NORTHERN DISTRIBUTION NETWORK AND CENTRAL ASIA

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General background

Strategic interests in CA: geographically isolated from the main trade routes Central Asian countries try to find their proper niche in the world economy system that is closely connected with problems of their survival in the circumstances of great power strategies, unstable environment and preservation of social-economic security problems in the region. The development of transport-transit potential therefore becomes the main priority in the policy of CA states. In this sense formation of regional transport network is both a goal and means of achieving integration and security of the CA region.

Two main drivers of the ongoing process in CA: geopolitical tension and transitional state

- *In political sphere* - favorable ground for the growth of extremism, instability, absence of trust and necessary support, low level of cooperation/coordination, conflicts and competition.
- In **economic sphere** various sanctions; corruption; financial mismanagement of international donors; rigid competition between CA states for resources and right to be the main transport hub and geoeconomic center in the region; underdeveloped infrastructure or its shortage, weak legislation and low level of professional preparedness in CA for transcontinental projects.
- In these circumstances the NATO-sponsored Northern Distribution Network (NDN) planned to be not only means and vehicle for the forthcoming withdrawal of the peacekeeping troops from Afghanistan but as the tool for reconciliation of all interested sides through their probable integration into mutually advantageous transport-transit project in Central Asia.

Eurasian corridors

The main acting Eurasian corridors runs to

- 1) Northern ports of Baltic states;
- 2) to Europe;
- 3) to Iran and the Persian Gulf;
- 4) to China;
- 5) Afghanistan

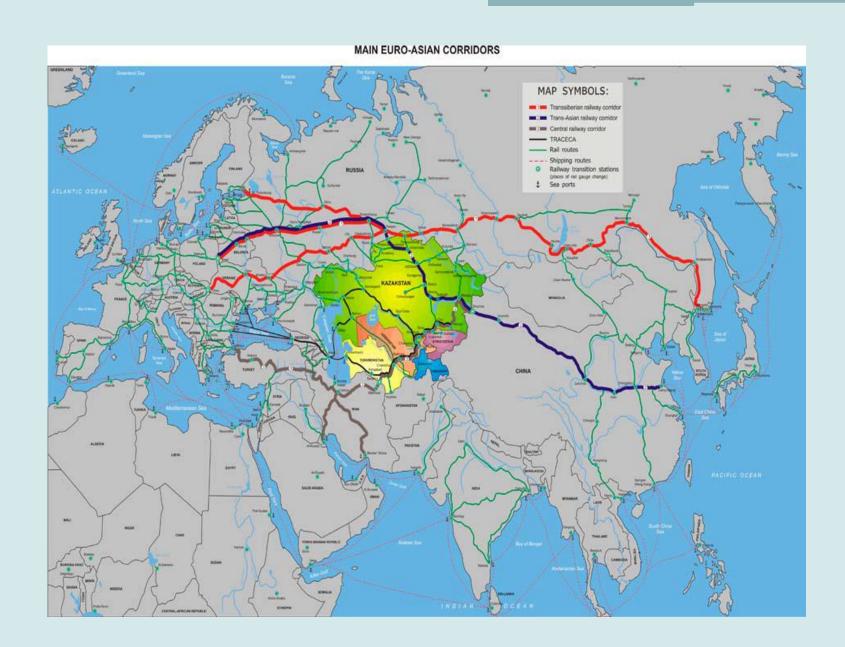
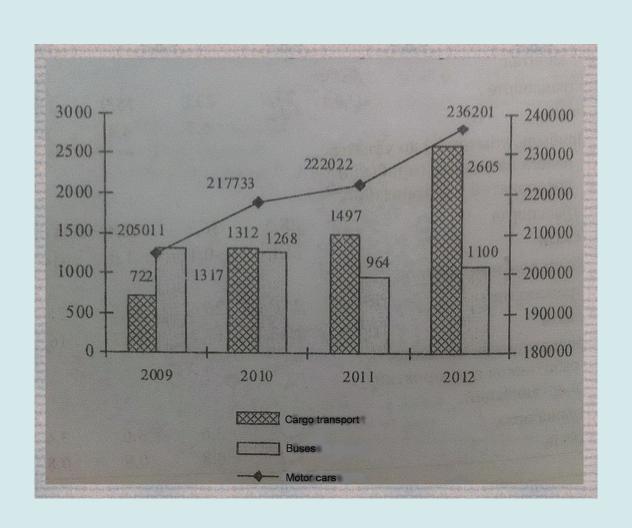


Table 1. Freight shipped by transport in Uzbekistan (mln t)

By	2009	2010	2011	2012
railroad	65,6	56,9	59,2	61,6
motor transport	959,3	1066,1	1156,4	1203,3
air	15,9	29,5	30,7	24,0

Table 2. Production of transport facilities in Uzbekistan



Areas of work in transport sphere

Uzbekistan:

- Termez-Mazari-Sharif-Gerat-Bender-Abbas and Chabakhar;
- Navoi-Turkmenbashi;
- Uzbekistan-Turkmenistan-Oman-Katar;
 Kazakhstan-Turkmenistan-Iran.

