ministry of Environment – CAREC: “Support towards local initiatives in the environmental governance and water resources management in CA”;
- Two projects in cooperation with GIZ within the “Water Management and Basin Organisations in Central Asia” component of the EU Environment Programme for Central Asia:
 - *Supporting water management and strengthening trans-boundary river basin administrations In CA*
 - *Capacity building on river basin planning for water management organizations and joint river basin structures”;*
- CAREC-GIZ: “Support on Eurasian River Portal and River Basin Institutions in pilot basins”
- CAREC-UNDP-Coca Cola: “Improvement of Water Resource Management in Zhambul Oblast, Kazakhstan through effective water use systems”;
- CAREC-World Bank: “Competition of the student’s applications for research works”;

The local communities are in the focus of the projects of the WIS programme and the starting point for the development and implementation of local basin management plans, which is underlined by the direct benefits to local communities such as improved access to drinking water, the rehabilitation of irrigation networks and the improved management of irrigation schemes.

Furthermore the programme supports regional cooperation by building capacities and networks on topics related to water management, environment and sustainable development as well as on local level through the development of transboundary small basin councils, basin planning and water management solutions.



04 **PROGRESS REVIEW**

WATER INITIATIVE SUPPORT PROGRAMME

WATER INITIATIVES SUPPORT (WIS) FOCUS AREAS (FA)

Water quality and Environment Aspects

water quality standarts,
state anda analysis, mea-
sures, cooperation mecha-
nisms, Payment for Ecosys-
tem Services (PES)

Transboundary cooperations

small basins, local commu-
nities, conventions, institu-
tions, stakeholders, basin
planning, Regional Working
Groups

Training and Capacity Building for water sector

target based training mod-
ules, handbooks, infograph-
ics, CDs and books

Knowledge Hub and Cooperation Platform

scenario development,
climate change and adapta-
tion, long-term contacts,
partnerships in CA and
internationally



04 PROGRESS REVIEW

WATER INITIATIVE SUPPORT PROGRAMME

Results

Results are achieved in three main directions:

I. Technical support; which is of high demand by local communities. In 2014 equipment have been provided to support the Water Users Associations of Isfara river basin; a drinking water supply system was reconstructed to provide access to clean drinking water for the population in rural areas of the Kyrgyz part of Aspara river basin; and – as a novelty in Central Asia - automated water measuring equipment was installed to ensure transparent data sharing and water allocation between the riparian states of the Aspara basin, i.e. Kyrgyzstan and Kazakhstan. Trilateral contracts regulate the transfer of equipment to the local administration and assure the sustainability of the technical support involving the local government, civil society organisations and CAREC.

II. Capacity building; includes series of different trainings modules to introduce the concept of Integrated Water Resources Management (IWRM), on the basin planning cycle, as well as on economic instruments of basin planning and tariffs calculation. The capacity building approach takes into account the local context as much as the existing qualification of the participants. Specific trainings, such as use and maintenance of solar dryers as a contribution to income diversification for rural producers were held as well. In 2014 WIS has started to work with the Network of Academies Society of the World Bank and participated in the ICARDA project to strengthen capacities of partner and staff member in research, modelling and GIS.

III. Local development and self-governance; Small basin councils play a crucial role in local development and governance as consultative bodies for local natural resource management. They involve different stakeholders in decision-making processes for social and economical development of the regions. Council were set up and basin plans developed in Aspara and Isfara river basins; these plans are integrated part of territorial development strategies. A handbook on Basin Planning

was developed and made available to the public on CAREC's homepage and knowledge portals. GIS maps produced to guide stakeholders in decision making and planning.

Outlook

The WIS programme aims to expand its activities as a knowledge center for IWRM in small transboundary watersheds of Central Asia.

To consolidate the results already achieved, the WIS programme will focus on economic aspects in basin planning and management, such as tariffs for irrigation, payment, and modelling for ecosystem services, promoting concepts such as public private partnerships (PPP).

A handbook on Small Basin Councils will be developed as a tool to promote local self-governance and management.

The technical support for local communities will be continued, the rehabilitation of hydro posts on main irrigational canals in the Kazakh part of Aspara river basin will be the next step to showcase, within the frame of the pilot project, best practices of community managed investments.

WIS programme will continue its active involvement in water diplomacy efforts for Central Asia, implementing and contributing to the relevant processes of EU, Germany and Switzerland.

The WIS programme intends to strengthen its abilities by cooperating ore closely with the academic sector as well as to provide opportunities for young professionals in applied research within the framework of CAREC's programmes and activities.

04 PROGRESS REVIEW. CLIMATE CHANGE AND SUSTAINABLE ENERGY PROGRAMME

The main objective of the Climate Change and Sustainable Energy (CCSE) programme is to support national policies of the Central Asian countries on climate change and sustainable energy, promoting approaches such as low carbon development, renewable energy, and energy efficiency. All projects of the programme establish capacities of national specialists and facilitate a knowledge and information exchange within the region and on the international level.

Results

In 2014 the programme successfully completed the regional project “Integrated approach for the development of low-carbon strategies in Central Asia” (NAMA) in close cooperation with the German Institute for Economic Research (DIW econ). Nationally appropriate mitigation actions (NAMAs) for Tajikistan [Carbon Sequestration through afforestation and reforestation], Uzbekistan [Energy Efficiency in residential buildings] and Kyrgyzstan [Efficient modernization of small coal-fired boilers] have been finalised and approved by the respective national governments. Two smaller projects, i.e. the “Central Asian Energy Efficiency Learning Portal” (CAEELP) and “Promotion of clean fuel in Central Asia” (Clean Fuel) were completed as well.

The regional project on Sustainable Energy Programme for Central Asia (CASEP) continued its activities in 2014. Meanwhile, the programme was able to launch two new projects on climate change, i.e. the annual initiative on behalf of Central Asia to participate in the “Asia Pacific Adaptation Network” (APAN). The project is a part of the regional programme for managing and applying adaptation knowledge in the Asian-Pacific region, which supports governments and other organizations working on adaptation, with special emphases on the management of knowledge and capacity building.

The Pathways to Resilience in Semi-Arid Economies (PRISE) is another new project, which the programme is managing now. PRISE is a five-year, multi-country research project that generates new knowledge about how economic development in semi-arid regions can be made more equitable and resilient to climate change. PRISE research targets semi-arid areas across six countries in Africa and Asia: Burkina Faso, Senegal, Tanzania, Kenya, Pakistan and Tajikistan.

The programme was also successful in tendering for a large-scale initiative targeting the issue of sustainable energy in the region. In October 2014, the Ecodit in consortium with CAREC was awarded a contract for a five-year USAID project on Energy links, which aims to increase national energy security for countries in Central Asia. By increasing transparent intra- and inter-regional energy trade, improving the legal and regulatory framework and investment climate for the countries' energy sectors, improving corporate governance, operations and commercialization of the energy companies, and improving energy efficiency and demand side management, the countries of Central Asia will increase the sustainability of their energy sectors and increase their ability to provide year-round, reliable power to their citizens.

04 PROGRESS REVIEW. CLIMATE CHANGE AND SUSTAINABLE ENERGY PROGRAMME

The following results have been achieved within the key priorities of the CCSE programme:

I Support to national policies on climate change and sustainable energy:

In 2014, the programme finalized its activities on the NAMA project, which resulted in national policies targeting at low carbon development and climate change mitigation.

