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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX II

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Asia-Pacific region for 2023 part 2

Action Document for the EU contribution to the Team Europe Initiative on Water, Energy and Climate Change

ANNUAL PLAN 2023

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

<p>1. Title CRIS/OPSYS business reference Basic Act</p>	<p>EU contribution to the Team Europe Initiative on Water, Energy and Climate Change OPSYS number: ACT-62104 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)</p>
<p>2. Team Europe Initiative</p>	<p>Yes Team Europe Initiative on Water, Energy and Climate Change in Central Asia</p>
<p>3. Zone benefiting from the action</p>	<p>The action shall be carried out in Central Asia</p>
<p>4. Programming document</p>	<p>Regional Multi-annual Indicative Programme for Asia and the Pacific 2021-2027</p>
<p>5. Link with relevant MIP(s) objectives / expected results</p>	<p>RMIP SO 1 Support for regional cooperation on environmental challenges and improved regional energy connectivity</p> <ul style="list-style-type: none"> - RMIP ER 1.1. Improved structured cooperation in the framework of regional organisations, such as the International Fund for saving the Aral Sea - RMIP ER 1.2 Strengthened public capacities and knowledge for the joint governance, management and use of water, including the automatisisation of river water intake data, in line with EU best practices <p>RMIP SO 2: Support for cross-country cooperation, preparedness and planning for disaster risk reduction and support to partner countries to fulfil their commitments on climate change, ecosystem and biodiversity conservation</p> <ul style="list-style-type: none"> - RMIP ER 2 Increased effectiveness of disaster risk management systems, ecosystems and biodiversity conservation systems <p>RMIP Support Measures: “The Team Europe approach will be built upon, joining-up communication initiatives across EU services, EU institutions and Member States.”</p>
<p>PRIORITY AREAS AND SECTOR INFORMATION</p>	
<p>6. Priority Area(s), sectors</p>	<p>Priority area 1: Regional integration and cooperation</p>

	Sector 1: Partnering for resilience (environment, water and energy component) - Water supply and sanitation - DAC code 140 - Energy generation, renewable sources - DAC code 232 - General environment – DAC code 410			
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 13 Climate action Other significant SDGs: SDGs 5 (Gender equality), 6 (Clean water and sanitation), 7 (Affordable and clean energy), 10 (Reduced inequalities), 15 (Life on land), 16 (Peace, justice and strong institutions), 17 (Partnerships for the goals)			
8 a) DAC code(s)	DAC code 140 - Water supply and sanitation - 53% DAC code 232 - Energy generation, renewable sources - 27% DAC code 410 - General environment - 20%			
8 b) Main Delivery Channel	Multilateral Organisations - 40000 Private sector institution - 60000			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	/
	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	/
	digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020130 Total estimated cost: EUR 20 000 000 Total amount of EU budget contribution EUR 20 000 000.			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with one or more pillar-assessed entities. The entities will be selected in accordance with the criteria set out in section 4.3.			

1.2 Summary of the Action

Central Asia is endowed with water and an abundance of rich and varied energy resources — hydropower, oil, gas and coal. However, there are **competing demands for water within and between Central Asian countries**, in particular between irrigation and environmental flows for ecosystems and biodiversity: the mountains of Tajikistan, the Kyrgyz Republic are the source of the majority of the regions' surface water, which leads to the development of hydropower in those countries. The downstream countries Turkmenistan, Uzbekistan and Kazakhstan, while endowed with abundant natural gas, oil and coal, find themselves in mostly arid and desert areas and depend on water flows from their upstream neighbours for agricultural production, fisheries and ecosystems, particularly around the Aral Sea. At the same time, **Central Asia is one of the most vulnerable regions to climate change**: Higher temperatures, melting of glaciers, changes in precipitation will impact on water availability and increase recurrence of flooding and more severe and prolonged droughts. This intrinsically links water, energy, and climate change in nearly all areas of development in Central Asia and makes them drivers of disputes as well as cooperation. Against this background, the Aral Sea crisis along with glacier melting and other impacts of climate change have led to the **recognition that closer regional cooperation for finding solutions is inevitable**.

Emerging from the water-energy-climate nexus, **this Action will address the following problem areas within the framework of the Team Europe Initiative on Water, Energy and Climate Change in Central Asia (TEI)**:

- *Balancing needs of competing water uses* through (i) strengthening cross border and regional water management in particular through supporting the reform of the International Fund for Saving the Aral Sea (IFAS) and (ii) improve the sustainability of water use through automatising of main water intakes for better adherence to quotas, particularly environmental flows
- *Improving safety and operation of critical energy and water infrastructure* through strengthening legal and institutional frameworks, supporting the design and implementing of a monitoring system at regional level, as well as through providing essential monitoring equipment;
- *Contribute to climate change adaptation and mitigation* by supporting sound management of water resources and critical energy and water infrastructure;
- *Slowing down of ecosystems and biodiversity loss* by promoting regional environmental cooperation and national policy dialogues and by creating the technical conditions to ensure respect of environmental flows, which will have positive impact for the ecosystem restoration of the Aral Sea Basin and other major rivers in the region;
- *Ensuring gender equality in the management of water, energy and climate change issues* by promoting the participation of women in governance and decision-making processes, as well as raise awareness amongst Central Asian partners on how to promote gender equality in the target sectors.

The **energy mix varies from country to country** with heavy fossil-fuel dependencies in three out of five Central Asian countries: this challenge will be addressed under the TEI, including through capital investments into grid modernisation and renewable energy generation and soft support measures. The transition to renewable energy sources in Kazakhstan, Uzbekistan and Turkmenistan and the poor energy network infrastructure in Central Asia both at transmission and distribution level requires close regional cooperation in view of modernising and decentralising the systems and the preparation of investments. Supplementary activities will be considered under EFSD+.

The action is embedded in the comprehensive approach of the TEI and aligned with regional priorities in particular the **4th Aral Sea Basin Programme**. The action has the overall objective to “support the green transformation of Central Asia” through (i) improving regional cooperation and governance (*Specific Objective 1*) while (ii) at the same time supporting the coordination of the TEI and provide expert and policy advice to actors in the region. (*Specific Objective 2*). Both specific objectives will be key to support Team Europe members on increasing investment in a regionally integrated green transformation. The areas of intervention were prioritised in a consultative process involving Central Asian governments, the EU, Team Europe members and the Executive Committee of IFAS. This ensures high levels of regional ownership of the activities

The action contributes to the EU's strategic objective to help Central Asia develop as a more resilient, prosperous, and interconnected space. This Action is also aligned with the EU Strategy on Central Asia, in which water, energy, and climate action feature prominently. It is also in line with the 2018 Council Conclusions on Water Diplomacy and the 2021 Council Conclusions on Water in the EU's External Action, as an initiative to contribute to shaping

a more coherent and effective EU foreign policy engagement in conflict prevention. The Action reflects Commission priorities, contributes to the European Green Deal and is part of the Global Gateway. Moreover, in the context of the Russian invasion of Ukraine, this Action reinforces the position of the EU as a reliable partner for Central Asia and as a viable alternative.

The action will contribute to the realisation of the EU Gender Action Plan 2021-2025 GAP III, in particular to its thematic area of engagement “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation, Digitalisation, Climate change and environment” and “Promoting economic and social rights and empowering girls and women”.

2 RATIONALE

2.1 Context

Water-energy-climate nexus: Central Asia is endowed with water and an abundance of rich and varied energy resources — hydropower, oil, gas and coal. However, there are **competing demands for water within and between Central Asian countries**, in particular between irrigation and environmental flows for ecosystems and biodiversity: The mountains of Tajikistan, the Kyrgyz Republic and Afghanistan¹ are the source of about 80% of the regions’ surface water, which leads to the development of hydropower in those countries. The downstream countries Turkmenistan, Uzbekistan and Kazakhstan², while endowed with abundant natural gas, oil and coal for energy generation and export, find themselves in mostly arid and desert areas and depend on water flows from their upstream neighbours for agricultural production, fisheries and ecosystems, particularly around the Aral Sea. At the same time, **Central Asia is one of the most vulnerable regions to climate change:** higher temperatures, melting of glaciers, changes in precipitation will impact on water availability and increase recurrence of flooding and more severe and prolonged droughts. This intrinsically links water, energy and climate change in nearly all areas of development in Central Asia and makes them drivers of disputes as well as cooperation. Against this background, the Aral Sea crisis along with glacier melting and other impacts of climate change have led to the **recognition that closer regional cooperation for finding solutions is inevitable.**

Geopolitical landscape: Energy and water have been key factors for inter-state relations in Central Asia since the 1950s. Cooperation around the management of resources between the upstream water-rich and downstream fossil fuel-rich states has been undermined since independence in 1991 and is crucial also for adapting to and coping with the negative impacts of climate change such as increases in temperature, extreme weather events and glacial retreat expected in the region.

