

EUROPEAN PARLIAMENT

**DELEGATION TO THE EU-KAZAKHSTAN, EU-KYRGYSTAN AND EU-
UZBEKISTAN PARLIAMENTARY COOPERATION COMMITTEES,
AND FOR RELATIONS WITH TAJIKISTAN, TURKMENISTAN AND MONGOLIA**

SIXTH SESSION

**European Union - Republic of Kazakhstan
Parliamentary Cooperation Committee**

Brussels, 29-30 May, 2006

DRAFT MINUTES

	<u>Page</u>
1. Opening of the meeting and welcoming speeches from the two Co-Chairmen of the Parliamentary Cooperation Committee and representatives of the Commission	3
2. Adoption of the agenda for the sixth meeting of the EU-Kazakhstan Parliamentary Cooperation Committee	4
3. Exchange of views on the development of relations between the European Union and Kazakhstan since the fifth meeting of the Parliamentary Cooperation Committee	4
3.1 Economic and financial issues	8
4. Exchange of views on the general political situation and inter-state cooperation in Central Asia	10
5. Exchange of views on environmental problems and public health in Kazakhstan and in the European Union	11
6. Exchange of views on combating terrorism, organized crime and drug trafficking in Central Asia and the contribution of the European Union	12

7.	Approval of the minutes of the fifth meeting of the EU-Kazakhstan Parliamentary Cooperation Committee (Astana, 16 May 2005)	13
8.	Adoption of the draft conclusions of the sixth meeting of the EU-Kazakhstan Parliamentary Cooperation Committee	13
9.	Date and place of the seventh meeting of the Parliamentary Cooperation Committee	13

Annexes:

Conclusions

Composition of the delegation of the parliament of the Republic of Kazakhstan

List of attendance of the European Parliament delegation

1. Introductory speeches by the two Co-Chairmen of the Parliamentary Cooperation Committee

Mrs Ona Juknevičienė, chair of the European Parliament delegation to the EU-Kazakhstan Parliamentary Cooperation Committees, opened the 6th Kazakhstan-EU Parliamentary Cooperation Committee meeting in Brussels on May 29, 2006. She welcomed the delegation of the Majilis and other participants to the session. Mrs Juknevičienė stressed that the last meeting under the Partnership and Cooperation Agreement (PCA), which had taken place in May 2005 in Kazakhstan, had been a very constructive event. She noted that the interparliamentary dialogue between the Republic of Kazakhstan and the European Parliament was very well established and that all the institutional arrangements were in place in order to maintain the dialogue, to discuss the Agreement and to follow-up on major items.

Mrs Juknevičienė pointed out that in the recent years there had been increased awareness of Central Asia in the European Parliament. It was partly because of the enlargement of the EU but also because of the growing importance of the Central Asian region - and specifically the role of the Republic of Kazakhstan - in cooperation with the European Union. She stressed that stability and security in Central Asian countries, including Kazakhstan, were especially important to the EU. Other important issues included the current political situation, human rights, poverty reduction and corruption. The European Parliament delegation was aware that Kazakhstan played a special and highly significant role in the region. It was important to stress that cooperation between the two sides was taking an additional direction towards the expansion of cooperation in the energy sector, which was considered as mutually beneficial. Mrs Juknevičienė then gave the floor to the Co-chairman of the EU-Kazakhstan Parliamentary Cooperation Committee, Mr Sergey Dyachenko.

Mr Dyachenko thanked the European Parliament and Mrs Juknevičienė for organising the meeting. He noted that it gave the delegation an opportunity to exchange political and economic information about what was currently taking place in Central Asia. He stressed that this discussion should enable the two sides to overcome both political and economic barriers. The Kazakhstan delegation was in favour of cooperation with the European Parliament and with the European Union. The EU was Kazakhstan's main trading partner and in 2005 the volume of trade had amounted to 13 billion euros. However the dialogue should be stepped up in the field of security and in the political and economic spheres.