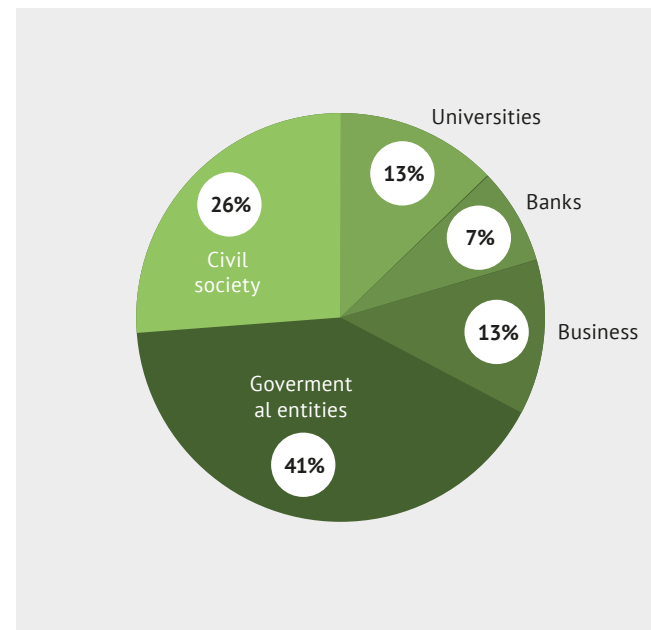
In order to strengthen the institutional capacities and legislative framework on energy, the CCSE programme provided support to update and develop energy saving programmes and national strategies for use of renewable energy sources in Tajikistan and Kyrgyzstan within the frame of the CASEP project.

Moreover, CAREC is now a member of national working group on energy efficiency and energy saving in Tajikistan, which provides the opportunity for improved coordination of projects on energy and climate change in the country.

II Capacity building on low-carbon development and climate change:

The programme was successful in delivering trainings and activities on low carbon development, energy efficiency, and climate change in Tajikistan, Uzbekistan, Kyrgyzstan and Kazakhstan, aiming at different target groups, including governmental and non-governmental officials, private sector, local administration and young leaders from all countries of Central Asia. In overall, around 420 participants have been reached over the past two years. The breakdown of the target groups includes:

COMPOSITION OF THE TARGET GROUPS



The target groups of CCSE capacity building measures

04 **PROGRESS REVIEW. CLIMATE CHANGE AND SUSTAINABLE ENERGY PROGRAMME**

III Assessments and research on climate change and energy:

Within the new project PRISE, the programme team is working on an assessment for Tajikistan, using the most recent materials on climate change, development and resilience in the country.

In Kazakhstan a stocktaking assessment on fuel and emission standards as well as transport and climate change mitigation has been completed and discussed with the international and national stakeholders.

IV Regional and international cooperation:

The programme team is participating in regional and international initiatives and networks, promoting regional and south-south cooperation. CAREC is a member of the APAN, Drynet, UNESCAP sustainable energy and the newly established UNEP climate and technology network. CAREC's active involvement in these initiatives provides a unique opportunity for information exchange, capacity building and networking.

Outlook

The programme will continue to support national policies on climate change and sustainable energy in the region, focusing on technical assistance and capacity building. Regular participation in working group meetings on energy efficiency and saving in Tajikistan, as well as the implementation of the regional component of the upcoming large-scale USAID project "Energy Links", will help the programme to further strengthen its position in Central Asia.

In order to support coherent climate change policies of Central Asia, the programme intends to conduct a sub-regional conference on climate change to facilitate a joint vision for COP 21 in Paris 2015. Within the

region, the programme intends to support the World Bank's "Climate Adaptation and Mitigation Programme for Central Asia" to enhance knowledge exchange and to facilitate investments for climate change mitigation, adaptation and resilience.

Within the frame of the PRISE project, the assessment report Tajikistan will serve as basis for further implementation of the project practical activities to build climate resilience in semi-arid economies.

The programme will continue study and research practices on climate change adaptation and resilience. It is expected that the CCSE programme provide technical support to an APAN-KACCC (Korean Adaptation Centre for Climate Change) publication in order to assess the status of climate change adaptation in Central Asia and to analyse gaps and challenges for adaptation and resilience.

04 PROGRESS REVIEW. EDUCATION FOR SUSTAINABLE DEVELOPMENT PROGRAMME

Today, throughout the world, the role of teachers, youth leaders, environmentalists and environmental education experts is crucial to educate a competent generation, ready to address the challenges of the modern world and to make environmentally sound decisions. The lack of qualified teachers is a serious barrier to ESD. It hampers sustainable development and the transition to a green economy in the Central Asian countries.

The integration of ESD and green economy principles in the learning process is important in order to change the behaviour and attitudes towards the environment and to promote values in education and training. The main objective of programme is to increase the role of ESD as a tool to support the greening of the economy and to provide target groups in Central Asia with the knowledge, skills and competences for sustainable development.

Results

The ESD programme continued in 2014 its core activities: awareness raising, education for sustainable development and capacity building. A key activity of CAREC is the Central Asian Leadership Programme on Environment for Sustainable Development (CALPESD). The 5th CALPESD

was hosted by CAREC in Almaty, Kazakhstan, for eight days in September 2014. Supported by UNEP, the Government of Norway and the OSCE Centre in Astana it addressed sustainable development and green economy with a particular focus on water. The programme was tailor-made to match the priorities of Central Asia and Afghanistan. The 5th CALPESD participants are young and promising representatives of the public and private sector and the civil society. In 2014, 33 young leaders and professionals took part in the programme. In total, over the last five years, CAREC is proud of its more than 120 graduates of the CALPESD contributing to the future of environmental governance and sustainable development in Central Asia.

CAREC supports the CA network of the CALPESD alumni providing them with information, useful references, educational and methodological materials via e-network and social media, inviting them to CAREC meetings and events and involving them as experts into CAREC projects.



“ Miss Natalia Zarudna, Ambassador, the Head of the OSCE Centre in Astana, took part in the opening ceremony of the 5th CALPESD:

"... the programme has found its own face. It is very important that it has identified its priorities and has formed its own group of graduates. The most important aspect of the programme is – not only to teach specific people and build their knowledge, but also to bring them together, to give them the opportunity to learn to know each other and to continue to go through life together, overcoming jointly all problems and difficulties."

04 PROGRESS REVIEW. EDUCATION FOR SUSTAINABLE DEVELOPMENT PROGRAMME

New educational resources have been developed in 2013, and have been introduced to pilot schools in Kazakhstan and Kyrgyzstan: The "Caspian Green Pack" and the "Green Pack - Glaciers of Central Asia". CAREC is working closely with partners from the Ministry of Education and Science, schools and teachers' training institutions and NGOs. The "Green Pack" series benefits from close cooperation and feedback mechanisms between the developers of the green pack, the users and beneficiaries (pupils). Within the project "Caspian Green Pack" energy efficiency and energy-saving technologies have been introduced in pilot schools, with the support of the Small Grants Programme of the Global Environment Facility (GEF SGP) in Kazakhstan.