The recent geopolitical shifts including the Russian invasion of Ukraine, instability in Afghanistan and Iran, as well as the increasing presence of China prompted Central Asian governments to look at Europe as key partner to address water, energy and environmental issues. The EU, together with its Member States, private sector and civil society, can provide essential added value based on Europe’s own experience and know-how on integrated water resources management (IWRM), renewable energy, energy efficiency, environmental protection, climate change, as well as regional water, energy and environmental integration.

Regional cooperation on water, energy and climate change: Despite sometimes tense transboundary relations, Central Asia has experienced since 2016 a new wave of regional integration and cooperation on issues that cannot be effectively addressed at the national level including climate change mitigation and adaptation, combating desertification, rational use of water and energy resources, environmental protection and ecology, preserving glaciers, remediating uranium tailings, introducing resource-saving and green technologies, as well as renewable energy sources.³ These priorities were confirmed at the 4th Consultative Meeting of Central Asia Heads of States held in Cholpon-Ata in 2022 and inscribed in the Regional Green Agenda Programme for Central Asia and the 2022-2024 Roadmap on Regional Cooperation.

¹ Afghanistan is not included in this action because it is more integrated with the South Asian region and because of its political specifics.

² In the Ferghana Valley, Tajikistan and Uzbekistan are both upstream and downstream.

³ 2021 Avaza Joint Statement by the Heads of State of Central Asia puts water and energy at the centre of a renewed climate for regional cooperation.

Countries of the region have developed legal tools and institutional mechanisms for the management and protection of water resources. Such agreements exist on multilateral and bilateral basis and stipulate many aspects of regional management of water resources, including limits of water intake from transboundary rivers, the exchange of operational information on flooding, notification of emergency situations, early warning, joint research and studies of transboundary river basins, as well as exchange of information on best available technologies.

Because of the energy crisis and the need to rely less on fossil fuels, Central Asian governments have adopted policies to increase the use of renewable energy, including hydropower, solar and wind, as well as energy efficiency, accompanied with the necessary measures for the development of the electricity distribution system. This will put the region on a pathway towards climate neutrality, which the Kyrgyz Republic and Tajikistan should achieve by the early 2030s. Kazakhstan aims at raising the share of renewable energy to 15% by 2030, while Turkmenistan and Uzbekistan increasingly study and invest also in solar and wind.

Regional ownership: In the framework of IFAS, the governments of the region have recently adopted the *4th Aral Sea Basin Programme (ASBP-4^A)*, which contains a list of 34 projects approved by all riparian countries, whose implementation is expected to contribute to addressing the Aral Sea crisis. IFAS has requested the support of development partners, including the EU, to implement the ASBP-4.

Under this and related actions, the EU will contribute to the implementation of five main projects, prioritised by the Commission services and EU Delegations in the region, in consultation with Team Europe members and the Executive Committee of IFAS:

- (1) Improving the organisational, contractual and legal framework of IFAS
- (2) Improving institutional structures for water resources management in Central Asian countries at the national level
- (3) Transforming the National Policy Dialogues on Integrated Water Resources Management
- (4) Improving dam safety at the regional level
- (5) Piloting water distribution automatisation in the Syr Darya basin

All activities build on ongoing initiatives supported by the EU, Team Europe members and likeminded partners.

Relevant EU support programmes: The *EU – Central Asia Platform on Environment and Water Cooperation* was established in 2009 and is currently co-chaired by Italy and the EU, as the reference framework for the cooperation between EU and Central Asian countries in the field of environment, water and climate change. It established a Working Group on Environment and Climate Change. The 7th EU – Central Asia High-Level Conference of the Platform on Environment and Water Cooperation was held on 23-24 February 2023 in Rome. The secretariat of the Platform has been supported by the WECOOP project until mid-April 2023. The WECOOP project has been also providing expert advice and capacity building for the partner countries.

The *Central Asia Water and Energy Program (CAWEP)* is a partnership between the World Bank, the European Union, Switzerland and the United Kingdom to strengthen the enabling environment to promote energy and water security at regional level and in the beneficiary countries. Structured along three pillars: (1) energy security; (2) energy-water linkages; and (3) water security, the programme pursues three components since its inception in 2009: (a) data and diagnostic analyses; (b) institutions, capacity and dialogue and (c) supporting investments.

The *UNECE National Policy Dialogues on Integrated Water Resources Management (NPDs)* support the water sector reforms in Central Asia through assistance to governments to develop and implement water strategies and legislation based on IWRM principles, to strengthen intersectoral cooperation among inter alia the water and health sectors, to develop national policies for the management of transboundary waters in accordance with the Water Convention and other international legal instruments. The NPDs were launched as main operational instrument of the EU Water Initiative, launched at the Johannesburg World Summit on Sustainable Development in 2002.

The *EU-funded Sustainable Energy Connectivity in Central Asia (SECCA)* project provides (i) capacity development for EE and RE deployment; (ii) awareness raising on EE and RE; (iii) improving investment climate for renewable energy and energy efficiency.

International commitments on climate change and biodiversity: Being Parties to the UN Framework Convention on Climate Change, all five Central Asian countries submitted their Nationally Determined Contributions (NDCs). Kazakhstan and Turkmenistan submitted their first NDCs in 2016, while Kyrgyzstan, Tajikistan and Uzbekistan made updated submissions in 2021. In four of the five NDCs, water resources management is listed among

⁴ <https://ecifas.tj.org>

priority adaptation measures. Under the UN Convention of Biological Diversity, all five Central Asian countries regularly update and submit national reports; four countries prepared National Biodiversity Strategies and Action Plans (NBSAPs), which detail the key conservation needs and actions.

Coherence with EU strategy and policies: Central Asia is at strategic geographical location and has a pivotal role in Europe-Asia connectivity. It has vast energy resources, a significant market potential and plays an important role in broader regional security. It is therefore in the strategic interest of the EU to strengthen the resilience of Central Asia, its institutions, economies and societies. This requires reinforcing their ability to anticipate and withstand external and internal pressures, embrace reform and address the challenges stemming from globalisation, rapid population growth, climate change and environmental degradation, pressure on water and energy resources, labour migration and new security threats.

The Action reflects the Commission's priorities, contributes to the European Green Deal and is part of the Global Gateway through the Team Europe Initiative on Water, Energy and Climate Change in Central Asia (TEI). Moreover, in the context of the Russia's war of aggression against Ukraine, this Action reinforces the position of the EU as a reliable partner for Central Asia, as a viable alternative to the lasting ties of the region with the Russian Federation and other players in the region. The relations between Europe and Central Asia are well established. The EU is considered among the largest donors on water and climate in the region. The EU, together with its Member States, is well positioned to provide essential added value based on Europe's experience of regional integration. At the 17th EU - Central Asia Ministerial Meeting, the foreign ministers of the five Central Asian republics confirmed their intention to promote closer regional cooperation on water and energy and identified science, technology and innovation as a new programmatic priority.

The action is implemented as part of the TEI and aligned with regional priorities (see section 3.2). As such, the action contributes to the EU's strategic objective to help Central Asia develop as a more resilient, prosperous and interconnected space. This Action is also aligned with the EU Strategy on Central Asia, which features prominently water, energy and climate action. It is also in line with the 2018 Council Conclusions on Water Diplomacy and 2021 Council Conclusions on Water in the EU's External Action as an initiative to contribute to shaping a more coherent and effective EU foreign policy engagement in conflict prevention.

2.2 Problem Analysis

Emerging from the water-energy-climate nexus (see section 2.1), this Action will address the following priority areas within the framework of the Team Europe Initiative:

➤ **Balancing needs of competing water uses:** The region faces immense water resources management challenges. Unsustainable use of otherwise relatively abundant water resources, particularly for large-scale irrigation, have led to drying up of the Aral Sea in the 2000s and its transformation in the Aralkum Desert — one of the worst environmental tragedies of the 21st century — and is driving loss of biodiversity, desertification, and deterioration of public health. It has also direct economic and social impact on millions of people that depend on agriculture for their livelihoods. Furthermore, with challenges of water allocation, yearly and seasonal variability and the impact of climate change, there is need for more transboundary water cooperation and sound water policies at national level. At national levels, the implementation of the river basin approach and intersectoral dialogues on water policy must be strengthened. Respecting the agreed water use quotas is among the biggest challenges. → The action will contribute to addressing this problem by (i) strengthening regional, transboundary, and national water management in particular through supporting the IFAS reform and national policy dialogues on IWRM, as well as (ii) improving the sustainability of the water use through automatisisation of main water intakes to improve adherence to quotas.

