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The Return of Central Asia: the EU's engagement with a region threatened by the Dragonbear

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Edited by Janne Leino

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Content

Foreword

Central Asia covers 4,000,000 km^2 and is situated between Russia to the north, China to the East and Iran followed by Afghanistan to the south. Kazakhstan is bigger in size than the remaining four Central Asian republics combined. This enormous country uniquely shares a long land-border with Russia, while it also shares frontiers with China along with Kyrgyzstan and Tajikistan. Kazakhstan and Turkmenistan have access to the Caspian Sea, which allows for transit to Azerbaijan and Georgia, thereby connecting Central Asia to Europe. Despite being a double-landlocked country, Uzbekistan is strategically placed in the centre of Central Asia.

The region's geographic properties, especially with regard to China and Russia, illustrate its strategic importance to the European Union (EU). Furthermore, Central Asia plays an important role for trade between Europe and Asia, while possessing a high economic potential with regard to energy and critical raw materials. Historically, however, its closest neighbours (China and Russia) have rarely considered Central Asians as equal partners, often fomenting division and hampering the region's full potential. While China exerts its influence through its Belt and Road Initiative to secure transit through these countries westward and southward, a regular critique has been that Beijing's investments create unequal dependencies with strings attached. Russia – as we're sadly witnessing in Ukraine – tries to regain influence over its neighbouring regions, which previously were part of the Soviet Union. The short-lived January 2022 intervention where 3000 Russian paratroopers entered Kazakhstan at the request of president Tokayev in the framework of the «Collective Security Treaty Organisation» illustrates Russia's ambitions.

With over 70 years of successful regional cooperation and peaceful economic development, the EU is in a good position to support Central Asian economic and regional development. The EU's Global Gateway initiative is likely to provide a starting point to that end and offers Central Asian partners the opportunity for a partnership on an equal footing. Such a partnership carries the prospect of a win-win situation for both sides: Europeans can offer market access and technology transfer, while Central Asian countries have the potential to become trade partners, transitional providers of natural resources and supply-chain hubs with skilled labour and future of solar or battery technology. This carries the potential of long-term to deeper political, trade and security relations without obliging Central Asia to reduce the scope of relations with Russia or China. Therefore, I appreciate the joint initiative of the Konrad-Adenauer-Stiftung Multinational Development Policy Dialogue Brussels

and the European Neighbourhood Council to enrich the discussion with this paper, which builds on the discussion rounds that we jointly co-hosted in summer 2022.

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1. Introduction: The relations between the EU and Central Asia

Central Asia was often regarded as a secondary priority in European Union (EU) policy circles. Despite the region's strategic placement, limited EU funding was allocated towards the five Central Asian Republics throughout the past two decades. This paradigm has changed since Russia's invasion of Ukraine in 2022. Today, Central Asia is capable of providing the EU with much-needed energy diversification, rare earths, new markets and security partnerships. To the south of Russia, Central Asia connects Asian and European trade, rendering the region particularly relevant for EU supply-chains. In turn, the Central Asian republics are intelligently placing themselves between Russia, while aiming for technology transfer, connectivity and more independent foreign policies from their large neighbors. The Central Asian states are not merely policy takers from the Dragonbear[1], which describes the loose asymmetric relationship between Russia and China, but they equally want to use the on-going international tensions to expand their political and economical room-for-maneuvering and regional unity.

The 2007 and 2019 (updated) EU Central Asia Strategies both put forward a wide range of ambitious objectives surrounding prosperity and resilience. The consensus-based and Council-focused 2019 Strategy centered on areas ranging from border-management and intra-trade development to climate response, human rights, education and skill-transfer to tackle youth unemployment. At the Strategy's inception, a wide, yet underfunded policy-scope, meant that Central Asia often took a backseat among EU foreign policy experts. For example, during the 2014-2020 Multiannual Financial Framework (EU budget) period, despite the Development and Cooperation Instrument (DCI) allocating a high level of funding to Central Asia, the reality remains that the European Neighborhood Instrument (ENI) and the Instrument for Pre-Accession Assistance (IPA) far outweighed the support given to the region under DCI.[2] Central Asia was often "deprioritized"; in part because of the region's remoteness, but mostly due the geographical importance of "direct EU neighbors" to the South and to the East, as well as accession countries in the Balkans and Turkey. For logical reasons, the EU previously chose to emphasize multilateral and soft-power approaches in Central Asia, including development and trade, while purposefully downgrading traditional EU security interests. This approach still makes

