



# Sustainable Water Governance and Management in Central Asia: assessment and outlook

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# IMPORTANCE OF WATER DIALOGUE

- Traditional role of water in economic and social of development in Central Asia- **key and limiting resource**
- **Climate change impact** on water resources – water scarcity, drier weather and water related disasters
- COVID-19 and post-covid **recovery**: green recovery vs. competition for limited resources, including water
- **Security and political situation**: opportunity for regional cooperation or new wave of instabilities

# MAJOR FOCUS AREAS OF KEYNOTE

- **Water Governance:** reforms, transformations, land and water sector transformations in 30 years
- **Water Sector Financing:** budgetary, service fees, role of private players, FDI in water sector - key issues of the sector
- **Water Infrastructure:** maintenance and development, priorities, long-term planning, privatization and responsibilities-sustainable infrastructure
- **Water Sector Research:** role, integration, financing, setting focus – evidence-based research and research-based policy making
- **Outlook:** how and where to proceed, what are steps, activities and areas for improving water governance and management

# WATER GOVERNANCE ANALYSIS

- **Social issues-** stratification of society, different groups with different power and capacities. More **competition, contestation** and application of different **water control** strategies at the local, national and regional levels of water systems
- **Transboundary issues**
  - Water systems built and operated by centralized system- currently serves 6 independent states - difference of interests, policies and needs.
  - Water cooperation a non-linear process, affected by the development of national systems. Region's countries handled relatively stable processes of the post-soviet disintegration, without large scale conflicts
- **Opportunity-** due to different interests, competing policies and uncoordinated efforts in the water sector, CA countries not able to mobilize around 4,5 bln. USD/annually

# WATER GOVERNANCE ANALYSIS

- **Resource**- CA soon will be water scarce region (climate change impact). Already few years in row drought and water resources scarcity observed in Central Asia
- **Environment**- Environment is **a limiting factor**: closed basins, Aral Sea catastrophe and other environmental consequences. Central Asia has a large proportion of **endorheic basins with** no direct links to the ocean. **Endorheic basins - sensitive to various changes** in the environment
- **Transformations** - **Nation building**, institutional development and economic changes. **Market economy**, agricultural reforms, institutional changes, land. Reduction of financing of the water sector

# WATER GOVERNANCE ANALYSIS

- **Water Sector Financing**- the water sector is mostly state funded in CA. Currently states budgets unable to fund fully - infrastructure, human, transport and technological needs are inadequately funded
- **Water Infrastructure** - in inadequate conditions. Shrinking and insufficient financing - serious delays in O&M. Central Asia's need for investments to rehabilitate and build new infrastructure (including water infrastructure) is around 6-8% of GDP annually or \$33-38 billion per annum
- **Improved political environment** in the region: more cooperation and less confrontation in environment and water issues. More of bilateral water commissions and working groups

# WATER COOPERATION IN CENTRAL ASIA

- **Pragmatic and long-term process** with institutional and instrumental elements
- Countries of the region were able to set up **national environmental and water governance systems**, although reforms in this sector are still underway
- Central Asian states became part of the **global processes** on sustainable development, signing MEA's, climate and water conventions
- IWRM, green development, sustainability concepts emerged in the region and helped to **shape both regional and national dialogues in Central Asia**
- Major challenge in the region is how to **synergize differing national** water systems and craft regional priorities

# WATER GOVERNANCE AND MANAGEMENT: FOCUS AREAS

- **Political commitment & enabling legislation** – a state guarantee at the policy level for water sector reforms, improvements and changes, including more role for private sector. Strong commitment for regional solutions
- **Improve investment climate-** without stable investment climate and business opportunities, the investors will be reluctant to commit resources to the water sector
- **Improving governance and efficiency-** increases the rationality and benefit of every dollar invested, which improves eventually overall effectiveness of the sector and water resources use



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- **Expertise-** state as a regulator and business as investor must have necessary financial, legal, technical and human skills to deal with process of water sector development
- Introducing **public-private partnership** schemes into water services, more clear ownership system, opening part of water functions for the private players
- Building up strong, client/user-oriented **O&M functions, facilitation of the competition** for the delivery of service functions in water sector. This can trigger the intensive use of technology in the sector

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- **Reforms in water sector – introduction of the** service oriented, de-regulated policies -generate interested to invest in water services
- Introduction and application of **economic frameworks in water sector**, promote integrated planning among sectors – nexus approach
- Setting up more of **multi-purpose water schemes**. The concessions of infrastructure and land around the irrigation infrastructure, renting out facilities to the private users, etc.

# WATER GOVERNANCE AND MANAGEMENT: REGIONAL COOPERATION

- **Joint financing and operation** of transboundary infrastructure, benefit sharing schemes, e.g., Setting up **water-energy consortium** for the *Syr Daraya* and *Amu Darya*
- Seeking **long-term agreement on water** resources use, protection and development in the region, e.g., basin agreements or interstate framework agreement
- Seeking additional water for the region- **inter-basin transfers**. Setting up economically viable water transfer schemes
- **Reforms of interstate water/environment cooperation institutes**, wider autonomy, more inclusive and well financed

# CENTRAL ASIA REGIONAL ECONOMIC COOPERATION (CAREC) INSTITUTE

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