



EU – CENTRAL ASIA STRATEGY FOR A NEW PARTNERSHIP PLATFORM FOR ENVIRONMENT AND WATER COOPERATION

The 6th meeting of the EU-Central Asia Working Group on Environment and Climate Change

Italian Pavillion, Astana EXPO 2017

Astana, Kazakhstan

10-11 July 2017

Minutes of the Meeting

Day 1: Monday, 10 July 2017

1. Opening and Adoption of the Agenda (09:30 - 10:00)

Chair of the Meeting: Mr Massimo Cozzone, Senior Officer, Ministry for the Environment, Land and Sea, Italy

After greetings and introduction the Chair highlighted the purpose of the meeting, presented the agenda items and invited participants to adopt the meeting agenda. The agenda (see <http://wecoop2.eu/events/6th-wgecc-meeting-astana>) was adopted without any comment.

H.E. Mr Stefano Ravagnan, Ambassador of the Republic of Italy to the Republic of Kazakhstan

On behalf of Italy, Mr Stefano Ravagnan gave a warm welcome to all participants, emphasised the role of Italy as the lead coordinator of the EU-CA Working Group on Environment and Climate Change, highlighted contribution of Italy to EXPO 2017 and wished the meeting participants successful two-day work.

H.E. Mr Traian Hristea, Ambassador, Head of the EU Delegation to the Republic of Kazakhstan

On behalf of the EU, Mr Traian Hristea gave the meeting participants a warm welcome, noted the progress made since the last EU-CA Working Group meeting in Brussels in Dec 2016, emphasised importance of the EU-CA cooperation platform in sustaining regional dialogue and capacity building to tackle the issues of climate change, and wished the meeting participants fruitful discussions in the course of the next two days.

Ms Aliya Baisabayeva, Second Secretary of the Department of Multilateral Cooperation, Ministry of Foreign Affairs of the Republic of Kazakhstan

On behalf of the Republic of Kazakhstan, Ms Aliya Baisabayeva welcomed the participants to EXPO 2017, highlighted priorities in implementation of the Paris Climate Agreement and transition to the green economy model in Kazakhstan, emphasised importance of the EU-CA regional cooperation in climate change action and transition to a low-carbon economy and wished the meeting participants successful two days of work.

2. Session 1: Update on progress since the 5th WGECC meeting and perspectives on future developments (10:00 - 13:15)

Chair: Mr Johannes Stenbaek-Madsen, Head of Cooperation, EU Delegation to Kyrgyzstan

The Chair opened the session with a brief overview of the progress and main developments in the EU-CA cooperation since the last EU-CA Working Group meeting in Brussels in Dec 2016 and the last EU-CA High Level Conference in Milan in Oct 2015.

Then the Chair gave the floor to the speakers who gave the following 6 presentations (available online on <http://wecoop2.eu/events/6th-wgecc-meeting-astana>)

Mr Jean Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan

Presentation about the new European Consensus on Development

Ms Snejana Popova, Project Officer, EU Delegation to Kazakhstan

Presentation about EU Gender Action Plan 2: Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020

Mr Niels Schuster, European Commission, DG CLIMA

Presentation about recent EU policy developments in the area of environment and current trends

Mr Niels Schuster, European Commission, DG CLIMA

Presentation about the recent developments in EU approach and policies on transition to low-emission and climate-resilient economy and perspectives

Ms Ludmila Kiktenko, CAREC

Presentation about the EU-funded project "Central Asia Nexus Dialogue: Fostering Water, Energy and Food Security Nexus Dialogue and Multi-sector Investment in Central Asia"

Mr Farhod Rahmatov, EU-Internews project in Central Asia

Presentation on the results of the EU-funded Project "Media for improved reporting on environment and natural resources in Central Asia"

In the course of the discussion, which followed the above presentations, the meeting participants made the following comments.

- *Mr Rakhmatullo Khairulloev, Director, National Centre for implementation of the Stockholm Convention, State Committee for Environmental Protection, Tajikistan:* Solid municipal waste is not yet a resource and some waste cannot be recycled. There should be a transition from green economy to circular economy. CA countries need more initiatives to improve waste recycling.
- *Mr Niels Schuster, European Commission, DG CLIMA:* Circular economy is an integral part of green economy.
- *Mr Johannes Stenbaek-Madsen, Head of Cooperation, EU Delegation to Kyrgyzstan:* EU is always happy to support waste management initiatives, but CA countries need to prioritise first.
- *Mr Jalil Buzrukov, Director of ICSD Branch in Tajikistan:* Landfilling is the only waste management approach in Tajikistan at the moment, but waste management needs integrated approach not limited to landfilling. In CA, we need to use the existing regional platforms to share experience, exchange data, best practice and best available technologies.
- *Mr Giovanni Capannelli, Director, Kazakhstan Resident Mission, Asian Development Bank:* Emphasised the importance of wastewater recycling, this should not be missed out from circular economy. ADB has recently published a waste management guide.

- *Mr Ismail Dairov, Director, CA Regional Mountain Centre:* Economic viability of circular economy is questionable.
- *Mr Niels Schuster, European Commission, DG CLIMA:* Circular economy is currently being promoted by the EU among its MS. There are still many challenges, which need to be solved, like plastic waste recycling, for example, or safe disposal of radioactive waste. Sharing best practice is very important and it has been working well in the EU. The EU is funding studies on the economics of waste and on the green growth.
- *Mr Johannes Stenbaek-Madsen, Head of Cooperation, EU Delegation to Kyrgyzstan:* Huge quantities of municipal waste in the EU end up in landfills and this has so far been a linear economy, not yet a circular economy.

After a short tea/coffee break the Chair invited delegations of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan to give presentations on the current needs and future developments in the areas of environmental governance and climate change mitigation and adaptation in their countries. The following 7 presentations were given (available online on <http://wecoop2.eu/events/6th-wgecc-meeting-astana>)

Ms Gulmira Galieva, Department of low-carbon development, Ministry of Energy, Kazakhstan
Presentation about national priorities and recent developments in climate policy in Kazakhstan.

