Kazakhstan’s OSCE Chairmanship
Challenges and Opportunities

A Policy Paper of the U.S.-Kazakhstan OSCE Task Force

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This policy paper and its recommendations do not necessarily represent the views of any single member or observer of the Task Force, whose involvement should not be interpreted as an endorsement of the Policy Paper by either themselves or the organizations with which they are affiliated.

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In November 2007, the Organization for Security and Cooperation in Europe (OSCE) designated Kazakhstan as its chairman-in-office (CiO) for the year 2010. The selection of Kazakhstan to chair a major European organization is a precedent: it is the first post-Soviet country, the first predominantly Muslim country, and the first Central Asian country to be entrusted with such a responsibility. For these reasons, Kazakhstan more than any previous chairing country regards its chairmanship at the OSCE as a project that can enhance its national stature and reaffirm its young independence.

Kazakhstan has chosen a very ambitious role in seeking and then preparing to chair the OSCE. This prestigious international position may well represent the culmination of one stage of Kazakhstan’s recent history and the beginning of another. By assuming the OSCE chairmanship, Kazakhstan’s leaders are signaling that the period of consolidating the country’s independence is effectively complete and that the country is now prepared to participate more fully as a major player in both the Euro-Atlantic and Euro-Asian spheres of security and cooperation. By choosing to chair a democratic pan-European security organization, Kazakhstan has made a clear statement that it pursues good relations with the West and commits to European values, including democracy.

The choice of Kazakhstan as chairman-in-office was a controversial one, because OSCE members had to deal with countervailing pressures. The United States and European Union expressed concern that Kazakhstan might compromise on the OSCE’s support for democratic principles. By contrast, Russia threatened to effectively unravel the OSCE if Kazakhstan was not selected for the chairmanship. Kazakhstan faces two key challenges as it prepares to serve as the CiO: developing a compelling agenda for its chairmanship and pursuing and consolidating democratic reforms inside the country, including implementation of specific commitments Kazakhstan made at the 2007 OSCE Ministerial Meeting.

Kazakhstan’s chairmanship presents important opportunities and significant challenges to both Astana and the OSCE. For 34 years, the OSCE has operated as the largest regional security organization with three specific areas of concern: security, the economy, and the human dimension. In addition to promoting cooperation in politico-military security and a healthy economic environment, the OSCE has a mandate to enhance human rights protection and democratic reforms throughout the OSCE region. Over the years, the organization has evolved from a vehicle for dialogue between West and East during the Cold War to a comprehensive mechanism for advancing international cooperation based on commitments agreed to by all member states in a consensual process.
Today the organization is faced with important questions about its future that range from enhancing its security dimension and addressing existing threats faced by member states to strengthening its human dimension by drawing in countries that lag behind in implementing democratic reforms consistent with their OSCE commitments.

Kazakhstan’s chairmanship of the OSCE in 2010 should to be seen in the context of the country’s wider geostrategic position. In a presentation in Washington, D.C., on June 11, 2009, at the U.S.-Kazakhstan conference organized by CSIS and IND, former U.S. national security adviser Zbigniew Brzezinski stated that Kazakhstan confronts three major tasks: consolidation of its independence, diversification of its international connections, and institutionalization of its democratic process. It was not an easy task for Kazakhstan to consolidate its independence following the collapse of the Soviet Union. Nonetheless, the existence of Kazakhstan as an independent state has become an expression of the predominant desire of its multiethnic society. The assurance of national sovereignty depends largely on the region’s geopolitical dynamics and the degree to which the Kazakhs themselves remain vigilant in the need to preserve that independence.

Kazakhstan strives to maintain a degree of choice in its foreign policy, an important consideration given its forthcoming chairmanship of the OSCE. Progress has been made in diversifying Kazakhstan’s international access and connections, but these are still limited largely to its immediate neighbors. Astana is seeking to strike a balance between sustaining good relations with neighbors Russia and China while expanding its access to Western countries through the Caspian Sea and Turkey.

With regard to the institutionalization of the democratic process, Kazakhstan’s highly personalized and centralized political system emerged from the circumstances prevailing at the time of the country’s independence. At the time, the only source of authority and national unity was the strong figure of the president. As a result, the road to democracy was bound to be long and difficult. It will need to be sustained by the consolidation of the rule of law and by instilling in society a sense of loyalty to the state and its constitution that transcends the role of a single individual.

Kazakhstan can contribute to the OSCE in several unique ways. As a Muslim country with a significant Russian minority of about 30 percent and over 130 nationalities on its territory, Kazakhstan can serve as a valuable example of tolerance and interethnic coexistence. Its role will be particularly important to counter negative perceptions of Muslims in Europe in the post-9/11 world. Kazakhstan can also expand the OSCE’s Mediterranean Partners for Cooperation initiative that includes Algeria, Egypt, Israel, Jordan, Morocco, and Tunisia.

Kazakhstan can promote nuclear nonproliferation as a country that abandoned its nuclear arsenal and closed a large nuclear weapons test site at Semipalatinsk in 1991. Although the OSCE is not directly involved in nuclear nonproliferation, the high visibility of the chair, particularly when it is held by a country with a distinctive record in this area, can provide an opportunity for supporting a wider nuclear disarmament campaign.
As a country that maintains a multi-vector foreign policy and has good relations with both Russia and the West, Kazakhstan is in a good position to host an OSCE summit and facilitate an agreement between member states on constructive outcomes of such a summit.
The OSCE decision to award Kazakhstan its chairmanship in 2010 underscores a growing recognition of the country’s regional and continental importance. Kazakhstan is a strategic linchpin in the vast Central Asian–Caspian Basin zone, a region rich in energy resources and a potential gateway for commerce and communications between Europe and Asia. However, it is also an area that faces an assortment of troubling security challenges. Ensuring a stable and secure Central Asia is important for the international interests of the United States and its European allies for several reasons:

- **Asian Security:** Because of its proximity to Russia, China, Iran, and the South Asian subcontinent, Central Asia’s security and stability is an increasingly strategic interest to all major powers. Kazakhstan’s tenure as chair of the OSCE will provide an opportunity for greater multilateral cooperation in achieving this objective while strengthening the role and prestige of the OSCE throughout Central Asia.

- **Afghanistan:** Central Asia is a key staging and support area for U.S. and NATO military operations in Afghanistan against Taliban insurgents and al Qaeda militants. Central Asia is a crucial conduit for U.S. and NATO troops and supplies into Afghanistan. U.S. officials recently reached new agreements with Russia, Kazakhstan, Uzbekistan, and other Central Asian countries to allow Afghan-bound nonmilitary supplies through their territories.

- **Transnational Terrorism:** The Taliban resurgence in Afghanistan and Pakistan stimulates cross-border terrorism that may endanger the stability of several Central Asian neighbors and undermine Western interests. Central Asian states have been the victims of Afghanistan-based transnational terrorism. These states, including Kazakhstan, can better support international efforts to counter regional terrorist networks.

- **Organized Crime and Drug Trafficking:** Central Asia is an important transit region for narcotics trafficking between Afghanistan and the countries of Europe and Asia. Joint initiatives that will enable the Kazakh government to control and monitor borders more effectively, intercept smuggling operations and eradicate criminal networks will buttress international security and curtail funding to cross-border terrorist groups.

- **Energy Security:** Central Asia has the potential to be a vital energy source for Europe. The region contains a vast storehouse of oil and natural gas, which Europe urgently needs in order to lessen its reliance on Russian and Middle Eastern energy supplies. Disputes between Russia and several energy transit states such as Ukraine have increased Europe’s interest in developing direct supply lines between Europe and the Caspian countries.
Challenges to International Interests

Despite the strategic significance of Central Asia and the Caspian Basin, Western countries have not paid sufficient attention to the region. This is due to a combination of factors, including the absence of a shared strategic framework to help stabilize and develop the heartland of Asia; insufficient focus on consolidating close political ties with key countries in the region through sustained high-level engagement; and opposition on the part of other major powers competing for influence in Central Asia.

Many Western experts believe that Russia's leaders have sought to use multinational organizations, Moscow's political connections, and its economic leverage to assert greater control over ex-Soviet neighbors. There are reports that the Central Asian governments were pressured to curtail Western security interests, including limiting its military presence in the region by, for example, urging Uzbekistan and Kyrgyzstan to evict the U.S. military from their countries. Kazakh leaders are supportive of a more effective American and European role in Central Asia to help promote the region's security and development, but without undermining Astana's cordial relations with Russia. Kazakhstan's independent foreign policy helps provide Western access to the region and enhances the country's position as an important transport corridor.

U.S.-Kazakhstan Relations

Kazakhstan is an important international partner for the United States. It was the first country to renounce its nuclear weapons voluntarily after the breakup of the Soviet Union. From 2003 to 2008, Kazakhstan deployed engineering troops to Iraq tasked with the disposal of explosive ordnance. Kazakhstan allows overflights, emergency air diversions, and the transit of nonlethal supplies to support U.S. and NATO troops in Afghanistan. Kazakhstan has established a peacekeeping battalion that is being trained and equipped to be compatible with NATO forces. In addition, Kazakhstan is the only Central Asian country delivering generous assistance to Afghanistan amounting to over $58 million including funds for food, infrastructure, and education.

Kazakhstan is a key partner for the United States on nonproliferation. Through the Nunn-Lugar Cooperative Threat Reduction program, Kazakhstan has cooperated with the United States for more than a decade on a host of projects to eliminate its Soviet-era weapons of mass destruction (WMDs), secure materials that can be applied to proliferation, and redirect former weapons scientists to peaceful purposes. U.S.-Kazakhstan cooperation has ensured that WMD-related materials and technical knowledge will not fall into terrorist hands. On June 2, 2009, President Nursultan Nazarbayev signed the law that extends the U.S.-Kazakhstan bilateral Cooperative Threat Reduction agreement for an additional seven years, allowing programs and projects to continue uninterrupted.

The U.S.-Kazakhstan partnership has three primary goals. First, the United States seeks to advance democratic and market reforms. Second, it aims to bolster Kazakhstan's sovereignty and
independence, combat terrorism, stem narcotics trafficking, and prevent WMD proliferation. Third, the U.S.-Kazakhstan partnership seeks to foster the development of Central Asia’s significant energy resources. The strategic partnership does not mean that there is uniformity in all core interests between the two countries. For instance, as a member of the Shanghai Cooperation Organization (SCO), Kazakhstan also accepts the security view of that organization. The SCO understanding of the concepts of extremism and terrorism and what states need to do to protect themselves from these threats differs from that of the United States.

Probably the biggest differences between Kazakhstan and the United States are in their attitudes toward Russia. Kazakhstan’s policies are formulated with the intent to preserve a close relationship with Moscow. Kazakhstan has a 7,000-kilometer border with Russia and a 30 percent ethnic Russian minority, which underscores the importance of maintaining cordial relations. U.S. and Kazakh policies overlap on the question of Afghanistan. As a member of the SCO and the Collective Security Treaty Organization (CSTO), Kazakhstan has the capacity to promote greater coordination between the agendas of different organizations during its OSCE chairmanship.

