



Senior Officials' Meeting
30 –31 May 2024



CAREC 2030: Agriculture & Water

July 2023 to June 2024

Central Asia Regional Economic
Cooperation (CAREC) Program



CAREC WATER SECTOR PROGRESS REPORT AND WORK PLAN

JULY 2023 – JUNE 2024

Reference Document
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SUMMARY PROGRESS REPORT FOR THE CAREC WATER PILLAR

I. KEY DEVELOPMENTS AND RESULTS

1. The TA 9977-REG: Developing the Central Asia Regional Economic Cooperation (CAREC) Water Pillar was approved on 12 May 2020 in the amount of \$225,000 with an original closing date of 30 June 2021 and extended to 30 April 2025. The outcome of the initial phase was scoping of the CAREC Water Pillar developed with three outputs: (i) future demand for water resources in the Central Asia region up to 2050 estimated, (ii) water resources development opportunities identified, and (iii) policy and institutional strengthening framework prepared. The TA initially covered the five Central Asian developing member countries (DMCs) of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. The framework for CAREC water pillar was developed and endorsed in 2021 by the Ministerial Conference which comprises three blocks (i) climate resilient and productive systems, (ii) sustainable water resources and water services and (iii) nexus solutions and cross-sector learning.
2. In December 2021, the TA was increased to \$413,000 to extend its scope to include preparation of concept notes for priority project activities under the second output and to define the institutional arrangements for the Water Pillar under the third output. In response to the desire of CAREC member countries to gradually extend Water Pillar activities beyond Central Asia, the TA amount was increased in May 2022 to \$728,000 to add Azerbaijan and Georgia to CAREC water pillar. In 2023, Georgia confirmed joining the water pillar and there is ongoing dialogue with Azerbaijan to formally join the CAREC water pillar. Upstream climate assessment analysis was carried out in Georgia during 2023 which led to the identification of two climate adaptation investment projects in the country.
3. A report entitled 'from scoping to implementation' was prepared in August 2022 which included a longlist of potential regional project activities under each of the three blocks of the Water Pillar framework. The report formed the basis of national consultations with the five Central Asian countries during the first CAREC Water Pillar Regional Workshop held in Tashkent, Uzbekistan on 29-30 November 2022.¹ The Regional Workshop provided an opportunity for representatives from each of the Central Asian developing member countries and relevant regional agencies to prioritize the types of activities proposed for support under the initial phase of implementation of the Water Pillar framework including infrastructure that demonstrates regional benefits, knowledge generation and sharing activities and capacity development. The workshop concluded with a proposal to establish a working group and thematic expert groups for the Water Pillar to help guide its future direction and content. Consultations were held with the Executive Committee for the International Fund for Saving the Aral Sea (EC-IFAS) on providing institutional support for their ongoing reform process.
4. Following a series of consultations with the CAREC focal points of Central Asia countries, a dedicated working group for the Water Pillar was established in 2023 with representatives from Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. The Working Group of the Water Pillar is an advisory and consultative body who provides guidance on the implementation and future direction of the Water Pillar and development of regional projects and technical assistance, including coordination with other regional initiatives. The Water Pillar is envisaged to expand over time to include other CAREC countries and will be assessing potential projects for financing in the coming years including water-energy nexus modeling. The working group will meet in Istanbul, Turkey in June 2024 to (i) share knowledge and new advancements

¹ [Regional Workshop on Water Pillar | CAREC Program Event](#)

in climate and water within the Central Asia region, and (ii) agree on three potential pipeline projects for investment by the CAREC water pillar. In the next step, prefeasibility studies will be carried out by CAREC water pillar on the three agreed proposed projects.

II. CHALLENGES AND KEY ISSUES

5. 2022 saw the gradual re-establishment of normal working conditions after the restrictions experienced by all organizations during the COVID-19 pandemic meaning that missions by the consultant team to the region could be held in September 2022 and the regional workshop could be held in-person in November 2022.
6. The process of developing the Water Pillar has generated considerable interest and resulted in a longlist of project ideas that requires further prioritization through screening studies to be undertaken during 2023 to 2024. In parallel, a set of knowledge generation and capacity development activities can continue to be held during 2024 to 2025.
7. As reported last year, many of the activities identified in the for the Water Pillar will require improvement in data acquisition systems and the sharing of hydrological and climate modeling information. The Water Pillar envisages a 'building block' approach to support other ongoing initiatives by development partners and national agencies by incorporating a focus on improved data sharing in each of the bilateral or regional projects to be supported.
8. Expanding the involvement of CAREC member countries beyond the initial Central Asian DMCs will be a gradual process as demand arises. The mix of different types of activities including contribution to knowledge generation, participation in capacity development, and involvement in bilateral or broader regional project development provides multiple opportunities to suit the context of individual countries.

III. PROPOSED WORK PROGRAM

Table 2: Proposed Work Plan until April 2025

Item	Proposed work
CAREC water pillar working group meeting	country representatives for the working group finalized and the first in-person meeting to be held in Istanbul, Turkey, during 17-19 June 2024 where 3 potential projects for investment by CAREC water pillar will be agreed upon.
Water-energy nexus modeling for the CA region	A proof-of-concept simulation model developed that combines the power systems and river basins of Central Asia which will help simulate how regional water and energy resources are interdependent.
Prefeasibility studies of selected CAREC water pillar pipeline projects	Firm will be hired to conduct prefeasibility study of the three potential projects that have been agreed upon in the Istanbul meeting for potential investment by CAREC water pillar.

CAREC AGRICULTURE SECTOR

1. In the **agriculture** sector, a completed technical assistance helped align national food safety regulations with international food safety standards in Azerbaijan, Kazakhstan, Kyrgyz Republic, Uzbekistan, Turkmenistan, and Tajikistan. Technical training was also provided to support national future actions, enhancing knowledge in this area and exploring country-specific lending opportunities to improve food safety laboratories and related infrastructure, in accordance with preferences and priorities identified by CAREC member countries.
2. To address food insecurity in the region, ADB has been working closely with CAREC member countries, development partners, and the private sector, to (i) deepen modernized, inclusive, and climate-smart agriculture; (ii) strengthen policy frameworks; (iii) develop food value chains; (iv) harness international trade in food products; and (v) strengthen food security information sharing, as stated in the **Cooperation Framework for Agricultural Development and Food Security in the CAREC Region**, endorsed by CAREC members in November 2022. ADB approved a US\$3.0 million technical assistance to facilitate implementation of the cooperation framework. A TA inception meeting is planned in June/July to discuss the TA work plan and support for country and regional initiatives.