➤ **Improving safety and operation of critical infrastructure:** Many dams play a key role for water storage to reduce the risk of natural and technological disasters, including both draught and flooding, and adapt to climate change. However, concern over the safety of more than 100 large dams and thousands of other water control facilities has grown significantly in recent years. Ageing dams and their inadequate maintenance, coupled with population growth in flood plains downstream from the dams, have resulted in increased risks to life, human health, property and the environment. Furthermore, safe, efficient and reliable operation of dams and other water-related infrastructure enables energy generation and agricultural production. → The action will contribute to addressing this challenge

through strengthening the legal and institutional frameworks, supporting the design and implementation of automated monitoring and early warning systems for dam safety.

➤ Highly vulnerable Central Asia to the climate change: Central Asia is one of the most vulnerable regions to climate change with raising temperatures, accelerated melting of glaciers, increased water flow, as well as high draught, flood and erosion risks. Water availability is expected to first increase due to glacial melt but then decrease by the mid of the 21st century, with significant yearly, seasonal and spatial variability. Currently growing populations would also be severely hit, especially in the poorest areas. The region's vulnerability to climate change is exacerbated by inefficient resource use and aging infrastructure, limited enforcement of regulations and a degraded environment. At the same time, capacity to deal with climate change and disaster risk reduction, including both grey and green infrastructure and crisis prevention, is limited at all levels in Central Asia. If no action is taken, economic damages from droughts and floods in Central Asia are projected to be up to 1.3% of GDP per annum, while crop yields are expected to decrease by 30% by 2050, leading to around 5.1 million internal climate migrants by that time.⁵ → By supporting sound management of water resources and dam safety, the action will contribute to adaptation and mitigation

➤ Degradation of ecosystems and biodiversity loss are recognised as concerns by Central Asian countries. The drying up of big parts of the Aral Sea caused enormous loss in aquatic and terrestrial fauna and flora. Previously watery Aral Sea Basin is reduced to a shallow wetland with considerable biodiversity at risk if water levels drop further. Dried former seabed witnesses accelerating desertification. Unsustainable irrigation, soil, pasture and forest management in the surrounding area cause soil degradation. Priority regional goals are listed in the Regional Environmental Programme for Sustainable Development in Central Asia, adopted by the Central Asia Interstate Commission on Sustainable Development (ICSD) in 2021. Decreased freshwater availability will cause stress to vegetation, loss of biodiversity and will accelerate desertification processes. Water management activities targeted by this action will also support biodiversity conservation. → The action will support biodiversity conservation through the EU – Central Asia Platform on Environmental and Water Cooperation, its Working Group on Environment and Climate Change, IFAS reform and IWRM national policy dialogues that will bring closer environmental authorities of the region to address issues related to water quality and ecosystems, including wetlands and aquatic biodiversity. Additionally, the safer management of dams and their reservoirs, as well as automatization of main water intakes for irrigation, will have positive impact for delta ecosystem restoration by increasing the water retention capacity of agricultural landscape.

➤ Low participation of women in managing the water-energy-climate nexus: Labour participation in the region is diverse from over 50% of working women in Kazakhstan to slightly over 30% in the Kyrgyz Republic and Tajikistan⁶. With respect to the water-energy-climate nexus, all three areas are characterised by chronically low levels of women in managerial and technical positions. At the same time women are often the biggest users, particularly in rural areas and at the household level. → The action will promote the participation of women in governance and decision-making process to ensure that issues such as equal access to water, energy and a healthy environment are not left out from discussions. Through special attention at national policy dialogue meetings and by other means, awareness will be raised amongst Central Asian partners on how to promote gender equality in the target sectors.

➤ In Central Asia, women are most often the collectors, users, and managers of water in the household and the farmers of irrigated and rain-fed crops. Women have consequently accumulated considerable knowledge about this resource, from its quality and reliability to acceptable storage methods. Women's participation is also important for effective governance in this sector. Unfortunately, women themselves are often unaware of their potential value and are not involved in water user associations, public water management bodies, and water committees, thus hindering the success of water management efforts. There continue to be gaps in women's access to information, education, and capacity development, due in part to the limited number of programs designed to support young women researchers (graduate and PhD students) from universities and research institutes in Central Asia. It is important to ensure that the water sector becomes more gender aware, a process that should begin with training programs for community and other grassroots mobilizers in this field⁷.

⁵ Estimates by the World Bank (<https://www.worldbank.org/en/region/eca/brief/climate-change-in-europe-and-central-asia>).

⁶ Gender Assessment in Central Asia (www.eurasian-research.org/publication/gender-assessment-in-central-asia).

⁷ <https://www.worldbank.org/en/news/feature/2021/01/20/promoting-womens-participation-in-water-resource-management-in-central-asia>

➤ The energy mix varies from country to country with still heavily fossil-fuel dependencies: Three countries of the region, namely Kazakhstan, Turkmenistan and Uzbekistan, are heavily reliant on fossil fuels, indicating the need to diversify the energy mix at the regional level. Furthermore, regional cooperation will be key to incorporate large amounts of intermittent renewable energy-based generation capacities. In addition, huge potential for energy saving has emerged as a priority. To fulfil global and national climate change goals, renewable energy, both hydro-power and other sources such as solar and wind, connectivity and energy efficiency are receiving attention from Central Asia partners. → The Action will promote the capacity to take up additional renewable resources in national electricity grids and to balance intermittent renewable sources, strengthen the ability of national grid operators and of distribution systems to integrate renewable energy resources, promote regional cooperation of energy networks, and will support the countries to reduce their methane and CO₂ emissions in the energy sector.

➤ There is no formal donor coordination mechanism at the regional level: The three target sectors are supported by many donors. Donor coordination mechanisms exist only at the national level. Information sharing is therefore not easy. Donors often identify the same issues to be tackled and develop interventions in parallel. This results in a high risk of duplication. The TEI is expected to strengthen coordination at least among Team Europe members. This will reduce the risk of duplication, facilitate cooperation among European development partners and allow the development of more impactful interventions. The TEI will also increase visibility for European partners. → This action will support the TEI coordination mechanism, contributing to address this challenge.

Stakeholders to be covered by the action:

There are different groups of stakeholders for the Action, each with specific role and needs. Main stakeholder groups are: *Central Asian governments* including relevant ministries and agencies, as well as water and energy utilities, *regional institutions* particularly IFAS, the *private sector*, civil society organisations, Team Europe members, as well as other development partners.

As Duty-Bearers: **Central Asian governments** are the main beneficiaries of the Action. In particular, the water, energy and environment-related ministries and authorities are the most actively engaged governmental stakeholders in the region. Governmental stakeholders are used to cooperate with the EU and other international donors. They expect to get valuable results and expertise through the Action. Goals and provisional setup of the Action have been introduced to numerous governmental agencies during face-to-face interviews (Kazakhstan, Kyrgyzstan and Tajikistan, EC IFAS) and online meetings (Turkmenistan and Uzbekistan) and have received positive feedback.

Regional institutions: The *International Fund for saving the Aral Sea* (IFAS) is the overarching regional organisation. Its objective is to pursue the sustainable development of the Aral Sea basin. It includes the Interstate Commission for Water Coordination (ICWC), overseeing inter alia the water use quotas that were fixed among the five countries in 1987 and confirmed under the 1992 Almaty Agreement, and the Interstate Commission on Sustainable Development (ICSD), bringing together environmental authorities. IFAS also coordinates implementation of the Aral Sea Basin Programme (ASBP), which currently lists 34 priority regional projects on water, energy, the environment, socio-economic issues and governance, developed and adopted by riparian countries. While IFAS has potential to lead the regional coordination role, its mandate and structure are in need of reform.

Other relevant regional platforms and processes include the ADB Central Asia Regional Economic Cooperation (CAREC) program, the Central Asia Regional Environmental Centre (CAREC) and the Special Program for the Economies of Central Asia (SPECA). Water and energy utilities are to be heard in regional policy discussions as they have often best expertise on investment needs and implementation challenges.

As Right Holders:

Influence and impact of **Civil Society Organisations** differ significantly between countries in Central Asia, but environmental and energy NGOs and **women human rights associations** exist in all five countries and will be involved in policy dialogues and project activities as appropriate, contributing to their strengthening, while enriching their perspectives.