Within the EU project I-WEB TEMPUS: (water, education, and business), CAREC created and manages the project portal, including an intranet and regular newsletters. CAREC contributed to the "Training Manual for IWRM" for undergraduates in Kazakhstan and participated in three Summer Universities across Central Asia with scientific contributions for applied IWRM.

A major inter-programme project of CAREC is the EU "Covenant of Mayors East" initiative, which covers all five Central Asian countries and aims to raise awareness and to build capacities for local authorities which are signatories to the Covenant of City Majors. In 2014 CAREC organized a national workshop in Ashgabat, a regional workshop for Central Asia in Almaty and delivered technical trainings for Sustainable Energy Action Plans (SEAP) for Central Asian municipalities. In addition, the EMP initiated, organized and conducted local consultations for signatories. In 2014 more than 100 Central Asian experts and energy managers from ministries and local administrations have been trained. At present, 12 cities of Central Asia have become signatories and four Sustainable Energy Action Plans have been developed and one SEAP was approved.

Outlook

The UN Decade of Education for Sustainable Development (ESD) 2005-2014 will end in November 2014 with the World Conference on ESD, hosted by UNESCO and the Government of Japan. This conference will take stock of the results achieved and outline new plans for the Global Action Programme for ESD. The EMP programme will address the following questions: Is ESD integrated in the education system in Central Asia? What are the main achievements of the UN Decade in Central Asia? What role Central Asia will play in the upcoming Global Action Programme for ESD? What could be the specific contribution of CAREC to the follow up on the UN Decade of ESD?

The Central Asian Leadership Programme will continue in 2015 and looks forward to cooperate with UNEP, the Government of Norway and the OSCE Centre in Astana.

The ESD programme will aim to gain new - and support existing - signatories of the "Covenant of Mayors" initiative by assisting in the formulation and implementation of SEAPs and by strengthening the capacities of administrative officials and energy managers. CAREC aims to be further involved in the initiative after the completion of the project in June 2015.



04 PROGRESS REVIEW.

KNOWLEDGE AND INFORMATION MANAGEMENT

CAREC's knowledge management approach aims to assist the development of high-quality knowledge products and their promotion to assure mainstreaming and outreach.

In 2014 CAREC applied a more systematic, comprehensive approach to knowledge and information management with the following strategic goals:

- to improve internal information flow and knowledge management involving administrative units, thematic programmes and CARECs country offices;
- to use the opportunities for cooperation with third parties for events, web-sites, publications, etc.;
- to integrate stakeholders, beneficiaries and owners of the projects' results into CARECs knowledge and information management;
- to establish CAREC as knowledge hub for Central Asia to disseminate knowledge products developed by CAREC and its partners.

CAREC provides expertise in Central Asian countries to:

- Governmental bodies: Ministries and agencies in charge of the environment, water, energy, climate, education, as well as municipal, rural and basin authorities;
- Educational institutions;
- Private domestic and international companies;
- NGOs, their forums and networks dealing with the environment and development;
- The media and
- Regional organizations as well as international development and scientific partners.

Results

A new unit, i.e. on "Knowledge-, Resource- and Project Management" has been established in 2014. A Knowledge and information management system for CAREC will be set up in three phases:

- I The institutional (administrative) changes and the creation of basic tools to facilitate information and knowledge management (CAREC Knowledge Hub, 4 thematic portals, intranet portal, etc.);
- II Capacity building and improvement of the interaction between the administration, thematic programmes and the country offices;
- III Establishment of a system to develop high-quality knowledge products and the conversion of CAREC into the regional knowledge center, recognized by Central Asian partners and the international community.



04 PROGRESS REVIEW.

KNOWLEDGE AND INFORMATION MANAGEMENT

In 2014, CARECs programmes developed four web-portals, which are effective tools for the knowledge management and exchange:

- TEMPUS I-WEB (Water-Education and Business) portal: <http://iwebtempus.kz>;
- Low carbon development in Central Asia - www.led-ca.net promotes energy efficiency and renewable energy;
- The Central Asian Energy Efficiency Learning Portal - www.caeelp.org provides a platform for dissemination of the best energy efficient practices;
- The Eurasian river basins management portal - www.riverbp.net – to support basin management for water specialist, and the exchange of knowledge, information and approaches.

CAREC created a new cooperate web site, to improve external communication of CAREC, CARECs programmes and projects and to integrate the above-mentioned portals. CAREC launched an intranet portal for more efficient internal data exchange and storage and to improve co-working and information sharing among employees. The intranet is expected to accelerate internal approval processes and thus to reduce the use of paper. As part of the external communication, CAREC released in the year 2014 two issues of CAREC Newsletter and nine issues of monthly e bulletin “CAREC Today”.

Results

In 2015, it is foreseen to continue the implementation of the outlined aspects of CAREC’s knowledge and information management approach. The new capacity building management system will identify and develop the competencies of CAREC employees.



04 PROGRESS REVIEW.

RESOURCE MOBILIZATION

During the period from 2001-2009 CAREC operated on a core budget. Since 2010 CAREC is fully project-based: all occurring costs are generated by projects. CARECs projects highly depend on policies and priorities of Central Asia and international development partners. CARECs resource mobilisation is an inclusive process with a rather general division of responsibilities: CARECs headquarter in Almaty is responsible for development of regional projects, whereas country offices are responsible for development of national projects. Around half of CARECs projects are resulting from competitive tenders where CAREC participated as a partner in international consortia. The knowledge of the region, national priorities and institutions, as well as local specialties and CARECs extensive network of experts makes us an international sought partner for environmental cooperation in Central Asia.

Results

In 2014 CAREC has signed fourteen new contracts with a total budget of around one million Euros. Thirty-four projects⁴ are currently implemented with a resulting annual budget of around two million Euros.

| ## | Project Title | Donor | Country |
|--|---|--|---------|
| Country office in Turkmenistan | | | |
| 01 | Support to GEF Eligible Parties for Alignment of National Action Programmes and Reporting Process under UNCCD | UNEP | Trm |
| Country office in Kyrgyzstan | | | |
| 02 | Round Table «Protection of rights to a healthy environment through public environmental expertise» | FOEN | Kg |
| Climate Change and Sustainable Energy Programme | | | |
| 03 | CA Energy Links Programme | USAID | CA |
| 04 | Pathways to Resilience in Semi-Arid Economies | Sustainable Development Policy Institute | Tj |
| 05 | Central Asian Energy Efficiency Learning Portal | USAID, via ICF Incorporated | CA |

⁴ A table of CARECs projects in the year 2014 is found in annex b

| ## | Project Title | Donor | Country |
|--|--|--|---------|
| Education for Sustainable Development Programme | | | |
| 06 | COMO-East II: Supporting Participation of CA Cities in the Eastern Partnership and Covenant of Mayors | EC (via Energy Cities) | CA |
| 07 | Central Asian Leadership Programme for Sustainable Development | OSCE Centre in Astana | CA |
| Water Initiatives Support Programme | | | |
| 09 | Knowledge Institutions Community of Practice Students Competition | World Bank | CA |
| 10 | Improvement of Water Recourses Management in Zhambul Oblast of Kazakhstan through introduction of effective water use system | UNDP - Coca Cola | Kz |
| 11 | Effective water use technologies for Aspara Basin | SGP GEF Kz, via Public Foundation Mountain Club Zhabagly Manas | Kz |
| 12 | Reducing anthropogenic pressures on the ecosystem in the basin of Ugham | SGP GEF Kz, via Public Fund Ugam | Kz |
| Environmental Management Programme | | | |
| 13 | Strengthening ecosystems and development linkages through innovative economic approaches for green growth | UNEP | Kz |
| 14 | Valuation of Ecosystem Services for Improving Agricultural Water Management in Kazakhstan | ICARDA | Kz |

New contracts of CAREC in 2014

04 PROGRESS REVIEW.

RESOURCE MOBILIZATION

Resource mobilization is a continuous process involving all programmes and support units of CAREC. An in-depth knowledge of priorities of Central Asian states and of the international development partners is a precondition for resource mobilization; therefore information is exchanged regular in meetings and within the CAREC Intranet.