Ms Aizada Barieva, State Agency for Environment and Forestry, Kyrgyzstan
Presentation about the current needs and future developments in the areas of environmental governance and climate change policy in Kyrgyzstan.

Mr Rakhmatullo Khairulloev, Director, National Centre for implementation of Stockholm Convention, State Committee for Environmental Protection, Tajikistan
Presentation about the current needs and future developments in the areas of environmental governance and climate change policy in Tajikistan.

Mr Maksat Charyyev, Ministry of Agriculture and Water Resources, Turkmenistan
Presentation about the current needs and future developments in the areas of environmental governance and climate action in Turkmenistan.

Mr Zokir Rakhimov, Director of Eco-Energy, State Committee for Nature Protection, Uzbekistan
Presentation about the current needs, progress, achievements and developments in the areas of environmental governance and climate action in Uzbekistan.

Mr Yury Skochilov, Executive Director of NGO Youth EcoCentre, Tajikistan
Views from NGOs on the current needs and future developments in the areas of environmental governance and climate action.

Mr Vadim Ni, Chairperson, EcoForum of NGOs, Kazakhstan
Views from NGOs on the current needs and future developments in the areas of environmental governance and climate action.

After the 1 hour-long lunch break (13:15 - 14:15) the participants returned to the meeting room to take part in Session 2.

3. Session 2: Discussion forum on facilitating financing for environment/water infrastructure projects, accessing climate change financing and eco-innovation (14:15 - 18:30)

Chair: Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan

The Chair gave a brief introduction to Session 2 aimed to discuss needs and priorities of the Central Asian countries and regional organisations and to jointly elaborate recommendations. Session 2 comprised of three main sub-sessions or themes:

- Theme 1: Examples of successful infrastructure projects in Central Asia and related policy issues.
- Theme 2: Access to international funds – how to maximise the access of the Central Asian countries to the Green Climate Fund?
- Theme 3: Priorities for infrastructure and related cross-cutting issues and the way forward for identification of the key policy issues to be considered in project proposals. Better access to project financing offered by international financial institutions.

Under Theme 1 the following 8 presentations were given (available online on <http://wecoop2.eu/events/6th-wgecc-meeting-astana>)

Mr Bakhtiyor Faiziev, Associate Director, Senior Banker, Department of Infrastructure, Russia and Central Asia, EBRD

Presentation about successful project in water/district heating at municipal level in Kazakhstan

Ms Gayane Minasyan, Lead Environmental Specialist, WB

Presentation about developing integrated and green solutions for municipal solid waste management in Kazakhstan

Mr Giovanni Capannelli, Director, Kazakhstan Resident Mission, Asian Development Bank, ADB

Presentation about infrastructure projects and related policy issues: Support to water sector development in Central Asia, the ADB approach

Mr Alexandre Martoussevitch, OECD

Presentation about financial planning and identification of economically sound investment projects

Ms Alia Shalabekova, Director of the Department of Green Economy, Ministry of Energy, Kazakhstan

Presentation about adopting new technologies through the Green Technology Centre, Kazakhstan

Ms Manshuk Sarsembekova, Association of Water Supply and Sanitation Enterprises, Kazakhstan

Presentation about effective economic mechanisms - basis for development of urban water supply and sanitation

Ms Vera Mustafina, Director of Kazakhstan Waste Management Association "KazWaste"

Presentation about barriers to implementation of waste management projects

Mr Sergey Khudyakov, Head of Petropavlovsk Association of apartment owners' cooperatives (condominiums), Kazakhstan

Presentation about barriers and risks to investment projects in municipal sector

In the course of the discussion that followed the above presentations, the meeting participants made the following comments.

- *Mr Fulai Sheng, UN Environment:* Waste management projects should be designed in the way to be attractive to private investors. Large (mega-scale) infrastructure projects do not have to be necessarily funded by international financial institutions (IFIs). There are more resources outside IFIs and the question is how to engage the private sector.
- *Mr Emil Dankov, EU Delegation to Tajikistan:* In the presentation given by IFIs there was no mention of irrigation or flood control projects, but in Tajikistan these are the most problematic areas. And about 50% of Tajikistan population in the rural areas is having serious problems with water supply.

- *Mr Zokir Rakhimov, Director of Eco-Energy, State Committee for Nature Protection, Uzbekistan:* It was not clear from the presentations in what way the environmental impact assessment was incorporated into the projects design. Regarding the idea of the regional Knowledge Centre mentioned in the ADB presentation, there is a need to think about criteria on the basis of which the decisions about the location for the centre could be made.
- *Ms Ludmila Kiktenko, CAREC:* Establishment of a single Knowledge Centre does not guarantee the improvement of knowledge. Based on the CAREC experience in the region, including the recent USAID Smart Waters project, we think the region needs a structured system of IWRM education integrated into the national education systems.
- *Mr Giovanni Capannelli, Director, Kazakhstan Resident Mission, Asian Development Bank, ADB:* There are many projects on irrigation in the CA region implemented by ADB, IsDB, WB. We agree that the region would need more projects to improve irrigation. Coordination between development partners is very important, for example, ADB and WB are working in close coordination in Kazakhstan. Regarding the suggested Knowledge Centre, there is no need, of course, for duplication of efforts in this. In practice, we would apply our own criteria, but if the governments are interested, then they should be able to contribute.
- *Ms Gayane Minasyan, Lead Environmental Specialist, WB:* The need for investment in the region is much higher than any IFIs could provide. That is why it is important to find ways to pull resources together. To better plan our interventions, the WB developed a “cascade approach” to investment decision-making to encourage private sector participation. There is no single best solution to this. The current benchmark for us is the WB project in Seoul in South Korea.
- *Mr Bakhtiyor Faiziev, Associate Director, Senior Banker, Department of infrastructure, Russia and Central Asia, EBRD:* Environmental considerations are the top priority in all our infrastructure projects. Environmental safeguards are an integral part of any loan/finance agreement. Regarding economic viability, in the normal EBRD way the corporate development consultants would work for about 3 years to help make the utilities, which have been built or upgraded, commercially viable. The core aspects of this work are development of commercial agreements, as well as development of commercial relationships with paying customers. In most cases the purpose is not to ensure high profit, but to build a long-term and stable commercial relationships.
- *Ms Ludmila Kiktenko, CAREC:* After the rehabilitation of water supply and sanitation system is completed, the facilities should have a clear owner who would be responsible for operation and maintenance of the facility.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* The issues of planning for national water supply and sanitation infrastructure, as well as for the irrigation infrastructure, are very important for the CA region. But this is a very big subject and we are not able to discuss all aspects of it. We should be progressing towards the access for funding and project preparation at a municipal level.

