

The EU and Central Asia: Strategy for a New Partnership
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First of all, I would like to thank very much the OSCE for its invitation to participate to this Second Preparatory Conference for the 16th OSCE Economic and Environmental Forum as well as the Government of Turkmenistan which hosts this important conference.

This conference gives me the opportunity to present an EU perspective on the challenges faced by the Central Asia states and the way in which the EU and these states can join force to address these challenges.

On 31 May 2007 the European Union adopted the EU Strategy for Central Asia. The strategy is a joint effort of the EU with its Central Asian partners. It aims at stabilizing the region, promoting its democratisation and its economic prosperity.

Three basic requirements for a long-term partnership were identified: security, stability and development. This is in line with the interests of the EU as well as with those of the Central Asian states. Also in the consultation process with the Central Asian states, seven main areas were identified for future cooperation, namely:

- human rights, rule of law, good governance and democratisation;
- Investing in the future: youth and education;
- promotion of economic development: trade and investment;
- strengthening of energy and transport links;
- environmental sustainability and water;
- combating common threats; and
- building bridges: intercultural dialogue.

Among these areas of co-operation, I would like to highlight the more specific courses of action that are envisaged in the Strategy in the field of environment and water management.

Fair access to water resources will be a major challenge for the world in the 21st century. Most major environmental issues in Central Asia are related to the allocation, use and protection of the quality of water resources. With the region connected through cross-boundary rivers, lakes and seas, a regional approach to protecting these resources is essential. Linked to this is the need to improve forestry management. There is a need to have an integrated water management policy (upstream and downstream solidarity).

For the EU water cooperation is of particular interest, especially in view of achieving by 2015 the Millennium Development Goals on clean drinking water and good sanitation facilities.

Promoting cooperation on water management can at the same time foster regional security and stability and support economic development.

An EU-Central Asia dialogue on the environment was launched in spring 2006 and will provide the basis for joint cooperation efforts.

Environmental issues related to the extraction and transport of energy resources as well as vulnerability to climate change and natural disasters are also matters of major concern. Questions pertaining to the protection of the environment should be taken into account in regional dialogue at all levels. The EU will therefore in the environmental sphere:

- Support the implementation of the EECCA (Eastern Europe, Caucasus, Central Asia) component of the EU Water Initiative (EUWI-EECCA) for safe water supply and sanitation and integrated water resources management;
- Promote transboundary river basin management as well as regional cooperation under the Caspian Sea Environmental Convention;

- Give particular support to the integrated management of surface and underground trans-boundary water resources, including the introduction of techniques for a more efficient water use (irrigation and other techniques);
- Enhance cooperation for appropriate frameworks for facilitating the financing of water related infrastructure projects, including through attracting IFI's and public-private partnership funds;
- Support regional capacity building on integrated water management and production of hydropower;
- Cooperate with Central Asian countries on climate change including support to the introduction and further implementation of the Kyoto Protocol mechanisms at regional level;
- Cooperate with Central Asian countries in combating desertification and safeguarding bio-diversity including support to the implementation of the UN Conventions on Biological Biodiversity and to combat Desertification;
- Improve sustainable management of forests and other natural resources in Central Asia, providing assistance for regional aspects of the indicative actions under the Forest Law Enforcement and Governance Ministerial process (FLEG);
- Encourage increased environmental awareness and the development of environmental civil society including through cooperation with the Central Asia Regional Environment Centre (CAREC)

In the context of the above priorities, the EU will also give attention to related issues:

- Support Central Asian States in developing policies for pollution prevention and control;
- Upgrade natural disaster preparedness and assessment capability in Central Asia;
- Intensify cooperation with EnvSec initiative.

In addition to its active involvement in the environmental sphere, the EU, taking into account the specific economic challenges faced by landlocked countries in the region, is also planning to promote regional cooperation and coordination of

transport and customs policies among the Central Asian governments. The EU will do this in cooperation with other important players that are already active in this area, notably, ADB in the framework of the Central Asia Regional Economic Co-operation programme, IGC TRACECA, the UN regional Commissions for Europe and Asia ECE and ESCAP and the OSCE.

In the trade and transport sphere, the EU will therefore focus on:

- Helping the countries concerned to gradually approximate with the EU's legal framework and standards and to implement international agreements in the transport sector more effectively;
- Assisting in enhancing rail and road safety as well as maritime and aviation security;
- Improving inland waterway transport and
- Introducing EU inter-modal concepts.

A major aspect of the European approach stated in the strategy is that the EU is willing to enter into its new proposed partnership with the Central Asia states in a transparent manner. The EU wants to be a visible, constructive and reliable partner for Central Asia, for its major neighbours and other interested partners of the region. It will closely coordinate its activities with other interested parties. It wants to offer to the region additional opportunities and not force the countries to make choices between different players. Therefore, the EU is open to close cooperation with all interested organisations as it is already the case for the OSCE or the UN.

To implement its policy towards Central Asia, the EU will make available 750 Million Euro for the period from 2007 – 2013 from the Community budget. This contribution from the Community budget should be seen as one step and a catalyst for a long term engagement.

In the field of environment and water management the EU does not start from scratch. Water management and environment are areas where a lot of bilateral and regional projects have already been carried out. Europe has also its own

specific experience for example the regimes for the rivers Danube and Rhine and possesses rich technological knowledge.

The Central Asian states as well as the EU and private initiatives could build on existing and successful projects. For instance to make fertile agricultural area out of a piece of desert is not a dream any more. It can be and has been achieved. A project in this area is being carried out in Turkmenistan.

The European Commission is making 15 Million Euro available for projects related to the EU Water Initiative. Water and environment are and remain a priority of the implementation of the EU Central Asia Strategy and the Commission's project planning. Also for 2008, water management is a priority together with biodiversity.

The European Parliament allocated a supplementary amount of 1.5 Million Euro for water management and environment projects in Central Asia. This money will be used for two projects: a Kazakh-Chinese project for an international Convention on the Ili-Balkhash-Basin and on a Kyrgyz-Tajik transboundary project on the management of the Syr-Darya. Other promising steps are the Tobol river project and the Uzbek participation in the Helsinki Transboundary Water Commission.

Another very important initiative is the Central Asia Regional Environmental Centre (CAREC). The work carried out by the CAREC to establish a water code for the region, following the successful development of a water code for the Kazakh government, can serve as a basis for further work and follow-on initiatives.

The EU is also keen to see the already existing bottom-up and top-down approaches to environmental issues in the Central Asian region continued and even strengthened. Bottom-up approaches consist especially of initiatives in the areas of education and environmental awareness while top-down approaches aim at developing inter-agency, regional and international dialogue, including the EU-Central Asia dialogue, the establishment of political mechanisms for settling disputes as well as confidence and capacity building measures.

In conclusion, the EU stands ready to help the countries of this region to turn what could become a potential source of conflicts into an opportunity for co-operation. Co-operation on water and other environmental issues is essential for the Central Asian countries to realise their economic development potential. No Central Asian country can solve its problems alone. A regional approach is necessary. To make this regional approach succeed, let us make the best use out of the opportunities given by the “EU and Central Asia Strategy for a New Partnership” offered by the European Commission as well as by the EU Member States.

I thank you for your attention.