Water/Energy/Food
Insecurities in Central Asia: Assessment and Response

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Central Asia’s development challenges

- Sustainable water, energy, land use issues
- Poverty reduction, improving welfare of millions of vulnerable individuals
- Energy, water, food insecurities underscored, especially in Tajikistan, by:
  - Harsh winter of 2007-08
  - Spring, summer drought, global food price increases
- “Compound crisis”
Winter of 2007-2008

Underscored need for better:
- Winter contingency planning
- Coordination among international community
- Integration of development, humanitarian programming

Have we learned last winter’s lessons?
- Yes—Much has been accomplished
- But—”Compound crisis” risks to be managed:
  - Water-energy nexus: Electricity shortages
  - Food security: Effects of food price inflation
  - Still to come: Impact of the global financial crisis
Hydro power water volumes: Well below normal

April May June July Aug. Sept.

Toktogul (KYR) Nurek (TAJ)

2008 data, relative to monthly averages from 1991-2007. Source: SIC-ICWC, provided by Water Agency of Japan; UNDP calculations
Electricity generation falls, stopping industrial growth

Electric power generation, January-September 2008

Volume of industrial output

* Kumtor production not included

** January – September 2008 data

Source: National statistical offices
Bad news: Inflation accelerates

Average annual consumer price inflation rates (2008 data are for first eight months). Source: CIS Statistical Office
Bad news: Food insecurity is growing

- Tajikistan: 2.2 million food insecure
  - 34% of rural population
  - 37% of urban population
  - 800,000 severely food insecure, requiring immediate support

- Kyrgyzstan: Nearly 1 million vulnerable

Sources:
- Kyrgyzstan: UN Winter Preparedness Response Plan (October 2008)
... With declines in 2008-09 wheat crop predicted

- What happens if drought continues?
- Tajikistan is particularly vulnerable
- Some good news here:
  - Turkmenistan, Uzbekistan:
    - Strong external positions
    - Can import as much as needed
  - Global wheat prices now falling
    - 2008 harvests in Russia, Ukraine better than in 2007
- **Food prices are still high in Central Asia, however!**

Bad news: Kazakhstan’s outgoing remittances down

Wages and transfers paid out to other CIS countries, in millions, first-half data. Sources: National Bank of Kazakhstan, UNDP estimates.
Fortunately, there’s also some good news

- GDP, agriculture growth seems to be holding
  - Remittance inflows from Russia continue
- Global food spike has passed
- Governments are responding
  - Fuel procurement, stockpiling
  - Energy sector rehabilitation
  - Focus on vulnerable groups
- Donors are responding
  - Funds
  - Coordination
Good news: Remittance inflows continue

Wages and transfers received, in millions, first-half data. Sources: National Bank of Kyrgyzstan; IMF.
Good news: Output growth holds in 2008:HI . . .

- GDP in 2008:HI grows
  - Expansion of acreage planted boosts agricultural production
  - Increasing remittances raise incomes, spending, construction

- Will this continue?
  - Do Russian, Kazakhstani financial crises threaten remittances?
  - Will drought affect 2008-09 harvest?

![Graph showing GDP and Farm output growth in Tajikistan and Kyrgyzstan](Source: CIS Statistical Office)
Initial conclusions: Threats

- “Compound crisis” phenomena are affecting Kyrgyzstan as well as Tajikistan
- Macroeconomic stability, growth in both countries largely supported by remittances
  - Remittances from Kazakhstan have already dropped
  - What will happen with global financial crisis?
    - Remittances, bank financing from Russia, Kazakhstan?
    - Exports to Russia, Kazakhstan?
- Higher food prices have made millions of Central Asians food insecure
Central Asian heads of state meet at the CIS October summit:

"Parties reach consensus on all issues raised at the meeting, which covered hydro-energy support, fuel resources supply, water accumulation in the Toktogul and Nurek reservoir"

— Kyrgyzstani Foreign Minister Karabaev
Tajikistan: Government response

- **Electricity supply management:**
  - Sangtuda 1 generation plant brought on line
  - Mazut, coal has been stockpiled
  - Electricity, gas imports increased
  - Supply of generators, fuels for hospitals, schools, clinics increased

- **Electricity demand management:**
  - Reductions in power deliveries to rural areas
  - Planned tariff increases 2008-2010