The Regional Role of Kazakhstan

Despite having the largest territory and economy in Central Asia, Kazakhstan is not a source of insecurity or threat to any of its neighbors. It does not employ territorial, ethnic, economic, or energy interests to target and undermine any government in the region. On the contrary, Astana has sought to establish a system of collective security in Eurasia that would avert the emergence of a single dominant power. Kazakhstan’s “multi-vector” foreign policy, which seeks to pursue cooperative relations with all major powers, leads Astana to resist any hegemonic ambitions by larger countries that would undercut Kazakhstan’s political or economic independence.

While it is a member of the Commonwealth of Independent States (CIS), the Collective Security Treaty Organization (CSTO), and the Shanghai Cooperation Organization (SCO), Kazakhstan has sought to diversify its security relations and establish diverse international partnerships. Astana has developed productive contacts with NATO by participating in NATO’s Euro-Atlantic Partnership Council (EAPC) and its Partnership for Peace (PfP) program. It was the only Central Asian government to negotiate an Individual Partnership Action Plan (IPAP) with NATO in January 2006. NATO’s June 2004 summit affirmed the growing importance of Central Asia by designating the region as an area of “special focus” and stationing a liaison officer in Astana in order to develop NATO assistance programs to modernize national military structures. A NATO secretary general special representative for the Caucasus and Central Asia also was appointed.

Astana has underscored that neither the CSTO nor the SCO should become exclusive military alliances or anti-Western blocs that would challenge NATO’s mission in the wider region. Kazakhstan supports NATO operations in Afghanistan and grants overflight rights to U.S. and other NATO warplanes transporting nonlethal cargo to Afghanistan, as well as emergency landing rights for U.S. military aircraft in Almaty. The Kazakh authorities are also developing a
Peacekeeping Battalion (KAZBAT), which is slated to become fully operational by 2011 and potentially available for international peace stability missions, including those involving NATO.

Kazakhstan became a part of the Northern Distribution Network earlier this year as a part of an agreement between the United States, Russia, Kazakhstan, and Uzbekistan for the transit of nonlethal goods into Afghanistan. Since the transit corridor was established, at least 20 rail convoys have made the trip. The supply trains have been given preferential right of way.

Kazakhstan is the only Central Asian country to have an action plan to assist in the reconstruction process in Afghanistan, including granting more than $3 million during the 2007–2008 fiscal year for social and infrastructure projects, humanitarian aid, and training for Afghan law enforcement and border patrol officers. For 2009–2011, Kazakhstan has committed an additional $5 million to improve the water supply and distribution infrastructure for shipments of grain and other commodities, and another package of $50 million for the education of young Afghans at Kazakh colleges and universities.

Kazakhstan also provides funding to support U.S. objectives in the region. Astana is the only regional donor giving aid to Kyrgyzstan, Tajikistan, and Afghanistan. According to the U.S. State Department’s background note on Kazakhstan, “in 2006, Kazakhstan became the first country to share directly in the cost of a U.S. Government’s foreign assistance program. Through 2009, the Government of Kazakhstan will contribute over $15 million of a $40 million USAID economic development project aimed at strengthening Kazakhstan’s capacity to achieve its development goals.”

**Multinational Counterterrorism**

Kazakhstan has been combating several potential threats to its own stability and that of its neighbors, including terrorism, drug smuggling, and organized crime. Although Kazakhstan is generally not a source of these maladies, it is a transit country for such illicit activities. Kazakh leaders have been especially concerned about possible terrorist strikes against their country’s energy infrastructure that could affect exports to European and other consumers. To counter terrorist threats, the Kazakh government has supported efforts in key multilateral organizations to make counterterrorism an essential ingredient of their security focus. Astana has also assigned troops to the Central Asian Rapid Reaction Force (CARRF), which is designed to defend each country against major terrorist threats.

**Regional Nonproliferation**

Kazakhstan was the first former Soviet republic to abandon its nuclear arsenal. It closed the largest nuclear weapons test site at Semipalatinsk and has spearheaded regional denuclearization. Kazakh leaders have also made major progress in downgrading nearly all of the country’s highly enriched uranium, thus lessening the opportunities for such material to fall into the hands of
hostile governments or terrorist groups. Astana’s nonproliferation initiatives have earned praise
from a number of international leaders.

With impetus from Kazakhstan, Central Asian states have agreed to coordinate their
nonproliferation and export control policies, especially to prevent the smuggling of WMDs and
related materials from the former Soviet Union. In September 2006, representatives of the five
Central Asian states signed a treaty in Semipalatinsk to create a Central Asian Nuclear Weapon
Free Zone, which entered into force on March 21, 2009. The signatories pledged not to develop,
manufacture or otherwise acquire nuclear devices or to assist third parties in developing nuclear
weapons programs. The treaty further addressed environmental protection as each of the five
states share common problems of environmental damage resulting from the production and
testing of Soviet nuclear weapons.

Despite differences in other areas, Russia and the United States have cooperated with Kazakhstan
and other former Soviet republics and OSCE members to promote a variety of nonproliferation
goals. On May 19, 2009, a trilateral partnership among Kazakhstan, Russia, and the United States
completed one of the largest nuclear recovery operations in history. Assisted by the International
Atomic Energy Agency (IAEA), they repatriated almost 74 kilograms of highly enriched uranium
“spent” nuclear fuel, sufficient to construct several nuclear weapons, from Kazakhstan to at a
secure facility in Russia.

**Counternarcotics Trafficking**

Countering the trafficking of narcotics from Afghanistan through Central Asia is a major security
challenge for all countries in the region, as well as an issue of concern for European and Asian
states seeking to stabilize Afghanistan. Proceeds from large-scale smuggling finance organized
crime and cross-border terrorism. Central Asian states, including Kazakhstan, have been active in
joint operations to intercept drug shipments from Afghanistan and are expanding their
counternarcotics agencies to deal more effectively with the threat. The Central Asian Regional
Information and Coordination Centre (CARICCC), established in Almaty under UN auspices,
serves as the main regional communication center for analysis and exchange of information on
transnational crime and coordination of joint operations. The OSCE has established as a priority
curbing drug and arms smuggling, strengthening border controls to curtail illegal migration, and
countering the financing of terrorist and criminal organizations.

**Energy Security**

Kazakhstan, a major producer and exporter of crude oil, is projected to export 3 million barrels of
oil per day, or 150 million tons per year, by 2015. Kazakhstan also possesses substantial natural
gas reserves and some of the world’s largest reserves of uranium.

The three energy-rich states of Central Asia (Kazakhstan, Uzbekistan, and Turkmenistan)
understand that their political independence and energy security requires diversifying their
energy customers and avoiding reliance on any single power or transit route. Currently, Russia is the main transit route for energy exports from Central Asia. Kazakhstan supports building oil and gas pipelines that would channel its energy resources directly to Europe and China. The Kazakh energy industry favors a direct energy connection with Azerbaijan across the Caspian Sea that would help supply the European market.

Astana is seeking to diversify its economy and avoid overdependence on natural resources and energy exports. Until recently, oil and gas revenues have been aggressively used to develop a stronger economic foundation for expansion into new markets. Kazakhstan seeks to attract advanced technologies and modern management practices into its priority economic sectors, including high technology, financial services, and agriculture. However, the current global financial crisis poses considerable challenges to this agenda, not least because of the weaknesses it has exposed in Kazakhstan’s banking and financial services sector.

**Economic Development**

Sustained economic development is a major determinant of long-term regional stability. Kazakhstan has the largest economy in Central Asia with a gross domestic product (GDP) exceeding the combined total of its four Central Asian neighbors. Kazakh leaders have focused on developing the Euro-Asian Economic Community (EurAsEC), an organization that also involves Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. More generally, Kazakhstan has strongly supported deeper economic integration among these states. Nonetheless, Astana has sought to avoid over-reliance on any single importing or exporting country because this would undermine Kazakhstan’s independence and balanced integration into the global economy.

In positioning Kazakhstan as a potential economic hub and the core of a “Eurasian transport corridor,” President Nazarbayev has proposed creating a regional organization, styled as the Eurasian Economic Union (EEU) to harness and intensify transborder cooperation in such areas as water resource management, transportation infrastructure, crisis response, environmental protection, and region-wide economic development. Such a process, even without the support of all Central Asian countries, could contribute to lowering barriers to trade, harmonizing customs, and building closer economic associations. Kazakh officials contend that closer economic integration would reduce regional tensions, attract greater levels of foreign direct investment, and increase the region’s leverage and competitiveness on the international arena.
2 SECURITY AND MILITARY DIMENSION

Kazakhstan sought the position of the OSCE chairman-in-office for a number of reasons, including enhanced security and national prestige. The agenda Astana adopts should reflect Eurasia’s multiple security challenges as well as the OSCE’s capacity to serve as an effective security organization. Accordingly, this section focuses on issues in the OSCE’s security basket that merit Kazakhstan’s sustained attention where, if successful, Kazakhstan will help alleviate threats to its own security, as well as enhance the security of both Central Asia and Europe.

During 2010, the OSCE will need to address several important issues in the security basket, including conflicts in the Caucasus, the future of the Conventional Armed Forces in Europe (CFE) Treaty, and Russia’s proposal for a new European security pact. Although negotiating conflicting interests will be challenging, Kazakhstan, with its “multi-vector” foreign policy, may be in a position to seek consensus if it can skillfully balance its approach.

Amid these challenges, Kazakhstan’s OSCE chairmanship has the potential to enhance regional cooperation in Central Asia. To maximize its position as OSCE chair, Kazakhstan should address border management issues, including delineation, joint management, demilitarization, and demining. The Kazakh chairmanship can prioritize enhanced cooperation on antinarcotics and antitrafficking activities.

The OSCE is concerned with enhancing the security of all member states. The threat of terrorist attacks is a risk for all OSCE members. Each of these nations is affected by the narcotics trade and by trafficking in persons. Central Asia is a region in which such threats pose an especially large risk, given its proximity to Afghanistan and Pakistan. These threats compound security concerns in a region in which disputes over water management and border delineations continue. Central Asia is also faced by numerous other security problems such as trafficking of narcotics and human beings and potential social instability. The most serious threats can be reduced through closer regional cooperation and targeted outside assistance.

In recent years, the attention on conflicts within the OSCE area has shifted eastward, to the former Soviet region. The protracted conflicts in the Caucasus dating from the early 1990s—in Abkhazia, South Ossetia, and Nagorno-Karabakh—as well as in Moldova (Transnistria) have heated up in the wake of the Russo-Georgian war of August 2008. The situation in South Ossetia and Abkhazia challenges core OSCE principles, especially the inviolability of borders and territorial integrity in the OSCE region. The unilateral use of force to change national borders and recognize separatist entities as independent states is a direct violation of the Helsinki Final Act.
Russia violated its OSCE security commitments by deploying troops and assuming de facto control over two Georgian regions.

A major challenge facing the OSCE, as the sole pan-European security organization, is its diminishing role in broader European security affairs. The last 20 years witnessed the growing importance and enlargement of Western-led organizations such as NATO and the European Union and Russia’s development of the Collective Security Treaty Organization (CSTO), whose operational capacities remain to be tested. Meanwhile, the OSCE has experienced protracted internal feuding concerning its role and mandate, which has undermined its role as an agent of confidence building, security, and democratization.

During the next few years, the OSCE will be involved in addressing major security questions such as the future of the Treaty on Conventional Armed Forces in Europe (CFE), continuing challenges to stability throughout the Caucasus and in Central Asia, and the call by Russia’s authorities for a new European or Eurasian security architecture. The most important work that the OSCE chair can accomplish is to foster consensus among OSCE participating states on the common sources of instability and insecurity and propose a platform to address them.

