

Energy Security in Central Asia: Infrastructure and Risk (ARI)

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Theme: The energy infrastructures running through Central Asia face endogenous and exogenous structural risks that could affect supplies if they materialise and Central Asian countries fail to develop adequate protection mechanisms, either on their own or with outside help.

Summary: Central Asian energy supplies flow through the region towards final consumers in Russia, China and Europe, among others. The energy security of these flows depends mainly on the geo-economic competition in the context of the so-called new 'Great Game' between potential customers and suppliers. But it also depends on the security and preservation of the critical infrastructures through which the supplies move. This ARI examines the structural risks that imperil these energy infrastructures, such as poor maintenance, the absence of protection plans and natural risks. It also looks at endogenous risks such as the lack of governance, authoritarianism, drug trafficking, organised crime, terrorism, Islamic fundamentalism and socio-political tensions that can alter regional stability as soon as they find the right leadership or if international intervention in Afghanistan fails. Finally, this paper assesses the contributions that Russia, the US, China, the Organisation for Security and Cooperation in Europe, the Collective Security Treaty Organisation (CSTO), the Shanghai Cooperation Organisation (SCO), NATO and the EU are developing or could develop to ensure the safety of this infrastructure.

Analysis: Energy security –the guarantee that energy supplies flow smoothly from Central Asia to their final destinations– depends on the protection afforded to critical infrastructures and transport corridors through which the supplies move. The protection includes maintenance of the grids themselves against wear-and-tear, errors or attacks at critical points, as well as their physical and political control. These corridors and infrastructures are at once a source of opportunity and of risks. Developing them would let Central Asia live up to its role as a link between China and Europe, and between Russia and Southern Asia. But it could also trigger conflicts over their control and use.

This analysis seeks to complete the study on natural resources and transport corridors that was featured in Elcano Royal Institute's Working Paper nr 59/2009 by Miguel Ángel Pérez Martín. So it is not necessary to go into detail on production, competition and supplies of gas, oil, uranium and water as described in that paper, nor address the geopolitical and geo-economic competition involved in the new 'Great Game' between regional powers vying to control the flows going through those infrastructures. This analysis will focus on the known sources of risks affecting critical Central Asian infrastructure carrying energy supplies, whether it runs through the existing gas grid and oil pipelines or through new networks such as the Iranian, trans-Caspian and Afghan

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routes for Central Asian oil and gas bound for Europe (Nabucco), India (Centgas), Russia or China. Evaluating risks is difficult because many of the tangible factors –and even more so the intangible ones– lack reliable, first-hand sources. This means one cannot devise scenarios for predictable evolution. So this paper will identify structural risk factors, rather than assess their probability and effects. The study differentiates between endogenous risks related to maintenance of energy infrastructure, natural and environmental risks, risks that can affect energy supplies through accidents caused by natural disasters and unintentional accidents. Along with this, we outline potential risks from intentional actions targeting infrastructure by regional players, ranging from non-state actors to major powers. Finally, this study looks at reaction capabilities developed by Central Asian countries and ones from outside the region, and by international security organisations.

Endogenous Risks

The protection of critical infrastructures is a new area of security studies that tests the ability and will of governments to guarantee citizens' access to basic services by safeguarding the critical networks and hubs through which they flow. Its risk analysis falls within the new models of *National security* that began to be implemented in developed countries after the chain of attacks that began with the 11 September 2001 terror attacks (the first National Critical Infrastructure Protection Plan of the Department of Homeland Security dates from December 2004). Because of the interconnection that exists between Central Asian and European energy infrastructures, European energy security –just like that of Russia and China– begins with the question of how the countries of Central Asia and transit countries protect their infrastructures. The degree of interest in maintaining energy flows varies depending on whether the country is a producer or a transit nation and on whether the energy is for domestic consumption or for export. The level of protection depends on what value the infrastructures hold for the countries –the critical ones are those which are of vital interest–¹ and on the resources available for providing protection. In other words, the countries of Central Asia have become aware of the existence of risks for their infrastructures, but their protection depends on how interested these countries are in providing it and their ability to do so.

The endogenous risks affecting energy infrastructures in Central Asia stem on the one hand from the degree of preservation and maintenance of service and, on the other, from the natural risks that are present. In Central Asia, infrastructures are state-owned, except in the case of Turkmenistan, where they are Russian-owned. This means responsibility goes to countries which have a chronic lack of resources to maintain and upgrade existing energy infrastructures.² The shortage of resources affects development in the countries of Central Asia, as there is a close link between the Millennium Goals and the improvement and expansion of infrastructure in general, as well as the necessary level of investment for its protection, conservation and handling (an explosion in April 2009 in a gas pipeline running from Turkmenistan to Russia was caused by a management breakdown in which Russia did not give enough advance warning that its consumption level had gone down). Low standards for maintenance and protection of Central Asian energy infrastructures are, therefore, the first source of insecurity.

