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The Third Meeting of the Regional Steering Committee, 12 October 2018, Astana

MEETING SUMMARY

The Third Meeting of the Regional Steering Committee (RSC) of the EU Nexus CA Dialogue Project was dedicated to the development of a portfolio of multi-sectoral investment projects to foster water, energy and food security in Central Asia for their possible further support in the framework of the Second Phase of the EU Global Nexus Regional Dialogue Programme.



The meeting was attended by the RSC members nominated by Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan, as well as by such regional organizations as the Executive Committee of the International Fund for Saving the Aral Sea (EC IFAS) and the “Syrdarya” Basin Water Organization (BWO). In total, there were about thirty participants from all five Central Asian countries (see the list of participants in Annex 1).

The meeting was opened with welcoming speeches by H.E. Ambassador Sven-Olov Carlsson, Head of the European Union Delegation to Kazakhstan, Mr Guyzgeldi Bayjanov, Chairman of EC IFAS, and Mr Igor Koval, Director of the Transboundary Rivers Department of the Kazakhstan Ministry of Agriculture.

During **Session 1** Ms Lyudmila Kiktenko, Manager of the EU Nexus CA Dialogue Project, presented information on the activities performed and the progress achieved by the project since the last meeting of the RSC on 7 June 2018 in Tashkent. The participants also reviewed the current tasks, the work plan for the year 2019, and determined the priority actions for the next period.



Following the 30 January 2018 Resolution of the Executive Board of IFAS to launch the development of the Fourth Aral Sea Basin Program (ASBP-4), the EU Nexus CA Dialogue Project readjusted its main focus. As a result, the project team started to interact more closely with IFAS structures, as well as with the national and regional working groups established for the development of ASBP-4.

Special mention was made about the existing obstacles to the implementation of certain EU Nexus CA Dialogue Project activities in the countries and the need for support by the RSC members in order to overcome them. More specifically, by the end of December 2018, it is necessary to obtain permission from the Government of the Kyrgyz Republic for the implementation of the EU Nexus CA Dialogue Project. Furthermore, the scope and timeline for the future activities for testing the Nexus approach should be proposed by national partners in Tajikistan, Turkmenistan and Uzbekistan before the end of 2018.

The project team proposed to organize a study tour in April-May 2019 in Europe. It was proposed to visit both the International Commission for the Protection of the Danube River and the International Sava River

Commission. Participants recommended that the study tour should focus on best practices for the joint implementation of investment projects. Since Central Asian countries lack experience on joint development, implementation and management of transboundary investment projects, as well as on attracting loans from the International Financial Institutions (IFIs) to finance such complex projects, it would be useful to draw on existing international experiences.

Ms Kristin Meyer, Nexus Central Asia Coordinator at the International Union for Conservation of Nature (IUCN), presented results of the analysis on institutional development and capacity building for multi-sectoral investment planning, as well as some preliminary recommendations. Three areas requiring strengthening stood out: a lack of a legal mandate of the IFAS structure for attracting investment into regional multi-sectoral projects, a lack of knowledge and expertise and a lack of information and data.



Session 2 was dedicated to the discussion of transboundary investment project ideas that had been developed based on the Nexus criteria by a group of regional experts. Ms Saltanat Zhakenova, EU Nexus CA Dialogue Project Expert, presented the methodology, criteria and templates used for their selection. She also explained that previous regional initiatives, programs and intergovernmental agreements, in particular the Third Aral Sea Basin Program (ASBP-3), were taken as the basis for developing these project ideas. The following selection criteria were used: (a) contribution to the water, energy and food security of the countries and the region as a whole; (b) regional or transboundary nature of the project; (c) compliance with the main directions of ASBP-4; and (d) environmental sustainability.



Mr Sagit Ibatullin, EU Nexus CA Dialogue Project Regional Expert, provided general information on the current situation in the region in the field of environmental protection, water and land resources in the context of climate change, and presented the following ideas for regional multi-sectoral investment projects:

1. Upgrading of the water management system in the Amudarya and Syrdarya river basins;
2. Improvement of the meliorative condition of the irrigated lands in the Amudarya and Syrdarya river basins;
3. Rehabilitation of waterworks facilities in the Amudarya and Syrdarya river basins;
4. Ensuring sustainable water and energy supply in rural areas of the Central Asian countries;
5. Integrated disaster risk management in the Aral Sea basin;
6. Rehabilitation of ecosystems of the Aral Sea basin to combat desertification and land degradation;
7. Integrated development of eco-and agro-tourism with elements of ethno-tourism based on specially protected natural areas (PAs) in the Aral Sea basin.

All these project ideas were discussed by the RSC members and other meeting participants. The comment was made by Ms Maarit Thiem, Advisor of GIZ, that these project ideas should also include an energy component; otherwise, they appear to be the IWRM projects rather than the WEF Security Nexus-based projects.

The participants ranked the presented project ideas using a special scoring card to assess the potential of these project ideas to contribute to the water, energy and food security of the countries, as well as their compliance with national and sectoral development priorities.

