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CAWEP

CENTRAL ASIA WATER & ENERGY PROGRAM

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CAWEP-4 Newsletter - Special Edition - May 14–15, 2025

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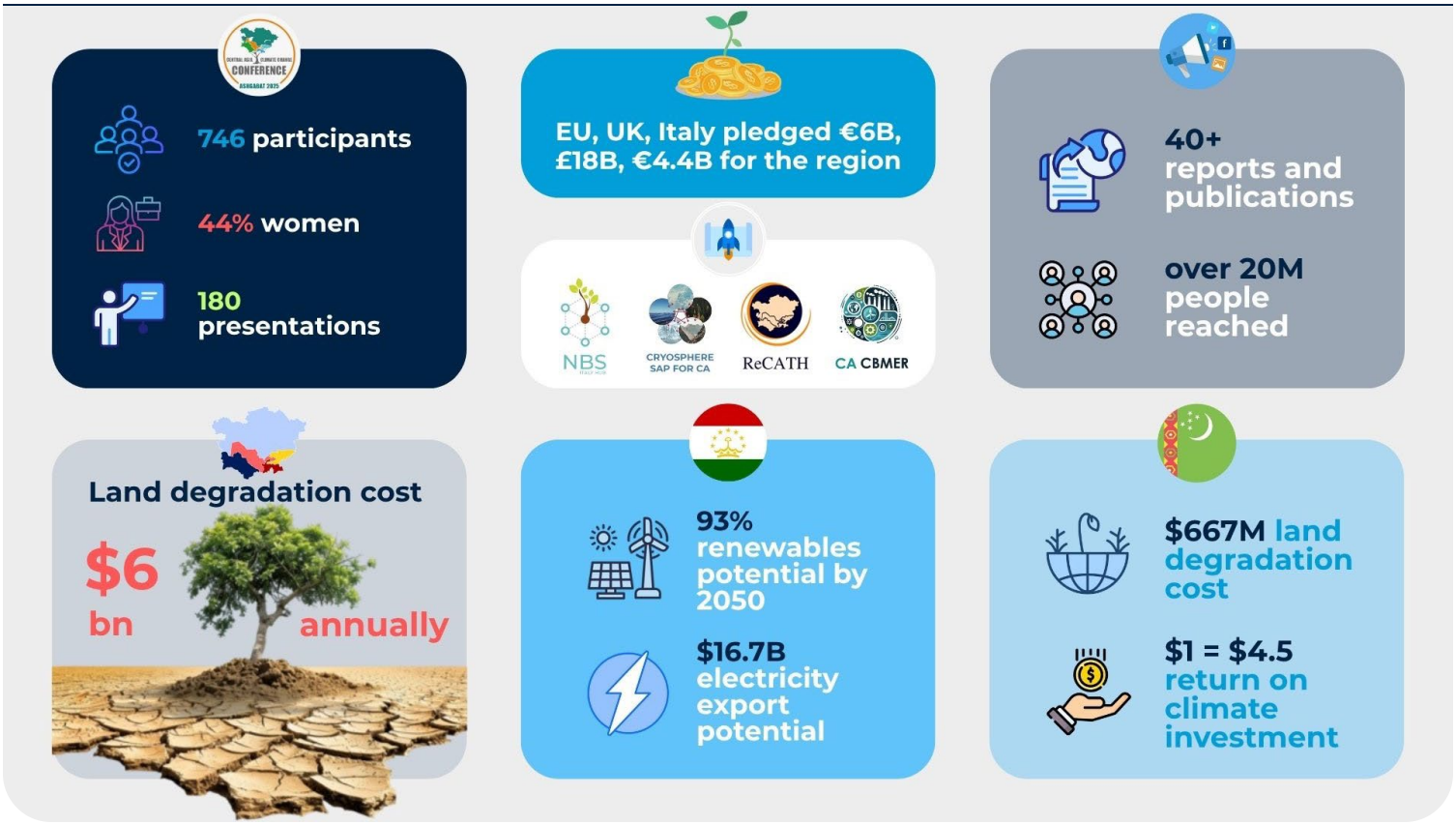
CACCC-2025 in Numbers



Key numbers from the CACCC-2025

CACCC-2025: Central Asia Takes Climate Action

Participants of CACCC-2025

On May 14 and 15, 2025, the Central Asia Climate Change Conference (CACCC-2025), held in Ashgabad, Turkmenistan, brought together virtually and in person over **700 climate champions**, for **17 interconnected sessions** featuring insights from more than **180 experts**. Government officials from every capital of Central Asia made up 36 percent of attendees, while international organizations accounted for 34 percent of participants, bringing global expertise to address local challenges. The event demonstrated a remarkable commitment to inclusive action with **women** leading the charge—making up **41 percent of in-person** attendance and an impressive **53 percent of virtual** participants.

Image by Makalu from Pixabay

Crisis Demands Urgent Action

Central Asia is rapidly losing glaciers that have historically provided 60 to 90 percent of summer river flows that feed critical power plants and agriculture. Shrinking snow cover, occurring at a rate of 10 percent per decade, threatens 80 million people and causes an estimated $6 billion in annual land degradation losses.

The timing of CACCC-2025 carries exceptional weight as this year marks the critical deadline for countries to upgrade their Nationally Determined Contributions (NDCs 3.0) under the Paris Agreement. For the first time in their post-Soviet history, the nations of Central Asia are discussing their roadmaps to carbon neutrality—and the implementation clock is ticking loudly.