What is more, Central Asia is a region prone to natural disasters, such as earthquakes, floods and landslides, as seen in World Bank³ reports (in particular, Kyrgyzstan and

¹ Ted G. Lewis (2006), *Critical Infrastructure Protection in Homeland Security*, Wiley, p.3.

² Justin Odin & Erica Johnson (2004), 'The State of Physical Infrastructures in Central Asia', *NBR Analysis*, vol. 15, nr 5, December.

³ World Bank (2006), *Infrastructures in East and Central Asia Regions*, June.

Tajikistan have high-risk seismic areas –above seven on the Richter scale–, followed close behind by Uzbekistan and Turkmenistan). And although critical infrastructures related to health, transport and services tend to be the most affected by natural disasters, they also hit energy infrastructures and grids that support them. Since 1993 there has been a regional system for easing the consequences of such disasters (Inter-State Council for Emergency Situations related to Natural Disasters, of the Commonwealth of Independent States). But the system has grown obsolete as Soviet-era procedures were abandoned without being replaced by alternative systems at the national or regional level. NATO has tried to encourage regional cooperation in this area, and in 2003 its Disaster Response Coordination Centre carried out civil protection exercises in the Fergana Valley (a simulation that combined an earthquake, flooding and landslides).

The third group of endogenous risks for the Central Asian region and its infrastructures come from poverty, environmental deterioration, demographic pressure in areas with arable land (half the population of Central Asia lives in the Fergana Valley) and the battle for local resources: land, water and electricity. The socio-economic situation is not extreme in macro-economic terms because almost all of the countries are in the medium-to-high area in human development (Uzbekistan is ranked 119, Turkmenistan 109, Kyrgyzstan 120 and Tajikistan 127), according to the UN Development Programme's Human Development Index for 2009. Kazakhstan is even at the high end (82). Meanwhile, only Uzbekistan and Tajikistan are in the middle area of failed countries (ranked 31 and 37, respectively, on the *Foreign Policy* list for 2009). But regional development has become stagnant due to bad governance and authoritarianism. These are endogenous factors which, in a transversal fashion, enhance the other risks we have cited.⁴

Latent Risks

Energy security is vulnerable to regional conflicts, but so far Central Asia has been a stable region which has overcome the risks inherent in gaining independence in the late 1990s without major conflicts between states. The only conflict within a given country was in Tajikistan between 1992 and 1997. The potential causes of clashes are more ethnic than nationalist in origin –the latter feeling is less accentuated in Central Asia than in the Caucasus or the Balkans–. This helps explain the greater stability of Central Asia compared with other regions. But this does not mean it is immune to occasional outbreaks, such as the Uzbek uprising in Andijan in May 2005, which broke out again, albeit to a more limited extent, in May 2009. At the same time, Kazakhstan and Kyrgyzstan are concerned about the risks of Chinese repression in Xingjian against their diasporas and about growing immigration from China. Ethnic tensions do not necessarily lead to confrontation, as they did on the northern border of Kazakhstan. There, Slavic emigration towards Russian territory and the autonomy granted to Russian-majority areas of Kazakhstan have managed to ease tensions. What is worrying in terms of energy security is the fact that shared infrastructures are habitually used as tools of pressure in internal disputes (the most recent case is that of Uzbekistan, which cut off gas supplies to Tajikistan in September 2009 to force payment for them), taking advantage of the energy interdependence of the countries of Central Asia.

As these countries have authoritarian regimes, it would seem that succession would be potential cause of instability. But that has not been the case. In fact, when President Saparmurat Niyazov of Turkmenistan died suddenly in 2006, he was replaced smoothly.

⁴ Stephen Blank (2008), 'Rethinking Central Asian Security', *China and Eurasia Forum Quarterly*, vol. 2, nr 2, p. 26.

This stability can be explained by the existence of *de facto* succession mechanisms and effective repression. Central Asian regimes have internal systems for this purpose that are based on balance between clans and loyalty among the security forces, which discourage fights over succession (the Tulip Revolution in 2005 in Kyrgyzstan happened more because of an attempt by President Askar Akayev to break that balance than from pro-democratic fervour). As for repression, Central Asian governments use internal security mainly to stay in power, so it is not a priority for them to earmark a significant part of their scant resources to protect the physical security of energy infrastructures. Despite making rhetorical statements about the need to upgrade and strengthen national and regional capabilities to face new threats, the countries of Central Asia have let some years go by and failed to undertake this in unsurpassed conditions of internal security and external assistance. They have sought regional cooperation only when the risks we have discussed materialised (the Uzbek President Islam Karimov pushed for the Regional Anti-Terrorism Cooperation Structure of the SCO and tightened cooperation with Russia after the revolt in Andijan in 2005).

