



Ms. Kori Udovički
United Nations Assistant Secretary General
UNDP Assistant Administrator
Director, UNDP Regional Bureau for
Europe and the CIS

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Mr. Chairman, Excellencies, Distinguished Guests, Ladies and Gentlemen,

I would like first to express my appreciation to the Government of the Republic of Uzbekistan, to the Carnegie Endowment for International Peace, and to the Foundation for Regional Development, for the wisdom and foresight shown in organising this meeting. I would also like to thank the Government of Uzbekistan for the warm hospitality that we have enjoyed. It is an honour for me to represent the Group of United Nations Development Agencies at this meeting. We see this conference as a commendable effort by governments of Central Asia and the international community to better respond to the region’s development challenges.

Energy and food security issues are clearly at the heart of these challenges. And because of the energy-water nexus and the importance of irrigation for food production, issues of renewable energy and food security in Central Asia can not be separated from questions of water security and management. The livelihoods of some 22 million people—nearly half the region’s population—depend directly or indirectly on irrigated agriculture. Hydro power—the ultimate source of renewable energy—accounts for more than 90% of the electricity generated in the Kyrgyz Republic and Tajikistan. Central Asia’s mountains contain some of the world’s largest glaciers, which provide downstream Uzbekistan with water year round, especially for agriculture.

These issues are certainly of concern for residents of Central Asia’s remote communities—too many of which do not enjoy stable access to heat and electricity or improved water sources, and for which rising food prices in the past 18 months have brought food security concerns to the fore. But these questions are relevant for the rest of Central Asia as well. And in their links between sustainable development, human security, and risk management, these issues are in fact of global concern for the international community. Representatives of the Government of Uzbekistan, and of the other Central Asian countries represented here today, are to be commended for helping us to focus on these sometime inconvenient but all-important truths.

I would therefore like to briefly call our attention to four critical areas within the water-renewable energy-food security nexus in Central Asia. All four have the potential to significantly affect living standards across the region—and particularly in remote communities. And all four are the focus of major initiatives and support from the international community in general, and the United Nations (and UNDP) in particular. These are:

- 1) preventing the deepening and expansion of the “compound crisis” of energy, food, and water insecurity that took hold in Tajikistan last winter;
- 2) making national water management frameworks more sustainable;
- 3) helping Central Asia respond to climate change threats by capturing the benefits of renewable energy and carbon finance; and
- 4) helping Central Asia respond to human security risks posed by uranium tailings and other environmental hot spots.

The exceptionally cold winter of 2008 caused breakdowns in Tajikistan’s energy infrastructure, and reduced winter crop yields and livestock herds. More food and energy insecurity resulted—particularly in remote communities. These problems were subsequently exacerbated across the region by global food and energy price trends, and by the onset of drought in the spring and summer. Drought conditions have led the US Department of Agriculture to forecast declines for the 2008-2009 wheat harvest ranging from 3% in Uzbekistan to 25% in Tajikistan and Turkmenistan. Water levels in hydropower stations and reservoirs across the Aral Sea Basin are at unprecedentedly low levels. Water shortages are leading to electricity shortages: electric power generation during the first three quarters of 2008 was down 17% in the Kyrgyz Republic and 13% in Tajikistan. There is a real threat that waters in the Toktogul and Nurek hydropower stations will drop to their “dead levels” before the winter is over, depriving millions of people of heat and electricity. But even if catastrophic energy scenarios are averted, the power cutbacks that have already been introduced are exacerbating energy and human security concerns, particularly in the Kyrgyz Republic and Tajikistan.

The international community, and the United Nations, are helping governments and other national partners to respond to these challenges. In the Kyrgyz Republic, the UN Country Team has helped draft the *Winter Response Plan*, to strengthen the government’s abilities to protect those most vulnerable to higher prices for, and with less access to, energy, food, and water. Protecting the security of remote communities, as well as of migrants and other vulnerable groups, are major concerns. In Tajikistan, the UN Country Team has launched its food security appeal, to address the urgent nutritional needs of some 2.2 million urban and rural residents. These measures are part of a broader UNDP-led regional risk assessment initiative, which is monitoring the inter-sectoral and cross-border food, energy, and water security linkages. The regional risk assessment is also taking a hard look at ways in which the international community could better manage the nexus of development and humanitarian programming, to ensure that interventions address the longer-term development roots of pressing humanitarian issues.

The trans-boundary nature of Central Asia’s water resources obviously requires regional cooperation. The intricacies of this cooperation have been the sources of great concern and more than occasional disappointment. The renewed commitment to regional cooperation along the water-energy nexus that was pledged by Central Asian governments on 10 October at the CIS Summit in Bishkek is a very hopeful development. The international community stands ready to support measures to implement the decisions taken in Bishkek.

However, effective answers to regional water problems can only be built on successful national and local water management initiatives. The absence of regional solutions to the Aral Sea tragedy has not kept the government of Kazakhstan from rescuing the northern part of the Sea, where water levels and fish stocks are rising. Uzbekistan’s Welfare Improvement Strategy rightly emphasises reducing unsustainable water use by moving away from the cotton monoculture. With

United Nations' support, Tajikistan and the Kyrgyz Republic are increasingly applying integrated water resource management principles in their national policy contexts.

