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Introduction

- Good morning. Many thanks for the opportunity to serve as CAREC Special Adviser. I welcome the opportunity to address Senior Officials
- I want to talk briefly about
 - a special, perhaps unique, confluence of interests among the Central Asian countries, their neighbors and international partners in support of long-term prosperity, stability and integration of Central Asia, and
 - what this means for the agenda of CAREC before us today and tomorrow.

Growing interest in Central Asia and Central Asian cooperation

- Since I have started to work in Central Asia in the mid-1990s, I cannot remember a time when there has been so much focus on Central Asia from the outside, and so much search for constructive interaction among countries within Central Asia, as there is today.
- Among the big neighbors, China and Russia are more engaged than ever since the creation of the new Central Asian Republics, bilaterally in each case, as well as regionally: China through SCO and CAREC, Russia through EurasEC and through the new Eurasian Development Bank.
- Among the wider international community there is now also an intensive focus on Central Asia:
 - in the EU with the development of a new Central Asia strategy under the German Presidency;
 - in Japan with its “Central Asia plus Japan Dialogue”;
 - in the US with a new focus on constructive engagement in Central and South Asia;
 - in India and Pakistan with diplomatic and business forays into the region;
 - and in the multilateral institutions, with their continued engagement in each country and intensive support for regional initiatives (esp. under CAREC)
- And most important, within the region, there are rapidly growing trade, investment and migration links, as well as many bilateral, trilateral and regional efforts to cooperate, including under the umbrella of increasingly more active regional organizations (SCO, EurasEC and CAREC). Not a week goes by without some important regional cooperation event or without a statement by one of the

leaders in the region in support of an important regional investment project or proposals for regional cooperation.

Converging interests of all major actors in Central Asia

- With this growing attention to Central Asia as a region, an important question arises whether the interests of various actors are converging or competing with each other. This is a question that I have addressed in a short note circulated for today's Senior Officials Meeting. Let me briefly summarize some of the thoughts presented in this note.
- My key point is that a prosperous and stable Central Asia is a **long-term interest** that is shared by all partners in and around the region.
 - Most obviously this is the case for the Central Asian countries themselves. Clearly, their governments, elites and broader populace see the current economic revival from the depth of the recession of the 1990s as an important springboard for long-term development, economic wellbeing and stability.
 - For the Eurasian neighbors of Central Asia, including the EU and Japan, Central Asia is the hub of a Eurasian wheel the spokes of which are tied together more and more tightly through the forces of economic integration, which have gathered great intensity since the break-up of the Soviet Union. A prosperous and stable Central Asia is an essential land bridge and a transit point for trade and communication for the Eurasian continent; in contrast, a poor, destabilized region would present all of Eurasia with significant barriers to integration and with risks of widening conflict.
 - For the rest of the world, a stable and prosperous Central Asia would be one more anchor for global stability and a welcome demonstration that the nations of the world can work together for a better future with the help of the existing global and regional institutions.
- Among all actors, there is agreement that Central Asian countries and their partners need to collaborate to overcome the barriers created by the region's fragmented borders and land-locked status:
 - by creating effective transport corridors and open borders in support of vibrant commercial development;
 - by using and sharing their energy and water resources wisely and cooperatively;
 - and by cooperating in addressing key human security risks, including threats from natural disasters, epidemics and drug trafficking.The benefits from such a cooperation could mean a doubling of the region's GDP over 10 years as the UNDP's Central Asia Human Development Report has demonstrated.
- Of course, it would be unrealistic not to acknowledge that there are also perceptions in the rest of the world that Central Asia remains a distant, unfamiliar and potentially insecure and inhospitable place. More could be done to ensure that Central Asia's role and capacities are well understood abroad.

- Moreover, we need to recognize that legitimate national interests of the various national actors can diverge or compete with each other, especially in the short term. For example,
 - Central Asian countries each have an interest in protecting their share of regional water and energy resources, and in guarding their newly-found sovereignty;
 - Russia has an interest in controlling the region's energy transit routes, while China has an interest in securing its access to these resources;
 - the EU, Japan and the US also want to assure access to the regional energy resources; and the EU wants to see its so-called "European values" accepted in the region, an interest which is also broadly shared by the US.
- The challenge and opportunity for Central Asian countries and their international partners is to ensure that the pursuit of their legitimate, if at times diverging short-term interests do not interfere with the achievement of the overarching long-term interest in a stable and prosperous Central Asia.

A key role for CAREC

- In this context CAREC has a great opportunity to help ensure that the reality of today's Central Asia is well understood world-wide and that the heightened international and national interest in a stable and prosperous Central Asia is put to good use. In particular, CAREC represents an excellent forum for the promotion of regional cooperation and integration with their resulting long-term benefits for all.
- CAREC brings together the key regional actors and the multilateral institutions and has developed a cooperative strategy for regional cooperation and integration which is well summarized by its motto – "Good Neighbors, Good Partners, Good Prospects".
- The CAREC Comprehensive Action Program (CAP) provides an excellent guide rail for actions needed to implement the strategy.
- The key is now to move forward expeditiously with the main agenda items set for this SOM in preparation for this year's Ministerial Meeting, in particular:
 - developing effective sector strategies that map broad interests into specific policies, projects and programs in energy, transport and trade;
 - developing additional, second-tier initiatives for key areas of regional cooperation on such topics as infectious diseases, disaster preparedness, environment, etc.
 - building the knowledge base and institutional capacity for regional cooperation among Central Asian countries through the creation of the CAREC Institute;
 - engaging other regional organizations (especially SCO and EvrasEC) in a collegial approach to common challenges; and

- assuring effective cooperation with other international partners in their support for Central Asia's long-term development goals.
- For CAREC to play an effective role, we will have to aim not just for general declarations of good intentions, but for specific actionable initiatives that make a real difference in peoples' lives. Our impact will be measured not by how many meetings we have attended, how many speeches we have delivered and listened to, or how many papers we have written or read. They will be measured by benchmarks such as these:
 - how many transport corridors we have helped develop so that trucks, trains and planes can pass quickly and efficiently between, through and over Central Asian countries;
 - whether Central Asian countries are fully integrated into the global trading system through membership in the WTO; and whether people, goods and money can cross borders without excessive hassle, delay and cost;
 - whether Central Asian large, medium and small enterprises can access the markets they wish to compete in and whether consumers can access the goods they want to buy at world market prices;
 - whether the region's water and energy resources are efficiently developed and used and accessible to those who need them most for both human and productive needs;
 - and whether the authorities are well prepared to respond quickly and in unison when natural disaster strikes or epidemics threaten.
- All members of CAREC have to rise to the challenge:
 - the countries of Central Asia have to lead and fully own the CAREC agenda;
 - the other partners have to support the building of regional infrastructure and institutional capacity, while not burdening countries with excessive obligations – e.g., in terms of operations and maintenance expenses, as well as debt – that they, the countries of Central Asia, cannot expect to meet;
 - and all need to find ways to help unleash the energies and entrepreneurship of the people of Central Asia, by offering them a supportive trading and investment environment, educational opportunities and access to knowledge and innovation, so that they can successfully compete in the regional and global economy.
- I wish you and us all the very best in our discussions in the coming days in helping us develop an appropriate response to the heightened and converging interest that we see in Central Asia's future and to the opportunity and challenge of identifying and carrying through with specific actionable initiatives.