1 Tchakarova, Velina (2015): The Russia, China Alliance: What Does "The Dragonbear" Aim To Achieve In Global Affairs?, https://medium.com/@vtchakarova/the-russia-china-alliance-what-does-the-dragonbear-aim-to-achieve-in-global-affairs-e09b1add1c4a

2 Parry, Matthew (2017): How the EU budget is spent: Development Cooperation Instrument, https://epthinktank.eu/2017/12/13/how-the-eu-budget-is-spent-development-cooperation-instrument/

sense, despite a renewed need to focus more on *targeted policies* within a more competitive geo-political and geo-economic environment, in which both Russia, China and second-tier stakeholders (e.g. India, Turkey, Saudi Arabia, UAE) play a significant role. Specific target policies linked to *connectivity, energy, infrastructure and security* will need to be re-prioritized based on the 2019 Strategy, while new (Global Gateway) and old (EPCA/2019 Strategy/Connectivity Strategy/CSDP) tools must be utilized to serve the EU's best interests within a more assertive and fast-changing geo-political environment. A crucial component of a successful post-2022 EU Central Asia engagement strategy will be the coordination efforts made between the private sector, security experts, civil society, the European Commission and institutions like the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB).

The existing EU policies in Central Asia are facing challenges. China's infrastructure investments (Belt & Road Initiative) and an increased focus on security by both China and Russia has dented the EU's soft power approach across the region. The 2022 Russian invasion of Ukraine has structurally challenged the existing EU Central Asia Strategy, drawing attention instead to the relevance of looming new threats, ranging from energy security to scarcity in critical raw materials to vulnerable or nonexistent infrastructure connectivity and the devastating impact

of climate change. Malign actors like Russia are also increasingly predisposed to take advantage of the EU's limited security tools in the region to "weaponize" areas like migration, trade, energy, transport and the digital agenda. China and Russia's increased assertiveness in the region, followed by EU concerns over its multilateral interests and the strength, prosperity and independence of Central Asian Republics are at play. These result from secondary sanctions on an already economically vulnerable region, followed by difficulties related to intra-regional trade and stability, sustainable energy transition and security. This is best exemplified when looking at the recent border clashes between Kyrgyzstan and Tajikistan, as well as Russia's CSTO intervention in Kazakhstan, Afghanistan's new "government" and the de-stabilizing impact of the Ukraine war and COVID-19 on the economic and social sustainability across Central Asia.[3] In addition, Russia has stepped up its disinformation campaigns across the region, while arms exports from China rose significantly in some countries from 2% in 2014 to nearly 20% today.[4] To further complicate an already fragile region, a series of second-tier regional powers, including India, Saudi Arabia and Turkey, are allocating substantial resources towards everything ranging from developing transportation corridors and major investments to counter-terrorism-actions and influencing religious communities.

The Ukraine war and the aforementioned developments are rapidly placing Central Asia at the center stage of EU foreign policy. EU Commision President Ursula von der Leyen's speech on why "Central Asia matters to Europe" has entered the 'implementation stage' with the announcement of the EU's Critical Raw Materials Act during the 2022 State of the Union. Kazakhstan will undoubtedly play an important role for Europe's renewable transition, as the EU relies on it for 21% of nuclear importation, while both Uzbekistan and Kazakhstan hold vast rare-earth resources needed for solar and battery technology. In addition, Turkmenistan is estimated to possess the 6th largest natural gas reserves globally; a critical feature at a time in which the EU is scrambling for reliable energy diversification.[5] The inherent geo-strategic relevance of Central Asia for Europe is tied to supply-chain relocation (away) from China, moving instead to South, East, Central Asian and middle-Eurasian destinations. The circumvention of Russia for both energy-dependence as well as in terms of transport corridors

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3 ENC, (2020): ENC study: the impact of COVID-19 on media consumption among vulnerable communities in Central Asia, http://encouncil.org/2020/08/07/enc-study-the-impact-of-covid-19-on-media-consumption-among-vulnerable-communities-in-central-asia/ and https://internews.org/wp-content/uploads/2021/04/2020-I-1205-ENC-Publication-COVID-19-Media-Consumption-in-Central-Asia-00850-Infographics.pdf

4 Aminjonov, Farkhod (2022): China's Security and Military Cooperation in Central Asia and its relevance to Europe, https://www.kas.de/en/web/mned-bruessel/single-title/-/content/china-s-security-and-military-cooperation-in-central-asia-and-its-relevance-to-europe