This strictly reactive strategy is backed up by a lack of terrorist or insurgent attacks on energy infrastructures. So long as this is the case, and countries do not have permanent action plans, the greatest risk for energy infrastructures is that they become a target for ethnic, tribal, social or terrorist demands as a way to pressure central governments. This risk grows as common links imposed by Soviet rule in the areas of language, secularism and organisation weaken over time and as living standards do not improve, especially for newer generations –a circumstance which can create a breeding ground for terrorism–. So far, Central Asian governments' capacity for repression has been enough to put down the few outbursts of conflict that have emerged, and energy facilities have not seen a pattern of aggression. But it remains to be seen if repression will continue to work over the medium term.

On one hand, it has been handy for these governments to label the entire spectrum of regional insurgency as terrorism, taking advantage of popular outrage over that scourge after the 11 September 2001 attacks. These governments have not distinguished between opposition movements, radical Islamists, organised criminals and true terrorists. At the same time, it has been expedient for them to associate Islamic fundamentalism with terrorism, even though the Ekaterinburg statement of 15-16 June 2009 from the Shanghai Cooperation Organisation specifically stated the need to avoid linking international terrorism to a specific religion (section 8). Either because of its opposition to the reigning secularism or official, acritical Islam, religious fundamentalism is growing and feeding on real or perceived affronts. Central Asian governments are worried about this growth because of the risk it poses for their remaining in power, and have engaged in indiscriminate repression, associating movements with terrorism (for instance, in Uzbekistan, the Islamic Party of Liberation –*Hizb-ut-Tahrir al-Islami*, which enjoys freedom in Britain– has been persecuted more because of the subversive activities of some of its members rather than because of its principles), banning religious parties throughout the region except in Tajikistan and fighting external signs and freedom of worship. It should be acknowledged that discriminating is not easy for governments and security forces –and even more so for outside analysts– due to the complexity of groups' internal dynamics, their interaction and generational changes. However, brute and indiscriminate repression has created pockets of resentment, lending credence to Islamic resistance and armed action which are the breeding ground for the emergence of an insurgency. So far, and unlike what has happened in Afghanistan and Pakistan with the Taliban, no movement has emerged which is capable of using force to break the structures of government and

religious influence, exacerbate social discontent and merge all disaffected groups into an insurgent movement.

The most frequently cited candidates are the Islamic Movement of Uzbekistan and a faction that broke away from it, the Islamic Jihad Group of Uzbekistan (*Jama'at al-Jihad as-Islami*). They carried out several attacks in Uzbekistan between 1999 and 2005. The Islamic Movement of Uzbekistan was founded in the Fergana Valley in the late 1990s, but since then it has spread to several countries of the region and outside it. The main group established itself on the Afghan-Pakistani border until recently, when US pressure and the Pakistani offensive of the autumn of 2009 forced it to give up its strongholds in South Waziristan and Balochistan and move to Afghanistan's northern border. However, the most feared element is that which might come from Afghanistan, be it an expelled insurgency if the international missions – ISAF and Lasting Freedom – triumph or the Taliban if they once again take power when those missions end. The international intervention in Afghanistan has put the most dangerous hypothesis on hold so far, denying training bases to potential insurgents, but a premature Western withdrawal would cause extremists to focus on the region. The resulting domino effect could reach Tajikistan, Turkmenistan and Uzbekistan at first. Central Asian pieces in this game would not be the last to fall, given the region's inability to confront organised insurgent action. This helps explain Russia's desire to support the US in its counter-terrorism and stabilisation efforts. Once insurgent groups get established in the area, due to the way they work together, critical infrastructures could find themselves in a situation of risk similar to that of the infrastructures in Iraq, and this would have a serious effect on energy security. Worries about Afghanistan –and time that has been wasted– have led to a strengthening of the military presence on Central Asian borders and bilateral talks in July 2009 between the Pakistani President Asif Ali Zardari, the Afghan President Hamid Karzai and their counterpart from Tajikistan, Imomali Rakhmonov, in Dushanbe to address the situation.

