



**Ad hoc Session of the Project Working Group on Water and Energy
Resources in Central Asia**
(Almaty, Kazakhstan, 8-10 November 2005)

EXTRACT FROM THE REPORT
(for consideration by the SPECA Coordinating Committee Meeting
Baku, Azerbaijan, 7 December 2005)

CONCLUSIONS AND RECOMMENDATIONS

1. The participants welcomed the decisions of the International Conference on Strengthening Sub-Regional Economic Cooperation and the Future Role of SPECA and the SPECA Regional Advisory Committee (Astana, 25-27 May 2005) to reinvigorate the SPECA Project Working Group on Water and Energy Resources (PWG-Water/Energy). The decision that two co-Chairpersons should lead the Group would facilitate the deliberations of the PWG-Water/Energy aimed at finding effective solutions for main challenges faced by the SPECA member countries in the water and energy sectors.
2. The participants reiterated that the development and management of water and energy resources should be taken up in close interrelation.
3. The meeting noted with satisfaction that certain progress had been achieved in the implementation of the Cooperation Strategy to Promote the Rational and Efficient Use of Water and Energy Resources in Central Asia. It was also noted that much more remained to be done to expedite the progress in that crucial area. It was underlined that the sub-regional cooperation on mutually beneficial terms was a key factor to further success.
4. The participants reconfirmed the importance of the Cooperation Strategy and expressed their deep satisfaction with the fact that other regional and international organizations, such as EurAsEC and IFAS were using it actively in their work.
5. In that context, country participants noted with appreciation the information provided by the EurAsEC Secretariat regarding its plans to develop a mechanism for cooperation among its members in the use and management of water and energy resources in the Syr-Darya and Amu-Darya river basins, as well as the interest expressed by EurAsEC in strengthening cooperation with SPECA in that area. They also welcomed specific cooperation proposals and ideas made during the meeting by the representatives of other international organizations, in particular UNDP, the World Bank and IFAS.
6. The Group noted that further cooperation with regional and international organizations was vital to advance the implementation of the Strategy. The Group welcomed the intention of the IFAS Executive Committee to hold a special session on the cooperation in the Aral Sea basin, covering also the SPECA-led activities, at the Fourth World Water Forum to be held in Mexico in March 2006.
7. The project on the Chu and Talas rivers was particularly mentioned as a good practice of both cooperation between riparian countries and coordination of efforts between various international organizations involved in its implementation. Lessons learned in the implementation of that project should be broadly disseminated. In particular, it is important to involve relevant governmental financial and judicial authorities, such as Ministries of Economy, Ministries of

Finance, Ministries of Justice and Ministries of Foreign Affairs, in the implementation of such projects along with the relevant line ministries.

8. SPECA PWG-Water/Energy and the UNECE and UNESCAP Secretariats should bring important results of the Group's work to the attention of the high-level policy making authorities in the SPECA member countries.

9. Efforts should also be made to bring the results of the work of the PWG-Water/Energy, in particular, agreed recommendations along with agreed investment and project ideas to relevant international organizations and international programmes, such as Central Asian Regional Economic Cooperation (CAREC), as well as to private investors, as appropriate.

10. Participants strongly supported the idea of the Central Asian Water and Energy Consortium, but stressed the need to elaborate further legal, financial and other aspects along with the principles on which it would function. The participants welcomed the work done in some Central Asian countries as well as by the World Bank, on the basis of which further efforts should be pursued.

11. Transparent and timely exchanges of reliable information on the availability and use of water and energy resources is a key factor for the efficient water and energy management. Further practical steps are needed in that area to promote sub-regional cooperation.

12. The activities included in the SPECA Work Plan for 2005-2007 in the water and energy sectors were generally approved by the country representatives. In particular, priority was given to the following projects :

- a) Dam safety in Central Asia: capacity-building and sub-regional cooperation;
- b) Central Asia Regional Water Information Base (CAREWIB) project;
- c) Environmental impact assessment in a transboundary context: implementation of pilot project for Central Asia;
- d) Financing energy efficiency investments for climate change mitigation; and
- e) Elaboration of a feasibility study on establishing International Water and Energy Consortium for Central Asia, including relevant aspects of transboundary power exchange.

13. The participants also proposed a number of additional activities. These proposals generally need to be further studied in consultation with other international organizations as well as potential donors. Examples of these proposals are:

- a) Continued support to the Chu and Talas rivers cooperation;
- b) Preparation of a business plan for a small hydropower plant on the Chu river;
- c) Establishment of a joint database on water resources availability and water use; and
- d) Continuation of the Vaksh and Amu-Darya river project.

