



Summary of the webinar

“Strategic aspects of water resources management in Central Asia

organized on 20 May 2021 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” supported by the Blue Peace Central Asia initiative of the Swiss Development Cooperation, the Stockholm International Water Institute, the Center for Central Asia Research of Corvinus University, Budapest and the Regional Environmental Center for Central Asia.

The webinar was opened by **Ambassador Guy Bonvin, Swiss Special Envoy for Water in Central Asia**. He reminded participants that the idea of launching a coherent and structured dialogue on water in Central Asia was presented by Central Asian participants at a workshop in October 2019 in Budapest, who were frustrated by the great number of workshops and conferences, which had discussed the same issues, but almost always with different participants, with a limited effectiveness. This was also true of meetings of strategic planners or events organized by development partners. Ambassador Bonvin recalled the underlying objective of the present programme, consisting of four webinars: to establish a “community of practice” participating in a coherent succession of topical discussions. Indeed, each webinar addressed a specific topic: (i) economic and financial sustainability of the water sector and (ii) structural and institutional reforms that would make it possible, as well as (iii) the development of an economic basis for regional cooperation on water.

Ambassador Bonvin made the expectations of the fourth webinar clear: to confirm that a water secure Central Asia is a strategic objective. This is based on two key observations: (i) Water is at the heart of the socio-economic fabric of the region, of each country, of each segment of the river basins; (ii) the assumed

aim of every leader, including the top leadership, is to ensure the wealth, health, the peace of each members of his community, of each citizen.

While aiming at achieving this strategic objective, **climate change is a game changer: it accelerates present trends, like decreasing water availability and it directly impacts upon the socio-economic development of the region.** What is not less important, it drives a fundamental change in the world economy: the decarbonization of production and consumption. **This change is not linear, but exponential, and its effects are aggravated by another exponential change, the increasing cost of restoration, modernization and maintenance of the decaying regional water infrastructure.**

These two concomitant processes constitute a real strategic challenge for Central Asia, which depends on the export of primary commodities, first of all energy and ores, and has to cope with the consequences of thirty years of underinvestment in water infrastructure. If the region is unable to stand up to these strategic challenges, it might face a brutal and irreversible collapse of services, which would threaten its stability and security.

Therefore, Ambassador Bonvin declared that the proposal of the day was to launch a discussion on how to jointly manage the strategic resource called water. The region needs a long-term approach, a thorough analysis of the economic and geopolitical implications of on-going processes, helping decision-makers arrive at a shared strategic vision.

Professor Danio Turk, the Chairman of the Global High-Level Panel on Water and Peace underlined that a discussion on the strategic aspects of water resources management in Central Asia is in fact addressing a global problem. The questions to be discussed are part of a global picture that is a cause for serious concern.

Today, about two billion people lack access to safe drinking water and most of them live in fragile, often violent regions of the world. All expert assessments agree that by mid-century close to four billion people – about 40 percent of world's population - will live in water-stressed basins. These and other **facts, figures and projections - by now widely recognized - have led the Global High Level Panel on Water and Peace, to give the title “A Matter of Survival” to its report.** Water is often part of conflict, sometimes violent conflict. It can be a driver of violent conflict albeit generally not a single or the main cause of conflict. Persistent or growing competition over water and

unresolved issues of water management create sensitive situations where violence can start unexpectedly.

Water is a problem but at the same time, it is also a reason for cooperation. It is an instrument that serves needed economic and social stability and peace through transboundary water cooperation. The concept of integrated water resource management no longer relates to national systems only. It extends to international levels – sub-regional, regional and global. **The problem of water is a problem of governance**, and most of governance is concentrated at the national and local levels. Governance means coordination and trade-offs, as well willingness to cooperate – a difficult task amid the growing competition among the uses of water – for human consumption, food production and irrigation, mining and manufacturing, energy production and environmental services. Policies in each of them are often designed without a full appreciation of the other sectors. Therefore, **what is needed is the “nexus approach”, of inter sectoral water management at the local, national and regional levels.** Central Asia has important experience in that regard – both from the more distant past and from the current, expanding cooperation. It is encouraging that bilateral cooperation between Tajikistan and Uzbekistan is growing. Joint management of the consequences of the Sardoba Dam disaster provided a good example of transboundary water cooperation in the case of water related disasters. The International Fund for Saving the Aral Sea is an important building block in the process of development or regional water cooperation.

There are also many opportunities that will arise in the process of further transformation in the Eurasian space, involving Russia, China, the European Union and others. In this dynamic landscape it becomes increasingly important to define an ambitious vision of further regional cooperation.

