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The Shanghai Cooperation  
Organisation:

# The Tashkent Summit Generates More Questions than Answers

EGF Editorial

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On June 11-12 2010 the member countries of the Shanghai Cooperation Organisation (SCO) held their annual Summit in Tashkent, Uzbekistan, under the auspices of the (rotational) Uzbek presidency. The previous SCO Summit was held in 2009 in Yekaterinburg, Russia, where the agenda of the member states was dominated by the search for the right exit strategies out of the global economic-financial crisis, particularly those that would serve to minimise its nefarious consequences upon SCO members.

In Tashkent, the agenda of SCO member country leaders was dominated by the following issues:

- Enhancement of regional stability and security
- Coordination of the intergovernmental struggle with international terrorism, extremism and separatism
- Contemporary problems relating to the above, including ongoing crisis in Afghanistan (a regional thorn for all of the SCO members) and the fallout of the political-security crisis in Kyrgyzstan
- Coordination of national and intergovernmental efforts to counter organised crime and narco-trafficking

Further to the above, SCO member country leaders were likewise occupied with economic matters, including questions relating to energy, transport, telecoms and high technologies. In keeping with the established tradition of such high level inter-governmental meetings, the Summit concluded with a number of declarations and other similar documents adopted by the member states facilitating further cooperation together with addressing the more sensitive issue of inclusion of new members (into the SCO).

Despite the outward appearance of public unity by the SCO members at the Tashkent Summit, the SCO will nevertheless continue to face a number of strategic challenges as it seeks to mature into a fully fledged inter-governmental security-political organisation. These are reflected particularly clearly by the notable divergence in national interests between several, if not most, of its members. Furthermore, uncertainty likewise arises over the organisation's future in that the

SCO seems to double up on many of the responsibilities accorded to Organisation of the Treaty of Collective Security, which was recently established in Dushanbe and to which four SCO members dully belong.

### **Russia-China divergence**

The divergence in strategic interests between Russia and China is the central weakness of the SCO. The two countries are still yet to settle a number of existing territorial disputes, including a disputed border which was demarcated in 2006 but the dispute continues to linger. Furthermore, while Russia still yields major influence over Central Asian energy supply routes to international markets, present trends demonstrate Beijing's ebullience in changing this state of affairs, by investing into the opening up of alternative supply routes which will take a share of Central Asian/Caspian energy resources Eastbound, instead of West through Russia. As Central Asian energy resources open up further to new exploration and development, and Russia begins to lose its influence over Central Asia's ex-Soviet Republics, scope for friction between Beijing and Moscow will likely be elevated.

### **Iran as a new SCO member state?**

Teheran's entry into the SCO would potentially be quite advantages for the Islamic Republic, given its present levels of international isolation. Entry into the club would most likely provide Iran with further cover against US-led international pressure on the Islamic Republic resulting due to Teheran's persistence to press on with its nuclear build up. Iran is increasingly isolated internationally at present and membership to the SCO would provide the Iranian government with substantial international support at the inter-governmental and institutional levels.

Iran's entry into the SCO appears to be out of the question for the time being, however. While Iran's possible entry into the SCO has been one of the major talking points at many of the previous SCO Summits, the issue of the Islamic Republic's SCO membership appeared to be put to rest in Tashkent since the member states signed off on Summit documents promulgating that any country finding itself to be under a

UN sanctions regime cannot (at the time) become admitted as an SCO member. Although the protocol on new membership adopted by the SCO member states appeared to avoid mentioning Iran specifically, the wording of the document itself clearly implies that Iran cannot elevate its status from an SCO observer to an SCO member until it resolves its conflict with the international community.

Interesting to note was the absence of Iran's president, Mahmoud Ahmedinejad, from the Tashkent Summit. Ahmedinejad's absence was linked to the fact that days prior to the commencement of the Tashkent Summit, on June 9, the UN Security Council (UNSC) voted in favour of a new round of (rather firm) sanctions against Iran – a vote which was supported by two SCO members, Russia and China. Despite the close partnership between Iran and the two permanent UNSC members who are likewise members of the SCO, and the build up in expectations about Iran's membership to the SCO, the vote at the UNSC on June 9 paradoxically resulted in this sensitive inter-SCO matter being laid to rest outside of the actual SCO framework.

