



Concept note for the workshop

## **The future of the water sector of Central Asia: opportunities and challenges**

Budapest, 29 and 30 November 2021 (in hybrid format)

The workshop takes place less than a month after COP26. The state of our environment, in particular the effects of climate change, have become the most important political, social, economic, humanitarian and security issue at the global level. As UN Secretary General Antonio Guterres warned: “It is time to go into emergency mode”.

Public concern around the world with the rather disappointing results of the summit should spur the civil society, governments, development partners, the academic community and the private sector to redouble their efforts to support viable and effective concrete action on climate change. The Budapest workshop is to discuss how to strengthen ongoing efforts and launch new initiatives in the water and energy sectors to increase climate-resilience of Central Asia. These efforts can take advantage of the appearance of political will to strengthen regional cooperation on water and energy. The recent consultative meetings of Heads of State displayed readiness by governments to address together challenges in the water and energy sectors. There are initiatives to jointly invest in transboundary water infrastructure serving the interests of more than one country.

The workshop concludes the first phase of the Programme “Water as a driver of sustainable recovery: economic, institutional and strategic aspects of water resources management in Central Asia”, jointly implemented by Corvinus University, the Blue Peace initiative of SDC, SIWI and the Regional Environmental Center for Central Asia. The Programme combined research with four webinars. It identified an unsettling and rapidly growing gap between the investment needs of the water and energy sectors and the actual capacity of Central Asian economies. This gap is a main stumbling block to more rapid progress towards economic and environmental sustainability in the Aral Sea Basin. Another, not less important problem is the lack of human capacity.

According to a recent study by the CAREC Institute, Central Asian countries would need to invest USD 33 - 38 billion annually in the modernization, proper maintenance and operation of the water infrastructure of the region. A study by the World Bank warned that if the present level of investment continues, the water infrastructure of Central Asia might completely collapse in three or four decades. Central Asian countries spend less on research and education in the water sector as a proportion of their GDP than any other region of the world.

The Programme produced a number of recommendations on concrete steps that would help bridge the rapidly growing investment gap: the development of a comprehensive economic basis for regional cooperation on water, a smart regional investment concept and stepped-up support to human capacity building in the water sector. This work could be started in existing regional frameworks, like EC IFAS and the ASBP process, by networks of universities and research institutes or as independent new projects. The recommendations and proposals for follow-up action will be presented in more detail during the workshop.

The academic community could play an active role in taking forward these initiatives. Despite the existence of political will to strengthen regional cooperation on water, not all governments might be ready to engage in formal negotiations on the development of a comprehensive economic basis for regional cooperation on water or a smart regional investment plan. Focused applied research, expert consultations in intergovernmental fora, establishment of communities of practice and better decision support to interministerial and higher level meetings are needed to prepare the ground for governments to take more ambitious, concrete steps.

The Programme also revealed the complexity of bringing together not only water and environmental experts, but economists, financial and investment specialists and strategic planners to discuss highly complex, often sensitive issues of regional cooperation on water and energy. Massive human capacity building is needed to help the professional preparation and support of such a dialogue.

Corvinus University and its partners plan to involve partner universities and research institutes in Central Asia in the development of a joint module for the training of water diplomats. While present training programmes are dominated by the “engineering approach” (turning water experts into diplomats), Corvinus University proposes to develop a module that treats water diplomacy as a new, specialized field of diplomacy. Graduates of these courses with in-depth knowledge of the political, social, economic, financial and strategic aspects of water resources management - in addition to a good understanding of technical problems - could work in presidential administrations, policy planning and regional cooperation department of MFA-s, institutes of strategic studies, ministries of water resources, energy, economy, finance and environment - to facilitate the much needed, comprehensive

cross-sector and cross-country dialogue on water resources management. This new generation of experts would also be equipped to formulate and promote the interests of their countries in international fora dealing with water, environment and climate change.

**Participants of the Budapest workshop are invited to critically assess these proposals, point out possible overlaps and duplications, as well as opportunities for cooperation and synergies. They are expected to present their own programmes and projects in support of the water sector of Central Asia. If participants find the discussion useful and forward-leading, CUB and its partners may decide to organize a face-to-face workshop (hoping that the present wave of covid19 will end by that time) in the spring of 2022 in Central Asia.**