Climate Action Mobilizes $34 Billion for Central Asia

The conference's ambitious objective was clear: ***develop actionable frameworks for annual growth of regional climate funding by 25 percent over the next five years***. The results exceeded expectations. At CACCC-2025, the EU reaffirmed its €6 billion commitment announced at the Samarkand Summit, the UK confirmed £18 billion credit line (£5 billion of which for Turkmenistan), Italy's G7 Climate Fund allocated €4.4 billion (including €1.1 billion for nature-based solutions (NBS) in Central Asia). For the first time in Central Asia, Italy's **NBS Innovation Accelerator** introduced a smart funding mix designed to leverage €5 million in multilateral investment per resilience project, with the first project proposals scheduled for submission in **Q1 2026**.

For the first time, CACCC-2025 elevated the role of finance ministries and commercial banks as key players in climate action. Responding to the challenge with innovation, the Finance Ministry of the Kyrgyz Republic pioneered a **green budget tagging system** to classify government expenditures into adaptation, mitigation, and environmental protection categories, revealing existing spending patterns during a pilot implementation in key ministries.

The NDC Partnership responded to this emerging trend by launching the **Climate Investment Planning and Mobilization Framework** to support finance ministries in capacity building, policy alignment, evidence-based decision-making, enabling environment development, NDC investment-readiness, and private-sector finance attraction.

Commercial banks have expanded beyond their traditional role as financial intermediaries to become catalysts of climate action. Tajikistan's Eshata Bank issued the country's first green bonds using IFC's **$10 million investment**, while Kyrgyzstan's Eldik Bank launched environmental, social, and governance (ESG) bonds targeting **14 million tons of CO_2** reduction annually.

Image by Enrique from Pixabay

Science Reveals Solutions: Advanced Modeling Shows the Way Forward

The results of **integrated WEAP-LEAP water-energy-climate** modeling presented at CACCC-2025 reveal significant challenges ahead for Central Asia. The comprehensive analysis of the region's major rivers, reservoirs, and demand centers shows that climate change will reduce water flows to key reservoirs like Toktogul and Kambarata over the next 25 years. At the same time, new hydropower projects and expanding irrigation will significantly increase water demand across the region. The modeling study highlights a critical imbalance: **hydropower development receives the highest priority in water allocation, while environmental protection ranks the lowest**. The analysis also revealed significant gaps in water use data, particularly for agriculture, emphasizing the urgent need for better water management agreements between countries sharing river basins. The study suggests that the key to balancing competing water demands in Central Asia lies in enhanced **regional cooperation** that will allow to coordinate water use at the regional scale and improved irrigation management systems that will increase the efficiency of water use in agriculture.

Yet there is an opportunity hidden within the crisis: the **KYNESIS global energy system model** analysis shows that Central Asia stands at a critical crossroads where countries can transform water scarcity into energy abundance through cooperation. Under coordinated low-carbon development, Tajikistan could achieve **93 percent renewable energy by 2050** and unlock **$16.7 billion** in electricity exports through regional grid integration. Meanwhile, Uzbekistan faces a strategic choice: continue increasing gas imports beyond **80 billion cubic meters** or pivot to domestic renewables and hydropower imports from neighbors, potentially reducing energy import dependency from 66 percent to **8 percent by 2060**. Crucially, these transitions generate co-benefits exceeding investment costs: job creation in green sectors, improved competitiveness, and stable energy costs for consumers. **Regional connectivity** proves essential, enabling the Kyrgyz Republic and Tajikistan to export surplus hydropower while Uzbekistan supplies winter power in return—a seasonal energy exchange is a mathematical necessity for achieving energy security under decarbonization.

Nature-Based Solutions Deliver Massive Returns

Groundbreaking research unveiled at CACCC-2025 demonstrates the urgent economic case for comprehensive **land restoration across Central Asia**. The World Bank's RESILAND CA+ program study revealed that approximately **10 percent of Turkmenistan's territory** (roughly 488,100 square kilometers) is severely degraded, with an additional **22 percent at risk of degradation**. The economic analysis presents a compelling investment proposition: while the annual cost of inaction amounts to nearly **$667 million** (equivalent to 2.7 percent of the country's GDP), restoration efforts would cost only **$40 million annually** and generate **$175 million in benefits**, creating a remarkable **$4.50 return for every dollar invested**.

The successfully launched comprehensive **Green Corridor Guidelines** establish a transformative framework for creating climate-resilient urban networks. The guidelines feature **5 strategic approaches and 24 specialized design tools**, including riparian buffer zones and river daylighting techniques, specifically targeting Almaty oblast of Kazakhstan. These green corridors simultaneously address **multiple urban challenges**: heat island mitigation, flood management, air pollution reduction, and biodiversity enhancement.

The Road Ahead: From Promises to Implementation

CACCC-2025 was marked by several significant institutional achievements, including the official launch of the second phase of the Regional Climate Action Transparency Hub (ReCATH) project, the Central Asia Capacity Building Methane Emission Reduction (CA CBMER) project and the development of the Cryosphere Strategic Action Program (SAP) to establish policy reform priorities and create an integrated cryosphere database for real-time regional data sharing. The conference culminated in the adoption of the comprehensive **CACCC-2025 Outcome Document**, encapsulating main discussion topics, participating countries' aspirations, and a robust call to action for continued regional cooperation.

Group photo of CACCC-2025 participants

This quarterly newsletter follows the progress of CAWEP-4 and highlights some of the inspiring results achieved by our teams that promote regional cooperation for more resilient and better integrated water and energy management under a changing climate.

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CAWEP funds initiatives that improve water and energy management under a changing climate, strengthen national and regional institutions, and facilitate regional dialogue on water and energy security.

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