

**Statement by EUSR Morel to the OSCE Permanent Council
6 November 2008**

1. GEORGIA.

Excellencies, it is a privilege and an honour to address for the first time today the Permanent Council of the OSCE. It is my intention to divide my remarks into two sections, reflecting my dual-hatting as EU Special Representative both for Central Asia and for the crisis in Georgia.

Perhaps I should begin with Georgia, since it is, among my areas of competence, the issue of most pressing concern to this Council.

As you will be aware, my mandate as concerns the crisis in Georgia derives from a decision of the Council of the European Union on 1 September, to appoint an EUSR for to deal with the last of the six points agreed between Presidents Sarkozy and Medvedev and accepted by President Saakashvili, on 12 August this year.

My role is part of a wider EU commitment following the August war, which includes also the unprecedentedly rapid deployment of the EU Monitoring Mission, and a very significant contribution of funds for humanitarian and development purposes from the European Commission, totalling some EURO 500 million over the next three years.

But clearly responding to the August war is a joint venture. In the case of the Geneva talks it is one that the EU shares with the two other organisations that have significant, and longer-standing missions in the field alongside EUMM – namely the UN and the OSCE.

Facilitating the Geneva talks is, therefore, the joint work of these three organisations – the UN, the OSCE and the EU – which act as Joint Chairs or moderators of the meetings and which share the burden of the organisation of the discussions. I am extremely grateful for the outstanding support that the OSCE Chairmanship in Office, and the Secretariat, have provided us in our work, and am particularly glad to have as my co-Chair Heikki Talvitie, the special envoy of the Chairman in Office.

The Geneva talks have not had an easy beginning, as most of you will be aware. This is scarcely surprising. The August war was short, but bitter, and both tensions and emotions continue to run high so soon after its end. In these circumstances even small procedural issues can take on a symbolic importance.

We are working hard now to resolve the difficulties which dogged the first round of talks on 15 October, and are holding consultations with all the main parties to the discussions. Next week these consultations will take us to Sukhumi and Tskhinvali. In these consultations we will be proposing that at our next meeting on 18/19 November, we proceed straight to meetings of the two working groups – on security and stability, and on refugees and IDPS – so that we bring the discussions onto issues of substance and immediate concern.

And it essential that these issues are discussed. As I have mentioned already, tensions continue to run high following the conflict, and there are regular reports of violent incidents or provocative gestures by all sides, some of which have been verified by OSCE and/or EU monitors. Beginning talks on ways in which these tensions can be reduced is vital.

But it is also vital that the parties establish working-level links in theatre, under the aegis of the various missions, in order to prevent incidents from occurring and resolve them peacefully as they arise. In this respect, the EU Monitoring Mission has made specific proposals to all sides for a mechanism for dispute settlement, and we should call on all parties to respond positively to this proposal.

Meanwhile, the winter approaches and it is essential to begin preparing for, and getting under way, the process of IDP and refugee return to areas affected by the conflict. The Georgian government's efforts to ensure that housing is provided for all new IDPs from South Ossetia by December 15th is welcome, but these persons' displacement must not become fossilised. In Geneva we are working closely with UNHCR and the European Commission in order to use the forum we have there to start getting the approximately 25,000 people still displaced a chance to get back to their houses soon. These figures are of course disputed, but it should be one of the functions of Geneva to reach more definitive numbers.

A reduction of tensions and a focus on IDP return represent only the immediate priorities for Geneva – which must subsequently begin to focus on longer-term measures to promote lasting stability and build confidence in the region. These are necessarily not short-term discussions, and it is important therefore that the talks are given adequate time. As things stand we have identified a tentative timetable that takes the discussions through until mid-December at which point the co-Chairs will have a chance to take stock and make suggestions as to how things might proceed in the future.

In summing-up – and before moving onto the issue of Central Asia – I would say that we have made a difficult but important start to the Geneva process. All parties came and made efforts to engage. However, further progress will depend on much more constructive engagement of all parties to the talks, and further active diplomacy on the part of the co-Chairs. I would like to thank once again the OSCE Chairmanship in Office and the Secretariat for its support to the Geneva discussions, and will be happy to answer any questions you may have at the end of my presentation.

2. EU POLICY TOWARDS CENTRAL ASIA - THE IMPLEMENTATION STAGE.

The EU adopted its Strategy for Central Asia in June 2007 under the German Presidency of the EU. It has established itself as a platform for overall realisation of the EU policy towards Central Asia.

Year and a half later we are in a stage of substantial implementation. Advancement was marked in the whole spectrum of cooperation with the region - from political matters, to democratisation and human rights, to economics, energy and education. The EC has almost doubled their assistance to CA and now it amounts to 750 M eur for 2006-2013, compared to about 300 M eur for the years 2000-2006. The EU member states have also been providing significant levels of assistance.