Mr Dyachenko noted that President Nazarbayev had set out a major objective of making Kazakhstan one of the top 50 developed countries in the world. At present it was in the 61st position. Foreign direct investment was on the increase, as well as monetary reserves, while growth stood at about 10% a year. Per capita income was US\$3600 and it was expected to increase to US\$6000. A long term strategy - 'Kazakhstan 2030' - had been established for the development of the country. Some results had already been achieved, such as the modernisation of about 300 enterprises and adjustment to market trends.

Energy needs were scheduled to double in the current century and Kazakhstan was becoming a very important player on the energy market. It therefore wished to ensure that its energy could be transported safely and to make use of its strategic position as a crossroads between Europe and the Asia-Pacific region.

Mr Dyachenko noted that political situation in his country was improving and that a programme of political reform had been put forward. Moreover, reforms in the judicial system had been undertaken. All these reforms were designed to make the political system of Kazakhstan more flexible and to make it a modern country.

Kazakhstan's bid for the chairmanship of the OSCE in 2009 would involve great responsibility and the initiative would require Kazakhstan to meet many obligations in terms of democratisation. Mr Dyachenko underlined that Kazakhstan would continue to reform its political system and he hoped that its European partners would support its candidacy for the chairmanship of the OSCE. Mr Dyachenko stressed that procedures should be developed for fighting against terrorism at all levels. If the standard of living of people in Central Asia increased, Kazakhstan would be able to protect itself and other countries. It was therefore clear that only by acting together could the two sides fight terrorism and create mechanisms that would allow them to overcome this threat. Mr Dyachenko concluded by expressing his hope that the meeting would be a very important step in developing relations between the two sides and that it would show the importance of interparliamentary dialogue and give a boost to EU-Kazakhstan cooperation.

2. Adoption of the agenda for the sixth meeting of the EU-Kazakhstan Parliamentary Cooperation Committee

The agenda was adopted without amendment, subject to changes in the order of items.

3. Exchange of views on the development of relations between the European Union and Kazakhstan since the fifth meeting of the Parliamentary Cooperation Committee

Mr Maat welcomed the bid of Kazakhstan for the Presidency of the OSCE in 2009 and said that the country could serve as a bridge between Europe and Central Asia. He raised the issues of cultural exchanges, which he believed could make a contribution to better mutual understanding. He also pointed to the need for religious freedom, which could promote better coexistence of religions worldwide.

Mr Olajos asked the Kazakhstan side to give more details about a new programme for 2006-2008 for creating ethnic and religious harmony.

Ambassador Zhigalov noted that on 3 October 2006 an exhibition of photographs from the Second Congress of World Religions would be organised in the European Parliament by the Kazakh side. The Congress would take place in Kazakhstan in September.

With regard to the issue of religious freedom, Mr Aman remarked that the key to the successful coexistence of so many religions and mutual understanding in one country was respect for each other and tolerance towards national and confessional differences.

Mrs Juknevičienė touched upon the democratisation process and political pluralism and welcomed the establishment of the State Commission on the Development and Realisation of

the Programme of Political Reforms and the registration of the Ak Zhol political party.

Mr Abaidildin noted that freedom in political life and legislation had improved and that censorship in the mass media had been abolished, which had encouraged freedom of speech. In Kazakhstan there were different sorts of media for all age groups, with 80 representatives from the foreign press from 20 different countries and 85 local stations, which was 30% more than had existed four years previously. Concerning the mass media in Kazakhstan and their close links with politics, Mr Zhigalov noted that there were a lot of European countries, even member states of the EU, where the situation was similar.

With regard to human rights, Mr Abaidildin noted that the Ombudsman provided effective protection. In addition, he mentioned that Kazakhstan had signed up to a number of human rights conventions and that the defence of human rights was guaranteed in the Constitution and also by certain international agreements. Mr Abaidildin stressed that the non-governmental sector was being promoted and was considered as a priority. There were forty times more NGOs in Kazakhstan than ten years ago. This had led to the adoption of a law on civil society organizations, non-profit organizations and social services. Concerning elections it was stated that Kazakhstan was a large country with over eight million voters and it was quite possible that there were few abuses or some problems but there was nothing major. The role of observers had been strengthened in the last elections and there had been over 1600 observers from different countries. At the beginning of the electoral campaign there were eleven candidates and only five of them had got into the final run off. 91% of voters supported Mr Nazarbayev.

