

**UNITED NATIONS SPECIAL PROGRAMME FOR THE ECONOMIES OF
CENTRAL ASIA (SPECA)**

PROTOCOL

**of the second session of the Project Working Group on Rational and Effective Use of
Energy and Water Resources of Central Asia (PWG-Energo)
(Bishkek, 8-9 July 1999)**

General comments

1. The *2nd Session of the Project Working Group on Rational and Effective Use of Energy and Water Resources of Central Asia (PWG-Energo)* took place in Bishkek (Kyrgyz Republic) on 8-9 July 1999. Delegations from Kazakhstan, Kyrgyzstan and Tajikistan attended the session. Turkmenistan and Uzbekistan were not present. The list of participants is attached hereto as Annex 1.
2. First Vice-Prime-minister of Kyrgyzstan, National Coordinator on SPECA Mr. B. I. Silayev opened the session. In his speech, he has reconfirmed the support of the Government of Kyrgyz Republic to SPECA and the PWG-Energo. In this context he has noted in particular that the Heads of States of the Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan and Republic of Uzbekistan, in conclusion of their meeting on 24 June 1999 in Bishkek, have stated that there was a need to accelerate processes that contribute to economic cooperation among the economies of the region through more extensive use of water and energy resources of the region. They have specifically indicated that there was a priority need to ensure mutually beneficial and efficient use of resources of water, fuel, energy, transport and communication and of investment resources. As far as all those issues belong to the sphere of competence of SPECA, this programme will promote the development of integration processes in the region.
3. In the opinion of the National Coordinator, PWG-Energo could work out useful recommendations on a number of important issues. In particular, those recommendations could deal with the issues of efficient strategy of water management, a rational structural policy for development of branches of national economy, including agriculture, the creation of a common market of energy resources, the common Strategy of cooperation on the issues of joint use of energy and water resources of the region.

The full text of the statement of Mr. B. Silayev is attached hereto as Annex 2 (in Russian).

Agenda

4. The agenda of the session provided for the analysis, on the basis of current data and forecasts, of the current situation on the issues of sharing transboundary waters in Central Asia (legal norms, technical and economic indicators and characteristics, problem issues) and preliminary analysis of the current efficiency of using fuel and energy resources in the region. At the recommendation of the UN experts, in the framework of the session an international workshop was organised on the subject "Transboundary waters: enhancing cooperation and managing conflict".

The Agenda of the session is attached hereto as Annex 3.

Discussion

5. A one day international workshop on the subject “Transboundary waters: enhancing cooperation and managing conflict” was a special feature of the session. The event provided an authoritative forum for the presentation and discussion of the issues of the International Water Law, including the UN Convention on Non-Navigational Uses of International Waterways, the UN ECE Convention on the Protection and Use of Transboundary Waters and International Lakes, as well as other UN ECE environmental conventions and issues of management of transboundary waterways in Europe. Several international speakers addressed the main environmental problems in Central Asia and highlighted the role and contributions of UNDP, USAID and EU-TACIS (including the WAMAP project) in solving transboundary water issues in Central Asia. The workshop served as starting point for a frank and open discussion. It demonstrated the strong inter-linkage between the national and transboundary issues in water management.
6. Participating SPECA countries have not fully implemented the recommendations of the first session of the PWG-Energo concerning their submission to the PWG Chair of official information on water and energy resources. For this reason, and also for the reason of absence of the input from Turkmenistan and Uzbekistan, the organizers of the session were not able to prepare , as it was planned, a comprehensive analysis of the state of the art on respective issues. Nevertheless, the analytical papers that were prepared by the Chair on the basis of unofficial and incomplete information, were adequate to open up a discussion and to indicate a few major prospective directions of the discussion.
7. The discussion has highlighted some of the key elements of disagreements between the countries of Central Asia on and different approaches to solving the issues of joint utilisation of international transboundary water flows. It has also demonstrated the potential for reaching mutually acceptable solutions to associated issues of water management and energy production in the region.
8. International organisations active in the region on the issues of energy, water and protection of environment have got engaged in substantive discussions of the issues. They seem to be favourably impressed with the high level of political support to SPECA in the countries of the region and the high quality of professional preparatory work for the session.
9. It was recognised that a comprehensive consideration of the issues of rational use of energy and water resources in the region of Central Asia was possible only when all countries of the region participate in the discussion and decision-making. As this was not possible at the second session in absence of Turkmenistan and Uzbekistan delegations, it was suggested to postpone the consideration of the Programme of work of the PWG-Energo till the next PWG session.
10. ECE experts have informed the session of their project proposals for the project “Rational and efficient use of energy and water resources in Central Asia”, submitted to the UN Headquarters for financing from the United Nations Development Account. The project had passed the first phase of selection and had been included in the short list of the projects, competing for UN financing, to be discussed at the session of the UN General Assembly in the autumn of 1999. It was recommended that the national delegations of SPECA participating countries support the project proposal at the General Assembly session.
11. On the substance of the area of the PWG-Energo, the participants pointed out, in particular, the following issues:

- There exists an uneven distribution of fuel and energy resources in the countries of Central Asia. There is also a trend to increasing vulnerability of future socio-economic development of the countries of the region on account of availability of energy resources. Those factors attest to the need for establishing regional cooperation in organising a balanced use of available fuel, energy and water resources which are vital for all the economies of Central Asia.
- Rational and efficient use of energy and water resources of the economies of Central Asia can and should be assured through establishing treaty-based relations based on equitable and reasonable sharing. They should provide for mutual compensation of the participating countries for the services for regulating water regimes and for the maintenance of water management and hydro-technical constructions in the basins of the rivers of Naryn – Syr Daria and Amu Daria. Agreements should be accompanied by the introduction of sound financial market principles and tariff policies at the national level for providing water and energy resources;
- The basis for cooperation in the area of water relations should be Basic principles to be agreed and adopted at the level of the Heads of States (or Governments);
- Regular and well organized sensibilization of the public opinion to the issues of saving water and energy resources, as well as corresponding change of behavior, is of importance for rational and efficient use of energy and water resources.

12. The participants of the discussion have also noted the need for the following activities:

- expediting the working out of basic principles of water sharing ,
- working out an economic mechanism for the management of transboundary water resources, so that the States could substitute their existing barter-based agreements for financial transactions,
- elaborate a detailed model of the transboundary water balance in Central Asia, including the sources, flows, uses and losses of water, as well as the sources and levels of pollution, with the view of assessing the economic, environmental and health implications,
- it would be worthwhile to work out proposals for introducing in economic relations among the participating SPECA countries of acceptable tariff policy for their mutual transactions with all types of energy resources,
- promote a stable and reliable parallel work of the participating energy systems in the Joint Energy System of Central Asia and forming a common market of electric power, which would be in line with the idea of rational and effective use of energy and water resources of Central Asia,
- to work out and submit for consideration of the Heads of States of Central Asia a draft of the Concept of cooperation for joint utilisation of water, fuel and energy resources of the region on the basis of forecast for water and energy resources situation and a few alternative scenarios of economic strategy of the Central Asian economies,
- to work out recommendations on how to improve methods and mechanisms of international negotiations on the issues of joint use of transboundary water, fuel

and energy resources and also on the issues of joint utilisation of water, fuel and energy resources, forming a common market for energy resources of Central Asia and establishing a consortium on water and energy issues,

- To request the participating at the session representatives of international organisations to assist SPECA countries in the search for donors for the implementation of the tasks as formulated in the project proposal of UN ECE “Rational and effective use of energy and water resources of Central Asia”.

Decisions and recommendations

13. The PWG-Energo reconfirms its intention to concentrate its efforts, at this stage, at collecting and assessing the current and forecast balances of fuel and energy resources in the region.
14. The work will be continued on the basic principles of water sharing, on the draft of the Concept for cooperation on the issues of development of fuel and energy resources in the region of Central Asia and on a regional programme of cooperation in developing and rational use of energy and water resources.
15. The session requests the Chair to duly inform Turkmenistan and Uzbekistan of the work of the PWG-Energo and to make special efforts to invite the delegations of those participating SPECA countries to take part in the next session of the PWG.
16. The session considers it important, for the sake of consistency, continuity and efficiency, that the participating SPECA countries nominate their permanent delegations of experts for the PWG-Energo. It appeals to the National Coordinators in the participating countries to take appropriate measures on this account.
17. The session requests the Chair to prepare for the third session of the PWG a draft of the Programme of work of the PWG for 1999-2002. The participating countries are requested to submit to the Chair their contributions and comments on this account before 30 September 1999.
18. The session requests the National Coordinators in the participating SPECA countries to support in respective UN bodies the UN ECE secretariat’ project proposal on the subject “Rational and effective use of energy and water resources of Central Asia” so that it be financed from the Development Account of the United Nations.
19. Requests the Chair to organise the collection of all existing inter-state treaties and agreements on protection and use of transboundary waters and start their comparative analysis with due account of special features of the region of Central Asia.

Third session of the PWG-Energo

20. The third session of the PWG-Energo will take place from 18 -19 November 1999.
21. Draft Agenda of the third session of the PWG-Energo:
 - 1) Adoption of the Agenda.
 - 2) Water resources issues – analysis of official submissions of national delegations to the PWG on the issues of transboundary water use in Central

Asia (national official submissions should reach the Chair before 30 September 1999).

- 3) Energy resources issues – analysis of official national submissions of national delegations to the PWG on the issues of use of fuel and energy resources in Central Asia (*national official submissions should reach the Chair before 30 September 1999*).
- 4) Regional data base on fuel, energy and water resources in Central Asia (*database to be prepared by the Chair using the contributions of the participating SPECA countries*).
- 5) Programme of work of the PWG-Energo for 1999-2002 (*the draft to be prepared by the Chair*).
- 6) Adoption of recommendations.

Chairman of the PWG-Energo,
Director of the State Energy Agency ,
Government of the Kyrgyz Republic

U. Mateyev

Bishkek, 27 July 1999