Following the above comments, the Chair concluded discussions under Theme 1 and invited participants to have a tea/coffee break. The meeting then reconvened for Theme 2 which was moderated by Ms Alessandra Fidanza, Sogesid S.p.A. - Technical Assistance Unit, Italian Ministry for the Environment, Land and Sea. The following 5 presentations were given (available online on <http://wecoop2.eu/events/6th-wgecc-meeting-astana>)

Ms Alessandra Fidanza, Sogesid S.p.A. - Technical Assistance Unit, Italian Ministry for the Environment, Land and Sea
Presentation about the Green Climate Fund (GCF) Regional Workshop for Eastern Europe and Central Asia: a follow-up

Ms Aizada Barieva, State Agency on Environment Protection and Forestry, Kyrgyzstan
Presentation about Kyrgyzstan: access to GCF financing – lessons learnt

Mr Rakhmatullo Khairulloev, Director, National Centre for implementation of Stockholm Convention, State Committee for Environmental Protection, Tajikistan
Presentation about the GCF preparedness program for Tajikistan – lessons learnt

Mr Bakhtiyor Faiziev, Associate Director, Senior Banker, Department of infrastructure, Russia and Central Asia, EBRD
Presentation about EBRD/GCF project FP040 " Scaling Up Hydropower Sector Climate Resilience"

Mr Batyr Hajiyev, ESCAP/UNECE
Presentation about financing climate change adaptation projects in transboundary basins

In the course of the discussion that followed the above presentations, the meeting participants made the following comments.

- *Mr Vladimir Korotenko, Chairperson, Ecological movement BIOM NGO, Kyrgyzstan:* CA countries have very low experts capabilities to be able to prepare good quality proposals for GCF. At the same time, foreign experts are not always able to understand countries' needs. The GEF Small Grants projects give some telling examples. Another issue of relevance is that CA countries should really act in harmony with regards to the Rio Convention on Biodiversity. And one more thing, at least relevant for Kyrgyzstan, it is important to involve political parties and the media.
- *Mr Ababakir Koilubaev, Deputy Director General of the Department of Water and Melioration, Ministry of Agriculture, Food Security and Land Reclamation, Kyrgyzstan:* We need to have better information about the requirements of the GCF. It is often very confusing due to lack of coordination between GCF and its accredited bodies. For example, UNDP in Kyrgyzstan provided information, which is at variance with the information provided by the GCF. Regarding irrigation infrastructure in Kyrgyzstan, all secondary irrigation canals are now the responsibility of Water Users Associations (WUAs), but WUAs have neither money nor expertise for operation and maintenance. And this is a very big problem.
- *Ms Natalya Agaltseva, Deputy NDA, UZGYDROMET, Uzbekistan:* Uzbekistan submitted proposals for GCF funding for about USD 3 million, the proposals are in line with the national and sectoral development plans. In addition, we put together ideas for 17 projects and we need to accelerate the process of turning the project ideas into the project proposals. We need to find appropriate international experts to help us prepare the project proposals to the GCF requirements. We hope that the EU and IFIs could help us with this.
- *Mr Yerlan Badashev, Advisor to Vice-Minister, Ministry of Agriculture, Kazakhstan:* EBRD gave presentation on the GCF Qairokkum Hydropower rehabilitation project in Tajikistan. This presentation did not say anything about the impacts of this project on the downstream countries. I suggest that GCF should take into account the impacts on the downstream countries.

The above comment was the final one in Theme 2 and the meeting continued to Theme 3 on the agenda.

Under Theme 3 the following 2 presentations were given (available online on <http://wecoop2.eu/events/6th-wgecc-meeting-astana>)

Dr Gilbert Ahamer, Key Expert, WECCOOP2 project

Presentation about the draft Investor guide for CA countries and Presentation about the key cross-cutting policy issues

In the course of discussions that followed, the meeting participants made the following comments:

- *Mr Vadim Ni, Chairperson, EcoForum of NGOs, Kazakhstan:* The presentation of the draft investor guide should have included information on the Green Climate Fund. The number of the key cross-cutting policy issues is not limited to the list presented here. Generally, the cross-cutting issues and the IFIs criteria have similarities, but it is important to understand that each IFI has its own set of criteria for each stage of the project cycle.
- *Mr Zokir Rakhimov, Director of Eco-Energy, State Committee for Nature Protection, Uzbekistan:* Uzbekistan very much appreciates the EU technical assistance and also what has been suggested at this meeting. Uzbekistan has already prepared project concepts to be developed into the concrete project proposals. And we are ready to start working with the EU on this now. Please come to Uzbekistan.
- *Mr Fulai Sheng, UN Environment:* The suggested Investor Guide could, perhaps, be useful, but I think it has probably been covered under Nexus. While talking about the key cross-cutting issues, we should not forget about public procurement and we should not forget about such important cross-cutting issues as environment/health issues, pollution/health issues and environment/security issues.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* The points made so far in discussion are important, but we should be more focused on concrete projects. As outlined in the discussion papers included in the meeting hand-outs we would like CA countries to come up with 1-2 concrete project concepts which are the new ones and which are not already in the IFIs project pipeline. We suggest to hold a regional meeting in Oct 2017 to discuss and select project ideas for water or waste at municipality level, then to have a subsequent meeting in December 2017 to discuss the cross-cutting issues and financing issues and to finalise the project concepts, and then to have the final meeting in Jan 2018 to present the project concepts to IFIs. As these will be the new project concepts, which are not in the IFIs existing project pipeline, there is no guaranteed IFI funding for these. But when presenting the concepts to IFIs at the meeting the countries are going to explain the concept details, including what is being proposed and why, and IFIs will see the countries' willingness and initiative and will provide feedback. We would like to hear your responses to our suggestions.
- *Mr Ismail Dairov, Director, CA Regional Mountain Centre:* If we are talking about the projects at municipal level, then these have to be discussed at national meetings with municipalities, not at regional meetings with national ministries.
- *Mr Zokir Rakhimov, Director of Eco-Energy, State Committee for Nature Protection, Uzbekistan:* Yes, municipal projects should be discussed at the national level. As discussed at the meeting in Almaty on 18-19 May 2017, we subsequently prepared and selected project ideas at the national level. And these project ideas have many elements, including a municipal level.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* Yes, we can discuss national projects which have a regional dimension. The level or dimension can be regional, but the solution is always national. And because the CA countries have very similar problems, the solutions are also very similar. Why not to discuss these at the regional level?
- *Mr Zokir Rakhimov, Director of Eco-Energy, State Committee for Nature Protection, Uzbekistan:* A project in Tashkent and a project in Dushanbe may look similar on the surface. But these are different in nature and implementation due to the differences in economic, political, social and

environmental conditions between Tashkent and Dushanbe. A project implemented successfully at the national level first then can be considered for replication at the regional level.

The above comment was the last one made in the discussion.

The Chair concluded both Session 2 and the Day 1 of the meeting, thanked everyone for active participation and invited all participants to the Gala Dinner at 19:30

Day 2: Tuesday, 11 July 2017

4. SESSION 3: Key directions for further strengthening of CA regional organisations and capacity building/training needs in CA countries (09:00-13:30)

Chair: Mr Massimo Cozzone, Ministry for the Environment Land and Sea, Italy

The Chair gave a brief introduction to Session 2, which comprised two main sub-sessions or themes:

- Theme 1: Strengthening of regional cooperation in Central Asia in environmental governance and climate change
- Theme 2: Key capacity building/training needs in CA countries for improved environmental governance and response to climate change challenges

Under Theme 1 the following 8 presentations were given (available online on <http://wecoop2.eu/events/6th-wgecc-meeting-astana>)

Mr Bolat Bekniyaz, Director of IFAS Kazakhstan

Presentation about CA regional cooperation through IFAS and priorities in further development of IFAS

Mr Batyr Mamedov, Head of ICSD Secretariat

Presentation about the ways to revise the outdated Regional Environmental Action Plan (REAP) and to replace it with a new Regional Program for the Protection of the Environment for Sustainable Development in Central Asia

Mr Shakhboz Akhmedov, CAREC

Presentation about the platforms and instruments of regional cooperation on Central Asia

Mr Ismail Dairov, Director of CA Regional Mountain Centre

Presentation about climate change adaptation in mountainous regions of Central Asia

Mr Fulai Sheng, UN Environment

Presentation about cooperation between UN Environment and ICSD

Mr Peep Mardiste, UNECE

Presentation about UNECE role in strengthening regional cooperation in Central Asia in the field of environmental governance and climate change

Mr Rati Japaridze, OSCE

Presentation about OSCE role in water cooperation and environmental governance programmes in Central Asia

Mr Johannes Mayer, Austrian Environment Agency

Presentation about regional cooperation in air quality data exchange in Central Asia

The above presentations were followed by a short break for coffee/tea after which the meeting reconvened for Theme 2.

The following 3 presentations were given under Theme 2 (available online on <http://wecoop2.eu/events/6th-wgecc-meeting-astana>)

Ms Ludmila Kiktenko, CAREC

Presentation about capacity building needs

Dr Anatole Pichugin, Team Leader, WECOOP2 project

Presentation about current assessment of knowledge gaps and training needs

Dr Gilbert Ahamer, Key Expert, WECOOP2 project

Presentation about the proposal to establish a Regional Centre of Excellence/Advisory Facility on project design, financing and PPP in Central Asia (based on the existing facility "[MED 5P](#)" established by EU, with the EIB as a lead IFI in the MENA region, covering Egypt, Jordan, Lebanon, Morocco and Tunisia).

In the course of the discussions that followed after the above presentations, the meeting participants made the following comments.

- *Ms Vera Mustafina, Director of Kazakhstan Waste Management Association "KazWaste":* Regional cooperation through IFAS is important, but this is a top-down approach to cooperation. We should not forget about the bottom-up approach through the existing NGOs and networks of professional associations working in the areas of environment, waste management, water supply and sanitation.
- *Mr Nabijon Kuvondikov, Head of the Department, Ministry of Foreign Affairs, Uzbekistan:* EC IFAS has not met for a long time. It is time to restart regular meetings of EC IFAS and it is important to involve Kyrgyzstan. We need Kyrgyzstan to be involved in the regional dialogue. Through the United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA) Uzbekistan is ready for and will participate in constructive dialogue with Kyrgyzstan about water division.
- *Mr Rakhmatullo Khairulloev, Director, National Centre for implementation of Stockholm Convention, State Committee for Environmental Protection, Tajikistan:* Rotation of IFAS leadership is important and it is also important to review the statutory documents of the regional organisations. I think regional organisations in CA have insufficient mandate for the implementation of international agreements or conventions. And first, we need to have information, which is needed for the effective revision of the Regional Environmental Action Plan and this should comply with the CA countries priorities.
- *Mr Timur Kydyrmyshev Second Secretary of the Department of Analytics, Planning and Coordination of the External Relations, Ministry of Foreign Affairs, Kyrgyzstan:* We agree that IFAS needs reform and we also agree to participate in negotiations on this. And we agree to cooperate with the United Nations Regional Centre for Preventive Diplomacy for Central Asia.
- *Mr Fulai Sheng, UN Environment:* Support to the regional organisation should include support to the civil society organisations.
- *Mr Batyr Hajiyev, ESCAP/UNECE:* UNECE has already expressed its support to the ICSD and to the process of revising the Regional Environmental Action Plan (REAP)
- *Mr Yury Skochilov, Executive Director of NGO Youth EcoCentre, Tajikistan:* It is not clear at the moment what the priorities of the IFAS reform are and how the revision of REAP could be linked or integrated into this. It is also not clear what the revision of REAP would involve and who and in what way would be responsible for the implementation of a revised REAP.