The countries of the region will be well advised to think ambitiously and look into the experience from other parts of the world as a source of inspiration. Seventy years ago Europe started an ambitious journey by establishing **the Coal and Steel Community that laid the foundations for the subsequent cooperation and integration in Europe. Water is the equivalent of coal and steel – as far as the analogy between Central Asia and Europe is concerned.** This analogy looks farfetched today, but so did coal and steel cooperation look a few decades ago.

In the current climate change affected world it is important to think in terms of transformation and to think boldly about big projects. There is a large gap between available financial resources and the ones needed for a major transformation. **Central Asia has a better chance to attract large scale financing, including climate financing, by developing a regional “smart investment concept.”** It could identify a number, perhaps ten, regional investment opportunities. The pooling of capabilities and resources would ensure better positions vis-à-vis investors and help reduce risks. Displaying a strong commitment to regional cooperation would help develop a favorable investment climate. This is particularly important for investment in water infrastructure with long break-even periods. Lessons from past experience can be helpful. If the Aral Sea programs have a time horizon of about four years, a smart regional investment concept could cover much longer time periods.

Not less important is **investment in the people**, the experts, the engineers and other specialists who will be able to implement the ambitious projects contemplated now and in the future. This is why it is so important to support education, training and research and this is why the partners organizing this webinar are so keen on the preparation of the next generation for the tasks ahead.

The existing data on the implementation of the UN Sustainable Goal 6 - on availability of water and sanitation to all - already show that the world is seriously off the mark. The UN Decade on Water Action that started in 2018 will show the same picture.

Mr. Mohammad Asif Noorzai, Deputy Director-General of Border Affairs and Transboundary Waters, Ministry of Foreign Affairs, I.R. of Afghanistan presented a broad overview of the role of the water sector in the economic development and stability of his country. Afghanistan would like to actively participate in efforts to strengthen regional cooperation on water in the Aral Sea Basin. Developing balanced cooperation on water, fully respecting the economic interests of all participants is an important contribution to the sustainable economic development and stability of the whole region.

Mr. Bulat Auelbayev, Senior Expert of the Kazakhstan Institute of Strategic Studies under the President of the Republic of Kazakhstan provided a broad overview of the history of regional cooperation in Central Asia since 1991. After the disbanding of the Central Asian Cooperation Organization

in 2006, efforts to strengthen regional cooperation slowed down. At present, the five countries undertake active efforts to improve cooperation, as demonstrated by recent summits in Nur Sultan and Tashkent. The water and energy complex occupies a central role in regional ties. Two contradictory tendencies have been manifest since the five countries gained independence: preservation of the common heritage and the pursuit of national interests. In order to facilitate the joint use of regional infrastructure, the countries established the International Fund for Saving the Aral Sea. At the same time, each state, for the entire period of its independent development has sought to build its own self-sufficient energy system within its territory. Sometimes this was done to the detriment of common regional interests and often the neighbors tried to restrain each other's development

Kazakhstan launched the initiative to establish a water and energy consortium: the idea was discussed between 1997 and 2000 in the framework of the Interstate Commission of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, between 2001 and 2005 in the framework of the Central Asian Cooperation Organization and between 2006 and 2012 the Eurasian Economic Community. The two upstream countries have a significant potential for hydropower development and at the same time need huge investment and regional cooperation. When large projects, like Kambarata-1 and Rogun, are completed, their electricity export potential, among others through CASA-1000, will increase significantly. **Changes at the top level of political leadership in recent years make it possible to develop a new, joint approach to water and energy problems. The pursuit of national interests should be rebalanced with participation in joint regional projects. The construction of large HPS and hydraulic structures in the upper reaches of transboundary rivers holds great potential for the development of the entire region.** What is needed is the combination of international experience with local political will, so all legal, technological and environmental problems are properly addressed. The Advisory Council of Heads of State of Central Asia is in the position to chart new geopolitical directions for the region, which would allow the five countries to fully develop their economic potential as an important link between major powers and economic blocks of Europe and Asia. The intentions of the five governments to resume the process of integration are serious. Due to the scale and complexity of this task, summit meetings are held only in a consultative format. However, in the modern world fraught with crises, the most

constructive approach would be to develop coordinated positions by the five countries on internal, regional and global issues.

Mr. Murat Suyunbaev, Senior Research Associate of the National Institute for Strategic Studies of the Kyrgyz Republic emphasized the importance of stepping up national and regional level efforts to increase resilience to climate change. There have been many examples in history when the change of climatic conditions forced people to migrate. Today the increasingly dramatic effects of climate change threaten to trigger similar population movements. If irrigated agriculture is unable to provide for the living of rural populations due to increasing **water stress**, this **may accelerate migratory processes within countries and within the broader region**. Central Asian countries need to step up efforts to improve regional cooperation on water to facilitate more effective climate change adaptation.

