

**Regional Meeting on strengthening Intersectoral Cooperation on Water Management
and fostering the role of Water in promoting Sustainable Development and
implementing the Agenda 2030**

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Your Excellencies, Vice Minister Nyssanbayev, Ambassador Kollar,
Ladies and Gentlemen,

- On behalf of the EU Delegation in Kazakhstan, I am honoured to welcome you to today's meeting to discuss ways to strengthen **regional and inter-sectoral cooperation on water management** and increase the role of water in promoting sustainable development and implementing the **UN Agenda 2030 for Sustainable Development**.
- The EU attaches great importance to environmental protection and sustainable development policies, both within its Member States and for its partner countries. This has been outlined in several strategic documents which have been prepared to implement the **UN Agenda 2030 for Sustainable Development** and its 17 Sustainable Development Goals (SDGs).
- **The Agenda 2030**, adopted in 2015, integrates **the three dimensions of sustainable development – the economic, social and environmental dimensions** in a balanced manner and calls for enhanced efforts to promote environmental sustainability, the conservation and sustainable use of ecosystems, and the decoupling of environmental degradation from economic development.
- In response to this global initiative the EU adopted a **new European Consensus on Development** in June 2017 which reaffirms our commitment to a rules-based global order, with multilateralism and the United Nations at its core. Given the strong link with climate action, through the new Consensus we are also giving a timely political signal to reaffirm our strong commitment to implement the Paris Agreement adopted in December 2015, under which the EU committed to reduce its emissions by 40% to contribute to the overall goal of keeping global warming below 2°C. The aim is to foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production and also make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.
- The EU-Central Asia relations are developed under **the EU strategy for Central Asia** adopted in 2007. When reviewing this Strategy in June 2015, the Council of the European Union stressed the importance of **respecting the strategic interests of all five Central Asian countries**, while **promoting multilateral and regional frameworks of dialogue** and increased **adhesion to international conventions and legal principles governing the environment, trans-boundary resource management, and the consequences of the disappearance of the Aral Sea**.

- The EU renders support to the countries of Central Asia to better define approaches to the sustainable use and efficient management of natural resources, particularly water at national and trans-boundary level, and to support the region in coping with climate change impacts and ensuring the preservation of environment. This is done by making full use of the existing **EU-CA Platform for Environment and Water Cooperation** which is supported through the EU-funded Project on "Regional Coordination and Support for the EU-Central Asia enhanced Regional Cooperation on Environment, Climate Change and Water (**WECCOOP**)". The EU-Central Asia Working Group on Environment and Climate Change, which is part of the Platform, agreed at its 8th meeting in Tashkent in early June to continue work on improving knowledge about the IFIs' requirements and the process of preparing bankable projects. The Project's experts will continue to provide tailor-made support to Central Asian countries in the identification and formulation of environment-friendly infrastructure projects on waste management, air quality, water supply and sanitation, and also promoting the use of Strategic Environmental Assessment as a powerful tool for establishing a robust legal and regulatory framework for sustainable development of Central Asian countries.
- As water and energy resources in Central Asia are highly imbalanced, Water-Energy-Food (WEF) Security is at the heart of the region's socio-economic development and can only be achieved through *regional economic cooperation*. Moreover, since water-, energy- and food security are inextricably linked, a *multi-sectoral planning approach* is necessary. That is why the EU funds another important regional Project "Nexus" which is aimed at rendering support to EC IFAS in the development of ASBP-4 through cross-border and multi-sectoral planning with an ultimate goal of facilitating sustainable and climate-resilient investments for increased WEF Security in Central Asia.
- As an example of just how far reaching the EU's engagement in the sector is we have also been contributing and will continue to provide considerable funding for a World Bank Trust Fund to implement the **Central Asia Energy and Water Development Programme (CAWEP)** which has just concluded its second phase.
- I am happy to say that the EU's engagement with all three regional programmes will be managed from the EU Delegation here in Kazakhstan.
- I believe the activities we finance demonstrate that the EU is at the frontline when it comes to environmental protection, climate change mitigation and adaptation and sustainable development around the world, including in Central Asia. The EU is also working on more innovative forms of partnerships, with a stronger emphasis on **policy dialogue, blending and investment plans**.

Since investments are so key to the development of the water sector, let me use this opportunity to brief you on the EU Investment Facility for Central Asia (**IFCA**), which could help leveraging much needed financing:

- IFCA provides its support through: Investment (capital) grants, Technical Assistance, Risk capital and other risk sharing instruments - mainly for investments in water and environment infrastructure, energy efficiency and SMEs support.
- IFCA sets up partnerships, using **grant** resources from the EU to **leverage** and pool financing from multilateral and bilateral European Financial Institutions like the EIB and

the EBRD, IFIs as well as partner countries and beneficiary institutions in Central Asia.

- Since 2010, more than **30 projects** were approved in Central Asia for grant financing of €130 million, representing total financing from the Finance Institutions of more than €600 million and total investments of approximately **€900 million**. The leverage effect of IFCA grants in Central Asia was thus in the range of **1:7**. This means that for each 1 Euro grant from the EU tax payers money the blended projects bring 7 Euros loans destined to be invested in new highly value added projects.
- The indicative amount available until the end of 2020 is around **EUR 120 million** and we have a number of exciting projects in the pipeline for IFCA support including on renewables. With the remaining IFCA allocation and the considerable amounts of funds leveraged in cooperation with our partners expect to make a critical contribution to green growth in Central Asia.