Kazakhstan:

- Aktau sea port;
- the new Silk road plans on the basis of the Custom Union.

Areas of work in transport sphere

Ashghabad:

- Turkmenbashi sea port;
- Atamurad-Imamnazar-Akina-Andhoi;
- Tajikistan-Afghanistan-Turkmenistan;
- Uzen-Gorgan.

Dushanbe:

- Dushanbe-Hujand;
- Kolkhozobad-Low Pyanj;
- Turkmenistan-Afghanistan-Tajikistan.

Kyrgyzstan: China-Kyrgyzstan-Uzbekistan.

Northern Distribution Network

1. North route:

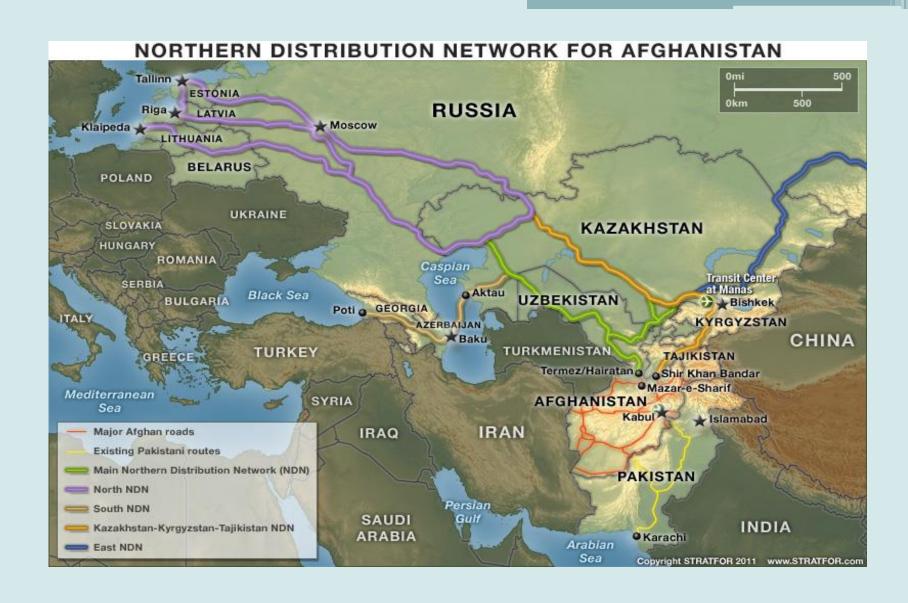
port in Riga –Russia –Kazakhstan-Uzbekistan;

2. South route:

Georgian port Poti at the Black sea – Baku in Azerbaijan, across the Caspian sea – Central Asia (bypasses Russia);

3. KKT route:

Latvia - Kazakhstan - Russia - Kyrgyzstan - Tajikistan - Afghanistan (bypasses Uzbekistan).



Role and significance NDN

Uzbekistan: shares the borders with all CA states; nearly all Eurasian prospective and operating transport corridors, connected with Central Asia, run through the territory of Uzbekistan; the only viable route to the southern (through Afghanistan) and northern (through the Baltic states) seas. strategic location in the very heart of the CA region and close to the turbulent Afghanistan, economic and military potential, stability and necessary infrastructure.

Latvia: stability, predictability, economic resources and infrastructure, similar post-soviet political culture, strategic location to become a regional transportation hub, connecting Scandinavia and Central Asian states with Central Europe, Klaipeda seaport is the only non-freezing port in the eastern portion of the Baltic Sea coast.

Possible wider regional repercussions

In ideal with solution of the Iranian problem, normalization of Indian-Pakistani relations, and stabilization of the Middle East and CA the NDN project can in future lead to

- formation of several regional free economic zones;
- prosperity of the vast region of Central and South Asia;
- stable multipolar world order.

In *political sphere* its realization means:

- optimal balance of forces and interests;
- constructive vehicle for the US-EU engagement;
- reduction of the international conflicts and misunderstanding (CA, the US-Russian, US-Iranian, US-Chinese and India-Pakistan).

In economic sphere:

- access to energy and global consumption markets;
- attraction of investments;
- revenues from custom duties;
- creation of modern infrastructure and job places;
- solution of many social-economic problems.

Political and economical risks

Political risks:

- geopolitical tension (Russia-US, US-Iran, Chinese factor);
- transitional difficulties of the post-soviet states (weakness of institutes, infrastructure, social-economic and educational level, and, hence, of political culture);
- low level of coordination and absence of trust between the actors;
- extremism (talibans and etc.);
- instability in Afghanistan and Pakistan;
- fragility of Tajikistan and Kyrgyzstan;
- CA conflicts and intraregional competition.

Economic risks:

- sanctions;
- corruption;
- financial mismanagement of international donors;
- rigid competition;
- underdeveloped infrastructure or its shortage;
- weak legislation;
- low level of professional preparedness in CA for such economic projects.

NATO's relations with Central Asian states

Cooperation between NATO and CA states can conditionally be divided in two periods: *before 2010 and after it*.

