

CENTRAL ASIA ENERGY-WATER DEVELOPMENT PROGRAM

Working Regionally for National Shared Prosperity

With increasing globalization and geographic diversity, Central Asia is ripe for new opportunities. However, power shortages are pervasive and water management threatens reliable resources for agricultural and environmental protection. The Central Asia Energy-Water Development Program (CAEWDP) aims to strengthen energy and water security in the region. It supports countries to take advantage of their natural resources while respecting national priorities and safeguarding regional stability. Priorities include addressing severe shortages of energy in upstream countries and reducing the vulnerability to hydrological variability in downstream countries. It fosters dialogue across borders in order to reap the benefits of regional coordination and cooperation.

Results Achieved:

CAEWDP is designed as a series of activities built on and flexible to emerging diagnostics and political economy. Several foundational activities funded by the MDTF have recently been completed and resulted in follow on activities. These activities are important steps in steady, cumulative progress to overall program goals. For example:

- The **Tajikistan Winter Energy Crisis Study** assessed the scope of energy shortages in Tajikistan, informed measures to eliminate energy deficiencies and identified alternative energy sources. Follow-on activities approved for CAEWDP grants include: Tajikistan Energy Sector Dialogue focused on policy reform; Heating Assessment for buildings to reduce pressure on limited hydropower generation; Enhancing Central Asia Energy Trade which could help restore connectivity to the regional power grid; and a non-CAEWDP funded investigation into social impacts of energy deprivation.
- The **Roadmap for Strengthening Analysis of Integrated Water Resources Management (IWRM)** established, through extensive consultations and analytical work (including a spatial water balance model using state-of the art remote sensing data and public domain modeling platforms), eight principles to promote high quality and collaborative knowledge platform for water management. Three follow on activities focusing on a data portal, capacity building in the area of water modeling and strengthening knowledge networks are now under implementation, with an additional two to be initiated.
- **The Energy Sector Coordinating Committee** completed its 2009-2012 Action Plan and established a consensus 2013-2015 Work Program among its 10 member countries (which includes all five Central Asia states as well as key South Asia countries of Afghanistan and Pakistan).

Previous foundation studies funded by early CAEWDP funds (SECO single donor “seed” trust fund and World Bank budget) also stimulated follow-on activities:

- **Mercados Study** and ADB-funded master energy investment plan for Central Asia clearly identified the economic benefits of energy trade, laid the basis for the USAID RESET capacity building program, and underlie a recently approved CAEWDP technical assistance to explore national-level constraints and economic implications of trade.
- Support in preparing the **Third Aral Sea Basin Management Plan** is the basis for a draft Memorandum of Understanding with the new Executive Committee of the International Fund for Saving the Aral Sea in Uzbekistan, to explore a multi-year, IDA/IBRD supported regional project.
- **CASA 1000 feasibility studies**, augmented by considerable other work funded from a multiplicity of sources, have resulted in World Bank approval for the investment project and its ancillary activities. This transformation regional project has important linkages to energy policy development in both Tajikistan and Kyrgyz Republic, bringing the weight of multiple development partners and financiers to promoting sustainable energy planning.

- **Climate risks and adaptation options** were identified for Uzbekistan in both the agriculture and energy sectors, stimulating comparable studies in three other national energy sectors. The World Bank hosted the first regional forum on climate change policy in June 2013 and the CAEWDP is hosting the second regional forum on climate change in May 2014.

Donors & Contributions:

Our donor partnerships and collaborations have been instrumental in helping us achieve our results. CAEWDP is supported by \$10.7M in donor funds from SECO, DFID, and the European Commission. The Program coordinates work programs with USAID, ADB, SDC, GIZ, JICA, and EDB. Given the significant demand for investment in both the energy and agriculture sectors, CAEWDP is considering complementing the program with an investment facility. The Program is large and demanding and the World Bank is actively seeking new partners.

The Governance Structure for the MDTF includes an Advisory Committee composed of donors and the World Bank. The Committee meets at least twice a year to provide strategic guidance, oversee project implementation and progress, and advise on priorities for annual work programs. Advisory Committee membership is automatic for new donors who make a minimum contribution of US\$1,000,000. The Central Asian countries (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan) can be invited to deliberations of the Committee as observers.

The Program complements World Bank partnership strategies in each country and is unique among development partners in addressing the regional energy-water-food nexus at the Basin level. Entering into its most intense period, the financial demands of the Program are significant. A budget of \$40 million was originally estimated to achieve overall objectives in the Results Framework. Cumulative donor commitments of \$10.7 million have funded considerable achievements and a significant portion but not the entire current work program. CAEWDP, therefore, faces both short and long term financial gaps: an additional \$2 million is needed to cover the current phase of the program and additional, longer term grants (about \$30 million) are needed to secure program goals to build national and regional capacities for sustainable energy and water management in Central Asia.

The program plan for 2014/15 takes advantage of a recent demand for CAEWDP activities. However, numerous activities and needs are not yet funded. These include:

Investment preparation	Diagnostics and Analysis	Institutions and Capacity building
National Action Plans for Irrigation Efficiency	Models of electricity trade and interconnectivity	Demonstration plots for new irrigation technologies
Investment preparation for irrigation identified priorities	Modeling for flood management and routing	Energy governance and management transparency
Dam safety and maintenance	Institutional needs assessment for regional water information system	Strengthening regional institutional (e.g. International Fund for Saving the Aral Sea)
Kemin-Alma transmission line feasibility and environmental assessments	Climate resilience strategies – national and regional scale	Protocols for extreme hydrology

The World Bank welcomes new partners and affiliates to support its efforts to strengthen energy and water security in Central Asia. For further information, please contact:

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