There is a need to shift the OSCE’s focus east of the Black Sea because in parts of this region international law has practically been suspended since 1992, internationally recognized borders have been shifted by force, and foreign troops are stationed on the territories of other countries without their consent. Russian passports have been mass distributed to local populations in defiance of international or national law. In this region east of NATO and the European Union, the OSCE is unable to implement the principles on which it is based.

The CFE Treaty

The original CFE Treaty was negotiated and concluded during the last years of the Cold War. It established comprehensive limits on key categories of conventional armaments in Europe and mandated the destruction of excess weaponry. The treaty established limits of conventional weaponry for the two military blocs, NATO and the Warsaw Pact. It was signed in November 1990 and came into force in July 1992. The treaty included provisions for information exchanges, on-site inspections, challenge inspections, and on-site monitoring of destruction. The treaty facilitated a transparent, large-scale reduction of conventional military equipment in Europe by the end of 1995.

The CFE treaty is not formally part of the OSCE and not all OSCE participating states are party to it. However, on the margins of the 1999 OSCE Istanbul Summit, the participating states signed an adapted draft CFE treaty. It reflected the different geopolitical situation of the post–Cold War era by setting national and territorial instead of bloc-based limits on conventional armaments. At the summit, NATO members raised treaty compliance problems related to the continuing deployment of Russian troops and equipment in the “flank” (mainly in the North Caucasus)
regions that were in excess of agreed treaty limits, as well as concerns about the continued Russian military presence in Georgia and Moldova.

The adapted treaty was signed by 30 OSCE members; Russia committed itself to withdrawing from Moldova, reducing its equipment levels in Georgia, as well as withdrawing from two bases (including one in Abkhazia), achieving an agreement on the future disposition of the remaining Russian military bases in Georgia and reducing its forces in the flanks to the agreed levels of the Adapted CFE Treaty. These agreements became known as the “Istanbul Commitments” and were included in the 1999 Istanbul Summit Declaration. However, all NATO members refused to ratify the adapted treaty as long as Russia refused to withdraw troops from Georgia and Moldova as agreed. As a result, key aspects of the Istanbul accords have never been implemented, and Russia has, in effect, rejected them.

Frictions between NATO and Russia over CFE Treaty compliance have been raised in recent years following U.S. plans to utilize small military bases in two new NATO members, Romania and Bulgaria. Russia considered the bases to be a breach of the treaty. Disagreements further deepened as a result of the U.S. intention to place components of a missile defense system in Poland and the Czech Republic; this plan was subsequently cancelled in September 2009. In December 2007, Russia suspended its observance of treaty obligations, an unprecedented step with no basis in international law. The problem was exacerbated following the Russo-Georgian war in August 2008 when Russia used its southern flank troops to occupy Abkhazia and South Ossetia and has since retained troops in these Georgian provinces.

The unresolved issues are, first, the flank limits, which Russia has consistently exceeded in the North Caucasus with no consequence to itself; second, the disposition of the so-called unaccounted-for treaty-limited equipment, UTLEs, which is the OSCE designation for unauthorized conventional armaments limited by the CFE treaty but nevertheless possessed by separatists in Transnistria, Abkhazia, South Ossetia, and the occupied territories (including Nagorno-Karabakh) of Azerbaijan by Nagorno-Karabakh military forces. In addition, there have been allegations that Russia has delivered new consignments of weapon to Armenia, again exceeding CFE treaty ceilings. These deliveries, if true, would undermine the integrity of the CFE regime and risk triggering an arms race between Armenia and Azerbaijan. Lastly, the principle of host-country consent to the stationing of foreign troops is another unimplemented part of the CFE treaty with regard to Moldova, Georgia, and Azerbaijan because of the unauthorized presence of Russian or Armenian forces in those territories.

At present, Russia is pushing for a full renegotiation of the adapted 1999 treaty focusing on the lifting of flank ceilings on treaty-limited weaponry, especially in the North Caucasus but also along the northern flank opposite Norway. Moscow threatens to continue indefinitely its unilateral suspension of the implementation of the treaty, thus presenting a daunting situation for the next OSCE chair.
OSCE Summit

During 2008, Russian president Dmitry Medvedev proposed that an “all-European summit” be convened to debate a new European security arrangement that would culminate in a legally binding “European security treaty.” Although the idea has little detail, Russian officials seek a pact enshrining arms control, a commitment not to use force, and guarantees that no single state or group of states can take a dominant role in the continent’s security. This appears to be aimed at undercutting the sovereign decision of any state to join organizations such as NATO and to weaken the U.S. presence in Europe.

French president Nicolas Sarkozy responded that discussions on any new security arrangements should take place under the OSCE umbrella. During the current Greek OSCE chairmanship, the informal meeting of OSCE foreign ministers in Corfu on June 27–28, 2009, began to debate this question; a ministerial meeting in December 2009 will continue discussing the initiative now called the “Corfu Process.”

Kazakhstan has asked the Finnish government to host an OSCE summit in Helsinki in 2010 to consider Russia’s security initiative. Rather than focusing on the NATO or transatlantic arena, where there are no major security concerns, the planned summit could develop OSCE initiatives in managing the zones of instability inside the CIS (Commonwealth of Independent States) or in addressing insecurities that affect the broader OSCE community. The former would involve potential instability in Georgia, Moldova, Azerbaijan, Ukraine, and in Russia, itself, while the latter would focus on the “arc of instability” stretching across the Middle East to South Asia.

The purpose of any major OSCE security initiative needs to be clearly specified, particularly how it would enhance the ability of governments and multinational groupings to confront major internal and external security challenges. Kazakhstan must be goal oriented in its approach and set targets that can be achieved by selecting realistic topics for the summit and pursuing concrete outcomes that would strengthen the organization.

Possible Summit Topics

- Assessing the role of the OSCE in enhancing international security by taking stock of what the organization has accomplished, what are its shortcomings, and developing a preliminary consensus on its future direction.

- Assessing the existing and potential common security threats within and toward the OSCE area and formulating implementable common responses and possible preventive actions by more effectively using the OSCE’s three dimensions.

- Assessing the effectiveness of different security organizations active in this broad region (including NATO, CSTO, and SCO), specifically in conflict prevention, combat missions, humanitarian assistance, and post-conflict reconstruction, and devising ways to improve cooperation among these organizations.

- Assessing the integration process between Central Asia and the Euro-Atlantic sphere and considering how this process can be enhanced for the benefit of both regions.
To be effective, the summit should not become a means for sidelining any existing security organization, legitimizing any country’s “spheres of influence” or assertions of “privileged interest,” or undermining existing European security treaties, such as the OSCE and the CFE Treaty. To avoid potential summit gridlock or failure, the objective should not be to forge some overambitious European or Eurasian security pact or some hazy new security architecture that would simply create confusion and duplication without any added benefit. Instead of speculating about architecture, the summit should examine the foundations of security.

Furthermore, energy security must become a key focus in any discussions about any new security framework in the OSCE region, given how many member states (Russia, Ukraine, Kazakhstan, Turkmenistan, Turkey, Azerbaijan, and Georgia) are involved in the supply and transit of Caspian Basin natural gas to Europe. Any new security arrangements should formulate the commitments of signatories to legal and regulatory instruments, which would help protect the rights of producer, consumer, and transit countries and their citizens.

In addition, an OSCE summit can be an important platform to reaffirm the commitment of OSCE members to the values of the organization, including human rights and democracy. Consensus is needed between Washington and Moscow in providing support for such a summit. Perhaps if a post-START agreement is reached between the United States and Russia by early 2010, there may be a positive atmosphere to build on at OSCE in 2010. Kazakhstan should be prepared for this eventuality.

Possible Summit Outcomes

- An OSCE declaration on supporting state-stabilizing efforts in Afghanistan and specifying the importance of Central Asia’s role in securing the broader region and working more closely with the NATO allies, which are on the front line against radical Islamist threats.
- A commitment to renewing the CFE treaty and its conventional arms control stipulations 10 years after the Istanbul conference. Unilateral suspensions of compliance with CFE stipulations undermine regional security and the OSCE’s security dimension.
- Formulating and issuing a new OSCE Security Charter that specifies the common principles and goals of the organization and the basis of cooperation with other multinational organizations. If there is no consensus on such basic OSCE principles then the prospects for some grander European or Eurasian security pact are simply nonexistent.

Protracted or Unresolved Conflicts

Kazakhstan is inheriting a number of unresolved conflicts on its OSCE agenda. In Europe’s East, Moscow has vetoed the continuation of OSCE and other international missions and field presences, forcing their closure, including the Georgia Border Monitoring Mission in 2005, the OSCE Mission in Georgia with field presences in South Ossetia and Abkhazia in 2009, and the UNOMIG in Abkhazia in 2009, or reducing them to irrelevance as in Moldova/Transnistria from 2006 until now.
The OSCE is the lead organization responsible for conflict settlements in Moldova and in Georgia’s South Ossetia region. In Moldova’s region of Transnistria, the OSCE mission’s core mandate since 1993 has been “to promote a resolution of the conflict based on Moldova’s territorial integrity.” The mission has been unable to promote that goal during its 16-year existence and failed to find an acceptable solution through a planned federalization of Moldova. Since 2005, the OSCE in Moldova is part of a multilateral conflict-negotiating settlement framework known as “5 plus 2” involving Russia, Ukraine, the OSCE, the United States, the European Union, Moldova, and Transnistria. However, this process has also been largely frozen, thus presenting a daunting task for the next OSCE chair.

In Georgia, it is not entirely clear what kind of situation Kazakhstan will inherit as there is no certainty whether there will be any OSCE mission for South Ossetia. While Georgia wants one mission for the entire country, Russia seeks to have two OSCE missions: one for Georgia based in Tbilisi and a different mission based in Tskhinvali, South Ossetia. This format would implicitly grant the separatist authorities international recognition. The position of the United States and the Greek OSCE chairmanship is that any arrangement must not question Georgia’s territorial integrity. It seems that there is a critical mass of countries in the OSCE that would rather keep the Georgia mission closed rather than splitting it into two separate missions.

**Central Asia**

Conventional security problems in Central Asia such as competition over water and mineral resources, border disputes and interethnic relations generate conflict potential in the region. These problems can be addressed through effective regional cooperation, but there have been serious difficulties associated with cooperation between the five Central Asian states. Border problems continue to impede the development of regional security. The international community must approach the issues of border delineations as an urgent matter as they generate interstate tensions. Meanwhile harsh economic conditions can further complicate the fragile interethnic relations in the Ferghana Valley and generate new conflicts.

The regional arms race that has taken root in Central Asia is another potential threat to security. In 2007 alone, military spending in Kazakhstan, Uzbekistan, and Turkmenistan rose by 48 percent. The bulk of the money is spent on heavy weapons, fixed-wing planes, and navy vessels, many of which were acquired from NATO countries and in cooperation with NATO-endorsed military modernization plans. However, the danger of intraregional armed conflict is not seriously analyzed in official documents. The only exception is Kazakhstan’s Military Doctrine of 2000, which mentions the “probability of diminished regional security as a result of excessive increase in qualitative and quantitative military might by certain states.”