In the course of **Session 3** the results of the ranking of the investment project ideas presented in Session 2 were presented and discussed. Based on the cumulative scores, the following project ideas were identified as the priority ones:

1. Improvement of the meliorative condition of the irrigated lands in the Amudarya and Syrdarya river

basins;

2. Upgrading of the water management system in the Amudarya and Syrdarya river basins;
3. Rehabilitation of ecosystems of the Aral Sea basin to combat desertification and land degradation;
4. Rehabilitation of waterworks facilities in the Amudarya and Syrdarya river basins;

Although only four project ideas were selected, the participants noted the relevance and regional significance of all project ideas and suggested that they should be recommended for consideration to the ASBP-4 National Working Groups.

Based on the information contained in the [Investor's Guide](#), developed under the EU-funded Project "Regional Coordination and Support for the EU-Central Asia Enhanced Regional Cooperation on Environment, Climate Change and Water (WECOOP)", Ms Saltanat Zhakenova highlighted the existing information gaps in the descriptions of the selected project ideas and the need to fill them with the assistance of the countries' experts. She also recommended that the finalized project ideas shall be submitted to IFIs for review and comments.

Mr Vokhidjon Akhmadjonov, Deputy Director of the Information & Analysis Resource Center under the Ministry of Water Resources of the Republic of Uzbekistan, noted that the procedure for identifying and agreeing the projects in the countries should start with relevant consultations to determine the national priorities. Based on the results, it would be necessary to develop a list of regional or bilateral priority directions before any further development of the projects. Such list should include a specific facility/project site, a clear budget, as well as an expression of interest from the respective state(s) to participate in the implementation of such projects.



Due to the fact that the project ideas, developed by the group of regional experts, are based on the regional projects that were included in ASBP-3 and fully comply with the ASBP-4 directions, it was decided to continue their elaboration, and also to discuss them in the ASBP-4 National Working Groups as well as at the Nexus dialogue platforms at national and regional levels.

To enhance the energy component in the project ideas, it was suggested to increase involvement of representatives of the energy sector and to ensure their participation in EU Nexus CA Dialogue Project activities. In some countries, for example in Tajikistan, all possibilities for this are available, since the leading Project partner is the Ministry of Energy and Water Resources. It should be further analyzed how to address this issue in the other countries.

Mr Johannes Stenbaek Madsen, Head of Cooperation of the EU Delegation to the Republic of Kazakhstan, noted that despite the importance of these projects for the countries and the region, the process of their further development and coordination requires decision-making at the highest political level and would take time.

The BWO representatives drew special attention to the procedural issues related to the implementation of joint regional projects. For example, BWOs serves as legal successors and supervisors of the water infrastructure facilities that are assigned for temporary use only. In this connection, despite the BWO's competencies and mandate required for the current operation, reconstruction and repair of these facilities, they do not have the authority to obtain loans for the implementation of potential investment projects. Nevertheless, for coordination and joint implementation of regional projects, it is necessary to involve not only relevant ministries and departments, but also concerned regional organizations. Thus, the representatives of the "Amudarya" BWO and the "Syrdarya" BWO expressed their commitment to get involved in the further development of project ideas No 1 and No 2. In its turn, the Directorate of EC IFAS in Kazakhstan agreed to take the leading role in updating, fine-tuning and finalizing project idea No 6.

Based on the results of Session 3, it was decided to forward the list of the selected project ideas to the

national governments and regional organizations through official and diplomatic channels with the request to have energy experts also review these projects and contribute to their further elaboration. Moreover, as the coordinator of the regional process for the ASBP-4 development, EC IFAS confirmed its support and agreed to submit the selected project ideas to the National Working Groups for further discussion and elaboration, as well as for subsequent promotion at the Regional Working Groups.

In their closing remarks, Mr Johannes Stenbaek Madsen, Ms Lyudmila Kiktenko and Mr Sagit Ibatullin thanked participants for the effective and fruitful discussion and closed the meeting.

CONCLUSIONS

The Third RSC Meeting proved to be an intense and fruitful meeting during which national and regional project stakeholders could once again meet and discuss the progress and next steps for the implementation of EU Nexus CA Dialogue Project, as follows:

november 2018:

- with the assistance from the EU Delegation to Kyrgyzstan, to follow up with the Kyrgyz MFA on Kyrgyzstan's position with regard to the EU Nexus CA Dialogue Project and appointment of members to its RSC;
- to complete by participants the online capacity development score card survey;
- to submit the selected project ideas to the ASBP-4 National Working Groups.

december 2018:

- to promote multi-sectoral regional investment project ideas at the 2nd meeting of the Regional Working Group for the development of ASBP-4;
- to finalize the Best Nexus Case Studies;
- to obtain proposals from the Tajikistan, Turkmenistan and Uzbekistan on the pilots for testing the Nexus approach;
- to send the concept for a study tour and a training workshop to the RSC members.

april 2019:

- To organize the WEF nexus session at the Central Asian Conference on Climate Change;
- To organize the study tour to visit both the International Commission for the Protection of the Danube River and the International Sava River Commission.

june 2019: To organize the fourth RSC Meeting to facilitate approval of the selected regional multi-sectoral investment projects by relevant government bodies.

september 2019: To organize the WEF nexus session at the Central Asia Leadership Program.

november 2019: To organize the final Project Conference in Almaty.