New elements in the EU approach, introduced by the Strategy:

- National priority papers, which allow for differentiated approach to the countries in the region. Each CA state was consulted when drafting the National papers, which guarantees respect for their own national priorities and specific foreign policy.
- Regional initiatives - on RoL, Environment and Water and Education address priority areas, which the Strategy identified as requiring regional approach. The input of the European Commission, but also of the Central Asian states is crucial for the implementation of these initiatives.
- Paris Security Forum for CA - first of a kind EU-CA event focusing on global security threats and their implications for the EU and Central Asia. Gathered together for the first time the ministers for foreign affairs of the twenty seven EU members and their Central Asia counterparts. This was a step ahead in the regular exchange between the EU and Central Asia.

Political dialogue with CA has developed into a full fledged, regular exchange. It proved to be a key factor to extending cooperation between the EU and CA on both regional and bilateral level:

Regional level - focus on security issues, development of the concept of "common threats and challenges":

- Paris Forum - Helped to consolidate shared awareness of common security threats and challenges with CA like military threats, border management and fight against drug

trafficking, energy and environmental security. Comprehensive approach was guaranteed by participation of wide array of stakeholders, including regional structures as SCO and CSTO and international financial institutions. One should also mark the wide circle of participants, including from stakeholder regional and international financial organisations, the short and clear final Declaration, which provides basis for further dialogue and the open and trustful exchange of views.

- Conference in Dushanbe on Border Management and Drugs - proved the need for coordination on three levels: national regional and international. Preparatory work in Vienna was an important exercise between the EU, OSCE and UNODC. Proved that Vienna is the right venue for much needed synchronized political decision making between the multilateral structures involved in fight with drug trafficking in Central Asia. The Dushanbe conference itself brought important lessons about the preparedness of the CA countries to engage on regional level and about the effectiveness of the existing national structures for border control and fight with drug trafficking. The EU Strategy provides basis for further work with CA countries on bilateral level - to address national strategies and on issues requiring concerted action between them. Border management in Central Asia is not a mere exercise in multilateral cooperation or a demonstration of goodneighbourly relations - it is a key to the security of the region.
- Precursors seminar in Paris - built on the previous two security forums, provided expert insight, deepened EU-CA analysis on the issue.

Energy security - its enhancement is a shared interest between the EU and CA countries. The common interest to diversify export routes, demand and supply structures is constantly re-confirmed. Regional dialogue is conducted through the Baku Initiative, INOGATE programme and a number of political summits planned by the EU members in the first half of 2009. Bilateral MoU (with KZ and TKM) complement the dialogue.

Environment and water - The EU welcomes the recent agreement between the stakeholder states in CA but reminds that longer-lasting solution is needed. EU- CA consultations showed the need to modernise the approach to water management in the region, to address deeper the reasons for tension. The environment and water priority of the EU Strategy gives the needed edge to the EU support for this most sensitive regional issue. The launching event of the EU regional initiative in this area is on 3 December 2008 in Turkmenistan. Italy is the member state coordinating the EU activity in this area. The EU remains open to the CA states for further assistance and facilitation. We are also available to the other international organisations for concerting our approach in Central Asia in this area. The thematic conference organised by UNECE and Germany in Almaty on 17-18 November will be a good opportunity.

Bilateral level - deepened political dialogue on official and informal level with each CA country.

Human rights dialogues - started with Uzbekistan (5 June 2008) and now held with all five CA countries, as foreseen by the EU Strategy for CA.

Close **cooperation with OSCE** is a built-in principle of the EU Strategy for CA, particularly in the area of conflict prevention and resolution. Positive experience of EU-OSCE cooperation over the last year - in elections monitoring; exchange of analysis of the political situation in Central Asia; preparations of Kazakhstan for its OSCE CiO (for example EU institutions participate in specialized preparatory programmes for KZ diplomats).

Need to amplify the coordination of the assistance became obvious as the EU and OSCE continued to apply in practice their programmes in border management and counter drug trafficking, and as they worked on the Dushanbe Conference of Border Management and Drugs. Coordination will remain on EU-OSCE agenda during the next year. The EU will start practical work in two additional areas of its Strategy - rule of law and environment/water. An EU Initiative on Education in CA is already operational. OSCE addresses all these areas too and so do a number of other international organisations and individual donor countries. It is advisable that the major donors in Central Asia develop principles for coordination of their activity in the region. This conclusion is particularly relevant for the assistance in border management, but other areas

deserve to be analysed too. The EU is currently working on proposals, which we hope to be able to present for discussion with OSCE and other interested international organisations.

In conclusion, there is need for cooperative security in Central Asia. No "Great game" or "zero sum game". There is space for further cooperation on the security of this stable, but fragile region.