



Central Asia Nexus Dialogue Project: Fostering Water, Energy and Food Security Nexus and Multi-Sector Investment (PHASE II)

SHORT DESCRIPTION OF THE PROJECT

Short project name	Nexus Dialogue in Central Asia (Phase II)
Beneficiary countries	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan
Implementation period	June 2020 – May 2023
Budget:	Total 1,250,000 € EU contribution 1,000,000 €
Implementing organization:	Regional Environmental Centre for Central Asia (CAREC)

BACKGROUND

The European Union funded Project «Central Asia Nexus Dialogue Project: Fostering Water, Energy and Food Security Nexus and Multi-Sector Investment» has recently launched Phase II (2020-2023) based on the achievements of Phase I (2016-2019). The project is part of the Global Nexus Programme of the Nexus Dialogues held in five regions of the world financed by the European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ). In Central Asia, the Nexus Dialogue Project is implemented by the Regional Environmental Centre for Central Asia (CAREC)

Phase I of the Project was implemented in five countries of Central Asia (CA) in partnership with the *International Union for Conservation of Nature (IUCN)* and with the support of the *Executive Committee of the International Fund for Saving the Aral Sea (EC IFAS)*, as well as a number of line ministries responsible for WEF Nexus matters. The Project facilitated regional dialogue among the Central Asian countries on water and energy matters. The key results of Phase I were the following:

- The Nexus approach was successfully integrated into planning processes and incorporated into regional strategic documents: ASBP-4¹ and REP4SD-CA²;
- An Investment Portfolio of project ideas based on the WEF Nexus approach was developed and officially endorsed by national agencies of CA countries;
- Three small-scale pilot projects based on the WEF Nexus approach were successfully implemented in Tajikistan, Turkmenistan and Uzbekistan;
- 30 experts from Central Asian countries were involved in the development and promotion of the WEF Nexus approach;
- 10 analytical papers on WEF Nexus approach were developed and published;
- WEF Nexus approach was presented at more than 70 events;
- 9 transboundary and national sites were included in the Investment Portfolio of project ideas based on the WEF Nexus approach and were proposed by countries for further work under Phase II of the Nexus project.

As a result of the successful implementation of Phase I and the interest shown by the beneficiary countries of Central Asia in the multisectoral planning approach, the European Union took the decision to continue supporting the Nexus Dialogue in Central Asia in Phase II. Taking into account the needs of beneficiaries, Phase II will focus on the development of tools and practical application of the Nexus approach for: a) a joint implementation of transboundary projects based on the WEF Nexus approach; b) identification of suitable funding mechanisms for such projects; c) strengthening the competence of experts in the practical application of the WEF Nexus approach in planning and investment decisions to ensure sustainable development and enhanced water, energy and food security in Central Asia.

TARGET GROUPS

- WEF related line ministries;
- Local authorities;
- CA Academic Network;
- Experts;
- International Financial Institutions (IFIs).

¹ The fourth edition of the Aral Sea Basin Programme (ASBP-4).

² The Regional Environmental Programme for Sustainable Development of Central Asia (REP4SD)

OVERALL OBJECTIVE

Institutionalising the Nexus approach in national and regional governance structures and investment decisions for water, energy and food security

SPECIFIC OBJECTIVES:

- To apply the Nexus approach in planning, policy making and practical implementation
- To increase interest of public and private investors to support Nexus based projects in the CA region.

EXPECTED OUTPUTS:

- Regional multi-sectoral Nexus dialogue is strengthened with support of the Regional Steering Committee and Technical Working Group established for the transboundary demonstration project;
- One transboundary and three small-scale demonstration projects are implemented to serve as pilot sites to prepare:
 - institutional and socio-economic assessments for all demonstration projects;
 - simulation analysis (cost-benefit or trade off) for two demonstration projects;
 - technical solutions for three demonstration projects.
- Investment-ready proposals for two demonstration projects are developed and submitted to potential investors;
- Analytical and planning tools relevant for supporting Nexus based decisions are tested in Central Asia;
- Capacity of the WEF line ministries and national experts on the application of the Nexus tools for designing investment projects enhanced;
- The vision to institutionalize the Nexus approach in national and regional governance structures and investment decisions is improved.

IMPLEMENTATION ARRANGMENTS

To ensure coordination and alignment of activities during Phase II of the Project, the **Regional Steering Committee (RSC)** established in Phase I will continue to operate and a Technical Working Group (TWG) will be established for the small-scale transboundary demonstration project.

The **Network of Academic Society (NAS)** consisting of representatives of universities, professional development institutes and training centers that has been operating in Central Asia since 2013 with the support of the World Bank and CAREC, will be involved as an expert support to exchange academic knowledge, research development, modern methods and technologies in the field of sustainable management and use of natural resources.

The **Global Nexus Secretariat (GNS)** is a coordinating body for implementation of Nexus projects in different regions of the world. It supports exchange of knowledge and experience among project teams, coordinates development of methodological materials and tools required for planning, evaluation and implementation of Nexus projects.

CAREC, as an implementer of the Nexus Dialogue in CA Project, will ensure that the objectives of Phase II of the Nexus project are achieved, interested partners are informed and involved, as well as that project co-financing commitments are met.

DEMONSTRATION PROJECTS

Four small-scale demonstration projects (1 transboundary and 3 national), proposed for piloting the Nexus approach in Central Asia, will serve as the basis for testing and adapting the WEF Nexus tools.

The selection of demonstration projects will take place according to the following criteria:

- availability of support in the ministry responsible for the given facility, site, and field of activity;
- availability of investment potential;
- existence of water, energy and food sectors nexus

Demonstration projects will be selected from the Portfolio of Nexus Project Ideas approved by countries during Phase I of the Nexus project. A brief description of demonstration projects will be added after their agreement with the project countries.