- *Mr Alexandre Martoussevitch, OECD:* We should bear in mind that inclusion of the climate adaptation measures in the revised REAP would not make its implementation significantly more expensive. The difference of an investment plan inclusive of climate change adaptation is only 5-10% more expensive, which is relatively marginal.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* IFAS may wish to consider accreditation to the Green Climate Fund and the EU. It is important that the CA countries have an ownership of the revised REAP as they will fund its implementation.
- *Mr Nikolai Denisov, Zoi Environment Network:* From the presentations made by IFAS, ICSD and CAREC I sensed that there is perhaps a competition for leadership between them. It is also not clear to me what the IFAS reform may involve. It is also not clear how the revision of REAP would relate to the Environment for CA process proposed by CAREC.
- *Mr Bolat Bekniyaz, Director of IFAS Kazakhstan:* The current situation is that there is political will regarding IFAS but there is no common understanding of the water/energy issues. I hope through the Nexus project we will reach the common understanding of the water/energy/food issues. I think that in 50 years time CA may not have enough water to support livelihoods and development. The only external source of water is Siberian rivers. Regarding accreditation to the GCF, we will discuss this with the EC IFAS, but the IFAS Branch in Kazakhstan would like to do it.
- *Mr Batyr Mamedov, Head of ICSD Secretariat:* CA countries will decide in due course who and in what way would be responsible for the implementation of the revised REAP. Reporting about the implementation of the revised REAP will be a part of the ICSD meetings agenda. The revision of REAP is a part of the Turkmenistan concept of IFAS Chairmanship approved by the President.
- *Mr Shakhboz Akhmedov, CAREC:* CAREC will continue to provide support both to IFAS and ICSD to help to improve coordination. Regarding the Environment for Central Asia initiative, we are still in the initial design stage of this process. We envisage that the revision of REAP will be in the core of this process, involving both the governments and civil society.
- *Mr Vladimir Korotenko, Chairperson, Ecological movement BIOM NGO, Kyrgyzstan:* We have been talking here about better regional coordination, which implied some integration. In this regard we need to better understand what should be kept constant and what should be the variables. When talking about the revision of REAP, we should not forget the lessons learnt and previous experiences, in particular the experience of the UNEP support for the REAP. And another important thing to understand is how much CA countries are actually committed to the implementation of Sustainable Development Goals (SDGs) and in what way they are going to implement SDGs in practice.
- *Mr Fulai Sheng, UN Environment:* Before the REAP revision process starts we need to reflect upon the experiences of the last 15 years to try to learn the lessons. We need to help to strengthen the CA regional institutions. SDGs is a global framework, each state should define its own priorities within each SDG. And in this regard it is important to support and improve the government environmental statistics.
- *Mr Johannes Stenbaek-Madsen, Head of Cooperation, EU Delegation to Kyrgyzstan:* It would be interesting to know the current situation with the WB Climate Change project (CAMP4ASB) in Kazakhstan.
- *Mr Bolat Bekniyaz, Director of IFAS Kazakhstan:* The situation is not straightforward. Kazakhstan received some funds for the preparation of an initial report, but there was delay with the co-funding by the Kazakhstan Government. It has been recently suggested that Kazakhstan would

fund the procurement of water meters for the irrigation networks in Syr-Darya basin.

- *Mr Fulai Sheng, UN Environment:* Regarding capacity building the CA countries need prioritise and define the most pressing needs, which have to be addressed first. In CA there are networks of focal points and networks of experts which should be mobilised to help improve capacity. Capacity building should be focused on improving skills and capabilities to absorb and manage an influx of investment soon coming to the CA, for example in connection with the One Belt One Road (OBOR) initiative.
- *Mr Johannes Stenbaek-Madsen, Head of Cooperation, EU Delegation to Kyrgyzstan:* What the EU can provide in the framework of external aid contracts comprises Technical Assistance, but we have limited options concerning the supplies and works. Technical assistance can be done through TAIEX, financed through the Partnership Instrument, which is now available to CA countries, it supports exchange of technical expertise, expert advice and study visits. Applications for TAIEX should be done through the EU Delegations. IFCA support is done through the “blending” mechanism involving the EU-approved IFIs, EBRD for example. In the process of the project preparation, the country needs to work with EBRD to see how to make the project affordable and also what can be covered by an IFCA grant. Another European financial institution is the EIB, but it is not yet so active in CA, although it is the biggest IFI by the amount of lending. Green Climate Fund (GCF) is an important source of funds and the CA countries need better access to GCF, which could be helped by some facilitation. Regarding the One Belt One Road Initiative (OBOR) initiative, besides the income from transit of goods, this initiative may not be of a big benefit to the CA countries. This is mainly because the main goal of this initiative is to provide a road for delivery of Chinese products to the European markets, and Chinese companies will be building the roads. But environmental costs of this initiative are likely to be much higher than it is currently expected.
- *Mr Vadim Ni, Chairperson, EcoForum of NGOs, Kazakhstan:* It is of paramount importance to involve younger generations in capacity building. Young people are best learning from each other and young professionals are developing faster and better in youth groups. In the Eco-Forum we managed to raise crowd funding for this purpose. NGOs have to support each other and share resources to do capacity building.
- *Ms Vera Mustafina, Director of Kazakhstan Waste Management Association “KazWaste”:* There are good centres, which could train professionals on commercial basis. But these centres cannot afford to attract international expertise from the EU. Local authorities cannot afford to pay for capacity building. SMEs do not have money to pay for capacity building either.
- *Mr Giovanni Capannelli, Director, Kazakhstan Resident Mission, Asian Development Bank, ADB:* I think that the CA countries should define their priorities in training. IFIs could help with this, but the priorities of CA countries are not at the same level. Coordination between IFIs is very important. ADB is developing partnership with the WB in Kazakhstan. We are proposing an initiative to establish an IFI coordination council in Kazakhstan involving 5 IFIs with its project implementation units (PIUs). It is also important to establish a cooperation platform, which goes beyond development partners. The idea is to set up an annual Kazakhstan development forum under the aegis of the Prime Minister. Priorities for this development forum could be expanded to the whole CA with regards to SDGs. This can be done by looking at the country strategy goals towards 2030 against the SDGs.
- *Mr Bulat Yessekin, WECOOP2 team member:* Capacity building needs assessment was a part of many projects in CA. Many of these needs still remain the same. These include training in database management, in water quality in river basin management, new irrigation and water treatment technologies, project preparation and project financing.

- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* The EU is helping other regions in capacity building and project preparation. One of the examples is the MED 5P Regional Excellence Centre established in the MENA region. Please take look at the material included in your meeting folder. I would like to welcome your comments on the presentation by Dr Gilbert Ahamer about a proposal for a creation of a Regional Centre of Excellence/Advisory Facility on project design, preparation, financing and PPP (private-public partnership) in Central Asia (based on the existing facility MED 5P established by the EU in the MENA region).
- *Mr Zokir Rakhimov, Director of Eco-Energy, State Committee for Nature Protection, Uzbekistan:* We value EU suggestions for the projects preparation facility. But we already have a platform for this and we should strengthen the existing platform (ICSD) and should improve capabilities of this existing structure.
- *Ms Zulfira Zikrina, Director, Centre for Sustainable Consumption and Production, Kazakhstan:* Idea of the new centre is interesting, but there are existing centres in CA. For example, our centre has over 12 years experience of the project preparation and implementation, and besides, in Kazakhstan there have been some PPP projects implemented in recent years.
- *Mr Rakhmatullo Khairulloev, Director, National Centre for implementation of Stockholm Convention, State Committee for Environmental Protection, Tajikistan:* Yesterday, we spoke about the Green Climate Fund. In Tajikistan, we have the government coordination council, which acts as a review and approval centre for all projects. What would be the status of the suggested Regional Centre of Excellence? If the idea is to channel all projects through this centre, then we would not support the idea, because we already have our coordination council.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* If you already have all the experience needed and the government and IFIs are happy to work through the existing structures, then, probably you would not need a new Centre for the project preparation. But even if you have all the competences, such centre could help to improve the preparedness of the officials involved in preparation of prefeasibility studies to be submitted for consideration to the EU and IFIs.
- *Mr Aibek Kadyrov, Head of the Department of Strategic Planning and Regional Development, Ministry of Economy, Kyrgyzstan:* Although some new legislation on PPP exists in Kyrgyzstan, we do not have any PPP projects. This is because private business does not know much about PPPs, therefore it is not interested in PPPs. But I think if the banks could be involved, then the idea of developing PPPs could raise an interest. Generally, we are not against the idea of the centre, we are actually positive about it. But it may take a long time to establish such a centre.
- *Mr Timur Kydyrmyshev, Second Secretary of the Department of Analytics, Planning and Coordination of the External Relations, Ministry of Foreign Affairs, Kyrgyzstan:* If such centre is going to be established under IFAS, then we would not be able to participate because our participation in IFAS is currently frozen.
- *Mr Bolat Bekniyaz, Director of IFAS Kazakhstan:* In CA we don't have expertise and capabilities required to prepare international projects. We do not have expertise and capabilities required to implement international projects. International consultants do these in our stead. We do not have our own consultancy firms capable of carrying out these tasks. If establishment of such a centre would go ahead then we would welcome it. I think such centre for project preparation should provide services on a consultancy basis. Kazakhstan passed the PPP legislation, but we do not have any experience of PPP project implementation. If such centre is a real possibility, then IFAS branch in Kazakhstan could provide platform and facilities for the centre.
- *Ms Natalya Agaltseva, Deputy NDA, UZGYDROMET, Uzbekistan:* It is useful to understand

where the proposed centre would be based. And who would be doing projects preparation, and who would be providing training. In Uzbekistan, we tried to hire the projects preparation services through the tender, but it did not work well. It would be good if a concept for such centre could be developed first. It is important for us to see such a concept.

- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* We don't have a concept at the moment, but the idea is to build on the existing structures and it is important for us to understand what would CA countries prefer in this respect.
- *Mr Vadim Ni, Chairperson, EcoForum of NGOs, Kazakhstan:* EBRD is currently helping to establish Astana International Financial Centre. Perhaps these experiences could be useful to consider with regard to the setting up of a Centre of Excellence for project preparation and PPP.
- *Mr Batyr Mamedov, Head of ICSD Secretariat:* If such centre could be established on the ICSD platform, then, I think, Turkmenistan would support the idea. Established on the ICSD platform the Centre would receive CA regional status in all CA countries and with rotation every 2 years between the CA countries.
- *Mr Alexandre Martoussevitch, OECD:* The proposed centre should provide advice on feasibility of PPP projects. The centre could also provide training on how integrate SDGs in the budgetary process and in the country strategy.
- *Mr Vladimir Korotenko, Chairperson, Ecological movement BIOM NGO, Kyrgyzstan:* Once established, the regional centre will have a challenge to build its credibility and potential. Regarding the approach to projects design and PPP, different conditions for business in Kazakhstan and Kyrgyzstan would have to be taken into account. And the centre would inevitably be a competitor to the existing centres.
- *Mr Nabijon Kuvondikov, Head of the Department, Ministry of Foreign Affairs, Uzbekistan:* A concept for the centre should be developed first. Based on that we would be better able to understand if such centre would be of any benefit to us.