Ms. Saodat Churahonzoda, Deputy Director of the Center for Strategic Studies under the President of the Republic of Tajikistan reminded that upon the initiative of Tajikistan, a country that plays an important role in the regulation of regional water resources, the UN declared 2018-2028 the international decade of “Water for Development”. An international conference under this initiative will take place in 2021 in Dushanbe. Today, the foreign policy of Tajikistan gives priority to the question of water and energy, since the resolution of a number of socio-economic problems depends on the effective conduct of water diplomacy.

Tajikistán sees its huge reserves of water resources and hydropower potential as a guarantee of its sustainable development. At the same time, it is fully aware of the need to cooperate with neighboring countries for the full development of this important resource to the benefit of the whole Central Asian region. The joint exploitation of this huge potential would facilitate the complex resolution of a whole range of socio-economic and ecological problems of the region. The development of the hydropower potential of Tajikistan is in the interest of every country of Central Asia, as it would provide the region with cheap and ecologically clean electricity. Tajikistan is signatory of every regional agreement on water, energy and the environment. Water should not be the source of conflict, it should become the catalyzer of cooperation, development and the source of prosperity. What is needed is a concept of regional development based on a balance of economic

interests. The international decade “Water for sustainable development” offers a good background for this work.

Mr. Tirkesh Annagulyev of the Ministry of Finance and Economy of Turkmenistan underlined the importance of proper management of water resources. 80% of the territory of the country is desert. Agriculture is mostly based on furrow irrigation. Drop irrigation is used for trees and vineyards. Many **projects** of the National Programme for Socio-Economic Development (2011 - 2030) and the Programme of the President of Turkmenistan for Socio-Economic Development for 2019-2025 **are based on the water-energy-food-ecology nexus**. The biggest project is the building of the Altyn Asyr lake: more than 1000 km of new canals will collect drainage water for the lake. The new lake will help improve water quality of the Amudarya river and create 1.3 M ha. pasture. Turkmenistan plans to continue introducing new irrigation technologies, including drop irrigation. It has signed several international conventions on water and the environment. The President of Turkmenistan, at the 2018 session of the UN General Assembly called for the establishment of the UN Special Programme for the Aral Sea.

Mr. Nozim Khasanov, Senior Research Fellow at the Institute of Strategic Studies under the President of the Republic of Uzbekistan warned that climate change is in fact irreversible and the pandemic has aggravated its consequences. Humanity had to divert resources from climate change mitigation to the fight against the pandemic. In Central Asia it is the water sector that is hit the hardest by climate change. Water stress increases from year to year. If in the past low water years happened 1 or 2 times in a decade, now one out of every 2-3 year is a low water year as a result of the disappearance of glaciers and less precipitation. **The disappearance of glaciers, and floods and droughts caused by irregular weather patterns may precipitate a crisis of irrigated agriculture in Central Asia.** The countries of the region need to strengthen regional cooperation on water in order to avoid a humanitarian crisis caused by food insecurity. This may require the elaboration of new guidelines for regional cooperation. 1) All **countries**, irrespective if they are upstream or downstream, **need to approach regional cooperation on water in a responsible way.** Attempts to use water for pressuring others will only aggravate the situation. 2) Central Asian countries need to leave behind the era of adopting declarative documents on water cooperation that don't contain any concrete obligation. There is a **need to adopt concrete, long-term agreements based on mutual**

concessions. 3) There is a need to introduce **modern monitoring technologies.** International partners and water users within a country alike would have trust in the fair distribution of water only if they can rely on data obtained by modern monitoring technologies. 4) **The role of water diplomacy needs to be strengthened.** The population of every country must be convinced of the advantages of peaceful negotiations on the joint management of water resources and the need to reject any violent method.

Joint efforts to achieve rational and economical use of water resources should become a strategic objective of all countries. As advised by the UN, everything should be done to keep global warming within the 1.5 celsius range: investment in fossil fuels must be stopped to achieve carbon neutrality and boost green investment. The five countries should undertake concrete steps, with the help of international partners, for climate change adaptation.

Ambassador Tuula Yrjölä, Director of the OSCE Secretariat Conflict Prevention Centre in her keynote address reminded participants that **since the adoption of the 1975 Helsinki Final Act, the OSCE participating States have recognized the link between water management, environmental co-operation, and peaceful inter-State relations as an integral part of the concept of comprehensive security.** In the absence of good water governance, water might become a source of conflict, because the unsustainable use of water resources can upset ecological systems, threatening security and stability. At the same time, well-governed water provides opportunities to build confidence and strengthen cooperation. OSCE's field operations are an excellent tool to support their host countries in developing national strategies and action programmes to manage water resources effectively, and to bring national environmental legislation in compliance with international standards. The effects of climate change are a global challenge, one that forces all countries and regions to seek cooperative, sustainable ways to deal with their water resources. Combating climate change is one of the key priorities of the 2021 Swedish OSCE Chairpersonship.