Before 2010 NATO activities were oriented mostly at protecting the Euro-Atlantic community interests in Central Asia and were mainly aimed at

- the problem of securing access and control over the energy resources;
- construction of the Euro-Asian transport and pipeline system;
- struggling against proliferation of weapons of mass destruction, drug trafficking;
- promotion of democratic reforms and structural market transformations in Central Asia;
- fighting against international terrorism (since September 11 2011).

NATO-CA relations were restricted by participation in the North Atlantic Cooperation Council (since 1992) and Partnership for Peace (PfP) program (since 1994), Central-Asian support of NATO efforts in its fight against terrorism (since 2001).

Main directions of the activity within the NATO's Partnership for Peace program

- 1. "Individual Partnership and Cooperation Program", which is elaborated for each CA republic at the beginning of the 90-ths. Uzbekistan participates in the program since 1996.
- 2. "Planning and Review Process" (PARP), where all countries, except Tajikistan and Turkmenistan, participate. Uzbekistan and Kazakhstan participate since 2002, Kyrgyzstan decided to join the process only in 2007.
- 3. "The Operational Capabilities Concept (OCC)", joined only by Kazakhstan.
- 4. Individual Partnership Action Plans (IPAPs)". This new partnership mechanism was launched after the Prague Summit in 2002, but elaborated since 2006 only with Kazakhstan.
- 5. "Civil Emergency Planning" (trainings on disasterpreparedness), supported by all CA states.

NATO-CA cooperation

NATO-CA cooperation *bears more symbolic and declarative nature due to* complex inner and external factors, the main factors being as follows:

- Central Asia has not been a priority area for the NATO statemembers interests;
- the CA states need to balance security cooperation with NATO with that of Russia (SCTO) and Russia-China (SCO);
- European-American discrepancies in regional approaches (including differences in availability of resources);
- the absence of the adequate Central-Asian professional experience in such level of cooperation.

NATO-CA cooperation

Since the Lisbon Summit in 2010

New principles in cooperation: long-term bilateral cooperation; public diplomacy; coordination with all international players; staged evolutionary reforms.

New Institutional arrangements: NATO officially recognized a PfP Training Center in Almaty in December of 2010; NATO's regional representation is opened in Tashkent in June 3, 2013.

Present *NATO approach transforms* from "one region" approach and priority of the sovereignty problems *more to*

- bilateral relations with each CA state;
- looking for effective cooperation between three main subjects of the process US, NATO and Russia.
- the issues of the security and stability risks the region itself generates, as well as the negative spill-over effects from Afghanistan;
- consolidation of military-political and economic component of its programs through formation of transit-transport routes in CA, assistance in promoting the New Silk Road (NSR) strategy of the United States;
- weakening the accent on humanitarian and democracy issues as they are long-term in character.

NATO-CA cooperation

Most successful NATO-CA partnership: between NATO and Kazakhstan, NATO and Uzbekistan.

Most important areas of cooperation: Afghanistan reconciliation process, disaster-preparedness, scientific and environmental collaboration.

In sum, after a long period of partial disregard for the Central Asian security issues, search for most effective ways and methods of cooperation NATO-CA partnership in fact undergoes its initial stage of development, the outcome of which is difficult to predict due to the multiplicity of the involved factors.

Conclusion

Contradictory tendencies in development of Central Asia as potential risks:

- Steady growth of integrative tendencies in CA transport-transit sphere interregional competition in CA;
- The Afghan route is only a part of the forming Eurasian transport system the interest of key actors to receive an access to the Afghan economic resources;
- Chinese growth of influence in CA economy, including Afghanistan its interest in stability of the region, hence, in international cooperation;
- Iranian-Afghan discrepancies the interest of Iran in improving relations with the world community.

Threats and challenges:

- Afghanistan is among the main threats: drugs, illegal migration, organized crime, etc.;
- NDN itself can in circumstances of its poor management become a source of drug-trafficking, illegal migration, crime and corruption;
- strengthening of competition in the transport-transit sphere.

Recommendations

In international sphere it would be expedient:

- to accelerate solution of the Iranian nuclear problem and positive involvement of Iran into regional affairs;
- to achieve balance of interests between the key players (US, Russia, China, etc.);
- to improve the international donors financial activity in the area (redistribution of investment flows for the benefit of concrete development projects), including transparency of their financial operations;
- to form on the territory of the <u>post-soviet Central Asia</u> a separate common Center (besides those formed in Afghanistan!) for professional-technical training and retraining the staff at cross-border and control posts, as well as within the structure of the new logistical networks.

In local sphere:

- to continue negotiations with talibans;
- to improve local legislations and increase salaries to overcome corruption;
- to form more strict mechanisms of control between the donor and the client state and agencies;
- to create the network of analytical- information centers all over the region of Central and South Asia, uniting in Kabul the products of governmental, civil and international organizations in the sphere of monitoring, control and political analysis under the aegis of the UNDP.

Recommendations for additional research -

- analysis of the potential cooperation abilities between the key actors (NATO-OSCE, US-Russia, US-Iran, Afghanistan-Pakistan);
- analysis of the existing legislation to improve and adapt it to the new environment.

THANK YOU FOR ATTENTION!