As Duty-Bearers: **Members of the TEI** play a key role in the Action. Currently, seven Member States (Finland, France, Germany, Italy, Latvia, Romania, and Slovakia), EBRD and EIB have officially joined the TEI. Further Member States may join in the future. Stakeholders are pooling their financial and human resources to support activities under the Action and are interested in its success. Members of the TEI have been consulted in preparation

of the Action and are meeting once every two months under the TEI Technical Working Group to discuss the process. In the future, the group is expected to continue meeting on ad hoc basis to oversee the implementation of the TEI, including this Action. DG INTPA of the European Commission and the EU Delegation to Kazakhstan are providing regular internal coordination of the activities.

Development partners: The mapping of other international donors and their projects in Central Asia was conducted.⁸ The interventions contained in this Action take into consideration these activities, aim at avoiding duplication and generating synergies. It is in the common interest to the entire donor community to coordinate actions to maximise impact. Relevant partners for the implementation could include the World Bank through a revised CAWEP multi-donor trust fund, and GIZ to ensure joint action and complementarity with the Green Central Asia program. Implementation of this Action will be also closely coordinated with relevant USAID's programmes (Regional Water and Vulnerable Environment and Power Central Asia), Swiss (Blue Peace Initiative) and UN organisations such as United National Economic Commission for Europe (UNECE) and UNDP active in the area.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to support the sustainable development and the green transformation of Central Asia in the water and energy sector.

By achieving the **Specific Objectives**:

1. Improved regional cooperation and governance for sustainable development in Central Asia
2. Improved coordination among Team Europe members and expert and policy advice to actors in the region

The **outputs** to realise the Specific Objectives are:

Outputs under Specific Objective 1:

- 1.1 Improved regional dialogue and coordination on energy, water and climate:** IFAS reform is supported, and water, energy and climate change policies are better integrated to bolster regional cooperation. Climate sensitive Integrated Water Resources Management (CS IWRM) is strengthened through River Basin Dialogues within the Aral Sea basin and other major rivers. Regional energy organisations are supported, and the coordination between national grid operators and authorities relevant for the development of renewable energy sources is improved. Regional water-energy nexus integration is supported and is part of the Basin Dialogues.
- 1.2 Strengthened disaster risk reduction and dam safety:** Conditions for investment into safety of dams and other large hydraulic structures are improved and contribute to climate change adaptation. Results are fed into the River Basin Dialogues within the Aral Sea basin and other major rivers. Disaster risk reduction activities are coordinated with the Team Europe Members.
- 1.3 Improved water management for ecosystem restoration:** Groundwork for investment into the automatic operation of main water intakes to assist climate change adaptation is laid in the Syr Darya and Amu Darya River Basins. Information on selected pilots is provided within the framework of the Basin Dialogues.
- 1.4 Renewable energy development is accelerated:** Conditions for increasing the share of renewable energy sources are improved by strengthening the framework for improving regional connectivity as well as for the modernisation of national and local grid operation.
- 1.5 CO₂ and methane emissions in the energy sector are reduced:** through a better integration of renewables, increase of energy efficiency in final consumption sectors (mainly building energy consumption) and more efficient and sustainable operation of energy networks.
- 1.6 Strengthened awareness for** emission reductions, energy efficiency, the potentials of increased use of renewables and **water efficiency** among stakeholders and local actors.

Outputs under Specific Objective 2:

⁸ Covering EU, Austria, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Netherlands, Romania, Russian Federation, Slovakia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States, UNDP, UNECE, UNESCAP, UNRCCA, CIS, OSCE, ECO, ADB, EADB, EBRD, EIB, IsDB, World Bank, AKDN, CAREC, IWAC, as well as the Kazakh-German University.

- 2.1 Improved coordination of TEI:** Coordination among Team Europe members is institutionalised and supported through the establishment of a TEI secretariat, which will be in place to support the EU-CA policy dialogue.
- 2.2 Improved policy and capacity development:** Advice for policy development and capacity building is provided to Central Asian governments and regional organisations.

3.2 Indicative Activities

Activities related to Output 1.1:

- *Support to IFAS institutional reform*, including the drafting of legal documents, support to the Executive Committee steered by the World Bank.
- *Capacity development for IFAS subordinate bodies (especially Basin Water Organisation for Amu Darya and Basin Water Organisation for Syr Darya and their branches in the CA countries) on CS IWRM* including on water accounting and monitoring, project management and financial management.
- *Support to Basin Dialogues in the Amu Darya and Syr Darya River Basins and other major rivers in the region* through approximation with EU practices and legal frameworks. This includes raising public awareness and education of the public/civil society with an outreach campaign on water saving, environmental protection and related topics, with a gender sensitive approach.
- *Contribution to improved groundwater management in Central Asia through capacity building and technical assistance:* Creation of an inventory of groundwater monitoring points in the Kyrgyz Republic, Tajikistan and Turkmenistan and support to Kazakhstan and Uzbekistan in creating groundwater situation centres building up on an already existing digitalized system established by the EU co-financed Water Governance in Uzbekistan Project (2016-2020).
- *Support to the Regional Environmental Centre for Central Asia (CAREC):* cooperation with CAREC on capacity building and logistics within the Basin Dialogues.
- *Develop selected priority policy packages* in fields related to water, climate, and the environment: coordination with the planned activities within the Basin Dialogues, groundwater, and water quality monitoring along the Amu Darya and Syr Darya.

Activities related to Output 1.2

- *Develop regionally harmonised national programmes and legal instruments* aimed at increasing the safety of dams and other hydraulic structures.
- *Provide critical monitoring equipment* for early warning systems, automated monitoring systems and laboratory diagnostic equipment of regional significance.
- *Provide support to the Centre for Emergency Situations and Disaster Risk Reduction (CESDRR):* promote larger regional engagement and strengthen cooperation between national authorities in CA.

Activities related to Output 1.3:

- *Create the policy, legal and financial conditions for the development of automatised water intake management systems* in the Syr Darya and Amu Darya River Basins for sound water resource management and ecosystem preservation.
- *Organise technical level consultations* between and among countries on automatised systems.

Activities related to Output 1.4

- *Technical and policy advice to improve regional connectivity and cooperation in the CA energy sector*
- *Advise the reform of the electricity sector in CA especially considering network planning and development, balancing of increased renewables uptake*
- *Support increased institutional and policy capacities for the promotion of renewable energy sources, notably wind and solar, as well as green hydrogen, also considering decentralised solutions at local level*
- *Capacity development on regulation, renewable energy procurement options and processes (auctioning of capacity, legal frameworks and documents, e.g. power purchase agreements)*
- *Capacity development for comprehensive modelling of regional scenarios with the aim to technically and economically optimize energy provision and renewables uptake*

- *Capacity development on renewable energy technologies and technical issues of electricity grid integration and grid management*
- *Transfer into national energy plans and development goals*
- *Demonstration projects: Small-scale decentralised solutions and programs, e.g. solar rooftop program in municipalities with high transfer potential*
- *Facilitation of investments into CA energy sector*
- *Analyse, advise and support human capacity development (technical and policy level) needed to implement the electricity sector reform*
- *Introduce digitised solutions and processes*

Activities related to Output 1.5:

- *Support the accession of CA countries, notably Kazakhstan and Uzbekistan, to the Global Methane Pledge and improve regional exchange and cooperation on the topic*
- *Improve national policies on Greenhouse Gas (GHG) emissions reduction in the energy sector*
- *Develop GHG emissions reduction scenarios for the energy sector*
- *Develop frameworks for energy efficiency: Evaluation of energy efficiency potential across sectors, development of energy efficiency roadmaps*
- *Develop combined decarbonisation solutions through “renewable energy & energy efficiency”.*
- *Increase the efficiency of energy supply structures*

Activities related to Output 1.6

- *Strengthen EU-CA and intraregional dialogue between national and local governments and CSOs*
- *Improve awareness of stakeholders for decentralised, interconnected energy systems and energy efficiency*
- *Develop awareness programs for different target groups for renewable energy and energy efficiency*
- *Carry out demonstration projects to showcase the overall benefits of higher energy efficiency*
- *Support CSO and awareness initiatives with gender sensitive approach where relevant*

Activities related to Output 2.1:

- *Establish, staff, and finance the TEI secretariat for the region to support the coordination between Team Europe Members and the countries in the region*
- *Organise regular coordination meetings with TEI members and with other relevant actors, such as WB, UNDP, USAID*
- *Support the organisation of the meetings of the EU – Central Asia Platform on Environment and Water Cooperation*

Activities related to Output 2.2:

- *Provide expert advice and capacity building for policy development under the EU – Central Asia Platform on Environment and Water Cooperation, also based on requests from Central Asian regional organisations and processes such as IFAS, as well as the EUDs and the NPDs with gender sensitive approach.*
- *Provide ad hoc support to EUDs, Team Europe members and Central Asian partners.*

3.3 Mainstreaming

Environmental Protection & Climate Change: Environmental degradation and high vulnerability to climate change are key challenges in the region with water being central to environmental degradation through unsustainable use as well as to the high vulnerability to climate change due to decreasing natural resources; energy is also central due to the high reliance on coal, oil and natural gas in downstream countries (and still also to a lesser part in the upstream countries) and the environmental impact of fossil fuel extraction and transportation; although much lower, the environmental impact of hydropower, solar and wind generation and transmission is not negligible. This makes it of critical importance that countries manage and share their limited water and energy resources sustainably and fairly balancing water needs of upstream hydroelectricity generation and downstream agricultural produc-

tion, industry and ecosystems. The Action will contribute to environmental protection and climate change adaptation by strengthening integrated water resources management and dam safety as key action in climate adaptation as well as combating biodiversity loss and environmental degradation. In particular, Outputs 1.1 Improved regional dialogue and coordination on energy, water and climate 1.3 Improved water management for ecosystem restoration, and 1.5 CO₂ and methane emissions in the energy sector are reduced.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as **G1**. This implies that the desired impact of this action will be realised with a significant emphasis on gender and the rights of women, in all their diversity. The action will thus apply a gender lens to its internal decision-making.

Support to policy development and capacity building will put a particular emphasis on how these impact women and men, boys and girls, including people living with disabilities and other groups living in vulnerable situations. Action plans and strategies will be conducted in a gender-sensitive and inclusive manner.

Competition for any scarce resource can create tensions that lead to conflict, and water is a strategic resource crucial to local, national and regional security and peace. Gender mainstreaming in water governance is contributing to stability and security by leading to more effective policies and reducing social imbalances and tension. An inclusive approach to water and energy management issues also increases transparency and can reduce corruption. The situation with respect to water resources and energy management in Central Asia remains challenging. The demand for water and energy rises with population and economic growth, and the supply of water and energy fluctuates by season and use. Extreme weather events are becoming more frequent and more intense. Historical patterns are no longer holding and the disruptions in the water cycle undermine water and energy planning and management. Against this set of evolving circumstances, the disproportionate effects of water and energy governance in each competing use for water and energy resources calls for gender mainstreaming. An inclusive and cooperative water and energy governance approach can facilitate the mainstreaming of gender at the sectoral level while taking into account the interrelated needs of multiple users. Involving both women and men in leadership and on decision-making bodies at all levels will improve water and energy management and project performance and increase the likelihood of environmental, social and economic sustainability.

→ *The action will promote the participation of women in the governance and decision-making process to ensure that issues such as fair access to water and energy are not left out from discussions. Through special attention at national policy dialogue meetings, Basin Dialogue meetings and by other means, awareness will be raised amongst Central Asian partners on how to promote gender equality in the target sectors. Furthermore, attention will be paid on female participants representation during Basin Dialogue, capacity building and training.*

Human Rights

The human right to safe drinking water was first recognised by the UN General Assembly and the Human Rights Council as part of binding international law in 2010. The right to water entitles everyone to have access to sufficient, safe, acceptable, physically accessible, and affordable water for personal and domestic use. Through activities at the regional level, this Action will contribute to uphold and monitor the human rights to water and sanitation and to a healthy environment. The Action will also support participation of civil society in policy discussions and promote accountability and transparency in decision-making.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as **D1**. This implies that the supported institutional reforms contribute to the inclusion of persons with disabilities, particularly in public administration. In the region, the water and environment sectors see chronically low levels of persons with disabilities in managerial and technical positions.

Democracy

By supporting regional cooperation, this Action will contribute to strengthening democracy and good governance in the region, making sure that the voices of larger and smaller, richer, and poorer, as well as upstream and downstream countries are heard, that the sovereignty and interests of all countries are respected.

Conflict sensitivity, peace and resilience

The Action will promote regional cooperation among five Central Asian countries in more complex geopolitical context. Support to strengthening of regional institutions, such as the International Fund for saving the Aral Sea

(IFAS) and regional dialogue on water and energy as well as transboundary pilots, are expected to have positive effect on trust building and dialogue between the countries.

Disaster Risk Reduction

The Central Asian region is prone to almost all types of disaster risk of a natural (geological, geophysical, meteorological, agrometeorological, hydrological), man-made, ecological, biological and social origin. The region is most characterised by vast territories with high seismic activity, mudflows, floods, landslides, snow avalanches, waterlogging, rising groundwater levels, hurricane winds, desertification, sandstorms, prolonged and heavy rains, heavy snowfalls and blizzards, droughts, frosts, rockslides, steppe, forest and mountain fires, extreme temperatures, as well as the presence of artificial reservoirs and breakthrough reservoirs, nuclear and chemical waste storage facilities, enterprises with toxic and highly toxic substances, and hazardous waste.

Disaster risk reduction is specifically targeted by the Action. Most specifically, the Output 1.2 is targeted to improving the safety of dams and other large hydraulic structures in Central Asia. It is planned to develop regionally harmonised national regulatory frameworks, aimed at securing dam safety and to procure early warning systems and automated monitoring systems, leading to the reduction of risk of both natural and technological disaster.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
1. External environment	Risk 1 Increasing distrust between countries, leading to disagreements on water resource use and towards regional energy cooperation and resilience	Medium	High	Engagement of water, environment and energy counterparts in regional dialogue, continued support to the IFAS reform and relevant regional energy cooperation fora, in particular through facilitation of regular exchange of information and opinions between all actors and relevant sectors, continued readiness to integrate energy systems
1. External environment	Risk 2 A worsening security and increasingly unstable political situation	Medium	Medium	Political dialogue by the EU (including the EUSR) and Team Europe members and support by OSCE and other like-minded partners
3. People and the organisation	Risk 4 High turnover of officials, leading to loss of institutional memory	Medium	Medium	Continuous building and maintaining of contacts by TEI members and implementing agencies at a variety of political and administrative levels to increase awareness about the process and Action.
1. External environment	Risk 5 A worsening economic and financial situation	Low	Medium	Political dialogue by the EU (including the EUSR) and Team Europe members, particularly EDFIs, and support of IMF and other likeminded partners
1. External environment	Risk 6 Increased external interference from regional powers	Medium	Medium	External interference is already high and the Global Gateway and TEI aim at reinforcing the role of Europe as an alternative partner
3. People and the organisation	Risk 7 Increased access constraints for partners	Low	Medium	Political outreach and careful choice of implementation partners combined with the robust quality control of deliverables

3. People and the organisation	Risk 8 Loss of interest for the TEI	Medium	High	Institutionalisation of the process through a Coordination Mechanism, constant involvement of Member States experts, technical assistance through a Secretariat and securing visibility of the TEI inputs and achieved results
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Lessons Learnt:

International development partners have been active in the CA region for thirty years; they began their cooperation with the newly independent states after the Soviet Union broke apart. One of the first steps undertaken was the familiarisation of the Central Asian partner countries with the principles of Integrated Water Management principles. Today these principles are largely acknowledged and legally enshrined, however still need some support in their implementation. Regional cooperation, especially when it came to water and energy, was challenging until recently. The need for economic growth to sustain a rapidly growing population, the steadily increasing impact of climate change, and more recently the Russian aggression in Ukraine as well as energy emergency situations during the last winter made the five republics in Central Asian more receptive to cooperation. This and an increasing understanding that only with a regional approach the voice of the five Central Asian countries will be heard internationally brought the countries closer together. One of the platforms for a dialogue on water is the Fund for saving the Aral Sea (IFAS) and its subordinate bodies. The reform of IFAS is a crucial necessity to advance regional cooperation on a mutually beneficial water and energy governance to lay a sustainable foundation for economic growth of the region.

Security, political and economic threats should be taken into account. Formerly interconnected regional energy systems have been progressively disconnected over past decades but the current energy crisis and looming climate challenges are creating the conditions for increased interest towards more regional energy cooperation, as manifested by the recent decision of Tajikistan to join the regional network.

Wedged in between two big global players, the Russian Federation and China, the countries of Central Asia traditionally value the European Union and its member countries as neutral supporters and honest brokers. Therefore, the Team Europe Initiative comes at the right moment to support the Central Asian countries on a long-term value base.

A functional organisational platform, professional secretarial support and good interpersonal relationships are key for the sustainability of the TEI. Donor coordination, including among Team Europe members, should be proactively strengthened. The implementation of parts of the action, including the coordination part, by a Team Europe member is therefore a preferred option.