Right now, a greater source of concern are the criminal gangs engaged in all kinds of smuggling, especially drug trafficking, because of their ability to spawn corruption and challenge the central government authorities in the areas where these gangs operate. The Central Asian region is one with a lot of trafficking but not much consumption. A total of 19% of the drugs coming out of Afghanistan go through the region, according to the United Nations Office on Drugs and Crime (UNODC).⁵ This led to the opening in December 2009 of a Central Asian Regional Information and Coordination Centre, answering to the UNODC, in Almaty, Kazakhstan. If regional cooperation is not developed in order to fight international crime gangs, it will not be possible to keep illicit money from ending up financing insurgents. It is probable for this reason that the SCO is trying to establish sanitary cordons to protect itself from the effects of drug trafficking and related crimes through an Action Plan for Afghanistan that was approved in March 2009.

Added Risks

The security of Central Asian infrastructures is either enhanced or hurt by exogenous factors, such as the geopolitical projection of Russia, the US and China, the contribution of international security organisations and the Afghan conflict. Given Central Asia's shortcomings, the offer of security assistance from major powers and international organisations is part of the new 'Great Game' centring on local resources. It does not

⁵ UNODC considers Central Asia to be the region of the world where the relationship between trafficking and consumption of drugs as measured in crimes related to both is lowest (*World Drug Report 2009*, p. 30 & 44).

focus on protecting infrastructures, but rather on preserving the stability of the countries of Central Asia.

US aid has fallen off from the levels offered after the September 11 attacks and the intervention in Afghanistan, when the 'war on terror' prompted the US to take the lead in regional security and have two military bases in the area. The US saw this assistance as a way to fight terrorism, but it was questioned by Russia and China, which both thought the aid was a cover for a presence aimed at controlling local energy resources. So the US has been forced to concentrate on Afghanistan and give up its leading role in the other countries. Although it continues to contribute to nuclear security programmes designed to prevent the proliferation of weapons of mass destruction (the *Nunn-Lugar Cooperative Threat Reduction Program*), the US had to pull out of the Uzbek base at Karshi-Khanabad after the massacre at Andijan in May 2005 and has gone from having its own base in Manas, Kyrgyzstan, to having just use of the transit centre at Bishkek-Manas airport for non-lethal material bound for Afghanistan. The reduction of the permitted military contingent and the cut in traffic has been offset to some extent with the right to use the Uzbek base at Novoi, although with the same limitations on use, and lately there is speculation that US forces will return to Kharsi-Khanabad.

The US displacement in the region is welcomed by Russia and China and facilitates their relationship with the US, but it also passes on to them the cost of ensuring the stability of Central Asian, of whose energy infrastructures they are direct beneficiaries. Russia has managed to use its influence in the region and the circumstances by establishing itself at the Kyrgyz base at Kant, to offset the US deployment at Manas, under the umbrella of the CSTO (another base to add to the Russian bases at Kara Blata, Bishkek and Jarakol). Still, Russia has not been able to avert Central Asian opposition to permanent military bases. For instance, Uzbekistan does not want Russia to open another CSTO base in Osh, Kyrgyzstan, near the Fergana Valley. Nor does Russia seem able to skirt demands for economic compensation, and even a strategic ally as loyal as Tajikistan could put a price on using the current bases of Nurek, Kulyab and Kurgan-Tyube or the requests for Gissar or in Khujand –the latter under the umbrella of the CSTO– after Russia failed to live up to a pledge to build the Rogun dam as compensation for the bases.

None of the international organisations present in the region have specific programmes to protect critical infrastructures, although all of them can contribute something useful. Among those which contribute the least is the OSCE, which only has a forum for dialogue in which infrastructures are addressed under the broader framework of energy security. The Collective Security Treaty Organisation (CSTO) of the Commonwealth of Independent States allows military cooperation between its Central Asian members except for Turkmenistan. But that cooperation has not yet focused on infrastructures because Russia tends to use the organisation as a tool for bilateral military projection towards former Soviet republics rather than as a forum for multilateral cooperation. In February 2009 Russia persuaded the CSTO to approve the creation of a rapid-reaction force and bilateral agreements in case it were necessary to deploy forces to intervene in internal military conflicts, protect borders and fight terrorism or drug trafficking. The force would rely on CSTO bases and have a Russian airborne division always with two aerial assault brigades, one Russian and another from Kazakhstan, along with smaller units. Its first exercise in Matybulak, Kazakhstan in October 2009 –with more than 7,000 troops taking part from Kazakhstan, Tajikistan, Kyrgyzstan and Russia– along with the presence of the countries' heads of state, underscores the possibility of Russia trying to use the force to protect Central Asian energy resources. This is a function called for under the

'National Security Strategy of the Russian Federation through 2020'. So it is to be expected that, besides a Russian intervention to defend Central Asian infrastructures that lead to its territory, the CSTO might feature some kind of intervention capability over the mid-term.