5 U.S. Energy Information Administration(2016): Turkmenistan, https://www.eia.gov/international/analysis/country/TKM

for logistics is equally pertinent, placing Central Asia in an opportune position to support Europe's regional green transition, energy security and supply-chain needs. An overall objective to reinforce regional stability in Afghanistan and other neighboring areas is equally relevant. This reality is well-understood among decision-makers, as the EU is gearing up to present the preliminary findings of the 2021-2022 EBRD Impact Assessment, also known as the *Study on sustainable transport corridors connecting Europe with Central Asia*.[6] This study is likely to translate into new funding opportunities for the region as a whole, since the Global Gateway initiative has earmarked a 300 billion budget in support of sustainable and enhanced EU engagement. This can largely be interpreted as the EU's connectivity-response to China and remains the only international attempt at competing with BRI from a comparable financial-starting-point.

Many questions, however, remain unanswered: Will partners, like NATO (PfP), be involved in Europe's Central Asia engagement? Is the existing EU Central Asia Strategy properly equipped to deal with these geo-political transformations across sectors of energy, connectivity and rare-earths? Will "Middle-Corridor" companies face destabilizing cyber threats from Iran and Russia, and do countries like Uzbekistan, Azerbaijan and Kazakhstan have the capacity, external support and willingness to withstand Tehran and the Kremlin's pressure? And - finally - how can the EU *in practice* engage sustainably with its Central Asian counterparts on an equal footing, while dedicating attention towards shared security considerations and its Member States' targeted interests?

During a closed-doors KAS-ENC policy-drafting roundtable held in June 2022, the consensus was that more coordination is needed between EU decision-makers and Member States; an effort which should follow the same timeline as the EBRD Impact Assessment (preliminary findings at Samarkand Conference and the Study's full-release in March 2023).

This report examines the existing security environment in the region, while proposing concrete recommendations for a more targeted EU engagement, taking into account the new context of competitive geopolitics across sectors of connectivity, security, information and energy. The report is based on discussions held during the aforementioned KAS-ENC policy-drafting roundtable and on a KAS-study titled "China's Security and Military Cooperation in Central Asia and its relevance to Europe"[7] published in May 2022.

6 European Commission: European Commission Study on sustainable transport connections with Central Asia, https://transport.ec.europa.eu/transport-themes/international-relations/study-sustainable-transport-connections-central-asia_en

7 Aminjonov, Farkhod (2022): China's Security and Military Cooperation in Central Asia and its relevance to Europe, https://www.kas.de/en/web/mned-bruessel/single-title/-/content/china-s-security-and-military-cooperation-in-central-asia-and-its-relevance-to-europe

2. The EU, China and Russia's security engagement in the region

2.1 Strengthening cooperation between Central Asia and the EU within a broader Euro-Atlantic security and defense agenda

By Dr. Farkhod Aminjonov

The so-called 'division of labor', in which Russia dominated politics and security domains, while China has primarily engaged in expanding economic trade and connectivity, is no longer entirely relevant to the Central Asian context. Central Asian states are not and have never claimed to be equals to their larger neighbors—Russia and China. Yet, **changing security dynamics and growing economic vulnerabilities force Central Asian states to reconsider the nature of relations**

with their neighbors, in which they are trying to exercise a greater degree of agency. This section will highlight key takeaways from the discussions around the publication of a Konrad Adenauer Stiftung report titled "China's Security and Military Cooperation in Central Asia and Its Relevance to Europe", presented at a closed-door KAS-ENC roundtable in June 2022 in Brussels.

Major shifts in the EU strategy towards Central Asia have coincided with the increasing interest of the latter in hedging against Chinese security presence and emerging risks emanating from the northern neighbor. **Managing their defense and security relations with both Russia and China, however, would be a difficult task to accomplish for Central Asian states without an effective engagement with other external powers.** In this regard, the EU's latest strategic objective to link Central Asia to the broader Euro-Atlantic security and defense agenda may serve the national interests of both international actors.

Managing their defense and security relations with both Russia and China, however, would be a difficult task to accomplish for Central Asian states without an effective engagement with other external powers.

Relatively weaker indigenous defense mechanisms and industry in Central Asian countries leave local actors vulnerable to the external powers, which now, alongside Russia, include China. Greater involvement of the EU actors in the region's defense and security may strengthen the ability of the Central Asian actors to manage and negotiate their relations with both Moscow and Beijing.

The EU has mainly pursued an integrated approach combining political, economic, security and development efforts in its relations with Central Asian countries. While the EU will most likely continue pursuing such an integrated approach within the latest strategy—the Strategic Compass, in light of the recent events, including NATO troops' withdrawal from Afghanistan, January 2022 events in Kazakhstan that reportedly resulted in 238 deaths and the war in Ukraine, the importance of the security and military domains will certainly be elevated.