Outlook

In 2015 CAREC will continue its efforts to diversify and harmonize its resource mobilization activities in order to contribute to CAREC's strategic vision 2020. CAREC will professionalize its internal support systems and external relations. A set of seminars for CAREC staff to develop analytical, communication, managerial and financial skills will be organized. A close cooperation with major bi- and multilateral partners will be continued and CAREC's role in global and regional platforms, such as the UNECE Committee on Environmental Policy and the Interstate Commission on Sustainable Development is to be intensified. CAREC will develop long-term support schemes for its own initiatives, such as the Central Asian Leadership Programme for Sustainable Development, the Green Business Club and the Sustainability Awards in Central Asia, as well as CARECs knowledge platforms on water, energy and education.



KAZAKHSTAN

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Based on a Memorandum of Understanding (MoU) between the Regional Environmental Centre in Central Asia (CAREC) and the Institute of Ecology and Sustainable Development (IESD), approved by the Ministry of Environment and Water Resources of the Republic of Kazakhstan (MoEWR of the RK), the IESD acts as CAREC's Country Office in the Republic of Kazakhstan (CO in the RK). During the upcoming year the CO will move to Astana to assure close contacts and work relations with representatives of the reorganized Ministries of the Kazakh Government.

05 CAREC COUNTRY OFFICES. KAZAKHSTAN

The role of the Country Offices of CAREC in the five Central Asian states are to support CAREC's national and regional projects implemented in the country, to facilitate relationships with various partners and stakeholders relevant for project implementation and resource mobilization.

KAZAKHSTAN

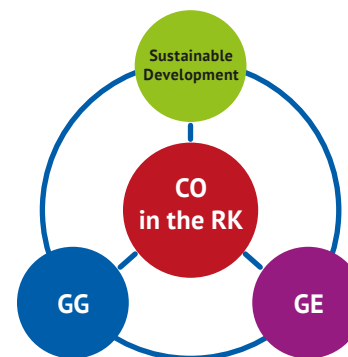
Based on a MoU between CAREC and the IESD, approved by the MoEWR of the RK, the IESD acts as CAREC's CO in Kazakhstan. During the upcoming year the CO will move to Astana to assure close contacts and work relations with representatives of the reorganized Ministries of the Kazakh Government.

CAREC's representation in Astana, hosted by Ministry of Energy of the RK will contribute to improved relations with public, private and civil stakeholders of environmental governance and initiatives in the country.

Results

Kazakhstan is a pioneer in Central Asia introducing the concept for transition to green economy (GE). The concept aims to reshape and refocus policies and strategies, investment and government expenditure towards a low-carbon economy and green sectors (green technologies, renewable energy sources, sustainable agriculture and waste management); sustainable use and protection of natural resources and ecosystems. Enhanced economic and environmental welfare of Kazakhstan is the objective of the ambitious concept. It tackles two key imperatives together: inclusive economic growth to reduce poverty and improve wellbeing and sustainable environmental management to address dwindling resource and climate change. It combines political, environmental, social and economic aspects for green growth (GG) and sustainable development.

The Kazakh GG and GE approaches provide CAREC's CO in the RK with the strategic orientation to contribute to environment and development policy making, and to address challenges of economic diversification, urbanization, water resource management, climate change mitigation and energy security. CAREC's CO aligns closely to Kazakhstan's global initiative: the Green Bridge Partnership Programme (GBPP). Within the framework of the International forum "Energy of the Future: CO2 emission reduction" held in October, 2014 in Astana CAREC contributed to the discussion of the progress and necessary joint action for the implementation of the GBPP.



Strategic orientation of CAREC's CO Kazakhstan

05 CAREC COUNTRY OFFICES. KAZAKHSTAN

Outlook

One of the priorities for the CAREC's CO in Kazakhstan is to contribute to the GG policy and GE concept in order to support the transition of Kazakhstan towards a low-carbon development path and "green economy" and to meet the needs of present and future generations. The vision of the CAREC's CO in Kazakhstan is as followed: a favorable environment, natural resource management and environmental safety for human life, health, economics, business, and implementation of the principles of "green economy".

The CAREC's CO in Kazakhstan will expand and adjust its human, technical and institutional capacities to implement targeted measures in the framework of CAREC's key programmes: Environmental Management and Policy; Water Initiatives Support; Climate Change and Sustainable Energy, Education for Sustainable Development and priorities of CAC and international partners.



Thematic positioning of the CAREC CO Kazakhstan

KYRGYZSTAN

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The CO Kyrgyzstan become by signing a corresponding agreement, the national supporter of the Covenant of Mayors-East initiative (CoMoEast) initiative in Kyrgyzstan

05 CAREC COUNTRY OFFICES. KYRGYZSTAN

KYRGYZSTAN

In line with CARECs Charter a new Country Director was selected and will lead the CO Kyrgyzstan from the beginning of 2015.

Results

During the reporting period the Country Office achieved the following results:

- Within the project "Payment for Ecosystem Services", supported by SwissRe:
 - selection of a contractor for the reconstruction of hydro objects in the basin of the Chon - Ak-Suu River, Issyk-Kul oblast. This work will improve water supply for local farmers and contribute to accountable water management.
 - trainings for water users to implement the principles of IWRM.
- With the support of the Swiss Federal Office for the Environment (FOEN) a round table "Protection of the rights to healthy environment through public environmental expertise" has been conducted. The roundtable participants stated the need to amend existing legislation and expressed their willingness to promote institutions and NGOs protecting public environmental interests. Since August 2014 the CO Kyrgyzstan provides trainings to small and medium enterprises within the "Strengthening Central Asia Entrepreneurship Ecosystem".
- The CO Kyrgyzstan supported the regional EU project: "Targeted Awareness Raising for Enhanced EU-CA Partnership" (AWARE) to conduct a study tour for journalists and entrepreneurs on "green technologies" and "green business".
- Support was provided to the regional projects of WIS in organizing meetings of the small transboundary water basin councils.
- The CO Kyrgyzstan supported the Environmental Monitoring in Central Asia (MONECA) component of the EU action: Forest and

Biodiversity Governance Including Environmental Monitoring (FLERMONECA) to conduct trainings and working group meetings.

- The CO Kyrgyzstan became by signing a corresponding agreement, the national supporter of the Covenant of Mayors-East initiative (CoMoEast) initiative in Kyrgyzstan. In this function the CO Kyrgyzstan entered in negotiations on joining the CoMoEast with the cities: Bishkek, Kant, and Sunbula.