For its part, the Shanghai Cooperation Organisation does not have a military or police capacity that could be used to protect critical infrastructure. Although Russia wants to give the SCO military projection capabilities, the rest of the members are more inclined to develop different self-defence mechanisms. In the absence of specific, more developed mechanisms, the only way the SCO can protect energy infrastructures over the short term would be in a preventive way, developing cooperation agreements between regional security bodies such as the CSTO, CIS, NATO and EU, or between the member states of the SCO through its Regional Anti-Terrorist Structure, in which regional capabilities are coordinated. But for now neither of the two options has specific, tested and transparent mechanisms that would give the SCO an adequate intervention capability, even if the idea over the mid and long term is to give it an anti-terrorist function –even a 2010-20 action plan against terrorism, separatism and extremism, approved in March 2009–.

If we evaluate the operational tendencies of the SCO by looking at its missions, it seems that its exercises have evolved from manoeuvres like the *Peace Mission 2007* held in Urumqi in the autonomous Xinjiang-Uighur area in August 2007 to put down uprisings to others of an anti-terrorist nature, such as the Norak exercises in April 2009, which involved neutralising a terrorist group which entered from Afghanistan to attack an electro-chemical plant in Tajikistan. The exercises have always been under military control and had a military approach, however. Under this system, the SCO is progressing, albeit very slowly and with not much transparency, towards a model of cooperation-based security that tries to confront external risks, radical opposition groups and links between organised crime, terrorism and drug trafficking, according to its summit in 2005. In the most recent summit, in Ekaterinburg in 2009, the list of risks was broadened to include epidemic diseases, natural and man-made disasters, spill-off from the Afghan conflict and proliferation. It should be noted that the Chinese President Hu Jintao specifically asked in that summit that protecting energy infrastructures be included among the security cooperation goals of the SCO. That request, along with the first accords on infrastructure security that the Interior Ministers signed a month earlier, on 18 May 2009, indicate that the SCO is beginning to get involved in infrastructure protection in a less rhetorical way than in the past.

NATO engages in military cooperation with Kazakhstan, Kyrgyzstan and Uzbekistan through the Partnership for Peace, but its cooperation has fallen off amid a lack of respect for human rights, corruption among commanders and budgetary restrictions which have affected technical assistance. So Kazakhstan is the only member of the Partnership with an approved plan. However, the results of cooperation with NATO and others who have sought to provide assistance to the countries of Central Asia have not been very effective. Not even the armed forces of Kazakhstan, which have received more assistance and investment than have other countries of Central Asia, have managed to seize the opportunity to develop protection capabilities at the national or regional level.

Since 2003, the EU's Border Management Programme in Central Asia (BMPCA) has been the main reform initiative in the security sector. However, it does not focus on protecting infrastructures but rather on managing borders, migration, organised crime and

customs.⁶ Still, EU assistance faces resistance from the European Parliament because it does not make aid contingent on improvements in human rights and governance.

Conclusions: The security of energy infrastructures depends on the will and capabilities of Central Asian countries. The task of protecting them is complicated by structural risks stemming from the lack of resources to maintain and expand the existing grid and the absence of specific plans to protect them against emergencies caused by natural disasters or actions by mankind.

A second group of risks is posed by the possibility of ethnic, religious or political tensions leading to systematic attacks against critical infrastructures along the lines of the insurgency in Iraq. So far there has been no pattern of attacks justifying the importation of that model to Central Asia because there is no level of insurgency similar to the one in Iraq. However, social, ethnic and religious tensions are weakening the ability of Central Asian governments to exercise control, and groups that are discontented, oppose the system or feel slighted are increasing in number as they await leadership to meld them into one force. The risk of destabilisation stems not so much from global jihad as from an accumulation of complaints, inequality and lack of prospects for accelerated democracy. The international intervention in Afghanistan has prevented insurgent or terrorist groups with capacity for catalysing the destabilisation of Central Asia from working to do so. But no one knows how long the intervention might last.

The third group of risks stems from the lack of response mechanisms at the regional level to confront new security risks. While Central Asia has been gradually exposed to those transnational risks, its governments continue to be more concerned with remaining in power than with guaranteeing energy security. As energy infrastructures have increasingly connected Central Asia with other, like-minded regions, international organisations present in the region have become aware of the risks that exist. But they are a long way from introducing efficient mechanisms to confront these risks, and time –which depends on events in Afghanistan– seems to be running out.

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⁶ For an assessment of European assistance, see Fraser Cameron (2009), 'The Policies of the European Union and Russia towards Central Asia', *Xenophon Papers*, nr 8, ICBSS, Athens, November.