3.5 The Intervention Logic

The action is relevant to address the multidimensional challenges in the water-energy-climate nexus in Central Asia. The expected outputs and activities are strategically selected and complementary to the activities of other Team Europe members.

Supporting IFAS reform and Integrated Water Resources Management in Central Asia will be key to improved regional dialogue and coordination on water, energy and climate. It will bring the environmental authorities of the region closer and address issues related to water quality and ecosystems including wetlands and aquatic biodiversity. Furthermore, the EU will help improve the safety of dams and other hydraulic structures, giving continuity to GIZ, UNECE⁹ and IWAC¹⁰ efforts at the regional level and promoting the scaling up of AFD efforts at the national level in Uzbekistan. This can be expected to strengthen disaster risk reduction and together with improving water management through the automatization of water intakes, achieve the Specific Objective of improved regional cooperation and governance for sustainable development in Central Asia (SO 1). In the area of energy efficiency and renewables, supporting regional cooperation and the development of modern decentralised grid concepts will allow a stronger integration of renewables and contribute to the energy security of supply and independency of CA countries.

The action is fully embedded in the comprehensive approach of the TEI and aims at combining forces with ongoing and planned activities of Member States organisations in the region. It directly contributes to improving regional cooperation and governance, while supporting the ambition of Team Europe members to increase investment in a regionally integrated green transformation. Supporting the coordination of the TEI and providing expert advice and capacity building can be expected to contribute to achieve the Specific Objective of improved coordination among Team Europe members (SO 2) and to an effective and efficient implementation of this action, as well as the TEI. This will not only be instrumental for addressing interlinked water, energy and climate challenges as part of the external dimension of the European Green Deal, but also consolidate the Team Europe's position as main partner of Central Asia on water, energy and the environment with Germany and the EU being among the largest donors and EBRD, EIB and AFD being among the largest investors. It will also closely cooperate with Switzerland as a major European donor in the area of water management.

The Action will respond as much as possible to specific needs of the key stakeholders in CA countries to take into account national priorities.

Achieving the two specific objectives of (i) improved regional cooperation and governance for sustainable development in Central Asia and (ii) improved coordination among Team Europe members and expert and policy advice to actors in the region can be expected to effectively and efficiently realise the overall objective to “support the green transformation of Central Asia”.

⁹ This activity was supported by the Russian Federation until 2019.

¹⁰ These efforts receive long-term support from Slovakia.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Enable the green transformation of Central Asia	1 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources	1 88%, negative trend (2022)	1 80%, stable trend (2027)	1 SDG 6.4.2 (DSG Reports)	<i>Not applicable</i>
		2 Number of countries with mechanisms in place to enhance policy coherence of sustainable development (water, energy and environment sector)	2 2 (2022)	2 4 (2027)	2 SDG 17.14.1	
Specific Objective 1	Improved regional cooperation and governance for sustainable development in Central Asia	1.1 Two Basin Dialogues established and commitment for operation by 5 Central Asian countries	1.1 43 (2020)	1.1 50 (2027)	1.1 SDG 6.5.1	The political will to cooperate for coordinated and transparent water use both in energy and agriculture remains unchanged and the political situation in CA countries is stable.
		1.2 Number of countries with upgraded safety protocols and legal instruments for hydrotechnical structures in Central Asia	1.2 0 (2022)	1.2 4 (2027)	1.2 Independent assessment	
		1.3 Extent to which proposed for adoption climate change adaptation and mitigation policies, and environmental protection strategies and plans (including energy policies/strategies) are based on a gender analysis of risk, need, demand, barriers, and supply (GAP III key outcome indicators)	1.3 (0) 2022	1.3 85% (2027)	1.3 Independent assessment	
		1.4 Number of proposed for adoption climate change adaptation and mitigation policies (including nationally determined contributions),	1.4 (0) 2022	1.4 5 (2027)	1.4 Independent assessment	

		and environment protection strategies and plans (including energy policies/strategies) that include gender equality objectives, in line with the United Nations framework convention on climate change (UNFCCC) gender action plan. (GAP III Key outcome indicators)				
		1.5 Share of water withdrawals that can be automatically measured in the Amu Darya and Syr Darya basins	1.5 0% (2022)	1.5 25% (2027)	1.5 Independent assessment, reports of BWO Amu Darya and national water ministries	Team Europe approach is maintained; a sufficient number of Team Europe members remain engaged in the process; the TEI remains active.
Specific Objective 2	Improved coordination among Team Europe members and expert and policy advice to actors in the region	2.1 Degree of follow-up to meetings facilitated by this Action under the Team Europe Initiative	2.1 0% (2022)	2.1 75% (2027)	2.1 Minutes analysis or expert assessment	Continued interest by CA countries to cooperate within the TEI
		2.2 Number of requests for policy and capacity building support	2.2 0 (2023)	2.2 10 (2027)	Working Group protocols, request letters from partners	The ongoing reform process produces an acceptable outcome for all parties; relations between KG and the rest of the region will improve; relations among KZ TJ, TM and UZ remain cordial; the international community keeps supporting IFAS; no major geopolitical disruption. Existence of political will to restart NPD processes that stopped before COVID pandemic (2016 in TM, 2020 in KG, KZ and TJ).
Outputs relating to Specific Objective 1	1.1 Improved regional dialogue and coordination on energy, water and climate	1.1.1 IFAS institutional reform (including sub-organisations) carried out	1.1.1 0 (2022)	1.1.1 2 (2027)	1.1.1 Copies of reformed statutes	
		1.1.2 Number of capacity building events for IFAS subordinate bodies with gender sensitive approach.	1.1.2 0 (2022)	1.1.2 8 (2027)	1.1.2 Training materials, LoP, participants' evaluations	

		1.1.3 Inter-ministerial working groups for the Basin Dialogues are established with gender sensitive approach.	1.1.3 0 (2022)	1.1.3 2 (1 each for Syr Darya, & Amu Darya) (2027)	1.1.3 Official letters of the 5 CA countries	
		1.1.4 Assessment of groundwater monitoring methodologies done	1.1.4 0 (2022)	1.1.4 5 (2025)	1.1.4 Assessment report per country available	
		1.1.6 Number of “policy packages” developed and followed-up annually under the NPDs	1.1.3 1 (2022)	1.1.3 5 (2027)	1.1.3 Project reports, meeting agendas	Team Europe and its implementing agency are accepted by governments to have a leading role in safety upgrades. Local counterparts are able to properly indicate equipment needs.
	1.2 Strengthened disaster risk reduction and dam safety	1.2.1 Number of national-level evaluation reports of the technical status of hydrotechnical facilities that are developed or updated considering adaptation to climate change with the support of this Action	1.2.1 0 (2022)	1.2.1 5 (2027)	1.2.1 Copies of reports	
		1.2.2 Number of new policy and regulatory documents are developed to increase dam safety with the support of this Action	1.2.2 0 (2022)	1.2.2 5 (2027)	1.2.2 Copies of new policy and regulatory documents	
		1.2.3 Number of measures implemented by CESDRR	1.2.3 0 (2022)	1.2.3 4 (2027)	1.2.3 Reports, LoP, training materials	Cooperation of TM; good working relations of the implementing partner with riparian countries; interest from riparian countries; maintenance of good relations among Amu Darya riparian countries; lessons learnt from Syr Darya basin; disaster-proof design.
	1.3 Improved water management for ecosystem restoration	1.3.1 Design of data collection and control system (e.g. SCADA) proposed in the riparian countries taking into consideration the need for climate change adaptation (except AFG)	1.3.1 0 (2022)	1.3.1 4 (2027)	1.3.1 Copies of reports	
		1.3.2 Number of installed or modernised automatisaton equipment	1.3.2 0 (2022)	1.3.2 TBD based on the assessment (2027)	1.3.2 Independent assessment of installed equipment	Agencies able to support regional connectivity cooperation are in place and their mandates are sufficient. The existing institutional structures allows for transboundary cooperation. Private businesses are flexible enough to adopt suggested approaches
	1.4 Renewable energy development is accelerated	1.4.1 Number of reports/ recommendations on improved regional connectivity	1.4.1 0 (2023)	1.4.1 5 (2027)	Copies of reports	
		1.4.2 Number of studies/ assessments for CA electricity sector/ network	1.4.2 0 (2023)	1.4.2 5 (2027)	Copies of studies/ assessments	
		1.4.3 Number of policymakers reached, disaggregated by gender	1.4.3 0 (2023)	1.4.3 100 (2027), 50% women	Minutes of meetings; survey of decision-makers	
		1.4.4 Number of regulatory documents adopted	1.4.4 0 (2023)	1.4.4 8 (2027)	Official approvals/ decrees	