#### **Russia: between India and Pakistan**

Some of the SCO member states support the view that India, currently an SCO observer, should become a fully fledged member of the organisation. The Russian position, for example, taking into account Moscow's significant economic cooperation with New Delhi, is supportive of Pakistan's fully fledged membership of the SCO only upon India's simultaneous entry into the organisation. Russia has repeatedly asserted this line in SCO fora, a position likewise supported by China. SCO member states paved the way for the entry of both countries into the organisation at the Tashkent Summit, by adopting a number of protocols creating an institutional basis for further enlargement of the organisation.

India and Pakistan will not be able to commence formal procedures for accession to the SCO for at least a year, however, since at the Tashkent Summit China successfully asserted on the other members that a (neutrally worded) one-year-long moratorium on enlargement of the organisation should be introduced. China's position appeared to be reflected by the view that some SCO member states, behind

the scenes of outward public unity between SCO members and observers, were not particularly eager to accept new members who have “outstanding (political) issues to resolve” (with other countries at the bilateral level). Concerns arose in the backroom discussions at the Tashkent Summit that rushing India and Pakistan into the club as fully fledged members, would result in these two countries bringing their bilateral-level tensions into the framework of the SCO, which could undermine the organisation’s efforts to increase cooperation and promote its objectives more broadly.

### **China and the Central Asian gas producing countries**

Although the SCO is widely viewed as a political-security organisation, a large part of its mandate draws attention to intergovernmental efforts aiming to improve the conditions for economic cooperation between its members, thereby expanding investment opportunities in the SCO member states. Working towards the reduction of barriers to trade and developing joint venture projects between its members, constitutes a large part of this mandate. Within the context of SCO member state economic cooperation, China has already established an effective energy sector relationship with the Central Asian gas producing SCO member countries, by investing into the construction of the first part of a gas pipeline intended to supply China with Turkmen and Uzbek gas.

Just as European energy consumers are concerned with diversification of their energy supply, so too are Central Asian energy producers concerned with diversification of their energy export potential. The above mentioned three way gas sector cooperation between Uzbekistan, Turkmenistan and China is a reflection of such concerns in Central Asia. Kazakhstan is likewise eager to pursue a policy of diversifying its energy export potential, and seeks greater opportunity to export gas to neighbouring countries (ie, China). As is well known, Central Asian energy producers are for the most part dependant on Russia as the primary means of exporting their energy to the international markets. Kazakhstan holds an estimated 6 trillion cubic meters of proven gas reserves. Turkmenistan, with its estimated 8 trillion cubic meters of gas reserves (according to BP) has been actively seeking to

diversify its gas supplies (away from Russia) following its sharp conflict with Gazprom in April of last year.

Construction works on the Turkmenistan-Uzbekistan-Kazakhstan-China gas pipeline commenced in 2007 and carries a price tag of US\$6.5 billion. The 1800km long gas pipeline has an envisaged throughput capacity of 40 billion cubic meters of gas per year, supplied from the South Iolotan-Othman and Dovletabad gas deposits in Turkmenistan. However, it should be noted that while such projects have the potential of reducing the dependence of the Central Asian energy producers on Russia, they likewise carry the potential of creating friction between SCO members as previously alluded to above in the sub-section on China-Russia.

(1). The Shanghai Cooperation Organisation (SCO) is an international organisation founded in 2001 by the leaders of China, Russia, Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan. With the exception of Uzbekistan, these same countries were participants in the so called "Shanghai-5", an international organisation founded on the basis of agreements signed in 1996-97 by the same countries (excluding Uzbekistan), which sought to build trust in the military-security sphere and work towards the reduction of armed forces numbers in border regions. The organisation was renamed the SCO in 2001, following the entry of Uzbekistan (into the organisation).

(2). The SCO is not a military alliance (such as NATO), nor wholly a security organisation. Its main aim is to strengthen security and stability in the wider territorial sense spanning across its membership, underscored by the consensual need to combat terrorism, separatism, extremism and narco-trafficking, whilst fostering economic cooperation, energy partnership and cooperation in the wider scientific and cultural sphere.

(3). Member states of the SCO comprise a total land territory of 30 million km sq, equating to almost 60% of the entire territory of Eurasia. The SCO countries comprise one quarter of the world's population and include the world's second most dynamic national economy, that of China.