The second session of the webinar continued with the presentation of success stories of cooperation on water management in Central Asia, among them the activity of the **International Teaching Center for Dam Safety in Taraz, Kazakhstan. Professor Saghit Ibatullin, the Director of the Center and Professor Ali Fazilov of the Institute of Water Problems, Hydropower and Environment of the Academy of Sciences of the Republic of Tajikistan**

introduced the activities of the Training Center, founded in 2012 by IFAS with the support of the European Economic Commission. Twice a year the center hosts training courses on the safety of water facilities for Central Asian specialists. **The Center could bring more benefit for the region, if funding for its activities would be more stable.**

The Chairman of the Board of KazAID, the Kazakhstan Agency for International Development spoke about the importance of intra-regional development assistance in support of economic development, resilience and security. The newly established development agency of Kazakhstan is ready to support activities aimed at improving regional water resources management in Central Asia.

György Sipos introduced an on-going research project by students at **Corvinus University, Budapest**. The Blue Peace Index, developed by the Economist Intelligence Unit, compares the efficiency of water resources management in seven river basins of the world. It was presented during the second webinar of the Programme “Water as a driver of sustainable recovery”. Based on the Index, a group of students of Corvinus University works on a more detailed **comparison of water resources management in the Amudarya, Syrdarya and Tigris-Euphrates basins. Despite many similarities**, like arid climate and significant environmental damage caused by short-sighted economic policies, efficiency of water resources management in these basins differs significantly: **Central Asian countries have managed to maintain cooperation on water, which helped them achieve rapid economic development and social stability**. At the same time, the study warns that in Central Asia the melting of glaciers leads to increased water flows, but only for a few decades. In about three decades, the situation will change. The amount of water will dramatically decrease: Central Asia has a narrow window of opportunity to prepare for future challenges and strengthen its resilience.

In a panel discussion with the participation of **Mr. Philipp Saprykin, Deputy Head of the UN Regional Center for Preventive Diplomacy for Central Asia, Professor Pál Dunay of the European Marshall Center and Marton Krasznai, Scientific Director of the Center for Central Asia Research of Corvinus University, Budapest**, the role of the UN in supporting a global and regional dialogue on water was emphasized. UN Decades on Water, support to the achievement of the Sustainable Development Goals and **the high level political and strategic discussions conducted under the umbrella of the**

UNRCCA provide a solid basis for further, structured strategic dialogue on water.

Water management does not only require political will but capacities as well. Central Asia faces a shortage of capital. Weak capital accumulation is partly due to objective reasons. The accumulation of capital has not taken place in most cases. However, it is also a matter of intention whether local wealth generation results in reinvestment. There are positive tendencies that should be further reinforced. Breakthrough in one area may have positive spill-over effects. As the profile of the region becomes more positive, it may serve as a ground of more external commitments to help it further.

It was pointed out that for three decades analysts kept repeating the mantra that disputes over water had been a stumbling block to regional economic and trade cooperation. Today economic cooperation and trade between Central Asian countries is developing with unprecedented dynamism, still most of the problems hindering the integrated, efficient and rational management of water resources at the regional level remain. This entails significant risks: until cooperative, long-term solutions to the problems of the water sector are not in place, it may negatively influence regional stability and security. **The development of a solid economic basis for regional cooperation on water, with a smart regional investment concept at its core could proceed in parallel with a structured strategic dialogue on water in the 21st century, facilitating the translation of high-level political will into concrete steps,** among others by preparing and providing decision support to meetings of Heads of State.

Ambassador Guy Bonvin, Swiss Special Envoy for Water in Central Asia, summarizing the discussion in his closing address, concluded: **it is time to engage in a strategic dialogue on water in Central Asia.** There are mounting challenges linked to water: climate change, tremendous investment needs and an unpredictable geopolitical and geo-economic environment. Central Asian countries can address these challenges much more effectively, if they coordinate, if they act together as a team. Identifying shared strategic interests linked to water is the first step. He insisted once again that solutions for a sustainable water sector also lay outside of the water sector, knowing that water is deeply rooted in the socio-economic fabric of the region, of each country, of each segment of the river basins. Teamwork is the only route to ensure the wealth - health - peace desired by each and every one in Central Asia.