		1.4.5 Number of regional scenarios modelled on optimizing energy sector (via sectoral and macroeconomic models)	1.4.5 0 (2023)	1.4.5 4 (2027)	Modelling reports	
		1.4.6 Number of investment projects implemented	1.4.6 0 (2023)	1.4.6 5 (2027)	Investment decisions/ reports	
		1.4.7 Number of technical experts reached by capacity development measures, disaggregated by gender	1.4.7 0 (2023)	1.4.7 400 (2027), 30% women	Reports, LoP, pre- and post-completion surveys	
		1.4.8 Number of energy/ development plans adopted/ amended	1.4.8 0 (2023)	1.4.8 5 (2027)	Copies of plans	
		1.4.9 Number of demonstration projects implemented	1.4.9 0 (2023)	1.4.9 8 (2027)	Reports, photo and video	
		1.4.10 Number of people directly supported by the measure, disaggregated by gender	1.4.10 0 (2023)	1.4.10 400 (2027)	Reports, LoP, pre- and post-completion surveys	
		1.4.11 Number of digitalized solutions adopted	1.4.11 0 (2023)	1.4.4 5(2027)	Reports	Policy makers are willing and able to support policy dialogue and provide incentives for private sector to engage into decarbonisation and Renewable Energy Systems development.
	1.5 CO2 and methane emissions in the energy sector are reduced	1.5.1 Number of countries joined the Global Methane Pledge	1.5.1 0 (2023)	1.5.1 2 (2027)	The Global Methane Pledge report	
		1.5.2 Number of policies improved with gender sensitive approach.	1.5.2 0 (2023)	1.5.2 5 (2027)	Official approvals/ decrees	
		1.5.3 Number of GHG reduction scenarios	1.5.3 0 (2023)	1.5.3 4 (2027)	Modelling reports	
		1.5.4 Number of energy efficiency frameworks/ roadmaps developed	1.5.4 0 (2023)	1.5.4 5 (2027)	Reports	
		1.5.5 Number of RES/ EE solutions developed for municipal level	1.5.5 0 (2023)	1.5.5 10 (2027)	Reports, photo and video	
		1.5.6 Degree of increased energy efficiency of energy supply structures	1.5.6 0% (2023)	1.5.6 5% (2027)	The International Energy Agency's (IEA) reports	
	1.6 Strengthened awareness for emission reductions, energy efficiency, the potentials of increased use of renewables and water efficiency among stakeholders and local actors.	1.6.1 Number of regional and EU-CA meetings and followed-up, disaggregated by gender	1.6.1 0 (2023)	1.6.1 8 (2027)	Minutes of meetings; Reports, LoP, survey of decision-makers	Political back up is given to the implementing agencies in conduction of targeted awareness raising campaigns and activities
		1.6.2 Number of stakeholders engaged, disaggregated by gender	1.6.2 0 (2023)	1.6.2 500 (2027)	Reports, LoP, pre- and post-completion surveys	

		1.6.3 Number of awareness programs implemented	1.6.3 0 (2023)	1.6.3 8 (2027)	Reports	
		1.6.4 Number of women with increased training, financial resources, technology or other resources for sustainable and safe food production, sustainable energy, sustainable transport, and clean water sources, for family consumption or for productive uses. (GAP III key outcome indicators).	1.6.4 0 (2023)	1.6.4 500 (2027)	Reports, LoP, pre- and post-completion surveys	
		1.6.5 Number of small sized pilots on energy efficiency	1.6.5 0 (2023)	1.6.5 5 (2027)	Reports	TE approach is maintained; a sufficient number of TE members remain engaged in the process; the TEI remains active. Italy and the EU keep providing leadership to the Platform and Working Group; TE members remain interested in participating in the Platform;
Outputs relating to Specific Objective 2	2.1 Improved coordination of the TEI	2.1.1 Number of meetings under the TEI organised and followed-up	2.1.1 3 (2022)	2.1.1 6 (2027)	2.1.1 Copies of minutes, analysis of follow-up	
		2.1.2 Number of TEI implementation annual reports	2.1.2 0 (2022)	2.1.2 1 (2027)	2.1.2 Copy of accepted report	Support is requested by the Platform's Working Group (also based on requests from IFAS, ICWC, ICSD, CAREC, SPECA) and from the SECCA regional dialogue, as well as the EUDs and the NPDs.
	2.2 Improved policy and capacity development	2.2.1 Number of regional meetings facilitated per year, disaggregated by gender	2.2.1 7, ~50% female (2022)	2.2.1 10, ~50% female (2027)	2.2.1 Meeting agendas, lists of participants	
		2.2.2 Number of policy documents, legal instruments, bilateral agreements, etc., developed	2.2.2 1 (2022)	2.2.2 4 (2027)	2.2.2 Project reports, meeting agendas	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action is not envisaged to conclude a financing agreement with the partner countries.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.¹¹

4.3.1 Indirect Management with a pillar-assessed entity

These actions and their components may be implemented in indirect management with one or more pillar-assessed entities, which will be selected by the Commission's services using the following criteria: For SO1, technical expertise in the water management and renewable energy/energy efficiency sectors in the region, and capacity to implement indicative activities in all five Central Asian countries. For SO2, capacity to coordinate Team Europe members, including relevant national technical agencies, relevant services of the European Commission and Delegations of the European Union for the coordination of activities under SO1 and other relevant activities under the Team Europe Initiative.

In case one or more of the envisaged entities would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

As a fallback option, in case a suitable option with pillar-assessed organisation is not found, activities under SO1 and/or SO2 may be implemented in direct management through procurement of technical assistance services.

4.3.3 Direct Management (Procurement)

As a fallback option, Technical Assistance Team may assist the beneficiary countries in the implementation of the activities to achieve the defined outputs through procurement for services (Service Provider) with the European Commission as Contracting Authority. A combination of International and Local-in-Country Experts configuration will be strongly recommended in order to strengthen capacity building and grow internal national competencies.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply. For this multi-country action, natural persons who are nationals of, and legal persons who are effectively established in the following countries and territories covered by this action, are also eligible: Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan.

¹¹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Indirect management with a pillar-assessed entity – cf. section 4.3.1	20 000 000
SO 1: Improved regional cooperation and governance for sustainable development in Central Asia	
SO 2: Improved coordination among Team Europe members	
Evaluation – cf. section 5.2 Audit – cf. section 5.3	May be covered by another Decision
Contingencies	N/A
Totals	20 000 000

4.6 Organisational Set-up and Responsibilities

The TEI in partnership will combine bilateral and regional political and policy dialogues as well as technical and financial assistance and investments, including through ESFD+. Through these tools, the TEI will not only drive the design and adoption of policies and legislation, but also provide the investment, incentives and support for their implementation. It will combine regional, transboundary and national approaches, promoting ownership and improving capacities at the regional and national levels.

The political steering of the TEI will be based on the existing high-level EU - Central Asia Platform for Environment and Water Cooperation which is the existing and well-established platform on EU-Central Asia water and environment cooperation. However, it will be necessary to strengthen the participation of water authorities in the Platform and expand the mandate of the Platform to include also the energy sector. If necessary, separate high-level energy meetings should be envisaged. This regional platform will ensure synergies and avoid duplication with the actions of Team Europe members and other EU Member States in the region as well as between bilateral and regional actions. It will also serve as a coordination and steering platform for the regional dimension of the TEI and include different clusters for different topics.

Where suitable political and technical coordination structures already exist, they will be used, and it will be ensured the TEI is a regular point in the exchanges. The overall emphasis will be on keeping management structures light and flexible in line with the principle of subsidiarity. In addition, regular technical coordination meetings within the TEI organised by the TEI secretariat will take place (SO2) in particular at the beginning of the action to ensure the involvement of EU Member States and EU Delegations in the region.

The coordination mechanism will involve all relevant stakeholders in an appropriate manner. On the EU side, steering will include inputs from all relevant Commission Services and EU Delegations in the region. Given the diverse group of Team Europe members involved, contact points and experts in national ministries and headquarters, as well as other specialised entities will also be involved. For the TEI to remain open to additional Team Europe members who may decide to join in the future, information flow to all EU Member States with relevant activities and interests in the region will be ensured. In recognition of the broad range of relevant actors in the TEI context, civil society, private sector and financial institution engagement will form an important part of the steering process.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

4.7 Pre-conditions

Not applicable

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex and age, and disability if possible.