A Kazakh-led OSCE could shift the emphasis of regional security to confront such issues as border delineation and monitoring, water management, and other challenges for regional cooperation. Issues of water security have risen to the forefront of public debate. Disputes over water derive from Soviet practices and Central Asia’s inability to find a basis for cooperation.
Water issues may develop over time as the primary source of interstate conflict in Central Asia. Consequently, disputes between upstream and downstream states have become perennial. European institutions have also spoken out on water security. A multilateral negotiating forum could be an appropriate venue for promoting solutions. The UN Regional Center for Preventive Diplomacy in Ashgabat has launched an internationally supported initiative to facilitate water disputes and resolve water crises in the region; as the OSCE chair, Kazakhstan can contribute to this effort.

Unfortunately, the absence of regional cooperation, where for most states security primarily means domestic stability, has encouraged great power rivalry in Central Asia. In some respects, such rivalry contributes to security by inducing external actors to provide important economic, military, and political resources. Nonetheless, Central Asian states must generate economic development in order to satisfy the enduring internal competition among the clans and factions that dominate Central Asian politics. Such balancing acts might prove hard to sustain during the ongoing economic crisis.

State failure anywhere in the region could trigger great power rivalry as competitors seek to fill security vacuums. Weak states will face the risk of unilateral or competing foreign interventions. Russia has already forged contingency plans for such a threat in Kyrgyzstan and elsewhere in Central Asia that links potential state collapse with the threat of state dismemberment. If Kazakhstan’s leadership of the OSCE is to have substantial regional resonance, it must act with its neighbors and other partners to curb the risks of state failure and external intervention.

Afghanistan

For many analysts the most urgent external threat to Central Asian security is the specter of NATO’s failure in Afghanistan or indefinite counterinsurgency operations. We have already witnessed terrorist attacks and border incursions in Uzbekistan by Uzbek guerrillas trained in Afghanistan. The most endangered region is the Ferghana Valley, an area ripe for unrest given the combined effects of economic crisis, ethnic complexity, and unpopular governmental policies. The conjunction of economic crisis, the spillover effects of the war in Afghanistan, and the insurgency in Pakistan could combine to generate a growing regional security crisis. Indeed, virtually all the CIS countries are raising their military budgets to meet such potential challenges or are receiving military aid from Russia or the United States.

Kazakhstan is clearly worried about the outcome of the war in Afghanistan. The Ministry of Foreign Affairs has urged the SCO, CSTO, and NATO to collaborate in the face of mounting threats. The SCO and CSTO have launched some initiatives: at its March 2009 meeting the SCO adopted a program to intensify efforts against drug flows from Afghanistan and adopted some security precautions against terrorism. At a meeting of defense ministers in Moscow on April 29, the SCO called for greater defense cooperation among members, reiterated the commitments made in March, and decided to expand cooperation with observer states including Afghanistan, Pakistan, India, and Mongolia. Russia may seek to use the CSTO to strengthen its military
position in the region and the CSTO’s overall international standing while weakening NATO interactions with the Central Asian capitals. This could place the Central Asian states in a difficult position in seeking to minimize the threat from Afghanistan while maintaining their sovereignty and independence.

Russia’s proposals for a new “European security architecture” will need to be discussed within the OSCE during Kazakhstan’s chairmanship, and a formula may need to be found for involving the CSTO in the process. NATO states remain opposed to conferring the status of a regional security provider for CSTO as this could diminish Central Asian independence and undermine Kazakhstan’s “multi-vector” foreign and security policy.

**Countering Drug Trafficking and Transnational Crime**

A major OSCE activity has been to help former Soviet bloc countries curb illicit trafficking in drugs, small arms, and people. The OSCE has also sought to counter terrorist financing and other transnational criminal activities. OSCE projects in support of these objectives have included strengthening the security of travel documents and border controls as well as improving police training, equipment, and oversight. This latter initiative began with an August 2003 agreement with the Kyrgyz government and soon extended to other Central Asian countries. The OSCE’s Special Police Matters Unit believes that this project can bolster government abilities to counter terrorism and other illegal activities, while curbing corruption and law enforcement abuses against citizens’ rights and freedoms. Its Forum for Security Cooperation has succeeded in encouraging OSCE members to adopt stricter export controls on small arms, light weapons, and man-portable air defense systems (MANPADS).

One of the OSCE’s long-standing security priorities has been to reduce the export of narcotics from Afghanistan. A major drug route passes from Afghanistan through Central Asia and into Russia and Europe. The porousness of borders between Russia and Central Asia facilitate the smuggling of narcotics and other contraband. The Taliban and al Qaeda have also used their positions in Afghanistan to support other Eurasian terrorist movements, especially the Islamic Movement of Uzbekistan and its various offshoots. The OSCE has several programs designed to assist the Afghan government to counter regional narcotics trafficking and terrorism. The November 2007 Ministerial Council approved an increase in the OSCE’s engagement with Afghanistan, with a particular focus on helping secure and manage the borders between the OSCE’s Central Asian countries and bolstering the country’s counternarcotics efforts. As OSCE chair, Kazakhstan will help shape the OSCE’s initiative launched in 2007 to train antinarcotics police in Afghanistan and its Central Asian neighbors.

Illicit region-wide drug trafficking threatens the political stability and economic development of Kazakhstan and other OSCE members. The region’s governments have called for a multinational effort to revitalize the Afghan economy and provide alternative means of livelihood to narcotics production. Afghanistan’s long-term economic viability depends on the development of improved transportation and communications networks that would better integrate the country
into regional economic processes. Given that Eurasian narcotics trafficking is one of the region’s most integrated transnational industries, the Kazakh government has stressed the need to harmonize regional counternarcotics efforts, which presently involve a plethora of overlapping and poorly resourced national and multinational programs. Kazakhstan is well positioned to accomplish this integration since it participates in the major counternarcotics activities conducted by the CIS, CSTO, SCO, European Union, NATO, United Nations, and the OSCE.
The most important issues within the OSCE’s economic and environmental basket include economic development, infrastructure improvements, commercial exchanges, scientific and technical collaboration, tourism and migration, and ecological threats such as air and water pollution. The OSCE addresses economic and ecological problems both as the potential sources, as well as the consequences, of conflict.

Through the Helsinki Final Act and other agreements, OSCE countries have pledged to foster free market economies and enhance economic cooperation. With respect to the environment, member states have agreed to collaborate by sharing information related to ecological issues, enacting measures aimed at addressing transboundary air and water pollution, and supporting maritime protection initiatives. Due to funding limitations and other constraints, the OSCE has often supported these principles by cooperating with other multinational institutions, such as the better-resourced United Nations, or by convening meetings, especially the annual Economic and Environmental Forum, where OSCE members can offer advice and pledge funds for projects it supports.

The 1990 Bonn Conference on Economic Cooperation in Europe established the foundation for many of the OSCE’s subsequent economic and environmental activities. The newly independent governments of the former Soviet bloc acknowledged the need to integrate their national economies into the global economy and to ensure the rule of law and the development of transparent and stable legal systems in the economic sphere. Other OSCE states pledged to assist them in achieving this transition on the premise that the absence of the rule of law and good governance, and the persistence of corruption, poverty and unemployment, exacerbate other security threats by contributing to transnational radicalism and criminality. In their concluding document, the signatories committed to support market economic principles, economic freedoms, and environmentally sustainable growth and development. The Bonn text affirmed that OSCE members shared the common objectives of sustainable economic growth, rising living standards, the efficient use of economic resources, and environmental protection.

As OSCE chair, Kazakhstan can play a role in reinvigorating the organization’s contribution toward addressing the economic and environmental challenges confronting the former Soviet bloc states as well as other OSCE members. Specifically, Kazakhstan could advance OSCE-wide interests by supporting Central Asia’s deeper economic integration in trans-European networks, encouraging improved commercial practices throughout Eurasia, using OSCE energy information mechanisms to encourage consideration of diverse Eurasian energy options, strengthening cooperation among OSCE governments and other institutions in managing the migration crisis.
caused by the global economic slowdown, and working toward amelioration of environmental hazards affecting Central Asia’s water supply.

Realizing this ambitious agenda will not be easy. Like other OSCE members, Kazakhstan has suffered from the economic slowdown and the global financial crisis. Trade and investment flows have declined throughout the OSCE region, worsening the conditions of migrant workers. Many of these laborers have returned home, depriving their families and governments of repatriated income and contributing to surging unemployment in their countries of origin. The OSCE began to address this problem during the 2009 Economic and Environmental Forum, which was dedicated to “Migration management and its linkages with economic, social and environmental policies to the benefit of stability and security in the OSCE region.” Kazakhstan will need to expand on this work to see how the OSCE, in cooperation with other international agencies, can contribute to a regional approach in addressing retraining, employment, and social challenges associated with a loss of income and the return of labor migrants.

After joining the OSCE, newly independent countries found it difficult to cooperate in the economic and environmental arenas. They have experienced recurring conflicts related to borders, trade, visas, transportation, illegal migration, and natural resources such as water and gas. Kazakh leaders have sought to diminish these confrontations and recognize the inherent regional linkages between security and economic development. Economic, political, and security problems in one country can negatively affect Kazakhstan and other neighbors by discouraging foreign investors, disrupting region-wide trade and tourism, and generating refugees and other migrants.

The projected effects of climate change in Central Asia indicate a growing shortage of water, which is likely to have a devastating impact on the region’s economy and could lead to escalating conflicts over water. During its CiO, Kazakhstan will be uniquely placed to take a leadership role in establishing a platform for working with other concerned international agencies to foster regional cooperation in dealing with these destabilizing developments. This can be accomplished by pursuing closer relations with all neighbors—including China—and through the opportunity to develop the OSCE’s role in providing a forum for cooperation and exchange of information and technology.

Kazakhstan’s priorities for its CiO can include reinforcing the OSCE’s commitment to developing transportation and transit corridors linking the Central Asian countries with one another and with other OSCE states. Kazakhstan’s role can include better integration of OSCE efforts in this area with those of other international actors, such as CAREC, the ADB, EBRD, and the World Bank, which are all actively engaged in improving these transport and trade corridors.

Advancing the Energy Security Dialogue

As an important oil producing and transit country Kazakhstan can play a significant role in the advancement of the OSCE energy security dialogue. The 2006 OSCE Ministerial Council adopted
in Brussels a “Decision on Energy Security Dialogue,” which assigns the OSCE Permanent
Council (PC) and the OSCE Secretariat the task of promoting dialogue on energy security,
including producing, transit, and consuming countries. The OSCE concept of energy security
goes beyond security of supply to include security of demand and security of transit, as well as
energy efficiency. The OSCE’s energy security dialogue aims to support rather than supplant
existing frameworks. It has neither authority nor influence over bilateral or multilateral
negotiations between states. The pricing, transit routes, and contract terms are decided in closed
bilateral settings, where the OSCE has only observer status.

The energy sector has experienced an unprecedented and extremely volatile period in the past few
years. However, there are plenty of common interests among both consuming and producing
countries, including price stability, investment protection, and extensive investments that are
required in this sector.

Consuming countries are worried about supply security, but producing countries are also worried
about market access, transit issues, as well as transitioning to a low-carbon economy—and the
role that oil and gas supply will continue to play while this transition is taking place.

