

CAREC: A Scoping Study to Develop the Water Pillar Briefing Note for Senior Officials Meeting, 30 June 2021

A. Background

1. In 2017 CAREC introduced agriculture and water as a new cluster in its strategic framework, *CAREC 2030: Connecting the Region for Shared and Sustainable Regional Development*. Discussion on the Water Pillar within the new Agriculture and Water Cluster was taken forward in a side session of the CAREC Senior Officials Meeting in June 2019 under the banner of '*Advancing Water Cooperation and Sharing Experiences*'. It led to commissioning of a scoping study, supported by the Asian Development Bank (ADB), to develop a framework to develop regional cooperation in the water sector in the CAREC region. It was agreed that the initial focus of this scoping study would be on the five Central Asian states and in particular the region covered by the waters of the Aral Sea Basin region, with consideration given to expanding to other CAREC countries over time.

2. Water is integral to many sectors of CAREC cooperation either directly or indirectly, and economic development and cooperation in the region is closely linked to water and energy resources. The importance of water in meeting countries' commitments to the Sustainable Development Goals (SDGs) goes beyond the specific water related targets of SDG6 as it is a central element in addressing many of the development aspirations embodied in other SDGs. In a rapidly changing climate, the focus on water intensifies further as water plays a critical role in efforts for climate adaptation.

B. Progress

3. Despite travel restrictions due to COVID-19, a broad range of virtual interviews have been undertaken in the preparation of the scoping report. They include meetings with government representatives of the five Central Asia countries, inter-governmental and international organizations, development partners and knowledge institutions. Three thematic papers have been prepared on climate change impacts, the economic value of water, and a legal and policy analysis. The findings of this work together with preliminary proposals for the framework and content of the Water Pillar were presented and discussed at a regional consultation held virtually on 16 April 2021. Summaries of the thematic papers were translated into Russian and circulated prior to the regional consultation. The consultation provided valuable feedback for preparing the scoping study report, a first draft of which will be circulated to Water Pillar focal points in each of the Central Asian states by late June 2021.

C. Preliminary proposals

4. The scoping study describes the development trajectory in the region as it influences water demand and the short- to long-term impacts of climate change on water supply. By projecting forward to a scenario in 2050, the study demonstrates the importance of more efficient and productive water management to shrink the growing gap between water demand and available supply. The study also describes some of the policy instruments available for maintaining a more sustainable water balance. The study outlines the prevailing institutional frameworks of regional and bilateral cooperation and presents the strengths, weakness, opportunities and threats to be considered in developing the CAREC Water Pillar.

5. As a new component of the CAREC Program, the Water Pillar will take an incremental approach to strengthening regional cooperation. Projects under the Water Pillar will aim to build confidence and trust in joint management approaches and comprise a combination of initiatives designed to (i) address issues of common concern across two or more countries that may or may not be directly linked to a shared water resource, and (ii) support regional cooperation on shared water resources (i.e., a transboundary river or groundwater system). Projects may be of a technical assistance type, (for example support to policy and regulatory, institutional strengthening, knowledge products and joint learning activities) or investments in infrastructure (including jointly owned and managed infrastructure).

6. Three key areas have been identified in the scoping study for the Water Pillar focusing on (i) climate resilience, (ii) sustainability, and (iii) the creation of joint assets, (including physical infrastructure as well as enhancing the joint capacity for regional water management). The framework is underpinned by a series of cross cutting dimensions, including supporting partnerships, generating knowledge, catalyzing finance, promoting gender equity, and fostering innovation. A number of project ideas are suggested under each of the three blocks of the Pillar which will be further prioritized as the scoping study evolves.

D. Next steps

7. The next steps in the process of finalizing the scoping study include:

- submission of the translated draft scoping study report by late-June 2021
- review of the draft report by each of the Central Asian states, facilitated by CAREC Water Pillar national focal points (by mid July 2021), including virtual national meetings to provide feedback.
- finalization of scoping study report and discussion at the second regional consultation (August 2021).
- development of concept papers for selected priority activities (Sept-Oct 2021)
- Presentation of draft CAREC Water Pillar to a possible side session of the CAREC Ministerial Conference (tbd)