After lunch break the participants returned to the meeting room to continue discussions. The following comments had been made as discussions continued.

- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* Regarding the EU Centre of Excellence. You can find brief information about it in the material provided in your meeting folder. The IFIs provide training in this centre. There is no need to issue a call for services. This is the way that this particular centre works.

- *Mr Johannes Stenbaek-Madsen, Head of Cooperation, EU Delegation to Kyrgyzstan:* It is important to understand that putting efforts into the climate change adaptation creates a win-win situation. There are no losers in adapting to climate change. Regarding the EU technical assistance to CA, the EU is not a charity. The EU would like to see prosperous and growing economies in CA countries to be able for CA countries to buy EU products and to develop stable and mutually beneficial cooperation with the EU. Regarding cooperation with IFIs in project design involving a centre of excellence, there is one telling example from Jordan. Jordan approached IFC (International Finance Corporation) with the idea of a new airport building in the same location as the old one. The conceptual design placed the new airport building right on the site of the old airport, which meant that the airport would have to be closed for the whole construction period. During the feasibility study a suggestion was made to move a new airport building by about 0.5 miles to allow the old airport to function normally in order not to lose any income from the airport operation during construction of a new airport. This decision helped to significantly compensate the costs of construction of a new airport building.
- *Ms Veronika Pimper, Associate Manager, Multilaterals, Donor Co-Financing, EBRD:* Regarding PPP projects it is important to bear in mind that CA countries have very different capabilities and institutions.
- *Mr Giovanni Capannelli, Director, Kazakhstan Resident Mission, Asian Development Bank, ADB:* PPP projects do not necessarily have to be bankable. There are some on-going PPP projects in Kazakhstan. ADB is generally in favour of the proposal for a Centre of Excellence, which could be either a physical or a virtual centre.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* We have so far heard a lot about water related projects with regards to PPP, we should not forget about waste management.
- *Ms Vera Mustafina, Director of Kazakhstan Waste Management Association "KazWaste":* Wastewater treatment process generates a lot of waste, this is sewage sludge. It could be used as fertiliser, if the level of toxic substances in it is below safety limits. It could also be used for biogas production using methane tanks. But all these options require feasibility studies first. Only after that we could look into the possibility for PPP in this area.
- *Mr Rakhmatullo Khairulloev, Director, National Centre for implementation of Stockholm Convention, State Committee for Environmental Protection, Tajikistan:* Landfilling is only way of waste management in Tajikistan at the moment. We have landfill projects in Dushanbe, Sughd, and in the South of Tajikistan. But landfilling is not a good solution. We need to use waste as a resource. There is a regional project funded by SDC on removal of old pesticides. The project involves Kazakhstan, Tajikistan, Uzbekistan, Azerbaijan and Turkey. In Tajikistan, we removed and safely disposed of about 120 tonnes of old pesticides mixed with soil as required. The projects of similar nature could perhaps provide focus for a joint EU and GCF project.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* Judging by your comments we understood that the idea of establishing a regional centre of excellence for the project preparation and PPP raised interest of all CA countries delegations. We also understood that CA countries would be interested in using existing platforms to establish such centre. We will request WECOOP2 project team to develop a draft concept for a regional centre based on an existing platform.
- *Mr Nabijon Kuvondikov, Head of the Department, Ministry of Foreign Affairs, Uzbekistan:* Yes, we welcome this suggestion to prepare a draft concept for such centre and to send it to CA countries for comments. We also would like to see the WECOOP2 proposal and work plan for Uzbekistan. We need these to be able to consider approval of WECOOP2 project in Uzbekistan.

- *Ms Vera Mustafina, Director of Kazakhstan Waste Management Association “KazWaste”:* I find this meeting very useful and I consider what has been proposed and discussed also very useful. I will inform the Ministry of Energy about the meeting. We need a draft concept for a regional centre to be able to discuss the idea with the government.
- *Mr Jalil Buzrukov, Director of ICSD Branch in Tajikistan:* This meeting is indeed very useful. Sewage sludge from wastewater treatment process is a big and common problem for all CA countries. The idea to establish a regional centre of excellence for project preparation and PPP is a useful idea. But we need to see a draft concept for such centre first. This meeting also provided a good update on IFAS and ICSD. And we are pleased to learn that the EU is willing to provide support to ICSD and we are going to send you our proposal as soon as possible.
- *Mr Timur Kydyrmyshev Second Secretary of the Department of Analytics, Planning and Coordination of the External Relations, Ministry of Foreign Affairs, Kyrgyzstan:* We generally support the idea about a regional centre of excellence, but we would like to see the draft concept for such centre first.
- *Mr Vadim Ni, Chairperson, EcoForum of NGOs, Kazakhstan:* It is good to have ADB and EBRD on board regarding idea for a regional centre of excellence, but it is important to have other stakeholders involved, e.g. national governments, business associations.
- *Mr Zokir Rakhimov, Director of Eco-Energy, State Committee for Nature Protection, Uzbekistan:* We would like to thank the EU for keeping the CA-EU cooperation platform, dialogues and discussions going, it is useful. At this meeting we expected to hear concrete project proposals as a follow up from the meeting we had with the EU in Almaty 18-19 May. We made a number of suggestions about potential projects at that meeting, but at this meeting we don't see any responses to our suggestions. We would like to see concrete project proposals for Uzbekistan regarding new technologies and pilot projects. In waste management, for example, we would like to see a concrete draft project concept. And in the conclusions of this meeting we would like to see concrete actions, projects planned for each CA country.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* There was perhaps a bit of misunderstanding. We did not plan to develop separate activities for each CA countries. Our mandate is to work on the region as a whole. There are issues that are common for all CA countries, which include municipal water supply/sanitation, waste management, ability to guarantee and repay a loan, tariffs, adoption of best practices, and so forth. The EU can provide a team of experts to help scope, identify and prepare description of 1 and/or 2 new projects per country at a municipal level for IFIs consideration (the projects, which are not in the IFIs pipeline already).
- *Mr Zokir Rakhimov, Director of Eco-Energy, State Committee for Nature Protection, Uzbekistan:* If this is what is being proposed by the EU, then we need to clarify the EU's role in this. We have been working with IFIs directly. It is not clear what the EU can offer by trying to insert itself between IFIs and us.
- *Mr Vladimir Korotenko, Chairperson, Ecological movement BIOM NGO, Kyrgyzstan:* I think the EU is offering practical things. And also WECOOP2 has been helping the EU-CA dialogue going, we consider this a win-win situation.
- *Mr Johannes Stenbaek-Madsen, Head of Cooperation, EU Delegation to Kyrgyzstan:* I think we should perhaps explain a bit more. The EU is the only donor here. IFIs are the implementing agencies. It is good to have good cooperation with IFIs and the EU because through that you can have access to IFCA funds. In this meeting we discussed access to the GCF and we touched