As a major producer of oil and gas and a major transit provider, Kazakhstan can make a unique
contribution to this dialogue. Kazakhstan is situated at the heart of the emerging network of
energy pipelines traversing Eurasia. While desiring to retain strong economic and security ties
with Russia, Kazakh leaders also want to diversify their portfolio of energy purchasers by
increasing their energy export options. The Kazakh government’s “tout azimut” approach
envisages Kazakh energy flowing westward to Europe through the Caucasus, eastward to China
through its Central Asian neighbors, and southward through Iran to South Asian markets. In
order to make a significant contribution, Kazakhstan needs to focus on an approach that will bear
fruit during its OSCE chairmanship.

One challenge to Kazakhstan’s leading role within the OSCE energy dialogue has been the
government’s continuing interest in establishing an “energy club” within the SCO. In August
2007, President Nazarbayev proposed creating a SCO energy agency to maintain an oil-and-gas
database, as well as another SCO body to manage energy transactions among member countries.
Within this framework, oil and gas exporters such as Kazakhstan, as well as Iran, Russia, and
Uzbekistan, would provide reliable energy supplies to China, India, Kyrgyzstan, Pakistan,
Mongolia, and Tajikistan. The Russian and Iranian governments have offered similar proposals
within the SCO framework, but such a privileged arrangement would appear to violate OSCE
precepts by discriminating against excluded states.

Kazakhstan is now becoming a lead player in global efforts to establish a “nuclear fuel bank” in
which countries that do not develop their own fuel manufacturing capabilities can “borrow”
uranium fuel for their power reactors from an international repository. On April 6, 2009,
Kazakhstan’s president announced his interest in hosting such a bank during a meeting in Astana
with Iranian president Mahmoud Ahmadinejad. Many IAEA member governments and nuclear
energy managers have endorsed this initiative because such a structure would remove an
incentive for countries to develop their own uranium enrichment capabilities and other technologies that could be used to manufacture atomic bombs. Supporters of creating an IAEA-supervised nuclear fuel bank calculate that it might help resolve the dispute over Iran’s nuclear program.

Kazakhstan has certain attributes that could make it a good candidate for such a fuel bank. First, it is a major player in the international uranium market. The country has enormous stocks of natural uranium (approximately one-fifth of the world’s proven reserves), is set to become the largest national producer of uranium, and exports uranium to many countries. Second, many states are justifying their decision to develop indigenous nuclear enrichment capabilities on the grounds that they do not want to become vulnerable to foreign suppliers for nuclear fuel, citing especially the risk of politically motivated supply cutoffs. The Kazakh government’s longstanding “multi-vector” policy of maintaining good relations with all countries means that other capitals may feel comfortable depending on nuclear fuel provided by Astana. Kazakh officials support the right of other countries to pursue nuclear energy for peaceful purposes. Finally, Kazakhstan has established a strong nonproliferation record by eliminating or transferring to Russia all the nuclear weapons it inherited from the Soviet Union. Kazakhstan has joined the Nuclear Non-Proliferation Treaty and the Nuclear Suppliers Group, which requires adherence to export guidelines designed to minimize proliferation risks.

However, certain domestic and international concerns about Kazakhstan hosting a multinational nuclear fuel bank persist. Public opposition to nuclear activities remains high in Kazakhstan given the horrific legacy the country inherited from the Soviet Union. During the Cold War, the Soviet government used the Semipalatinsk facility in eastern Kazakhstan to test hundreds of nuclear bombs, which polluted much of the surrounding environment and left thousands of people suffering adverse medical consequences. Ensuring ecological and environmental security should be the government’s principal concerns in deciding a location and construction program for a possible nuclear fuel bank.

Enhancing Commerce and Economic Development

The OSCE’s commitment to improving international trade and transport as a means of promoting economic development and commercial cooperation is rooted in the Helsinki Final Act (1975), the Bonn Document (1990), and the Maastricht Strategy Document for the OSCE Economic and Environmental Dimension (2003). The Belgian chairmanship devoted special attention to the OSCE’s economic and environmental activities, culminating in the adoption of at the annual Ministerial Council in Brussels (2006) of “Decision No. 11/06 on Future Transport Dialogue in the OSCE.”

Most economists believe interstate commerce throughout Eurasia remains considerably below optimal levels, with bilateral and multilateral relationships characterized by widespread undertrading due to poor policy choices, excessive customs duties, weak regional economic infrastructure, and the absence of a free trade zone or common membership in the World Trade
Organization (WTO). According to the 2005 UN Human Development Report, greater cooperation among the core Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan could yield 50 to 100 percent increases in their citizens’ average incomes over the next decade.

Perhaps the most serious problems are Eurasia’s undeveloped transportation, communications, and other commercial networks and the lack of uniform trade and tariff conditions, which result in lengthy paperwork and wasted time and resources when goods and people move across national borders, making transit times much longer than those along other routes or in more developed countries. Much of the infrastructure is oriented in a north-south direction due to the legacy of the integrated but autarchic Soviet economic model. The countries of the region, along with other OSCE members, would benefit from improvements in east-west transportation, communications, and energy links connecting Asia and Europe, as well as the harmonization of their border transit policies.

OSCE members have promoted various policies designed to enhance economic development and commerce in the region. The United States has supported Central Asian economic integration through the U.S.-Central Asia Trade and Investment Framework Agreement (TIFA) process. Through TIFA, the United States and the five Central Asian countries identify means to overcome impediments to intraregional trade, economic development, and direct foreign investment. The U.S.-Central Asian TIFA commits the parties to meet at least once a year where representatives from the governments of Afghanistan, India, and Pakistan also participate.

Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, and Uzbekistan, as well as six multilateral institutions (Asian Development Bank, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, UN Development Program, and the World Bank), have pooled their resources through the Central Asia Regional Economic Cooperation (CAREC) Program. This initiative focuses on promoting economic cooperation among its participants in the areas of transport, trade, and energy. At the November 2007 summit in Dushanbe, the participating governments approved a multibillion dollar Transport and Trade Facilitation Strategy to promote the construction of substantial transportation infrastructure—including both road and rail links—connecting countries within the region, as well as with the rest of Eurasia.

Kazakhstan has sought to realize its potential as a land-based transportation hub through participation in regional economic integration initiatives but has lamented Eurasia’s failure to achieve deeper economic ties. Astana can provide impetus for regional economic integration and enhance its own development as a more attractive market for foreign investors. An important element in this strategy is to make Kazakhstan more internationally competitive in nonenergy sectors.

The Kazakh government has launched a “Road to Europe” program to prepare the country for the economic and political challenges and opportunities the OSCE chairmanship will present. One dimension of the program is to broaden and deepen the government’s domestic economic
reforms. An important element in this strategy was the creation in 2001 of the National Fund, under the direct authority of the Kazakh president. The fund collects revenue by taxing the country’s commodity exports. The government uses these resources to finance projects aimed at strengthening the country’s economic infrastructure, especially in nonenergy sectors. More recently, the government has launched its “30 Corporate Leaders” project to promote the development of state-run holding companies and “breakthrough macro-projects” in leading-sector industries—such as petrochemicals, metallurgy, and bio-energy—to make Kazakhstan more internationally competitive in nonenergy sectors. The government also spends heavily on education to make the nation more competitive. For example, Kazakh officials want to increase knowledge of English, the language of international business. The Bolashak scholarship program allows up to 3,000 students each year to study at elite foreign universities at Kazakh government expense.

In 1997, President Nazarbayev issued “Kazakhstan 2030,” a long-term strategy for developing the country. In 2006, the government established a “Kazyna” state fund to support projects in nonextracting sectors. The intent of this and other initiatives is to decrease the share of extracting industries in the national economy and expand the size of processing industries, the service sector, the agro-industrial sector (Kazakhstan is a leading grain exporter within the Caspian region) and a range of high-tech exports.

The Kazakh government has underscored that promoting reliable transport and transit corridors through landlocked Central Asia will be a major objective of its OSCE’s chairmanship. This requires facilitation of agreements between neighboring countries, improvements in transportation security, reliable and transparent customs, and enhanced training for officials at border crossings. Kazakhstan has already started consultations with other participating states on the theme of the 18th annual OSCE Economic and Ecological Forum: “Promoting good governance at border crossings, improving security of land transportation and facilitation of international transport by road and rail in the OSCE region.”

Kazakhstan could also use its affiliation with Eurasia’s multinational institutions to help integrate OSCE efforts to improve regional trade and transportation networks with those of the CIS, Eurasec, SCO, TIFA, CAREC, and financial institutions such as the World Bank and the Asian Development Bank. Kazakh officials could also continue their efforts to resolve regional conflicts that inhibit Eurasian trade and transport. Kazakhstan, like the rest of Eurasia, is adversely affected by the confrontations over Nagorno-Karabakh, Georgia, the Caspian Sea, and others. As long as these conflicts threaten to flare up again, some foreign investors will shun the region. In addition, the economic sanctions imposed on countries due to these conflicts prevent realization of potentially valuable trade and transportation links. Until resolved, the war in Afghanistan will present a major impediment to regional economic activities.
Promoting Commercial Legal Reforms

One core OSCE objective is to develop a positive climate for foreign investment by promoting good governance and combating corruption, trafficking, money laundering, and other transnational crimes. The government of Kazakhstan seeks large-scale foreign direct investment to generate domestic employment, finance improvements in the country’s energy and transportation infrastructure, and access superior technologies and business practices. Kazakh officials agree with the OSCE premise that enticing more foreign investors requires upholding proper commercial and legal standards within their neighborhood.

The Kazakh government is seeking to strengthen the role of independent directors in national companies throughout Eurasia. Kazakh legislation now requires that at least one-third of board members in a joint stock company are independent. In November 2007, Almaty hosted the first Summit of CIS Independent Directors. The participants shared their experience in introducing Western business practices. Although Kazakhstan needs to introduce more comprehensive domestic reforms in reducing corruption, promoting transparency, and achieving other commercial improvements, its OSCE chairmanship will position it to support parallel efforts among neighboring OSCE countries.

The Kazakh government needs to introduce more comprehensive domestic legal reforms aimed at reducing corruption, promoting transparency, making tax laws more consistent, eliminating national monopolies and other barriers to entry, ensuring opportunities for nongovernmental organizations and other stakeholders, enforcing environmental laws and regulations, and achieving other commercial and ecological improvements. Yet, the fact that some Kazakh companies have been listed on international stock exchanges, including the London Stock Exchange, testifies that certain national firms have achieved world standards for corporate transparency and other commercial practices.

In addition to creating a more attractive environment for foreign investors in their own country, Kazakh officials also seek to create a more favorable business environment for Kazakh companies in other OSCE countries. Kazakhstan’s relative economic prosperity during the past decade has enabled many Kazakh firms and entrepreneurs to acquire the means to invest abroad, especially by buying shares of foreign companies. Kazakhstan’s transformation into a state with extensive capital investments in foreign countries has prompted its government to promote legal and other commercial reforms among OSCE members.

Managing Migration Flows

The OSCE’s comprehensive security approach is applicable to the interlocking economic, social, cultural, and security implications of migration. A major OSCE concern has been to ensure the rights of migrant workers—to avoid their treatment becoming a source of interstate conflict. The end of the Cold War led to a relaxation of barriers to movement within the OSCE region. Many member states have become countries of origin, transit, or destination for labor migrants. The
OSCE Strategy for the Economic and Environmental Dimension (adopted at Maastricht in 2003) further developed OSCE policies in this area. Since the 2005 Slovenian OSCE chairmanship, the Office of the Coordinator of OSCE Economic and Environmental Activities has assumed the lead role in dealing with migration issues.