More efficient local water management for irrigation, power generation, and household and industrial uses can go a long way. For example, water usage in Pakistan and Nepal has become more sustainable with the expanded application of run-of-river small hydro power technologies. These technologies can generate electricity all year round with minimal capital investments—from private investors, as well as from donors. As they do not affect water flow for downstream countries, run-of-river technologies can avoid the worst of the “electricity versus food” trade-offs now facing Central Asia's water managers. Thanks to support from the Aga Khan Foundation, the Asian Development Bank, and the International Finance Corporation, a run-of-river power station has been constructed on the Amu-Darya in Khorog; more such construction should follow.

Likewise, small community investments to replace depreciated pumping systems can help bring damaged water infrastructure back on line with minimal capital outlays. Such investments can play an extremely important role in improving food and energy security in remote communities. We should pay closer attention to, and seek to build upon, solutions to water and energy problems that are working at the national and local levels, and which emphasize renewable energies. Empowering local communities and investors to replicate and scale up local solutions that have worked elsewhere can provide rapid, cost-effective results. Without national solutions based on local empowerment and effective markets for ecosystem services, prospects for developing Central Asia's water and energy resources will continue to founder.

The international community should therefore pay closer attention to, and seek to build upon, water management solutions that are working at the national and local levels. For one thing, coordinated donor facilitation of national policy dialogues on water, energy, and disaster prevention issues could receive greater emphasis. Fortunately, such coordination is increasingly evident in Central Asia. For example, UNDP is close to starting a multi-million dollar project with the European Commission and the Government of Norway in support of national integrated water resource management and water policy dialogues in Tajikistan and the Kyrgyz Republic. The UN Economic Commission for Europe, the Organisation for Economic Cooperation and Development, and the European Commission have agreed to align their water activities within a new partnership umbrella; other donors are expected to join in soon. Through its cooperation with the Global Environmental Facility, UNDP is supporting sustainable land management projects under the multi-donor Central Asian Countries' Initiative for Land Management. Together with UNECE, OSCE, UNEP, and NATO's Science for Peace programme, UNDP is supporting the Environment and Security initiative's mapping of cross-border environmental risks in the Amu-Darya and Eastern Caspian basins.

Longer term, the melting of Central Asia's glaciers seems to be accelerating, due to global warming. According to a report issued this fall by the United Nations Environment Programme and the World Glacier Monitoring Service, glacier area in the Tien Shan mountains decreased by 25-35% during the 20th century. Rates of melt have increased significantly since the 1970s. Accelerating glacier melt may be boosting water flow in the Aral Sea basin today. But should it continue, glacial melt can only represent a sword of Damocles hanging above Central Asia's future development prospects.

Like the small island states in the South Pacific or the South Asian developing countries that rely on food produced in low-lying coastal areas, Central Asia needs progress in the efforts to replace the Kyoto Protocol with more successful climate change mitigation mechanisms. But

climate change can also mean development opportunities. Levels of greenhouse gas emissions and water use per dollar of GDP produced in Uzbekistan, as well as in Turkmenistan and Kazakhstan, are among the world's highest. The payoffs to investments in modernising the region's water and energy infrastructures and practices could be equally high.

This underscores the importance of attracting carbon finance into sustainable energy and water use projects in Central Asia. UNDP's MDG Carbon Facility is helping Uzbekistan and other Central Asian countries to capture the benefits of carbon finance, which can be used to finance initiatives to achieve the Millennium Development Goals. I would like to congratulate the Government of Uzbekistan, as Uzbekistan is the first country in the region to benefit from this scheme. The recent carbon finance agreement between Uztransgas and Fortis Bank shows that "green investment" can indeed be attracted to Central Asia. UNDP is also helping the government of Kazakhstan to remove the regulatory and commercial barriers now standing in the way of the expanded use of wind and other renewable energy technologies. UNDP projects are helping farmers in Kyrgyzstan's remote communities to generate biofuels from farm wastes and electricity from micro-hydro technologies. Still, greater efforts are needed, if climate change threats are to be turned into development opportunities.

Central Asia is littered with environmental hot spots, ranging from abandoned Soviet-era pesticide dumps to improperly managed mines and mineral refineries. Uranium tailings pose some of the region's most dangerous hot spots threats. Many of these uranium tailings are located in remote communities in the upper reaches of the Syr-Darya basin, in places like Mailuu-Suu, Taboshar, and Minkush. The landslides, flooding, and earthquakes that too frequently occur in these areas pose the spectre of radioactive uranium wastes leaching, or being washed, into rivers that provide water for drinking and irrigation, on which the welfare of millions depends. Kyrgyzstani President Bakiyev has therefore turned to the United Nations for assistance. Together with the International Atomic Energy Agency, EurAsEC, the OSCE, and other international partners, UNDP is now preparing a major pledging conference in mid-2009. We hope that this meeting will focus international attention on solutions to what can only be described as a major threat to the integrity of Central Asia's water resources, and therefore its environmental and food security.

Excellencies, distinguished guests, ladies and gentlemen: the issues we are discussing today are unparalleled in their scope and importance for Central Asia. They reflect the close links between water, energy, and food security on the one hand, and sustainable development on the other. These links are particularly important for the residents of remote communities. They also underscore the need for better regional cooperation, among both governments and the international community. UNDP stands ready to make this cooperation happen.

Thank you very much for your attention.