Outlook

The CO Kyrgyzstan will focus on the following thematic directions within regional and national projects:

- I **Sustainable water management and rural development**
- II **Promotion and expansion of the CoMoEast initiative and to render support to the signatory cities and Sustainable Energy Actions Plan.**
- III **Facilitation of the Green Business Club to support "green" business and "green" start-ups.**
- IV **Recent political developments in Kyrgyzstan are aimed towards a greater involvement of the citizens and the civil society in local development. The CO intends to support the process by including environmental aspects to local development and governance.**
- V **Cooperation with state authorities: The Ministry of Economy of the Kyrgyz Republic plans to develop the country development strategy 2030. The CO intends to take active part in this work to include relevant aspects of green growth and a green economy.**
- VI **Support to regional CAREC projects of all programmes.**

TAJIKISTAN

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Together with the Ministry of Education and Science of the Republic of Tajikistan the CO held the National Forum of Young Ecologists with the participation of school students from all districts and regions of the country and in partnership with the Ministry of Education and Science of the Republic of Tajikistan, the Dushanbe City Committee on Nature Conservation and a number of NGOs

05 CAREC COUNTRY OFFICES. TAJIKISTAN

TAJIKISTAN

Tajikistan supports the greening of its economy by encouraging environmental management, low-carbon development and investments into resource saving, energy-efficient technologies and renewable sources of energy

Results

On January 21, 2014 the new Country Director assumed its office CAREC's main partner in the country, the Committee of Environmental Protection allocated office space for the new location of the CAREC office

The CO engages closely with the Committee of Environmental Protection and with ministries, departments and NGOs. The CO participates in national and international activities, dialogues, awareness-raising campaigns, trainings, conferences, and round tables.

Together with the Ministry of Education and Science of the Republic of Tajikistan the CO held the National Forum of Young Ecologists with the participation of school students from all districts and regions of the country and in partnership with the Ministry of Education and Science of the Republic of Tajikistan, the Dushanbe City Committee on Nature Conservation and a number of NGOs. Furthermore the CO held a contest for school students to provide an opportunity to demonstrate their environmental knowledge.

In Tajikistan non-governmental civil organizations play a major role in raising public awareness on environmental issues and climate change as well as demonstrating approaches to reduce carbon footprint, improve communities' supply with eco-friendly energy and implement adaptation measures. An NGO group is working to expand the activities of Tajikistan Climate Network, organizes debate sessions and discussions. In order to be able to take account of the opinion of NGOs regarding the corresponding CAREC strategy the CO organized the discussion of the document via the Tajikistan Climate Network, and on behalf of Tajikistan NGO's received valuable and useful comments, changes and additions to improve the Strategy.

Together with the NGO "Youth Environmental Center" the CO held a series of meetings with school students to raise awareness about environmental challenges.

The Country Office provided assistance for the implementation of regional and national projects of CAREC:

The MONECA component of FLERMONECA, executed by CAREC, promotes environmental data management and reporting and in particular the development of Shared Environmental Information Systems (SEIS). Based on consultations with the Committee of Environmental Protection and the Government of the Republic of Tajikistan the main areas of work have been identified and a work plan was developed and approved. In working meetings the structure and the content of the National State of the Environment report was addressed and contributions to the report are coordinated with the involved stakeholders.

Romit District became the location to implement the project "Supporting local water initiatives in Central Asia" supported by the Norwegian Ministry of Environment. The project aims to build local capacities and to promote best practices of natural resource management like IWRM and PES. A local coordinator and an erosion specialist have been selected to support the project in addressing erosion through PES based land management and afforestation. The CO participated in CAREC's national and regional resource mobilisation efforts:

- I **The CO participated in the tenders of the Pilot Program for Climate Resilience (PPCR) Project , Subcomponent: pasture user groups, 1st Phase and 2nd Phase. CAREC has been shortlisted;**
- II **The CO participated in drafting the project proposal "Aral Green Pack";**
- III **The CO participated in the tender for the project "Assessment of GEF country portfolios", Tajikistan.**

05 CAREC COUNTRY OFFICES. TAJIKISTAN

Next to the project activities, the CO assists in the development of policies, programmes and actively participates in various international and national events, for example the:

- I **Regional Conference “Best practices in Energy Co-operation” (Dushanbe, June 2014);**
- II **The Prospects of Further Strengthening of Cooperation between Afghanistan and Tajikistan in the Sphere of Environment and Hydrological Monitoring in the Amu Darya River Basin (Dushanbe, October 2014);**
- III **“The Influence of Thawing Glaciers on National and Transboundary Water Resources in Central Asia – Time to Act!” (Dushanbe).**

Results

The activities of CARECs CO in the Republic of Tajikistan continues to follow two strategic directions:

- Regional-level strategic objectives: assisting intersectoral and regional cooperation in Central Asia aimed at resolving environmental issues as well as promoting green economy and sustainable development;
- National-level strategic objectives: assisting CAREC in accomplishing its mission in Tajikistan in accordance with CAREC's Charter and national priorities and needs.



TURKMENISTAN

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Within the Eco-tourism in Central Karakum project the concept of Payment for Ecosystem has been introduced to make tourism in the project area environmental sound. Particular attention is paid to aspects related to deforestation and reduction of bio-diversity in cooperation with National Institute of Deserts, Flora and Fauna.

05 CAREC COUNTRY OFFICES. TURKMENISTAN

TURKMENISTAN

The Turkmenistan office of the CAREC was established in the beginning of 2014 and operates based on a Memorandum signed between CAREC and the National Institute of Deserts, Flora and Fauna of the Ministry of Nature Protection of Turkmenistan. The Ministry of Foreign Affairs of Turkmenistan has formally approved the Memorandum.

The work of the CO is guided by national plans, strategies and policies, aiming add adding values to national efforts for environmental governance and sustainable development and is characterised by supportive partnerships, political support of and direct contributions to CAREC as well as join implementation of activities enables effective project implementation in the country.

Results

CAREC Turkmenistan implementing the following projects:

- I MONECA component of the EU action FLERMONECA**
- II Eco-tourism in Central Karakum**
- III Support to GEF Eligible Parties for Alignment of National Action Programmes and Reporting Process under UNCCD**

Within MONECA trainings to develop indicators based on UNECE guidelines has been carried out, to strengthen environmental data management and reporting capacities.

Within the Eco-tourism in Central Karakum project the concept of Payment for Ecosystem has been introduced to make tourism in the project area environmental sound. Particular attention is paid to aspects related to deforestation and reduction of bio-diversity in cooperation with National Institute of Deserts, Flora and Fauna.

The project "Support to GEF Eligible Parties for Alignment of National Action Programmes and Reporting Process under UNCCD" started in April 2014. A working group was established involving key staff for natural resource, forest and pasture management, economy, strategic planning,

desertification, land use and agriculture). Indicators have been developed and a first draft of the report was presented, and discussed in interagency meetings. The report has been approved by the focal point of UNCCD in Turkmenistan and submitted. The work on the draft National Action Programmes is finished; the completion of the annexes including the indicators is expected in 2015.