Much of the work conducted in this area follows guidance from the 2006 OSCE “Ministerial Decision and Statement on Migration.” Migration management and security issues continued as a Basket II priority under the 2009 Greek OSCE chairmanship. “Migration management and its linkages with economic, social, and environmental policies to the benefit of stability and security in the OSCE region” was selected as the theme for the 17th annual OSCE Economic and Environmental Forum by the participating states.

OCSE’s policies aim to alleviate the negative human and economic effects of international migration, promote coherence between migration and economic development policies and generate employment opportunities for migrants to offset decreasing remittances. The organization’s long-term goals are to promote cooperation between originating and destination countries, enhance international awareness of migration issues through the exchange of information among governments, and improve understanding of the future impact of climate change and other environmental developments on migration. The OSCE’s wide reach provides member states, as well as the OSCE’s Asian and Mediterranean partners, with a broad forum for advancing dialogue, sharing experiences, and pursuing cooperative initiatives that integrate migration with other security issues. The OSCE field operations can also support tailored migration projects within their areas of responsibility.

The global economic slowdown has induced many labor migrants to return, often involuntarily, to their country of origin. A particular problem has been the impact of the return of thousands of migrants from Russia to Central Asia on surging unemployment levels. Decreasing foreign remittances to support families has led to a dramatic increase in the number of Central Asians suffering from inadequate income levels. Additionally, those Central Asian workers remaining in foreign countries have experienced increased discrimination and other negative treatment.

Although Central Asian laborers have traditionally sought employment opportunities in Russia, Kazakhstan has also emerged in recent years as an important center of attraction for labor migrants from other Central Asian countries, as well as from Russia and China. The country’s socioeconomic conditions, political stability, and interethnic relations have pulled laborers from the surrounding regions. Negative factors in nearby Central Asian countries—including excess labor resources, low workers’ compensation, unemployment, and underemployment—encourage workers to migrate to Kazakhstan. Astana considered the migration issue sufficiently important to select it as a priority issue for the CIS in 2007, the year Kazakhstan held the CIS presidency. However, most of these workers were forced to return home by the global economic crisis—a development that raised concerns for social stability in Kazakhstan’s neighborhood.

As OSCE chairman, the government of Kazakhstan, which in prosperous times has hosted about 1 million foreign workers, could work to enable the OSCE, in cooperation with other
international institutions, to address the retraining, employment, and social changes associated with the loss of income from returning labor migrants. The OSCE can also pursue additional initiatives to strengthen border management and reduce illegal immigration. Under Astana’s leadership, it could develop a standardized database of migrants; encourage accountability in upholding the rights, welfare, and social integration of migrants; and promote closer cooperation between employment agencies in countries of origin and destination states to improve labor market assessments.

**Water Management**

The OSCE has sought to address the water management problems in Central Asia. For example, in September 2007, the OSCE Center in Astana organized a three-day meeting of representatives from the water authorities, other government agencies, and private sectors of Kazakhstan and Kyrgyzstan to discuss deepening bilateral cooperation on joint water management. This session resulted in the creation of a joint Transboundary Chu-Talas River Basin Council. The council serves as a venue for discussing commercial and environmental questions among all the interested stakeholders. Like many OSCE projects, this one also aimed to enhance political relations among participating countries by reducing a possible source of conflict and encouraging collaboration on mutually beneficial projects such as water management.

Another water management issue of great concern to Kazakhstan and its neighbors is the fate of the Aral Sea. What was once the world’s fourth-largest inland body of water and an abundant source of fish has become a catastrophe. Starting in the 1960s, growing consumption due primarily to increased irrigation has diverted considerable water from the sea’s tributaries, the Amu Darya and Syr Darya Rivers. The decreased inflows would exacerbate natural evaporation. The water level of the Aral Sea fell dramatically while its surface area shrunk to less than one-quarter of its original size. By the late 1980s, the Aral Sea had split into a small lake in the north and a larger water body in the south. The resulting increase in the salinity of the water decreased crop yields, destroyed forestry, and created other ecological problems. The Amu and Syr Darya deltas, where some 4 million people live, are threatened by desertification, poor drinking water, dust storms, and additional environmental threats.

In response, the five Central Asian governments created the International Fund for Saving the Aral Sea (IFAS) in 1993. Each of them contributes funding from their state budgets to the fund, whose managers also seek third-party support. The IFAS, which in 1997 incorporated other Aral Sea intergovernmental bodies, uses these funds to support projects to rehabilitate the Aral Sea Basin, promote socioeconomic development, improve the health of the region’s inhabitants, increase conservation and water use efficiency, and protect the environment.

The projected effects of climate change suggest Central Asia could see further water shortages—already a perennial problem in western Uzbekistan—that will adversely affect the region’s economies and potentially lead to water-related conflicts. The Intergovernmental Panel on Climate Change, a UN-affiliated body, has led efforts to develop climate change models applicable
Kazakhstan can use the opportunity provided by its OSCE chairmanship to pursue complementary efforts within its framework. In all water management areas, Kazakhstan can help achieve collective problem management by working through the OSCE to harmonize the role of numerous international actors engaged on the issues. These have included the World Bank, several bodies affiliated with the United Nations, and national governments including the United States. The limited economic, technical, and other resources available to the OSCE mean that its role should generally be that of supporting other better-endowed organizations engaged on the issue, especially the United Nations.

Challenges

The Kazakh government is developing an ambitious economic and environmental agenda for its OSCE chairmanship. However, the global financial crisis has simultaneously encouraged Kazakh leaders to think boldly while threatening to deprive Kazakhstan and the OSCE of the means to realize these ambitions.

Kazakhstan itself has suffered heavily from the world economic crisis. The country’s previously robust rate of growth has decreased considerably. Experts forecast 1 to 3 percent annual GDP increases in 2009 and 2010, as compared with almost double-digit growth rates before 2008. The construction sector, which employs many Kyrgyz and Uzbek migrants, has been especially hard hit. Kazakhstan’s leading corporations and banks, vulnerable due to their high indebtedness to foreign lenders, have suffered huge losses and can no longer afford new buildings. The fall in world oil prices, still Kazakhstan’s main export earner, has deprived the government of considerable revenue. Inflation remains stubbornly high. Kazakh authorities have drawn heavily on their currency reserves and economic development funds to support threatened sectors. They have spent several billion dollars purchasing shares in the country’s largest bank while suspending road building, construction, and other non-urgent infrastructure projects.

The crisis might help strengthen the Kazakh economy in the long term by curbing foreign borrowing and real estate speculation. However, the near-term danger is that Kazakhstan’s domestic problems may distract its leaders from advancing their OSCE agenda. The creation of the customs union with Russia and Belarus could also negatively preoccupy Astana.

At a minimum, the challenges facing the OSCE region require the Kazakh government to pursue a well-integrated action plan that concentrates on those Eurasian problems best addressed within an OSCE framework. Eurasia has many economic and environmental difficulties; some of which are best managed through other cooperative frameworks. In particular, the Kazakh government must avoid the temptation to launch OSCE projects that cannot be sustained because they are not economically viable. Kazakhstan has unique assets—vast energy resources, a balanced foreign policy, a Central Asian regional perspective, and a government predisposed to supporting
transnational cooperation that could allow Astana to make a significant contribution in advancing the OSCE’s economic and environmental goals.
4 OSCE HUMAN DIMENSION

The two major challenges that Kazakhstan faces as CiO are: first, preserving the autonomy and strengthening the mandate of the human dimension body, the Office of Democratic Institutions and Human Rights (ODIHR), which has been contested by some participating states with the purpose of diminishing its role; and, second, advancing its domestic reform agenda in the area of human rights, including civil and political rights. In chairing the OSCE during 2010, the country’s leaders recognize that they have placed their own domestic political life under close international scrutiny.

Kazakhstan has made a commitment to defend the mission and mandate of ODIHR as CiO. There will be challenges to the principles of ODIHR where Kazakhstan will be tested, but it is important to stress that the core mandate of ODIHR can only be changed with the consensus of all 56 participating states.

Domestically, Kazakhstan has committed itself to making progress in systemic reforms by democratizing its political system. Civil society is maturing in Kazakhstan, and political debate is becoming increasingly evident in political life, albeit in what is still essentially a one-party system or a weak multiparty state. Kazakhstan needs to concentrate its efforts on further developing its legal system to support the development of a multiparty polity. The country has adopted an ambitious human rights program and a long-term legal concept that should be implemented in the timeframe envisioned in these documents.

Kazakhstan has much to contribute in discussions about the OSCE’s human dimension, especially in the area that the government in Astana calls its concept of tolerance. Kazakhstan is a valuable example of a multiethnic society that is committed to interethnic and interconfessional coexistence and dialogue. It is a country that successfully completed the transition to independence at a time in which other multiethnic societies were fragmenting or even confronting civil war.

Challenges to ODIHR

ODIHR is facing numerous challenges related to its activities, field missions, and funding. As election observation is the core mission of ODIHR, it has become a point of controversy and dispute between Western democracies and Russia in particular, which has been joined by several CIS countries.
Election Monitoring

The observation of elections is an integral component of the OSCE democratization agenda. Several capitals view it as a controversial activity, especially since some governments experienced mass popular protests after holding elections that ODIHR and other observers deemed neither free nor fair. However, as important as observing elections is for the development of democracy, election monitoring alone does not lead to government collapse or systemic change. Such developments only occur when a critical mass of society is prepared to change its government and citizens feel thwarted by the election process rather than empowered by it. Election monitoring efforts also come under criticism for inconsistency when large missions are deployed to observe a highly charged election in one country while elections in another country, oftentimes equally undemocratic, are neglected. ODIHR does not observe all elections in the OSCE region for various reasons—including instances where a country has made insufficient progress toward democratizing its electoral process to warrant an election observation mission.

A growing division has emerged between governments that actively advocate the spread of liberal democracy and those that fear that it will destabilize their country or their neighborhood. In particular, there have been tensions between Moscow and many other OSCE countries due to differing evaluations of political developments in the former Soviet Union, which Russia regards as its sphere of privileged interests. The “Copenhagen Document on Human Dimension” adopted in 1990 established that humanitarian issues ceased to be simply domestic and established a mechanism to monitor them and guarantee human rights. Although Russia generally recognizes that OSCE standards should be implemented, it also claims that their observance should not be tailored to the interests of any individual group of states and that cultural, national, and other differences should be taken into account. This, together with subsequent issues raised in relation to election monitoring, have created the impression in many capitals that Russia and some CIS countries would prefer to take the OSCE \textit{acquis} back to where it stood before the “Copenhagen Document.”

As a result of these differing positions on whether the mandate of the OSCE grants the right to engage in what was traditionally the territory of domestic jurisdiction on human rights issues, ODIHR has suffered from numerous problems, including disagreement between Western democracies and CIS countries over election monitoring and on ODIHR’s budget. The most serious clash took place in 2004 over the presidential elections in Ukraine when OSCE reported that the election was rigged while CIS observers maintained that the election was conducted fairly. In early 2008, ODIHR cancelled plans to send observers to the Duma elections citing the imposition by Russia’s authorities of “severe restrictions” on the composition and duration of the planned mission, which would have made a standard long-term observation impossible.