Previously, external powers were eager not to challenge each other over Central Asian security and military issues, with the war in Ukraine, tensions may rise between the West and Russia, over such a 'contested' region. **The fact that Central Asian leaders do not entirely share Western values and, at times, align with Russian and Chinese foreign policy priorities poses a challenge to the EU's approach in dealing with the region**.

Among regional powers present in Central Asia, the EU has a comparative advantage in being perceived as 'inoffensive' and for occupying areas

neglected by the other external actors, particularly regional integration initiatives and political reforms. Intra-regional cooperation has always been a priority area for the EU's engagement in Central Asia. Recent events have highlighted the importance of strengthening military and security cooperative dynamics among the regional actors to enhance Central Asia's resilience to both existing and potential risks, such as threats emanating from neighboring Afghanistan or the 'aggressive' foreign policies pursued by Moscow or Beijing.

In broad terms and in light of recent events, the EU seems to be incentivized to pull Central Asia into Euro-Atlantic security and defense space. It is also recommended that the European Commission reconsider Central Asia's position in the multi-regional dimension of its development assistance policy, in which, according to the latest changes, it has been regrouped with South Asia rather than in a group of post-Soviet states. **For its security and military purpose, as well as overall development agenda, the EU may want to consider approaching Central Asian countries within a separately designed policy framework.** This will be a clear signal for enhanced collaboration and elevated partnership between Central Asia and its European counterparts.

The EU taking a more proactive role in the military and defense domains in the Central Asian region would require engaging in specific areas currently dominated by Russia and China in which European states have a good chance of succeeding. Unlike countries in Eastern Europe, Central Asian officers lack access to Western military education and primarily fall under Russian and now increased Chinese military education influence. **The EU should consider developing both short-term and long-term programs for military education for Central Asian countries with a focus on providing alternative narratives and critical approaches to understanding the causes of security problems and pathways to conflict resolution.** The EU, NATO and OSCE working in tandem will certainly strengthen the position of the Western partners in reaching this objective.

China is expanding its military presence in the region (conducted about a dozen military and joint anti-terrorism exercises with Central Asian counterparts over the past decade as well as boosted arms sales eight folds in 2015-2019 compared to the five years period preceding it) and assertiveness of Russia in protecting its near abroad through security and military means is further complicating power relations with the regional actors. **Having anticipated the possibility of a more forceful Chinese and Russian engagement with the region, the EU, in collaboration with its Central Asian counterparts, could consider commencing work on designing a preliminary course of action to respond to such threats**.

Initially established as an organization to primarily manage arms control, the members of the Shanghai Cooperation Organization attempted to turn it into a full-fledged security institution. None of its members, however, including China, consider the organization as an effective 'security provider' in the region. For Beijing, bilateral instruments, especially *Private Security Companies*, are the primary means of protecting Chinese citizens, infrastructure and investments in its Western neighbors. Chinese Private Security Companies currently in place in Central Asian countries, however, are largely unregulated and their staff is mostly inexperienced in addressing large-scale conflict and combat situations. The EU decision-makers can assist Central Asian counterparts within potentially expanded security and defense partnership to adopt regulatory mechanisms for Chinese Private Security Companies' activities in the region.

Last but not least, **the EU's values-driven agenda in promoting the human dimension of security in Central Asia is of utmost importance to strengthen local societies' capability to withstand internal and external threats.** The political and humanitarian crisis in Afghanistan, as well as societal risks triggered by the war in Ukraine set the new testing ground for both the EU and Central Asian states to uphold the principles of human rights, freedoms and democratic values.

2.2. Sino-Russian interests in Central Asia. Can the EU offer an alternative?

By Kemel Toktomushev

There has been a series of events unfolding around the world, which have had a direct impact on political processes in Central Asia: first, the takeover of Afghanistan by the Taliban, and then – the war in Ukraine. In essence, these events triggered several questions, one of which is whether Russia's security concerns will translate into a more direct security engagement in Central Asia. In other words, what happens if the Kremlin fails? And what happens if the Kremlin withstands?

Up until recently, a generally accepted scenario that suited all actors in the region was of Russia playing the role of a key strategic partner and a security guarantor of Central Asia, while China was delegated with a more informal leadership role.

This trend is likely to continue further.