Outlook

In the 2015 CAREC project office in Turkmenistan will facilitate the implementation of the MONECA work plan and aims to mobilize additional support for an update of the State of the Environment report of Turkmenistan.

The project "Support to GEF Eligible Parties for Alignment of National Action Programmes and Reporting Process under UNCCD" will go on with a focus on legal aspects and awareness raising.

A new project under the German funded International Climate Initiative: "Mainstreaming sustainable forest management in Turkmenistan" is pending approval to be implemented from the beginning of 2015.

UZBEKISTAN

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The office has signed a memorandum of cooperation with the Ecological Movement of Uzbekistan, the National Association of NGOs of the Republic to provide the frame for an even more active involvement of NGOs in CAREC's projects and activities.

05 CAREC COUNTRY OFFICES. UZBEKISTAN

UZBEKISTAN

According to CAREC's Charter a new Country Director will be in charge as of early 2015. The National "Programme of Actions for Environmental Protection of the Republic of Uzbekistan for 2013-2017" provides the guiding frame for CAREC's close cooperation with public and private bodies, NGOs and the Civil Society as well as international organizations, financial institutions and environmental funds.

CAREC's projects are being implemented in close coordination with the Ministry of Economy, Agriculture and Water Resources, the State Committee of the Republic of Uzbekistan for Nature Protection and specialized agencies such as "Uzkommunkhizmat" and "Uzhydromet".

Results

Within the frame of the Asia-Pacific Forum for Environment and Development the project "Promotion of Ecosystem Services (PES), supported by the Institute for Global Environmental Studies (IGES), biodiversity losses in Chatkal National Park are addressed. The project conducted and disseminated research to introduce PES in Uzbekistan and developed a PES based management scheme to protect the park's biodiversity.

The project "Integrated approach for the development of low-carbon strategies in Central Asia", financed by the German International Climate Initiative finalised the development of a NAMA concept: Energy Efficiency in residential buildings. The implementation of the NAMA will significantly reduce emissions from the housing sector.

The EU funded AWARE project addressed a variety of subjects in Uzbekistan: An assessment for the introduction of Shared Environmental Information System (SEIS) has been prepared to identify approaches and needs for improved environmental data management. A "National Workshop on SEIS in the Republic of Uzbekistan" discussed prospects of implementing SEIS. The project has facilitated on-line discussions of experts on effective environmental management and published a national report on return water use in Uzbekistan. To build awareness on water

reuse a media tour was organized. The media tour gave journalists of print and electronic media and representatives of the Committee of the Republic of Uzbekistan for Nature Protection the chance to visit leading enterprises to learn and exchange about best practices of water use and wastewater treatment in the manufacturing sector of Uzbekistan. A media contest on technologies and best practices on water and development further mobilised the involvement of the media.



05 CAREC COUNTRY OFFICES. UZBEKISTAN

The report "Best practices of sustainable consumption and production and energy efficiency for small and medium business" provides orientation for small and medium enterprises on environmentally friendly and resource saving practices and technologies. The Green Business Club of Central Asia provides a platform for networking, exchange and learning for the green business community.

Within the EU action: Forest and Biodiversity Governance Including Environmental Monitoring the work plan for the MONECA component was approved and the project was introduced with an workshop in September to national stakeholders. Technical priorities, equipment and training needs for environmental data management and reporting has been identified and the State Committee of the Republic of Uzbekistan for Nature Protection nominated a national focal point to facilitate the implementation of the project.

International- and regional experts of the EU Sustainable Energy Programme for Central Asia: Renewable energy - energy efficiency project has been supported to launch activities in Uzbekistan.

The office has signed a memorandum of cooperation with the Ecological Movement of Uzbekistan, the National Association of NGOs of the Republic to provide the frame for an even more active involvement of NGOs in CAREC's projects and activities.

CAREC took part in the annual conference celebrating the World Water Day with a children's drawing competition "Protect nature", and the environmental journalism competition "Coplon" organised jointly with the State Committee of the Republic of Uzbekistan for Nature Protection.

Alongside with project activities, the CO assists national partners in the development of policies, programmes and actively participates in various international and national events, for example the:

- "Second International Conference on the Study of Arid Lands";
- "Working meeting on the interaction with the donor community to mobilize resources for projects in the Aral Sea basin";
- Workshop of the UNDP project "Climate Risk Management in Uzbekistan";
- Scientific and practical conference "Modern trends in alternative energy".
- Korea Investment and Trade Agency conference and exhibition «Global Green Hub Korea 2014" dedicated to energy efficiency and renewable energy.



06 CAREC IN 2015

In 2015 CAREC will continue its efforts to become a “knowledge organization” and will open access to its knowledge for national and international partners. CAREC’s well-known products such as the Leadership Training, Green Packs, Basin Planning and PES will be further enriched with online trainings and public access to information.

CAREC will continue its resource mobilization efforts. CAREC will support its staff in capacity building, professional development and personal growth. Human resources development will be key to CAREC organizational policies. The Center will also fully utilize its international partnerships to generate opportunities for staff to build their capacity abroad.

CAREC will increase its efforts on implementation of development projects at the local level, improving viability and acceptability of the local community’s role in natural resources management.

In 2015 CAREC will continue its efforts to play more stronger role in national environmental systems of 5 countries. New opportunities to support national priorities on Environmental aspects will be made through both regional and national projects. CAREC’s country offices in this process will play more a crucial role.

CAREC will continue its work on the promotion of regional environmental cooperation by taking active part in the implementation of the ASBP-3 and supporting cooperation processes within the ICSD and the ICWC. In 2015 the Center will launch an initiative to encourage cooperation between regional organisations of environmental governance, by hosting the first technical meeting of regional environmental governance in Almaty. CAREC will look for opportunities to conduct regular Regional Environmental Dialogues.

On the international level, the Regional Environmental Center for Central Asia will continue its role of advocating the interests of Central Asia. Moreover, CAREC will use its mandate to create a regional forum to discuss important international issues such as climate change, green growth, environmental security, etc. CAREC will continue to be involved

Afghanistan within the frame of regional environmental cooperation in Central Asia.

Outlook

In line with the suggestions made in chapter 3, i.e. taking a more proactive stance in ensuring CAREC’s institutional sustainability, CAREC will address this in 2015 both on an institutional- as well as on a content oriented basis.

The change management process will increasingly focusing on “soft” issues such as to revitalize and strengthening the entrepreneurial spirit of CAREC’s staff and will consider in future appointments the proven ability of applicants for CAREC positions to proactively contribute to CAREC’s resource mobilization efforts.

In terms of CAREC’s content and substance, 2015 will become a truly challenging year. The world will focus on COP 21 in Paris - the Copenhagen political accord of 2009, the Conferences of Cancun (2010), Durban (2011) and Doha (2012) laid the foundations of this new international regime, supplementing the existing instruments in the framework of the UNFCCC and the Kyoto Protocol. In 2011, the Parties affirmed their will to conclude this new climate agreement in 2015, with its entry into force is planned for 2020. The meeting will mark a decisive stage in negotiations on the future international agreement on a post-2020 regime, and will adopt the major outlines of that regime. By the end of the meeting, for the first time in over 20 years of UN negotiations, all the nations of the world, including the largest emitters of greenhouse gases, will be bound by a universal agreement on climate.