5.2 Evaluation

Having regard to the nature of the action, a mid-term, final and ex-post evaluation(s) may be carried out for this action or its components via independent consultants as well as by the Commission jointly with contributing Member States and EDFs.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to donors' coordination activities and support of regional cooperation in CA.

The final and ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the need to provide an overview of the action within the larger impact of the TEI.

The Commission shall inform the implementing partner at least one month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

In addition, all evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Indirect management with an international organisation
<input checked="" type="checkbox"/>	Single Contract 2	Indirect management with a Member State implementing partner

Map 1: Representation of water resource formation and use in Central Asia

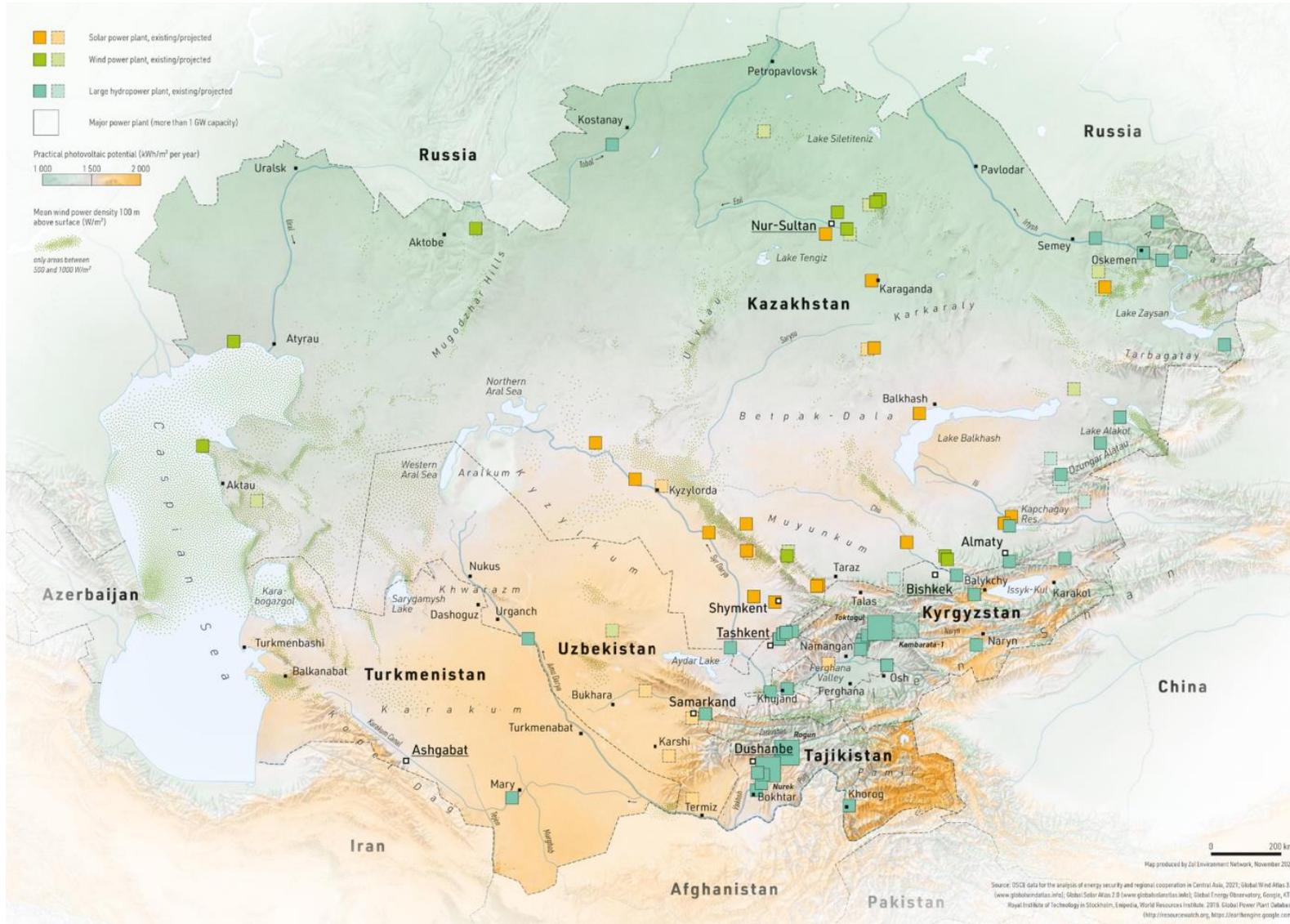


Source: ZOI Environment Network (2018)

Map 2: Central Asia watersheds

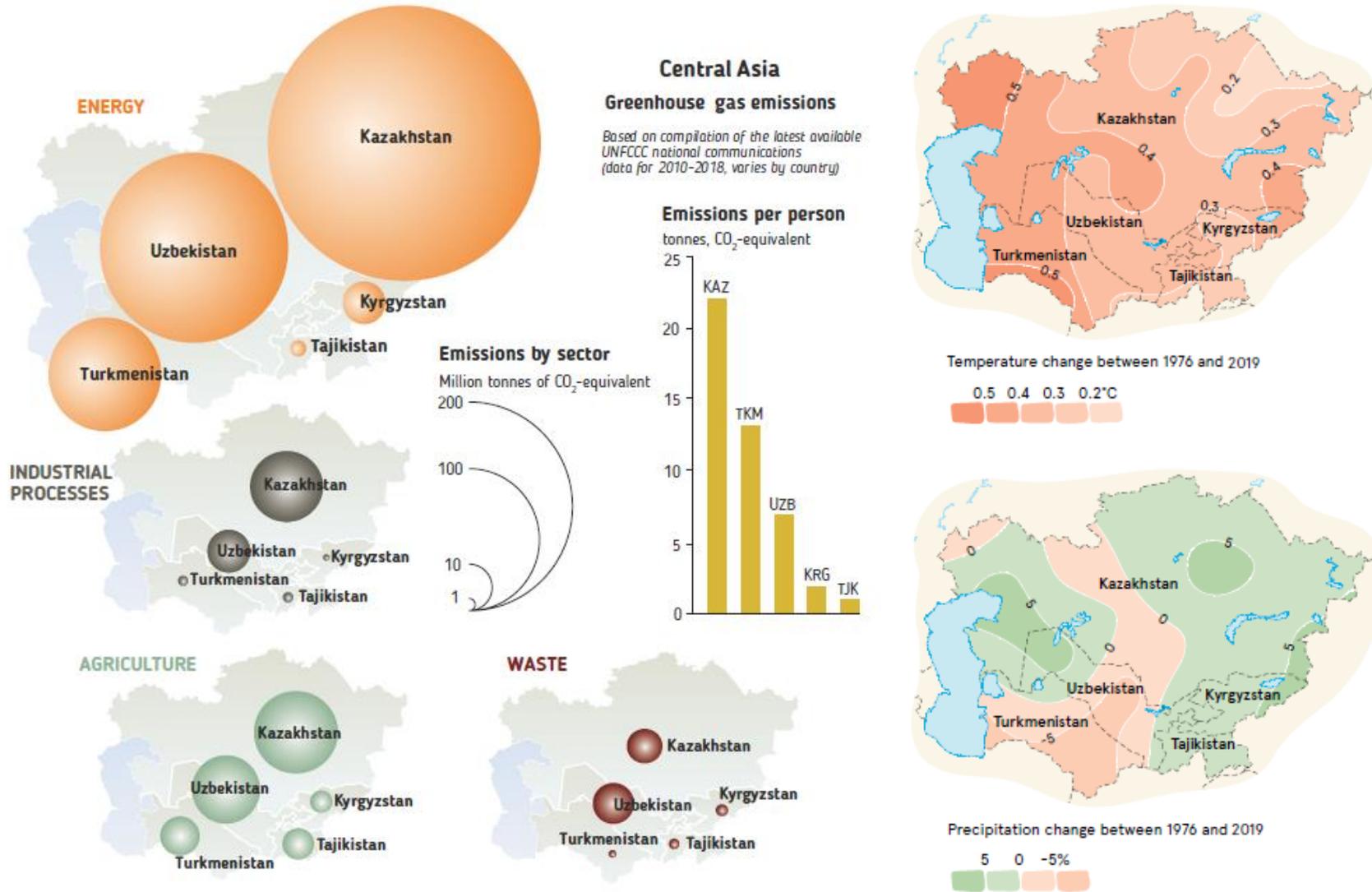


Map 3: Map of main renewable energy plants and projects in Central Asia



Source: ZOI Environment Network (2022)

Map 4: Visuals of greenhouse gas emissions and impact of climate change in Central Asia



Source: ZOI Environment Network (2020)