



Water Virtual Policy Dialogue

Water Infrastructure in Central Asia: Promoting Sustainable Financing and Private Capital Participation

Webinar

4 December 2023

15:00 – 17:00 (Beijing time, GMT + 8)

as of 21st November 2023

1. Background

On February 10 and April 27, 2022, the CAREC Institute held its first and second regional policy dialogues on sustainable water governance and management in Central Asia to further explore possibilities for intensifying targeted collaboration with crucial implementing partners, including the Swiss Agency for Development and Cooperation (SDC). The dialogues generated constructive discussions and practical ways forward for sustainable water governance in the region. The CAREC Institute responded positively and committed to holding a series of water dialogues in 2023. This is to continue discussing Central Asia's water infrastructure, promoting sustainable financing and private capital.

The countries of the CAREC region are still facing some obstacles in the water sector, such as up to 60 percent of irrigated agricultural water loss rates; the risks that exist in the public, state-owned, and highly regulated water sector make foreign direct investment, private financing, and other types of financing unattractive; and the water infrastructure built for large-scale collective farming has become difficult to manage and largely inappropriate for modern agriculture production.

Water is arguably one of Central Asia's most controlled and valuable resources. Given the increasing demand for water because of their economies' inherent high consumption and water-intensive nature, Central Asian governments are currently in need of innovative policies to make more productive and efficient use of this vital resource. Even when the best way to increase financing for the water sector is a combination of private capital and public and other resources, private money may not be readily available for several reasons.

According to the recent CAREC Institute assessments, in Central Asia, the infrastructure and the pertinent economic and financial regulations of the water sector are outdated, the development of which dates to the final decades of the Soviet Union. The current water sector financial system still lacks efficiency and effectiveness indicators. While the investment environment in the water sector is not supportive of private funding, high competition for public funds led to a deficiency in financing the industry. Therefore, malfunctioning of the infrastructure owing to both aging and delayed operation and maintenance (O&M) became regular at all levels of the water systems

across the region. The situation is especially dire at Central Asia's local and basin levels. It is, therefore, imperative to set up sustainable financing mechanisms for the water sector.¹

To further extend the two water dialogues, CI published a report on "Water Infrastructure in Central Asia: Promoting Sustainable Financing and Private Capital Participation." This report includes an assessment of infrastructure financing needs, bottlenecks, types of financing, the potential for mobilization of private capital, and the priorities of water infrastructure financing in the irrigated agriculture of five Central Asian states. Emerging land users in Central Asian countries have started to invest in the on-farm water infrastructure. Increased international financing for sustaining large-scale water infrastructure and constructing new hydrotechnical facilities have also been explored. The report documents and maps the region's disparate experiences in developing long-term sustainable water sector financing solutions.

The third dialogue facilitates expert discussions among the study's lead authors, development partner experts, and CAREC region stakeholders.

2. Key Objectives

The dialogue's specific objectives are:

- To facilitate an open dialogue among leading water management experts and the private sector on long-term sustainable water sector financing solutions in Central Asian countries,
- To discuss, analyze, and select the practical implications of water financing challenges and opportunities for Central Asia,
- To further explore policy recommendations to the government by leveraging possible synergies to play the role of social regulator.

3. Expected Outcomes

The dialogue is expected to achieve the following outcomes:

- A direct and open dialogue platform is launched for interaction and commitment to sustainable water management in Central Asia.
- Regional cooperation and collaboration are promoted to translate research findings into practical actions for fostering sustainable water management in the CAREC region,
- An enabling environment for enhanced multistakeholder collaboration is further strengthened.

4. Target participants

The target participants for a Water Policy Dialogue should include officials from member countries who are directly involved in policymaking, providing guidance, and planning for the development, promotion, and utilization of the water infrastructure at the national and regional levels, experts from water policy and advocacy organizations, water industry stakeholders, representatives of research and academic institutions.

¹ <https://www.carecinstitute.org/publications/project-report-on-water-infrastructure-in-central-asia-promoting-sustainable-financing-and-private-capital-participation/>

5. Workshop Methodology

Through leading international experts from the CAREC Institute, ADB, and policymakers from CAREC countries, the workshop will be conducted online and in a dialogue mode with maximum participant engagement in detailed discussions. Many international, regional, and national examples will be shown, while other experiential learning activities will also feature in the workshop. Only a few keynote inputs or presentations will be shared as a basis for the exchange of ideas among the participants. An open discussion format of dialogue facilitation methods will be effectively applied. The workshop will be delivered in English, with simultaneous interpretation from English to Russian and vice versa, to keep the virtual dialogue effective and engaging for multilingual participants. The material presented will also be in English, and the Russian version of the written material will be sent to participants beforehand. Questions and answers sessions could be exchanged bilingually. All participants are required to have access to the internet and webinar software like Zoom. They are also required to have either English or Russian proficiency.

The dialogue will be recorded and uploaded on the CAREC Institute E-Learning platform as guiding digital learning materials (DLMs) – serving as the basis for further cascading knowledge support to member countries and all stakeholders in this area.

6. Date, Mode, and Target Audience

"The CAREC Institute's Dialogues" is a new approach to knowledge exchange and capacity building dedicated to priority clusters of the CAREC Program Strategy. This is the third policy dialogue on "Water Infrastructure in Central Asia: Promoting Sustainable Financing and Private Capital Participation. It will occur on 30 November 2023, between 15:00 and 17:00 Beijing time.

Registration link:

https://carecinstitute-org.zoom.us/webinar/register/WN_CLABs4cgSEeDWkxc8les5Q