Although Moscow always reacted sensitively to any major power engagements in its own "backyard", Russia had little choice but to tacitly approve Beijing's greater presence in Central Asia. Current realities are as such that China perhaps remains the only powerful ally of Russia, and Russia needs China more than China needs Russia. If previously Russia resisted China's attempts to inhale life into the SCO through economic stimuli, was cautious of BRI motives and was reluctant to acknowledge China's growing influence in Central Asia, **Russia post-2022 is unlikely to resist China's involvement in the region** with the same enthusiasm.

Russia post-2022 is unlikely to resist China's involvement in the region

In a similar vein, China is also facing an important juncture in its security approach to Central Asia. For a long time, China's security concerns in the region were related to its restive province of Xinjiang. However, Beijing was reluctant to get directly involved in deterring potential spillovers of instability across the Central Asian-Xinjiang borders. Nonetheless, after the takeover of Afghanistan by the Taliban, the question became whether China's security concerns in Central Asia will translate into a more direct security engagement. There were hints that China's long refraining from military engagement beyond its borders may be coming to an end. There have been reports that China is already building two military bases in the region of Badakhshan. There are also reports that China is tapping into the region's cyberspace and ICT infrastructure through "smart city" projects.

As for the SCO, it is the only regional intergovernmental organization, to which four Central Asian states, Russia and China belong. That said, the SCO failed to grow beyond a high-profile discussion club. From the onset, member-states had intrinsically divergent views on strategic development of SCO and on some topical issues, such as improving cooperation in the economic sphere. As a result, **the SCO has neither evolved into a geopolitical powerhouse nor into an effective regional security mechanism**.

That said, Central Asia is one of the spaces, where Sino-Russian rapprochement is quite evident. There is no direct confrontational and aggressive competition between Russia and China over the spheres of influence in Central Asia. Although some points of friction remain, these issues are treated in a 'business-as-usual' format that is unlikely to lead to any serious zero-sum outcomes.

Moreover, the Sino-Russian rapprochement is welcomed by the Central Asian leadership. **Both Russia and China appear to be convenient partners for the region's ruling elites.** They provide security, financing and even some sort of external legitimacy for the Central

Asian leadership. In return, neither Russia nor China is demanding any democratic transformations from the Central Asian governments. On the contrary, they are often supportive of Central Asian illiberal governance. The manifestations of such support range from symbolic status engagements within the SCO to the actual provisions of military hardware.

In contrast, American influence in the region is diminishing, while the awe of the Western model of democratic development is long gone. Even though the rhetoric of the European policy centers stresses that Central Asia is important to them, it remains to be seen whether the region will prove important to them in the long-term. Even during the period in which the US was in Afghanistan, the core of Western interests were too focused on security and natural resources and often jettisoned into Central Asia's internal fault lines.

The American withdrawal from Afghanistan also left a bitter aftertaste, as the Central Asian public became more convinced that "the West" is rather the region's destabilizer than stabilizer. The Russian propaganda only magnified Central Asian disillusionments. Accordingly, **if the Western actors are to return to the region, they will face not only the Russian and Chinese resistance, but also Central Asian distrust and skepticism.**

if the Western actors are to return to the region, they will face not only the Russian and Chinese resistance, but also Central Asian distrust and skepticism.

As for the EU's development strategy for Central Asia, so far it has been modest, ad-hoc, and issue-based. The EU has failed at tailoring its Central Asian policy in a coherent way. The ill-defined role of the EU in Central Asia could be explained by the geographical distance or strong stands of Russia for Central Asia. One of major internal incongruities was that while Brussels-based decision-makers continuously devise and revisit its Strategies for a New Partnership in a very ambitious way, the region itself in reality is of peripheral importance to the majority of the EU member-states.

Accordingly, if the EU is to genuinely re-commit itself to Central Asia, then **it should develop a concrete and exclusive strategy that is focused on Central Asia and its indigenous challenges. The only option of countering strong Russian influence and growing Chinese influence in the region is by offering a more attractive alternative.**

How feasible that is in the current context is an open question. That said, the EU should find entry points for pragmatic involvement in the region. For example, the EU should disassociate itself from the US and failures of the American-led war in Afghanistan and establish itself as a key development player in the region.

It can help the national government address the threats, which emanate from Afghanistan, in a non-military way. For instance, the EU can support the development of small and medium enterprise, invest into energy and transport infrastructure, fight poverty, or focus on improving the quality of life in the region. Perhaps, the EU can work on such issues as countering radicalization, terrorism and transnational crime, or address such challenges as the adverse impacts of climate change or spread of infectious diseases in Central Asia. And do this all without reigniting major power competition.