This latter decision followed from a series of official statements made by Russian authorities criticizing the OSCE. In December 2007, Russia stated that the OSCE had yet to overcome its systemic crisis and threatened to cut funding for the organization. Russian officials argued that ODIHR needed comprehensive reforms and pressed for changes to address what it perceived as a
bias against participating states located “east of Vienna” with regard to election observation. Russia proposed placing limitations on ODIHR’s activities and putting the OSCE’s election-monitoring body under the control of participating states.

Moscow’s proposals called for reducing the size of the OSCE election missions to 50 or fewer people and limiting the number of monitors from any one country to fewer than 5 percent of that total. In addition, the observers would be barred from making public assessments of the vote until after government bodies had announced the official results. An OSCE meeting on election-related issues, organized by the Finnish chairmanship in July 2008, made clear that no consensus had emerged on these proposals. The member states of the European Union upheld the autonomy of ODIHR stressing that election monitoring “draws its credibility from two indissolubly linked elements: the autonomy conferred on ODIHR by the participating States, given that no one should be their own judge, and also the rigor and professionalism of the Office’s methodology.”

Western governments are encouraging the OSCE to redouble its efforts to promote democracy and human rights in the former Soviet Union, where, in their view, these values are threatened. In fact, preserving and strengthening the mandate and autonomy of ODIHR is viewed as a critical task by a number of participating states that have expressed opposition to any effort to diminish OSCE’s credibility, dilute the commitments of signatory states, divert OSCE’s attention from tough human dimension issues, or undermine the OSCE’s effectiveness on the ground.

Since Russia’s proposal was initially endorsed by Kazakhstan, along with five other CIS countries, observers have raised concerns that under Kazakhstan’s chairmanship the focus of OSCE may move from the human dimension to other OSCE baskets. The commitment that Kazakhstan made in Madrid to preserve and strengthen ODIHR allayed these fears and made possible its OSCE chairmanship in 2010.

It is important to note that the mandate of ODIHR cannot be changed by the OSCE CiO alone, because all decisions of the organization are consensus based. Thus only a unanimous vote of all OSCE participating states can modify ODIHR’s mandate regarding any of its established activities. It is clear that such consensus cannot be achieved given the widely diverging positions of Western democracies and Russia. Therefore, Kazakhstan will need to avoid getting bogged down in distracting and ultimately futile debates on changing ODIHR’s mandate.

Budget

The OSCE budget reflects the organization’s priorities for each year, and the distribution of funds is heavily influenced by the political preferences of participating states. The budget of ODIHR has been an object of debate amid various proposals for its reduction and restructuring.

In 2008, a fierce debate broke out about ODIHR funding, with the Russian Federation leading efforts to reduce the amount of money allocated to the human dimension office. The Russian Central Election Commission warned that Russia would stop paying annual contributions to the ODIHR budget. According to the Russian Central Election Commission, Russia has curtailed the ODIHR funding by nearly two fold in the last five years. Moscow has gradually reduced its
contributions to the OSCE budget from $7.5 million in 2005, to $6.8 million in 2006, to $5.9 million in 2007. However, in the last two years, Russia has not repeated its threat to reduce funding to ODIHR, and budgetary discussions within OSCE are focusing more on practical ways to spend scarce resources more effectively. At the same time, other countries’ budgetary contributions, including the United States, have also been declining in recent years. Participating states are facing serious challenges due to the economic crisis and the substantial military and humanitarian spending of many OSCE countries in Iraq and Afghanistan.

ODIHR’s Warsaw operations have been fully funded by the extra-budgetary contributions of participating states and often specific field office activities are also supported by such contributions. The personal representatives of the OSCE CiO on combating intolerance and discrimination are funded by extra-budgetary contributions as well. Several CIS countries have made proposals in the past to reduce the amount of extra-budgetary funding to the human dimension body, particularly for the activities of OSCE field missions located in Eurasia.

Field Missions
The 18 OSCE missions currently operating in the OSCE region are valuable sources of information on existing conflicts within the OSCE and allow the organization to react during conflicts and assist in post-conflict recovery. The missions also cooperate with the host country according to their mandates. The field missions provide consultations on draft legislation, assist in preparations for elections and conduct training on a range of issues from policing and border management to judicial reform and human rights.

The decision on setting up a field mission is adopted by the Permanent Council in agreement with the host state. The mandate period is usually 6 to 12 months with the possibility of extension. Members of the missions are seconded by OSCE participating states, while the head of the mission is appointed by the chairman-in-office. Presently, the OSCE field missions are located in the West Balkans and the CIS: 10 in Europe (7 in the Balkans and 3 in Eastern Europe), 3 in the South Caucasus, and 5 in Central Asia.

Some participating states (Russia, Belarus, Kazakhstan, and Kyrgyzstan) have raised concerns in relation to: (1) the geographical asymmetry of the field missions; (2) their excessive concentration on the human dimension; and (3) the intrusiveness of the missions—alleging that they encroach on the internal affairs of participating states. Claims that the missions overemphasize the human dimension and the OSCE has become a human rights watchdog are not based in fact. The missions have been involved in projects on water management, cross-border cooperation, police training, as well as in traditional OSCE initiatives such as arms control and conflict monitoring and rehabilitation. The most important role of the missions is to serve as instruments for cooperative security in all three OSCE baskets. However, they can only operate in cooperation with the host government, which sometimes limits their mandate and scope of activities. In some cases, OSCE field mission mandates have been suspended or obstructed by the host country.
The main task of the field missions is to support the government in developing its capacity to fulfill its OSCE commitments. Their presence and operations are based on cooperation with the authorities and rarely cause systemic confrontation with the host government. In many cases smaller and targeted missions with concrete tasks can achieve measurable success without any perception of intrusion in domestic politics.

The OSCE mission in Georgia was closed in 2009, because no consensus was reached in the Permanent Council to continue OSCE operations in Tbilisi after the Georgia-Russia war of August 2008. The mission was established in 1992 to promote peace talks between Tbilisi and the separatist republic of South Ossetia. The scope of its activities was later extended to include monitoring human rights developments and interethnic relations in Georgia as a whole, and liaising with UN operations in Georgia’s other separatist region of Abkhazia. The Greek chairmanship is making efforts to reopen the mission, but Russian opposition is preventing an agreement. The Kazakh chairmanship will inherit this problem and will need to seek a solution.

New Commitments
The OSCE’s role as standard setter in the field of human rights has diminished somewhat over the past years, as reaching consensus among participating states over new commitments has become increasingly difficult. Nevertheless, the OSCE has broadened the scope of its human dimension standards by adopting new commitments aimed to combat hate crimes, intolerance, and discrimination, to counter terrorism, and to combat trafficking in human beings.

At the meeting of the OSCE Ministerial Council in Helsinki in December 2008, a number of important new commitments related to the human dimension were adopted. Participating states agreed to increase their efforts to integrate Roma and Sinti communities, with a special emphasis on education. ODIHR has also organized and supported tolerance-related programs and projects in the fields of legislative reform, law enforcement training, capacity building for nongovernmental organizations, education on the Holocaust and anti-Semitism, and initiatives to counter all forms of anti-ethnic, racial, or religious prejudice, including Islamophobia.

Participating states have also agreed to strengthen criminal justice responses to trafficking in human beings through a more comprehensive approach, and to step up efforts to strengthen the rule of law in a wide range of areas. The OSCE continues to be the preeminent Europe-wide institution for confronting trafficking in persons. The OSCE’s geographic breadth helps to address the transnational nature of the problem, with much frontline work taking place in OSCE field operations. The CiO’s special representative and the OSCE Anti-Trafficking Assistance Unit (ATAU), as well as ODIHR, work to combat trafficking through specialized police training, legislative advice, and other assistance.

The OSCE participating states approved the “Plan for the Promotion of Gender Equality” in 2004. Since then the OSCE has sought to promote the plan throughout the OSCE region and within the organization itself. The Finnish OSCE chairmanship in 2008 highlighted the importance of
mainstreaming the gender perspective into all three dimensions of the OSCE’s work—the politico-military, the economic and environmental, and the human.

**Kazakhstan and the OSCE Human Dimension**

Kazakhstan’s slow progress in implementing OSCE democracy standards has been the main challenge to its chairmanship. Kazakhstan’s ability to lead by example, given its highly personalized and centralized political system, has been questioned by human rights organizations. In addition, past Russian attempts to diminish the role of ODIHR have spurred speculation that Kazakhstan’s chairmanship might be used by Moscow as a vehicle to achieve its goals to modify and weaken ODIHR’s mandate.

At the OSCE Madrid Ministerial Meeting in November 2007, which designated Kazakhstan as OSCE chair for 2010, Kazakhstan committed itself to protect the OSCE’s core human dimension mandate, including the autonomy and current mandate of ODIHR, and also to advance specific domestic political reforms before the end of 2008. The two issues, domestic democratic reforms and the preservation of ODIHR mandate, are related but distinct.

Regardless of the condition of its domestic democratization, Kazakhstan has the capacity to be a responsible CiO on the human dimension question with regard to preserving the functions of ODIHR. A country does not need to be a fully fledged democracy to have capable diplomats necessary for a successful chairmanship. Kazakhstan needs to deliver on its promise to chair responsibly according to the core OSCE principles. At the same time, other member states have the right and will continue to convince Kazakhstan to deepen its democratic reforms and strengthen the rule of law. Astana is already feeling the pressure to move faster on its democratization agenda. In 2009, the government introduced a major human rights program even though the year was marked by the adoption of a controversial Internet law and questions about the sentencing of a prominent human rights activist on vehicle-manslaughter charges.

The Kazakh *Mazhilis* (parliament) passed amendments to the laws on the media, political parties, and elections in 2008, but they were largely considered insufficient to meet the commitments made in Madrid. Following the adoption of the new legislation, the U.S. government stated that they marked a step forward on Kazakhstan’s path to democracy but urged Kazakhstan to take further measures to create the conditions for advancing political pluralism. Such a program must include legislation ensuring that all political parties are represented on independent electoral commissions and that registration hurdles for political parties are reduced. Kazakhstan was also encouraged to improve its media legislation to include the decriminalization of libel.

**Commitment to Liberalize the Media Law**

While Kazakhstan’s new media law has reduced administrative burdens on media outlets, the OSCE’s representative for freedom of the media has stated that the law still fails to meet several international standards. These standards include fully decriminalizing libel; delegating registration of media outlets to an independent body; abolishing laws criminalizing breach of
secrecy by citizens, including journalists; and abolishing the use of closure or confiscation of circulation as a penalty, among others.

In 2009, parliament adopted changes to several laws, including the media law, to regulate the content of all Internet sites distributed on the territory of Kazakhstan. Under these changes, Internet sites, which regularly distribute information to the public, are considered mass media and therefore subject to the restrictions of the media law. A court of law can order Internet providers to remove Internet content that violates the country’s laws. The grounds for suspending the distribution of mass media products through the Internet include: propaganda or agitation encouraging the violent overthrow of the constitutional order; propaganda promoting the country’s disintegration and undermining the security of the state; propagation of war, extremism, and terrorism; and publication of material and distribution of information aimed at kindling interethnic and interreligious animosities.

The amendments caused controversy and generated international criticism. The U.S. government has stated that in order to meet OSCE commitments to wider and freer dissemination of information and freedom of expression, a key aspect of which is access to the Internet, Kazakh law should secure such access for all citizens of Kazakhstan.