Thank you for your kind attention.

Background

WECOOP

- WECOOP is a regional project with the budget of EUR 1,998,000 million that will come to an end in February 2019. It is aimed at promoting stable and peaceful sustainable development of CA and facilitating closer regional cooperation both within CA and between CA and the EU.
- The project support the EU-CA Platform for Environment and Water Cooperation established at the EU-CA High Level Conference in Rome, Italy, in 2009. The Platform is a framework for the EU-CA cooperation in water and environment based on the EU Strategy for CA agreed with the countries of CA. The EU-CA Working Group on Environment and Climate Change (WGECC) assists in identification of priorities and supports the policy dialogue. WGECC meets twice a year. The last meeting was held on 7-8 June in Tashkent. The High Level Conference is expected to take place on 24-25 January 2019 in Tashkent.
- The Project has 3 activity areas: 1) Policy Dialogues; 2) Capacity Building and Policy Advice; 3) Communication/mapping/analysis/networking.
- The project provided a financial support to the National Policy Dialogues (NPD) on Integrated Water Resources Management (IWRM) and transboundary cooperation linked to the implementation of the UNECE Water Convention managed by UNECE (in cooperation with OECD) for the total amount of more than EUR 100,000.
- The project developed the Investor Guide and web-based Regional Knowledge Centre to build countries' capacity in preparing bankable investment projects.
- The next phase of WECOOP is now being discussed with HQ.

WEF Security Nexus Dialogue

- The EU and its Member States are working to improve transboundary water cooperation and the nexus between water, energy, food security and ecosystems at both the European and global level.
- In this framework, the EU launched together with Germany the Nexus Dialogues Programme in order to bring the nexus topic at the ministerial policy level and advance towards the production of endorsed policy recommendations and action plans at the national and regional level while influencing the design of strategic investments and reduce trade-offs among the sectors. In Central Asia the Nexus Dialogues are building coherence at the national level between the different Ministries in charge of water, energy and food security before establishing the regional dialogue, making the Nexus challenges and opportunities highly visible in the Central Asia region which is one of the five target region of the programme, with a dedicated budget of EUR 1.3 million.
- The EU-funded Project "Central Asia Nexus Dialogue: Fostering Water, Energy and Food (WEF) Security and Multi-Sector Investment" is a regional project with the total budget of EUR 1.52 million, **EU's contribution of EUR 1.3 million**. The first phase started in December 2016 and will end in December 2019.

- This project is a part of a global WEF Security Nexus Dialogue program with activities in Central Asia, Latin America, Africa and the Middle East.
- The project is implemented by the Regional Environmental Centre for Central Asia (CAREC) and the International Union for Conservation of Nature (IUCN).
- The ultimate goal is to increase WEF Security in CA with the focus on the Aral Sea Basin Programme (ASBP) of the IFAS. The aim is to help IFAS shape the ASBP into a major multi-sectoral investment programme for increased WEF Security in CA, taking into account the linkages – or *NEXUS* – between these sectors. The project also aims at identifying a portfolio of WEF security investment projects for support during a possible second phase.

[IFCA]

- IFCA provides its support through: Investment (capital) grants, Technical Assistance, Risk capital and other risk sharing instruments.
- IFCA sets up partnerships, using **grant** resources from the EU to **leverage** and pool financing from multilateral and bilateral European Financial Institutions, Regional Development Banks (such as EBRD, the Asian Development Bank (ADB) as well as the World Bank (WB)), partner countries and beneficiary institutions in Central Asia.
- Since 2010, more than **30 projects** were approved in Central Asia for grant financing of €130 million, representing total financing from the Finance Institutions of more than €600 million and total investments of approximately **€900 million**. The leverage effect of IFCA grants in Central Asia was thus in the range of **1:7**. This means that for each 1 Euro grant from the EU tax payers money the blended projects bring 7 Euros loans destined to be invested in new highly value added projects.
- Indicative amount available until the end of 2020 is around **EUR 120 million**.

[The Rhine River and the Danube River Commissions]

- The Danube River Commission was established in 1856 to ensure free navigation along the Danube for all European countries. Over the course of time, member-states decided to convert it into the International Commission for the Protection of the Danube River which operates within the framework of the Danube River Protection Convention. The Convention forms the overall legal instrument for co-operation on transboundary water management in the Danube River Basin. Now, the Commission is the platform for the implementation of all transboundary aspects of the EU Water Framework Directive.
- The international cooperation of the countries of the Rhine basin is based on the International Commission for the Protection of the Rhine from Pollution, which in 2015 turned 65 years old. The main tasks of the International Commission for the Protection of the Rhine River:
 - prepare and conduct all necessary studies to determine the type, distribution and origin of the pollution of the Rhine, evaluate the results;
 - propose appropriate measures by the Parties to the Convention in order to protect the Rhine from pollution.