14. Activities in the area of wind energy, included in the Work Plan 2005-2007 were not considered as a priority, given the insufficient potential of wind energy in the sub-regional context.

15. The PWG-Water/Energy agreed on the following success criteria for the activities to be taken in 2005-2007:

- a) Regional cooperation on dam safety initiated;
- b) The concept of clean coal technology introduced;
- c) Transparency, quality and exchange of information in the water and energy sectors improved; and

- d) The practical application of the Convention on EIA in a Transboundary Context for countries, which are parties to the Convention introduced.

TERMS OF REFERENCE OF THE PROJECT WORKING GROUP ON WATER AND ENERGY RESOURCES

Preamble

1. The Project Working Group on Water and Energy Resources (PWG-Water/Energy) is a subsidiary body within the governing structure of the Special Programme for the Economies of Central Asia (SPECA). The member countries of the Programme are Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) provide overall support to the Programme.

2. The PWG-Water/Energy was set up in compliance with the Tashkent Declaration of 26 March 1998, establishing the Special Programme for the Economies of Central Asia. The Declaration identified the rational and efficient use of energy and water resources as a priority area for sub-regional cooperation. In accordance with the decision of the special session of the SPECA Regional Advisory Committee on 27 May 2005 in Astana the PWG-Water/Energy shall continue functioning and shall report to the SPECA Governing Council.

Objectives

3. In line with the overall objectives of SPECA to support its member countries in (i) developing sub-regional cooperation and (ii) in integrating their economies into the world economy, the PWG-Water/Energy shall (i) facilitate cooperation in the areas of water and energy resources between interested SPECA member countries; (ii) support the full implementation of the SPECA Cooperation Strategy to Promote the Rational and Efficient Use of Water and Energy Resources in Central Asia; (iii) serve as a forum for discussion of issues of water and energy resources management; (iv) support and coordinate capacity building activities and programmes in the water and energy sectors; and (v) promote and support the participation of SPECA member countries in international conventions, agreements, programmes and projects related to water and energy resources management and development.

Participants

4. The PWG-Water/Energy shall comprise National Representatives, nominated by the Governments of SPECA member countries. The National Representatives shall be senior officials involved in the formulation and implementation or be aware of national policies and programmes, which affect water and energy resources development and management in their respective countries and able to effectively follow up the recommendations and decisions of the PWG-Water/Energy.

5. Each participating country shall also nominate, on a permanent or on an ad hoc basis, experts on various aspects of water and energy resources management as required.

6. Neighbouring countries of the SPECA region are invited to nominate their representatives to participate in the work of the PWG-Water/Energy, especially when issues concerning cooperation with neighbouring regions are discussed.

7. Relevant sub-regional organizations implementing programmes on water and energy

resources management are invited to nominate their representatives to participate in the work of the PWG-Water/Energy.

8. United Nations bodies as well as other bilateral and multilateral agencies and organizations operating in the water and energy sectors in SPECA member countries are invited to participate in the work of the PWG-Water/Energy and to nominate liaison officers on matters related to its work.

Modalities of operation

9. The PWG-Water/Energy shall elect two Co-Chairpersons from among the National Representatives nominated by the Governments.

10. The Secretariats of UNECE and UNESCAP will provide secretarial support to the PWG-Water/Energy. The Secretariats will facilitate the preparation and organization of the sessions of the Group and will maintain records of its activities.

11. The PWG-Water/Energy shall hold annual sessions at a date and venue agreed by the participating countries.

Funding

12. The operational costs of the PWG-Water/Energy as well as the costs of participation of National Representatives and experts in its sessions shall as a rule be borne by the Governments of participating countries. In addition, the UNECE and UNESCAP shall support, within their available resources, the functioning of the PWG-Water/Energy.

13. The PWG-Water/Energy shall also seek funds and technical assistance for its operations from multilateral and bilateral donors.

Programme of work and activities

14. The PWG-Water/Energy shall develop, agree upon and implement an annual work programme.

15. The PWG-Water/Energy shall formulate and agree upon specific projects and programmes and seek extrabudgetary resources for their implementation.

16. Important policy conclusions should be brought to the attention of high-level policy making authorities in the SPECA member countries.

17. Recommendations along with agreed investment and project ideas should be presented to relevant international organizations and international programmes as well as to private investors.

Other matters

18. The current Terms of Reference shall be reviewed in 3 years or sooner if the SPECA member countries so decide.