Commitment to Reform the Election Law

The amended legislation on elections preserved the relatively high threshold of 7 percent for political parties to enter parliament, but included provisions for a second party to send members to the Mazhilis. If only one political party receives 7 percent of the votes, the party with the next highest percentage of votes will receive seats in the parliament. The legislative changes have fallen short of providing for representation of opposition political party or civil society representatives on election commissions at all levels and granting the right to nongovernmental opposition groups to observe elections. Currently, Kazakhstan has a one-party parliament controlled by the presidential party Nur Otan. The parliament was elected in 2007, after changes introduced in May 2007 slightly enhanced parliament’s powers.

Commitment to Liberalize Political Party Registration Requirements

The law on political parties was amended to reduce the required membership for registration (from 50,000 to 40,000 members) but created new cumbersome procedures for registering the initiative committees of new political parties. The amendments created a two-staged registration process in which parties must register an organizational committee prior to registering a party, precluding parties from gathering signatures and holding a party congress until the organizational committee is registered. While Kazakhstan has a great deal of work to do in the area of political party development and pluralism, government officials have stated that this is only the beginning of the reform effort and that the democratization process will not stop with these changes.

As Kazakhstan’s government initiated a “follow-up mechanism,” providing for consultations with ODIHR experts on the implementation of political reforms recommended by the OSCE, the international community has an open window through which to assist and encourage the
authorities in Astana. Participating states likely will continue prodding Kazakhstan to move faster on domestic political reforms during the next year when the country chairs OSCE. The position of a chair has already made Kazakhstan more exposed to international scrutiny of its own democratic progress.

Core OSCE Commitment to Support Freedom of Religion
The government of Kazakhstan has taken some welcome steps to improve the situation of smaller religious communities in recent months, such as registering the Atyrau branch of Jehovah’s Witnesses and revoking court decisions that suspended the activities of three Jehovah’s Witnesses’ communities. In a positive development, the proposed restrictive law on religion adopted by the Mazhilis in 2009 was ruled unconstitutional by the Constitutional Council in February 2009.

OSCE Commitment to Promote Representation of National Minorities
As the OSCE chair, Kazakhstan will be in a pole position to focus on human security, specifically strengthening tolerance and nondiscrimination. The Kazakh authorities are proud of their efforts to ensure interethnic and interconfessional accord and view this as a significant achievement in the human dimension. There are 130 ethnic minority groups in Kazakhstan, and their assembly (the Assembly of Nations) is represented by nine deputies in the lower house of parliament. The parliamentary seats are reserved for representatives of the national minorities in a mechanism similar to practices of some parliaments in European countries intended to broaden ethnic representation. However, since the members from the minority groups are elected indirectly by the Assembly of Nations, and not by popular vote, this mechanism has been criticized by international organizations. The OSCE high commissioner on national minorities has stated that minorities should be allowed to elect their own representatives in a direct vote, with more than one candidate contesting each of the nine seats, and that mainstream political parties should be encouraged to field minority candidates in individual constituencies and to give them prominence on party lists.

In May 2009, President Nazarbayev signed a new program for reform, the “National Human Rights Action Plan 2009–2012,” which envisions substantial progress in the human dimension during the next three years. The plan was prepared in cooperation between the Kazakh government, nongovernmental organizations, the UN Development Program, and other UN agencies and partner organizations, including the OSCE Center in Astana. It was preceded by a baseline study and report on human rights in Kazakhstan that analyzed the national legislation, law enforcement practices, and compliance with international law provisions in human rights protection. The Human Rights Commission and the group working on the plan closely studied
the breath of international experiences. Kazakhstan has also supported the establishment and work of the UN Council on Human Rights and has initiated the Universal Periodic Review process, thus sending positive signals about its commitment to the human rights agenda. The proposed program presents a comprehensive strategy for reform in key areas—from political liberalization and media freedom to freedom of association and religious beliefs—and recommends further liberalization to the recently amended laws on elections, political parties, and the media.

The Action Plan corresponds with the provisions of the “Concept of Legal Policy of Kazakhstan for 2010–2020,” which was approved in September 2009 in order to define the main directions of legal policy. Representatives of civil society took an active part in the development of the concept. The concept is intended as a foundation for the development of programs in the sphere of legal policy and is projected to bring Kazakhstan’s legal system closer to international standards in such areas as the constitution, administration, taxation, customs, as well as civil, financial, and criminal law. It envisages reforms in law enforcement, the judiciary, and the protection of human rights.

During its chairmanship, Kazakhstan needs to continue pursuing dialogue and cooperation with civil society to implement the two programs according to the timeframe envisioned in the documents. Putting in place the planned changes in the legislation and other structural reforms as well as the full implementation of the Madrid commitments will demonstrate the government’s willingness to bring the country’s legal and political system in accordance with OSCE standards.

In reaffirming its “Path to Europe—2009–2011” program, which underscores Astana’s commitment to “joining the European integration experience and embracing its institutional and legal reforms,” Kazakhstan will find that the OSCE chairmanship provides a valuable opportunity to strengthen the ODIHR mechanism that promotes its own reform and integration process. Indeed, Kazakhstan can help in supplementing the ODIHR mission by proposing ways in which the office can more effectively monitor and promote a broad range of governance issues, including government accountability, transparency, implementation of the rule of law, and combating official corruption.

As the OSCE chair, Kazakhstan will be in a pole position to focus on human security, specifically strengthening tolerance and nondiscrimination. Kazakhstan’s own achievements in ensuring interethnic and interconfessional accord can serve as a basis for a broader campaign on tolerance within the OSCE. As the first Muslim country to chair the OSCE, its role will be particularly important to counter negative perceptions of Muslims in Europe. The recently appointed personal representative of the OSCE CiO on combating intolerance and discrimination against Muslims, Kazakh senator Adil Akhmetov can play a central role in this effort. With the respect the country enjoys among other Muslim countries in North Africa and the Middle East, Kazakhstan can also expand the OSCE’s Mediterranean Partners for Cooperation initiative that includes Algeria, Egypt, Israel, Jordan, Morocco, and Tunisia. These efforts will be
complimentary to the strategic objectives of the United States and European Union in the Mediterranean region.
5 RECOMMENDATIONS

General Principles

■ Avoid setting overambitious goals that could then fall short of fulfillment, but set realistic, relatively modest objectives that could succeed in making a difference; and
■ Maintain impartiality among OSCE members and principles.

Military and Security Dimension

Central Asia

■ Facilitate shifting the emphasis of regional security to confront such issues as border delineation and monitoring, water management, and other challenges for regional cooperation. Astana could help develop regional think tanks to openly discuss these issues and propose solutions that build mutual confidence and cooperation;
■ Work in coordination with the ongoing UN initiative on resolution of water management issues;
■ Offer a mechanism for multilateral resolution of outstanding border-delineation and border-management issues among Central Asian states;
■ Initiate mutual confidence-building measures and steps to mitigate regional arms races; and
■ Work with the United Nations and other organizations to enhance regional counternarcotics efforts.

Afghanistan

■ Promote programs fostering regionally coordinated economic reconstruction efforts in Afghanistan;
■ Contribute to harmonizing Russian, CSTO, SCO, and NATO activities in Afghanistan; and
■ Strengthen antinarcotics programs relating to both Afghanistan and Central Asia.

Europe

■ Defend the integrity of the OSCE against any attempts to evade its international commitments to state sovereignty, territorial integrity, and internationally recognized borders;
■ Foster consensus among OSCE participating states on the common sources of instability and insecurity and propose a platform to address them;
Support on-going OSCE efforts to help solve protracted conflicts in the OSCE area, including upholding the OSCE mission in Georgia; Promote and support the activities of the High Commissioner on National Minorities (HCNM) in Georgia and Ukraine’s Crimea; and Support the establishment of a field presence of the OSCE in the Crimea, starting with but not limited to the HCNM office.

**Economic Dimension**

- Raise within the OSCE the need for developing transportation and transit corridors linking the Central Asian countries with one another, European consumer countries, and world markets;  
- Place energy security in Europe and Eurasia as a topic of focus on the OSCE table by advancing the OSCE Energy Security Dialogue;  
- Assess how the OSCE might support a nuclear fuel service center in Kazakhstan given sufficient safety and ecological safeguards;  
- Help integrate OSCE efforts with those of the CIS, Eurasec, SCO, TIFA, CAREC, and financial institutions such as the World Bank and the Asian Development Bank that are supporting programs to improve regional trade and transportation networks;  
- Promote legal and other commercial reforms among OSCE members for the purpose of economic development;  
- Support tailored migration such as developing a standardized database of migrants; encouraging accountability in upholding the rights, welfare, and social integration of migrants; and promoting closer cooperation between employment agencies in countries of origin and destination states to improve labor market assessments; and  
- Use the opportunity provided by its OSCE chairmanship to pursue complementary efforts within the International Fund for Saving the Aral Sea (IFAS), created in 1993 by the five Central Asian governments.

**Human Dimension**

- Strengthen the ODIHR mechanism by proposing ways in which the office can more effectively monitor and promote a broad range of good governance issues, including government accountability, transparency, implementation of the rule of law, and combating official corruption;  
- Enhance the efforts of ODIHR to promote tolerance throughout the OSCE region;  
- Work on resuming ODIHR’s assistance to Georgia and its war-affected regions;  
- Continue OSCE election monitoring in countries outside the OSCE region such as Afghanistan and make this mechanism available to other OSCE Partners for Cooperation;  
- Utilize OSCE mechanisms and international assistance to strengthen the capacity of Kazakhstan’s legal system and those of other OSCE members; and
The “U.S.-Kazakhstan Task Force: Shaping and Supporting Kazakhstan’s OSCE Chairmanship Agenda” is a joint initiative of the CSIS New European Democracies Project and the Institute for New Democracies funded through a grant from the government of Kazakhstan. The goal of the initiative is to assist Kazakhstan in shaping its OSCE chairmanship agenda, support Kazakhstan during its OSCE mandate, and strengthen U.S.-Kazakh relations. The project aims to provide expert analysis and policy recommendations for a successful OSCE chairmanship of Kazakhstan in 2010, which will benefit all parties involved—the OSCE, the member states including the United States and Kazakhstan, and the Central Asian region.

CSIS and IND organized a U.S.-Kazakhstan OSCE Task Force to assemble regional and subject specialists, representatives of nongovernmental organizations, representatives of former OSCE chairing countries, and business leaders to offer recommendations for shaping and implementing a compelling, focused, and pragmatic agenda for Kazakhstan’s chairmanship. The Task Force addresses aspects related to all three OSCE baskets, including strengthening OSCE’s Office for Democratic Institutions and Human Rights (ODIHR) and making recommendations to the Kazakh government to implement democratic reforms. The Task Force consists of two components: a Working Group of international experts in Washington, D.C., and a Working Group of Kazakh experts and government representatives in Astana. The groups communicate on a regular basis and complement each other’s work.

The initiative involves Task Force meetings, publication of policy briefs, conferences in Washington and Astana and the publication of a policy paper on Kazakhstan’s progress and challenges in the formulation of its OSCE agenda. Kazakhstan’s OSCE chairmanship will enable Astana to draw the attention of Europe and the United States to the importance of the Central Asian region and its numerous challenges, from security and democratization to long-term economic development.