06 CAREC IN 2015

The implications of this universal agreement have yet to be understood and again a joint position of Central Asia to this universal undertaking seems to be necessary. So far Central Asia's response to this process and other international processes - seems to be impromptu in its response - despite its desire and efforts to be understood as a link between Europe and Asia. In 2009 CAREC assisted Central Asia in formulating a joint position in preparation of the COP 15 conference in Copenhagen - a similar effort seems to be appropriate in view of the wide-reaching repercussions, which will derive from Paris.

CAREC will continue play a role of facilitator of regional cooperation processes, in 2015 meeting of regional organizations will be organized for launching, long-term cooperation arrangements between regional organizations.



“ In terms of CAREC’s content and substance, 2015 will become a truly challenging year

07 FINANCIAL STATEMENT

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board. CAREC's accounting records are in Kazakhstani Tenge.

However - for information purposes - CAREC present the financial statement in EURO, all monetary sums have been rounded up the nearest thousand. The financial statements are preliminary calculated and cover 10 months of the fiscal year 2014 - till 31.10.2014 only. These figures are compared to the full statements of the years 2013 and 2012.

| ASSETS | 31.10.14 Euro (thousand) | 31.12.2013 Euro (thousand) | 31.12.2012 Euro (thousand) |
|--------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Short-term assets | | | |
| Cash and cash equivalents | 401 | 402 | 476 |
| Short-term accounts receivable | 296 | 267 | 158 |
| Inventories | | | |
| Advances paid | 0,57 | 10 | 9 |
| Current tax assets | 24 | | 23 |
| Other short-term assets | | 23 | 5 |
| Total short-term assets | 722 | 702 | 671 |
| Long-term assets | | | |
| Permanent assets | 108 | 139 | 191 |
| Non-material assets | 10 | 8 | 7 |
| Other long-term assets | | | |
| Total long-term assets | 118 | 147 | 198 |
| TOTAL ASSETS | 840 | 849 | 869 |

07 FINANCIAL STATEMENT

| LIABILITIES AND CAPITAL | | | |
|--|-------------|-------------|-------------|
| Short-term assets | | | |
| Short-term accounts payable | 18 | 2 | 70 |
| Advanced received | 674 | 683 | 602 |
| Tax payable | 6 | 20 | 8 |
| Liabilities for other mandatory and voluntary payments | 3,3 | 7 | |
| Other accounts payable | | | 19 |
| Total short-term liabilities | 701 | 712 | 699 |
| Long-term liabilities | | | |
| Government grants | 204 | 211 | 261 |
| Total long-term liabilities | 204 | 211 | 261 |
| CAPITAL | | | |
| Statutory capital | | | |
| Retained earnings (uncovered loss) during reporting period | 9 | 12 | |
| Retained earnings (uncovered loss) during preceding years | (74) | (86) | (91) |
| TOTAL CAPITAL | (65) | (74) | (91) |
| TOTAL LIABILITIES AND CAPITAL | 840 | 849 | 869 |

07 FINANCIAL STATEMENT

| INDICATOR TITLE | 31.10.14 Euro (thousand) | 31.12.13 Euro (thousand) | 31.12.2012 Euro (thousand) |
|---|-----------------------------|-----------------------------|-------------------------------|
| Funds received | 1 217 | 1 967 | 1 463 |
| Profit from disposal of assets | 1 | 1 | |
| Amortization of government grants | 15 | 37 | 64 |
| Profit from donated assets | | 7 | |
| Leasing profit | 109 | 148 | 174 |
| Exchange rate profit | | 112 | 26 |
| Other profits | | 11 | 19 |
| Total profits | 1 342 | 712 | 699 |
| Direct programmatic costs | 1016 | 1 673 | 1 108 |
| General and administrative costs | 303 | 433 | 498 |
| Amortization of government grants | 14 | 37 | 64 |
| Costs related to marketing of goods and rendering of services | | 1 | |
| Exchange rate losses | | | 39 |
| Other costs/losses | | 125 | 39 |
| Total costs/losses | 1 333 | 2 269 | 1 748 |

07 FINANCIAL STATEMENT

| INDICATOR TITLE | 31.10.14 Euro (thousand) | 31.12.13 Euro (thousand) | 31.12.2012 Euro (thousand) |
|---|-----------------------------|-----------------------------|-------------------------------|
| Operational profits/(costs) for the year | 9 | 14 | (21) |
| Financing profits | | 0.01 | |
| Financing costs | | | |
| Other aggregate revenue | | | |
| Transformation exchange rate difference | | 2 | |
| TOTAL AGGREGATE REVENUE/(COSTS) FOR THE YEAR | 9 | 12 | (21) |

07 FINANCIAL STATEMENT

CARECS FUNDING SOURCES 2014

Funds received from donors, supporting CARECs activities, are recognized as income in the period to which they relate. Funds received from donors financed for specified projects are recognized as income in the period when the relevant expenses are incurred. All funds received from donors for specified projects are restricted and used only for the specified purposes.

| Funding sources for the year 2014, as of 31.10.2014 in EUR | |
|--|------------------|
| DIW econ GmbH, on behalf of the Government of Germany | 247.162 |
| European Commission | 142.546 |
| SDPI Sustainable Development Policy Institute | 13.780 |
| Institute for Global Environmental Strategies (IGES) | 54.162 |
| ICARDA | 23.076 |
| OSCE | 11.802 |
| GIZ, on behalf of the European Commission | 230.389 |
| World Bank | 34.790 |
| Swiss Reinsurance Company (Swiss Re) | 15.000 |
| UNDP | 23.000 |
| UNEP | 84.109 |
| US Agency for International Development | 328.652 |
| Both ENDS | 8.687 |
| Total EUR | 1.217.155 |

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LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|------------|--|
| APAN | Asian Pacific Adaptation Network |
| ASBP | Aral Sea Basin Programme |
| AWARE | Targeted Awareness Raising for Enhanced EU-CA Partnership |
| CA | Central Asia |
| CAEELP | Central Asian Energy Efficiency Learning Portal |
| CALPESD | Central Asian Leadership Program on Environment for Sustainable Development |
| CCSE | Climate Change and Sustainable Energy Programme |
| CEP | Committee on Environmental Protection |
| CO | Country Offices of CAREC |
| CoMoEast | Covenant of Mayors-East initiative |
| COP | Conference of the Parties |
| DIW | Deutsches Institut für Wirtschaftsforschung (German Institute for Economic Research) |
| EBRD | European Bank for Reconstruction and Development |
| EMP | Environment Management and Policy Programme |
| ESD | Education for Sustainable Development Programme |
| EU | European Union |
| FLERMONECA | Forest and Biodiversity Governance Including Environmental Monitoring |
| FOEN | Federal Office for the Environment (Switzerland) |
| GBPP | Green Bridge Partnership Programme |
| GE | Green Economy |
| GEF-SGP | Small Grant Program of the Global Environmental Facility |
| GG | Green Growth |
| GIZ | Gesellschaft für Internationale Zusammenarbeit |
| I-WEB | Water, Education and Business project |
| ICARDA | Center for Agricultural Research in the Dry Area |
| ICSD | Interstate Commission on Sustainable Development |
| ICWC | Interstate Commission for Water Coordination |
| IFAS | International Fund for Saving the Aral Sea |