3. A Middle Corridor: ways for the EU to engage in security, connectivity and information

By Samuel Doveri Vesterbye

Threats posed by Russia, China and a series of regional-second-tier-powers in Central Asia forces the EU to re-think its existing Connectivity and EU Central Asia Strategies. Russia's invasion of Ukraine has structurally tilted the "Eurasian chessboard" in a way which deeply re-emphasised the importance of circumventing Russian and Iranian energy reserves and trade corridors, albeit gradually when taking into account existing transit goods and sanctions policies. This is forcing the EU to develop alternative infrastructure corridors and supply-chains between Europe and Asia for digital communication, rare-earths, renewable energy and fossil-fuels. Included in this thinking is the need to invest in improved railway and road infrastructure, optimized interconnectivity for cross-caspian ferries (e.g. new fleets and more regular routes to Aktau and Turkmenbashir), including shipbuilding facilities and container

facilities, unit/rail standardization and other logistical port, rail and road infrastructure. The logic is to reduce cargo bottlenecks and enhance infrastructure capacity for goods originating in Asia, which are moving across the Caspian and into the Caucasus; transiting through Anatolia and the Black Sea with their final destination being Euro-Turkish, Eastern and Mediterranean markets. The future geopolitical reality, which is reshaping Europe's supply chains across Eurasia looks increasingly irreversible and additional EU and US sanctions will likely further cement the so-called Middle Corridor Strategy in the upcoming years.

In order for the EU and its partners in Central Asia to fully benefit from this changing reality, a range of *security considerations* are necessary. As the previous chapter outlines, the assertive efforts made by Russia and China in the security-realm should be a wake-up call for Europe. The EU should, however, aim to engage in a less monopolistic fashion, with an emphasis on multilateral cooperation with its Central Asian partners. For example, assuming that new EBRD-EIB infrastructure investments become a regional success, this will inevitably incentivise Iran and Russia to create a counter-attack in areas of infrastructure, digital spheres and targeting local governments and business. Malign actors would likely use their political capital to pressure countries like Azerbaijan for blocking trans-border investments (pipelines, road, grids or data linkages). During heightened tensions, as we are currently witnessing, an increased European engagement in the region could lead to hybrid interference by state actors. This interference could include sabotaging critical infrastructure for political and economic gains (e.g. NS1 and 2), or by staging cyber attacks on state actors and private companies that are involved in European projects and/or connectivity activities. For example, logistics companies face cyber-risks and could benefit from improved regulatory frameworks on cyber-safety and close coordination with regional and national government authorities to better unbundle, protect and safely store or transfer data. In addition, the logic of targeting such cargo terminals, ports, companies and other critical infrastructure is particularly pertinent, since any disruptions could severely delay supply-chains at a time in which energy, rare earths and components for industrial goods depend on timely delivery for pricing, consumption needs and critical services (e.g. health, internet cables, energy). Relatively small geographical areas, like the Caucasus, are particularly vulnerable to both cyber-attacks and physical instability, since most 'Middle Corridor' transport connections are located less than 100 km from Iranian and Russian borders. Additionally, both Central Asia and countries like Azerbaijan and Armenia, have a long history of socio-economic interconnectivity with Russia, which - again - render possible infiltration and attacks more perilous. Within the realm of such heightened digital and physical security risks, it is in both the EU and Central Asian/Caucasus Republics' best interest to collectively develop

their resiliency against this kind of interference. This could be done through a strong cyber-defence strategy for operators and companies in the region in close cooperation with the EU and its digital agenda. It is also essential for the EU to engage with its Central Asian and Caucasus partners in discussing the possibility of Common Security and Defense Policy (CSDP) Missions and Operations, particularly military and civilian operations, which can support cyber-training for local actors in the region. With the proposed levels of investment and infrastructure hubs, it is inevitable that physical and cyber attacks will occur, which renders the need for active EU engagement through trainings and Operations an inevitable need to guarantee *transit-safety* and *a positive investment climate* for critical raw materials, goods, energy, and other vulnerable supply-chains.

In more volatile areas, including areas near/in disputed territories, such Missions or Operations could for example help protect vulnerable critical infrastructure used by logistical companies and operators, while also providing mediation efforts, training, coordination-work, monitoring and local inter-institutional trust, as has been seen with EU border management programmes in the past. The EU and its member states can engage with both private and public, including local, partners in the region through digital training capacity, cyber-technologies and co-construction of infrastructure, which in turn necessitates common digital and physical security solutions.

