

## **Annotated agenda of the webinar**

### **“Identifying essential structural and institutional reforms to achieve economic sustainability of the water sector of Central Asia”**

**Organized in the framework of the Programme “Water as a driver of sustainable recovery: economic, institutional and strategic aspects of water resources management in Central Asia” 25 February 2021, 14.00 Almaty time**

*Supported by Blue Peace of Central Asia (BPCA) of SDC, the Stockholm International Water Institute (SIWI), the Center for Central Asia Research of Corvinus University Budapest (CUB) and the Regional Environmental Center for Central Asia (CAREC)*

Participants of the first webinar of the Programme held on 3rd November 2020 pointed out that the economic crisis caused by the pandemic highlighted the critical importance of the water sector for Central Asia and at the same time exposed its vulnerabilities. Speakers warned of a drain on capacities and resources by the pandemic that reduces fiscal space when governments design and carry through recovery programmes. This increases the urgency to implement long overdue economic reforms. The first session will discuss structural reforms that would increase economic sustainability of the water sector by improving the business and investment climate, and by creating competitive markets for private, cooperative and government owned actors. The development and implementation of comprehensive reform strategies requires intensive dialogue and joint work of water, energy and environmental experts, economists, financial and investment specialists and strategic planners. Exchange of experiences, best practices and lessons learned among the academic communities and experts, supported by development partners would facilitate the elaboration of reforms best suited to the economic, political and social conditions of Central Asian countries. The objective of the webinar is to initiate and support such dialogue.

#### **First session**

Moderator: Dr. Miklós Rosta, Head of Department of Comparative and Institutional Economics, Corvinus University, Budapest

14.00 Opening statement by Ambassador Guy Bonvin, Swiss Special Envoy for Water in Central Asia (BPCA - SDC):
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14.10 “EU support to green recovery in Central Asia: the role of the water sector” Ambassador Peter Burian, EU Special Representative for Central Asia
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14.20 ” The Blue Peace Index for the Syr Darya and Amu Darya, a look at the
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regional institutional architecture” Matus Samel, the Economist Intelligence Unit, Sustainability, Climate Change and Natural Resources Practice

14.40 Introduction of the background paper and ongoing research on essential structural and institutional reforms to achieve economic sustainability of the water sector, Marton Krasznai, Scientific Director, Center for Central Asia Research, Corvinus University, Budapest

14.50 Statement by the representative of Afghanistan

15.00 Statement by the representative of Kazakhstan

15.10 Statement by the representative of Kyrgyzstan

15.20 Statement by the representative of Tajikistan

15.30 Statement by the representative of Turkmenistan

15.40 Statement by the representative of Uzbekistan

15.50 Q and A

16.00 Break

## **Second session**

Moderator: Dr. Kinga Szálkai, Eötvös Loránd University, Budapest

Background: Thirty years after the beginning of political and economic transition, key water infrastructure in Central Asia - large and medium sized irrigation canals, HPS, reservoirs - remains overwhelmingly in state ownership. Participants of the first webinar highlighted the central role of governments in managing and financing the water sector. Governments would need to spend USD 33-38 billion annually on the modernization, proper maintenance and operation of water infrastructure. Adaptation to climate change would require significant additional investment to develop robust, multi-year regulating capacity for the region. Only comprehensive reforms at the national level and strengthened regional cooperation could help avoid the spiralling costs of inaction and action overwhelm the capacities of Central Asian economies. Private investment in water infrastructure is likely to remain modest in the foreseeable future, due to illiquid markets and low profitability. FDI and ODA is forecast to drop for a few years as a consequence of the crisis. Accelerating institutional reforms is a sine qua non for increasing the capacity of the state to shoulder the burden of maintaining and modernizing the infrastructure. Central Asian countries need to design and implement institutional reforms that are rooted in their traditions and shaped by modern economic science.

16.15 Keynote address: "Getting institutional reforms right: lessons offered by

China, Russia and Central-Europe”, Chenggang Xu, Professor at Cheung Kong Graduate School of Business

16.35 Modelling the effects of institutional reforms on the water sector: key steps to strengthen state capacity and improve resource allocation (Dr. Miklós Rosta and Dominika Vitár, Center for Central Asia Research, Corvinus University, Budapest

16.45 “Accessibility and affordability: applying socio-economic, geographical and population service criteria to state, community, private and humanitarian financing of communal water supply and sanitary services”, research group of the Graduate School of Public Policy of the Nazarbayev University

16.55 Q and A

17.10 Summary of the discussions: Bo Libert, Consultant, Stockholm International Water Institute

17.15 End of the webinar