upon possibilities of EU technical assistance available through TAIEX. We have not yet succeeded in assistance to CA in development of PPP. This is mainly because in CA developing economies there is often no clear split between public and private.

- *Mr Massimo Cozzone, Ministry for the Environment Land and Sea, Italy:* I would like to thank everyone for the useful comments made. Yes, we need to improve EU-CA dialogue to make it more focused, concrete and practical and we are trying to do our best in this. We feel that your expectations about the EU may not be fully satisfied. At the same time we would appreciate a better-defined response from you, as the dialogue is a two-way process and we are doing things together. The EU-CA working group on environment and climate change is functioning, but it is based on the foundations of the past. At the time when the working group was established about 8 years ago CA countries and the EU should have nominated the permanent members of the working group, but it did not happen. We could have made better progress if we had permanent members of the working group.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* Massimo Cozzone mentioned some important issues of the EU-CA dialogue. We, including myself, Massimo Cozzone and Johannes Stenbaek-Madsen, understand you very well. We can say that we are CA Ambassadors to the EU. It is true that when we are back to Brussels we would like to see more enthusiasm there about Central Asia. As you may know from now on EU support to CA can only be done through “blending” mechanism involving IFCA and the EU-approved IFIs. That is why we consider useful to start preparing new projects for IFIs consideration.
- *Mr Peep Mardiste, UNECE:* It is good to see that this EU-CA Working Group supported by WECOOP2 is developing this practical way to identify and prepare concrete projects involving sectoral ministries and municipalities. Otherwise, the only way to communicate could have been through the Ministries of Foreign Affairs, which would take a very long time to get responses. And it is important to understand that the “blending” mechanism is the only way forward to fund investment projects involving EU money.
- *Mr Ababakir Koilubaev, Deputy Director General of the Department of Water and Melioration, Ministry of Agriculture, Food Security and Land Reclamation, Kyrgyzstan:* I wish to thank the organisers for this important and useful meeting. Dialogues and sharing of experience are very important for us. We would like to ask you send a draft concept for the proposed regional centre of excellence. We will review the draft concept and will respond with our suggestions. In Kyrgyzstan in the national development concept we have designated about 20 cities for pilot projects. I have no doubt that with the EU assistance we should be able to identify and prepare good projects for IFIs consideration.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* This meeting demonstrated that there is indeed a value-added in a regional cooperation. We, of course, need to work with the CA countries on the development of the project concepts. And another important thing is to agree on the way we are going to work with the countries towards developing the project concepts at municipal level and presenting them to IFIs. The suggested way is that the countries would do scoping and identification first and then to present the result of the scoping and identification exercise at the first regional meeting. After that we suggest to have the second regional meeting involving experts to discuss cross-cutting issues (e.g. tariffs, etc.). And finally after the project concept is finalised to discuss and present it to IFIs at the third meeting, which would be a part of the agenda of the 7th EU-CA working group meeting. The idea is to hold the first meeting end-Oct/early-Nov 2017.
- *Mr Bolat Bekniyaz, Director of IFAS Kazakhstan:* I would like to suggest that concrete examples of PPP projects in the EU could be presented at the next meeting of the EU-CA Working Group.

- *Mr Jalil Buzrukov, Director of ICSD Branch in Tajikistan:* It is a good idea to identify projects at a municipal level. This is where the most problems are.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* Please respond to our proposal about the way to work on the identification and formulation of the project concepts for IFIs consideration. We are waiting for your responses.
- *Mr Massimo Cozzone, Ministry for the Environment Land and Sea, Italy:* And there is another issue on which we would like to have your responses - how to prepare bankable projects for the GCF funding.
- *Mr Jean-Louis Lavroff, Head of Cooperation, EU Delegation to Kazakhstan:* We did not have enough time to discuss all important issues. I suggest to extend the duration of the next meeting of the EU-CA Working Group to three days.
- *Mr Massimo Cozzone, Ministry for the Environment Land and Sea, Italy:* I agree with this suggestion to extend the duration of the next meeting of the EU-CA Working Group to three days.

With this comment the Chair concluded the meeting and informed all participants that the organisers will prepare the Minutes of the Meeting, that the meeting conclusion will be included in the Summary by the Chair, and that the Minutes of the Meeting and the Summary by the Chair will be put on the WECOOP2 website (<http://wecoop2.eu/events/6th-wgecc-meeting-astana>) by the end of July 2017.