Beyond the physical-and-digital security needs, there is also ample scope for EU engagement with Central Asia on disinformation. As the previous chapter outlines, the risk of disinformation across Central Asia is alarming. Our 2021 and 2022 wide scale studies on the subject confirm both the EU's invisibility on popular communication channels and limited data-collection across the region. The ENC's 2022 data collection on media consumption across Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan shows the need for the EU to support more real-time surveying about disinformation and targeted content production to proactively counter this threat. Russia, on the other hand, is both present officially and unofficially, through disinformation campaigns. Similarly, a new range of second-tier regional powers are entering the competition to win over the "hearts and minds" of Central Asians, with Turkey leading the way in countries like Kyrgyzstan. The EU needs to strategically examine which countries to collaborate with, while competing with others. It similarly needs to engage with more public broadcasters and online channels to inform everyday citizens, cultural institutions and regional companies about its efforts, aims, and shared security needs. Despite its aggressive stance and occasional ambivalence with regards to Russia, the EU could engage with partners like Turkey, since Ankara's cultural diplomacy (and its municipalities) has a comparative advantage in fostering more

locally-appreciated Turkik-sentiments. Similarly, Turkey's very diverse business environment has a long-standing track record of both doing business with the EU (e.g. Customs Union) and across Central Asia. This relationship has been amplified since the COVID-19 pandemic, due to maritime container price increases and volatility, as well as bottle-necks and environmental concerns. The war in Ukraine is gradually closing the Europe-Asia land-trade route going through Russia into Central Asia and China and the speed of this process will largely depend on EU and US sanctions policy, especially for transiting goods. As a result, trade in energy, rare earths and goods (e.g. supply-chains) will become increasingly dependent on the only remaining alternatives: maritime container shipments and land-sea-transit-routes into the Caucasus and Central Asia via Georgia and Turkey. A careful balancing act is essential: avoiding to suffocate already vulnerable Central Asian countries, which depend on Russia for transiting goods, while the EU simultaneously provides speedy and well-coordinated infrastructure investments into supporting a functioning Middle Corridor ahead of entirely cutting off the Northern Corridor through its sanctions-policies. It is similarly very important that the EU seeks to actively engage more with India, since Delhi holds the keys in the long-term to successful EU-Asian non-maritime market exchanges.

In terms of communication, the EU's point of engagement can be dual: firstly, it should seek to dialogue more with Central Asian Republics about the EU's lack of visibility and also ways to counter disinformation. Media literacy is one remedy, but so are regulatory and legal frameworks in terms of working with local legislation, internet providers, press and social media platforms. This is particularly relevant considering the EU's Digital Services Act and GDPR. An equally important solution is for the EU to allocate a significant budget towards: **i)** developing better communication tools and content creation capacities among communities in Central Asia that support EU-Central Asia relations and support independent Central Asian republics in their quest towards autonomy and regional integration and; **ii)** collect real-time and targeted data on public opinion and sentiments for/against the EU in cooperation with EU and Central Asian think-tanks and survey companies. Additionally, it is important to note that existing EU tools, like the *EU vs. Disinfo platform* should be considered a *passive* way of combating disinformation. According to the authors of this report, the EU should equally support *active* and innovative forms of campaigns which produce large-scale information, thereby drowning-out disinformation through genuine and organic competition.

Finally, the EU's engagement in Central Asia also depends on how the European Commission (EC) and the European External Action Service (EEAS) choose to interpret, allocate funding towards and use existing legal documents, including the EU Connectivity Strategy (Connecting Europe

and Asia), the 2019 EU Central Asia Strategy, as well as individual trade agreements with countries like Kazakhstan (EPCA, 2015), Kyrgyzstan (EPCA, 2019), Tajikistan (PCA, 2009), Uzbekistan (upcoming EPCA, 2022-), and Turkmenistan (Interim Agreement, 2011). For example, the current geo-political climate and tensions requires that the EU take a more focused and traditional security approach, without losing its focus on its strengths like sustainability, trade, technology and multilateralism. In this case, the concept of "less is more" fundamentally prevails. As opposed to focusing on all the aspects of the EU Central Asia Strategy, which greatly ranges in content, it would be wise to focus on a stricter selection of priorities, including digitalisation/cyber-crime/infrastructure/ transportation, civilian and military missions and operations (e.g. training), trade/energy diversification, rare-earths/nuclear and watermanagement, real-time-data-collection/communication/information/ content-production. It will be equally important for the EU and Central Aqia to focus on digital connectivity, meaning fibre and satelite, as well as guaranteeing a secure and reliable business environment for potential corporate and other financial investors ("blending"). A sharper policy focus will both prove budget efficient, while simultaneously guaranteeing that each priority-area is intertwined effectively with mutual interests at heart. In other words, focusing on infrastructure, transportation and cyber-crime allows for the safe passage of trade, energy diversification, and securing access to rare-earths; all of which are top of the agenda for all EU Member States. Both the Central Asian Republics, as well as the EU and its logistics and commercial supply-chains, depend on stable and sustainable access to energy, trade and minerals. This - in turn - necessitates a focus towards hard-security policies in order to help protect digital, tech and transport infrastructure. One logical starting point are civilian missions in order to support training in cyber defense for business, civil society and governments, including at local and municipal levels through deliberation. Water management similarly goes hand-in-hand with efforts to decrease regional conflicts and supply the region with the tools to co-govern this scarce resource. From the EU's perspective, supporting Central Asian water management is both a lucrative business opportunity, while developing stability across the region. Guaranteeing regional stability lowers the risk of intra-country resource conflict or dispute, which in turn makes EU investments in energy, resources and infrastructure more sustainable. It's the opposite logic of Moscow's recent neo-colonial and "divide and conquer" policies. Russia's declining economy and lacking innovation does not benefit from open markets and trade, while opting instead for division and power-relations to maintain its leverage in Central Asia.