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LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|----------|--|
| IFRS | International Financial Reporting Standards |
| IGES | Institute for Global Environmental Studies |
| IWRM | Integrated Water Resources Management |
| Kg | Kyrgyzstan |
| Kz | Kazakhstan |
| MONECA | Environmental Monitoring in Central Asia |
| MoU | Memorandum of Understanding |
| NAMA | Nationally Appropriate Mitigation Actions |
| NGO | Non Governmental Organization |
| OSCE | Organization for Security and Co-operation in Europe |
| PES | Payment for Ecosystem Services |
| PPP | Public Private Partnerships |
| PRISE | Pathways to Resilience in Semi-Arid Economies project |
| REG | Regional Environmental Goals |
| SEAP | Sustainable Energy Actions Plan |
| SEIS | Shared Environmental Information System |
| SIC | Scientific Information Center |
| TEMPUS | Trans-European mobility programme for university studies |
| Tj | Tajikistan |
| Trm | Turkmenistan |
| UN | United Nations |
| UN ESCAP | United Nations Economic and Social Commission for Asia and the Pacific |
| UNCCD | United Nations Convention to Combat Desertification |
| UNDP | United Nations Development Program |
| UNECE | United Nations Economic Commission for Europe |
| UNEP | United Nations Environment Program |
| Uz | Uzbekistan |
| WIS | Water Initiative Support Programme |

08 ANNEX

CAREC PROJECTS IN 2014

| LIABILITIES AND CAPITAL | GENERAL PROJECT INFORMATION | | | |
|---|---|---------|-------------------|-----------|
| | Source of funding | Country | Duration | Duration |
| COUNTRY OFFICES | | | | |
| Support to Reporting Process under UNCCD | UNEP | Trm | 05.2014 - 06.2015 | € 76 923 |
| Protection of rights to a healthy environment through public environmental expertise | FOEN | Kg | 03.2014 | € 4 514 |
| EDUCATION FOR SUSTAINABLE DEVELOPMENT | | | | |
| Integrating Water cycle management: building capability, capacity and impact in Education and Business (I-WEB TEMPUS) | EC (via Middlesex University of London) | Kz | 10.2012- 10.2015 | € 61 368 |
| COMO-East II: Supporting Participation of CA Cities in the Eastern Partnership and Covenant of Mayors | EC (via Energy Cities) | CA | 09.2013 - 12.2014 | € 120 000 |
| Central Asian Leadership Programme for Sustainable Development | Norway MoE, OSCE | CA | 09.2014 | € 38 000 |
| Caspian Green Pack as a tool to promote energy-efficient and energy-saving technologies in the public schools of the Caspian region of Kazakhstan (Atyrau, Mangistau and West Kazakhstan regions) | GEF SGP via PF "Baiterek" | Kz | 12.2012-06.2014 | € 23 077 |

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CAREC PROJECTS IN 2014

| ENVIRONMENTAL MANAGEMENT AND POLICY PROGRAM | | | | |
|---|--------------|--------|-------------------|-----------|
| Integrating PES and REDD mechanisms in Kyrgyzstan | Swiss Re | Kg | 03.2011–05.2014 | € 115 385 |
| Forest and Biodiversity Governance and Environmental Monitoring in five CA states (MONECA component) | European Aid | CA | 06.2013- 12. 2015 | € 339 000 |
| Asia-Pacific Adaptation Network Sub-regional Node for Central Asia 2013 | IGES | CA | 05.2013- 02.2014 | € 30 769 |
| Assessment of Assessments on air, biodiversity, climate change and waste for CA | FOEN | Kz, Kg | 12.2012 - 01.2014 | € 61 416 |
| ENVIRONMENTAL MANAGEMENT AND POLICY PROGRAM | | | | |
| Mainstreaming ecosystem services into country's sectoral and macroeconomic policies and programmes in the Republic of Kazakhstan. | UNEP | Kz | 04.2014 - 12.2014 | € 69 231 |
| Valuation of Ecosystem Services for Improving Agricultural Water Management in Kazakhstan | ICARDA | Kz | 07.2014 - 12.2015 | € 131 006 |

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CAREC PROJECTS IN 2014

| WATER INITIATIVE SUPPORT PROGRAM | | | | |
|--|------------------------------------|-----------------|-------------------|-------------|
| Support towards local initiatives in the environmental governance and water resources management in CA | Norway MoE | CA | 12.2011- 12.2014 | € 724 812 |
| Stakeholders partnerships in collaborative policymaking: Fostering Transboundary Cooperation on Small Watersheds in CA | USAID | Kz, Kg, Tj, Uz | 04.2012 -10.2015 | € 1 356 154 |
| Supporting water management and strengthening transboundary river basin administrations in CA | Delegation of the EU in Kazakhstan | Kz, Kg, Tj, Trm | 2012 - 2014 | € 81 285 |
| Capacity building on river basin planning for water management organizations and joint river basin structures | Delegation of the EU in Kazakhstan | Kz, Kg, Tj, Trm | 2012 - 2014 | € 123 000 |
| Knowledge Institutions: Community of Practice Students Competition | World Bank | CA | 03.2014 – 12.2014 | € 38 300 |
| Improvement of Water Recourses Management in Zhambul Oblast of Kazakhstan | UNDP-Coca Cola | Kz | 2014 | € 61 038 |
| Effective water use technologies for Aspara basin | SGP GEF Kazakhstan | Kz | 04.2014 - 12.2014 | € 2 308 |
| Reducing anthropogenic pressures on the ecosystem of the basin of Ugham | SGP GEF Kazakhstan | Kz | 07.2014 - 12.2015 | € 2 308 |

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CAREC PROJECTS IN 2014

| CLIMATE CHANGE AND SUSTAINABLE ENERGY | | | | |
|---|--|--------------------|-------------------|-----------|
| Promotion of clean fuel in Central Asia | UNEP | Kz | 09.2013 - 02.2014 | € 13 846 |
| Sustainable Energy Programme for CA: Renewable Energy and Energy Efficiency | EU | CA | 2014 | € 52 727 |
| Central Asian Energy Efficiency Learning Portal | USAID, via ICF Incorporated | CA | 01.2014 -03.2014 | € 13 846 |
| Pathways to Resilience in Semi-Arid Economies | Sustainable Development Policy Institute | Tj | 08.2014 -01.2015 | € 29 851 |
| Integrated Approaches to the Development of Climate Friendly Economies (NAMA) in CA | BMUB -German Federal Ministry for Environment | Kg, Tj, Uz | 12. 2011-12.2014 | € 827 000 |
| CAREC as Sub-regional Node of Asia Pacific Adaptation Network for Central Asia | Institute for Global Environmental Strategies | Kg, Tj, Uz, Kz, Tm | 08.2014 - 02.2015 | € 30 769 |
| INTERPROGRAMME ACTIVITIES | | | | |
| Targeted Awareness Raising for Enhanced EU-CA Partnership | Delegation of the EU in Kazakhstan | CA | 12.2011 - 06.2014 | € 787 784 |
| LOGISTIC SUPPORT | | | | |
| EBRD's consultations on Environmental and Public Information Policies | EBRD | CA | 01.2014 | € 10 383 |