- **Seed stocks (for spring 2009) increased**
Tajikistan: UN support

- **Appeals:**
  - February-August 2008 flash appeal: $14 million
  - 25 September food security appeal:
    - Focus on 800,000 most vulnerable persons
    - $34 million in assessed needs
    - $9 million received as of 31 October

- Multi-cluster survey tracks vulnerability in schools, clinics, water facilities:
  - Results now being analysed
  - Follow up surveys expected
Tajikistan: Lessons learned (I)

- Importance of donor coordination:
  - Within frameworks of UNDAF, JCSS, National Development Strategy
    - Preventing “compound crises”: UNDAF pillar
- Stronger UN country teams needed:
  - 15 UN agencies are represented in Tajikistan, but only:
    - 5 have in-country representation
    - 2 have field presence
  - Many agencies are too small to scale up in event of humanitarian crisis
Tajikistan: Lessons learned (II)

- Importance of monitoring and evaluation of activities funded under appeals
- Donors must strike a balance between:
  - Capacity development to promote more effective responses by government (via REACT); and
  - Rapid engagement in event of humanitarian crisis (via clusters)
Revisiting the development-humanitarian nexus

<table>
<thead>
<tr>
<th>Programming area</th>
<th>Development dimension</th>
<th>Humanitarian dimension</th>
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</thead>
<tbody>
<tr>
<td>Energy efficiency, renewable energy</td>
<td>Promotes environmental sustainability</td>
<td>Reduces energy, water insecurity</td>
</tr>
<tr>
<td>Increasing rural household assets</td>
<td>Improves income generation possibilities, promotes poverty reduction, rural development</td>
<td>Reduces food insecurity</td>
</tr>
<tr>
<td>Reforestation <em>(Green Tajikistan)</em></td>
<td>Promotes rural development, environmental sustainability</td>
<td>Reduces likelihood of natural disasters</td>
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Kyrgyzstan: Government response

- Effort made to study “lessons learned” from Tajikistan
- Response programmes developed within framework of Country Development Strategy
  - Early attempt at aligning humanitarian with development programming
- Social protection: Universal monthly benefit increased
- Food security: Municipal early warning systems
Kyrgyzstan: Government response—Energy sector

- **Energy supply management:**
  - Coal imports from Kazakhstan increased
  - Promise of increase gas supplies from Uzbekistan

- **Demand management:**
  - Reductions in power deliveries (including to Bishkek)
    - Load shedding
  - January-March closures of schools that heat with electricity
Kyrgyzstan: UN support

- Contingency Plan developed mid-October
  - Estimated $11 million in needs
- Focus on:
  - Lessons learned from Tajikistan
  - Food security
    - Following FAO-led food security appeal
    - 1.1 million most food insecure
- Contingency Plan presented in:
  - Geneva (21 October)
  - Almaty (18 November)
# Key donor support

<table>
<thead>
<tr>
<th>Partner</th>
<th>Tajikistan</th>
<th>Kyrgyzstan</th>
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<tbody>
<tr>
<td>World Bank</td>
<td>$9 million for seeds, farm inputs; infant/maternal nutrition; mazut</td>
<td>$5 million for mazut; $5 million for universal monthly benefits top-ups</td>
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<tr>
<td>USAID</td>
<td>$7 million for food security</td>
<td>$1.5 million for generators, food aid?</td>
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<tr>
<td>DFID</td>
<td>Considering M&amp;E funding for FS appeal; to be expanded for other sectors</td>
<td>£500,000 for reserve needs</td>
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Next steps

**Kyrgyzstan:**
- July 2008: Contingency planning
- October 2008: Central Asian Inter-Agency Task Force considers Response
- November 2008: International launch
- On-going: Integrating development, humanitarian activities within CDS

**Tajikistan:**
- Analysing multi-cluster survey data
- Possible expansion of food security appeal
- Support for government
  - Emergency energy crisis action plan
  - National disaster management plan
Risks and uncertainties

- How bad will the winter be?
  - Response measures may not withstand another severe winter
- Will the October Bishkek accord on regional cooperation be adhered to?
  - Signs so far are hopeful—but not unambiguous
- Effects of global financial crisis?
- UN appeals not fully funded