This - in turn - necessitates a focus towards hard-security policies in order to help protect digital, tech and transport infrastructure.

4. Recommendations for European decision makers

The final section of this report builds on chapters two and three. The following recommendations primarily aim to support European policy-makers in how to engage with Central Asia.

Increase coordination within Europe and with partners

- **A "Team Europe" approach requires closer cooperation between partners**. While the EU updated its Central Asia strategy in 2019, NATO and the OSCE have decreased their activities in the region. NATO closed its regional office in Central Asia in 2017 while the OSCE is crippled due to the Russian invasion of Ukraine. If the EU and its member states want to offer Central Asian states an alternative to increasing Russian and Chinese influence, they need to better understand the local security environment and cooperate with likeminded partners and international organizations, both within Europe and in the region. The EU and its member states must provide significant investments and support for infrastructure, security and business across the region, notably by increasing the number of priority projects for energy diversification, critical raw materials and supply-chain hubs.

- **Developing a more coherent strategy (and coordination) in terms of how the EU should engage (or not) with significant second-tier powers.** In terms of business logistics, infrastructure investments and education/culture, it is advisable that EU members take into consideration regional actors for geographical/co-investment and strategic reasons. Other second-tier powers like India, UAE, Saudi Arabia and Turkey are also increasingly active in the region. The EU needs to have foresight and be able to compartmentalize differences among some third-party regional actors, like Turkey and India, in order to advance its strategic and security interests. It is equally key that the EU thinks long-term about its connection routes to Asia, which inevitably will include the Caucasus region.

Develop programs and projects in line with European strategic interests while increasing the Central Asian states autonomy vis-à-vis Beijing and Moscow

- **Seeking support from think tanks and increasing intra-EC coordination for connectivity policies and funding in coordination with EBRD and EIB in Central Asia.** This includes

digital, green, energy, and transport infrastructure, as well as the prioritization of rare earths, and the infrastructure which surrounds it. These developments and private-public funding priorities will be based on the EBRD Impact Assessment Study which is scheduled for release by summer 2023. It is important that the study and its results will be integrated into the EU Global Gateway Strategy.

- **Bringing security and digital security back onto the EU agenda.** As there is currently no risk-analysis of cyber threats on logistics and energy infrastructure in Central Asia, it is necessary for the EU to initiate a cyber-impact assessment linked to private sector and public sector exceptional risks in the logistics sector and among other infrastructure critical for the "Middle Corridor" to function. It is equally important that training and support is given to harmonize digital policy with international standards, including EU's Digital Services Act and GDPR. One example to practically support such efforts can be envisioned through GDPR certification and training centers.

- **Support for training in critical water infrastructure, digital infrastructure and energy infrastructure, due to the significant threat level linked to Russia and Iran.** EU and NATO should focus on exercises and capacity building within the areas of civilian crisis management, human security and in securing critical infrastructure. Due to the fast paced geo-political changes across the region, civilian EU CDSP missions, joint exercises or capacity building programs within the NATO PfP framework could be considered.

- **Support for countering foreign information manipulation and interference (FIMI).** Increased amount of background data is needed for funding of training and to enhance Central Asian media literacy, sustainable and progressive internet regulations, and content production to counter foreign information manipulation. It is also important that real-time, regular and more targeted data is collected for the EU to properly support and to train local content producers, policy-makers and media/local-government/civil society actors in countering FIMI.

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