In the opinion of Mr Dyachenko this result came as no surprise as the standard of living in Kazakhstan was improving, the economy was growing and there was an effective social security system. In addition President Nazarbayev had put forward a very tangible action plan entitled "Kazakhstan on the move". The opposition lacked a charismatic leader and the clear cut platform of Mr Nazarbayev, who had set out his strategy for the next five years of his term. Mr Dyachenko recognised that, in view of the criticism that had been levelled by the OSCE/ODIHR, there would be improvements in the administration of elections in the Republic of Kazakhstan and in promoting further democratisation.

Both Mr Zhigalov and Mr Dyachenko noted that the authorities in Kazakhstan had done everything they could with regard to the killing of Mr Sarsenbayev. An inquiry had been carried out and international experts - including representatives of the US FBI - had been invited to pass their judgement. It was stressed that the investigation into the circumstances and motivation of this crime should be comprehensive and transparent. The Kazakh side raised the issue of the killing of politicians in Ireland and France.

Mr Maat asked whether it would be possible for Mr Zhakiyanov to travel to meet with MEPs in Strasbourg for a meeting on 14 June 2006. Mrs Juknevičienė noted that the report prepared by Mr Stevenson, president of the ad hoc delegation of observers from the EP to the presidential elections in Kazakhstan, had been very objective and had pointed out both positive and negative sides of the elections. She also referred to the statement of the International Election Observation Mission (IEOM), which had declared that the elections in Kazakhstan had not met a number of OSCE commitments and other international standards for democratic elections. She stressed that this should be taken seriously in view of the fact

that the OSCE/ODIHR was a professional body which was carrying out its work in an efficient and effective manner. The IEOM view with regard to certain shortcomings in the legal framework for the elections was shared in various reports written by NGOs.

Mrs Juknevičienė also referred to the proposed visit of Mr Zhakiyanov to the European Parliament and she expressed her concern about the refusal of the Kazakh authorities to allow Mr Zhakiyanov to leave the country. She noted that such cases created an unfavourable impression of Kazakhstan on the international scene.

Concerning the request of Mr Maat, it was stressed that if there were any problem with an individual case or with members of the Kazakh opposition, the European Parliament delegation could send a letter to the leader of the Kazakh delegation in order to clarify that particular case.

Mrs Jeggle noted that in 1999 there had been a lot of ethnic Germans who had been queuing in front of the German embassy in Kazakhstan for visas. People now wanted to stay in the country because they could see the progress that it was making and how their standard of living was getting better. This progress had been enormous, particularly when compared with other countries in the region. Mrs Jeggle argued that these facts needed to be borne in mind. She also wanted to find out opinions regarding the TACIS programme and sustainable and renewable resources as well as agriculture. A quarter of Kazakhstan was agricultural land and 40% of its population were employed in the agriculture sector. She asked whether the EU, together with the Republic of Kazakhstan, might frame a form of cooperation that would take into account the needs of both sides and reduce the existing concerns regarding agriculture. Finally she noted that gas pipelines were an important issue and stressed that the EU and Kazakhstan should consider new forms of cooperation in this field.

Mr Dyachenko noted that TACIS had been a very productive programme. A new instrument would come into place at the beginning of 2007 that was aimed at supporting economic development.

Mr Aman agreed with Mrs Jeggle that, due to the unfavourable economic situation in Kazakhstan in the early 1990s, a large number of ethnic Germans had migrated to the land of their ancestors. He stressed, however, that they had only left because of the economic situation and not because of any ethnic problems. At present the capacities of the German consular services were inadequate for dealing with the number of people who would like to visit Germany for tourism. Moreover the consular services had not yet moved to Astana and were still present in Almaty, which was very impractical. With regard to this issue, it was agreed that tourism should be promoted between the two sides. Concerning sustainable resources, work was underway in Kazakhstan on resolving the problem of water supply. It was noted that a special water supply programme had been established. With regard to agriculture, the Kazakh side stated that it had still the Soviet style agricultural sector with a very outdated capacity and therefore it needed to be modernised.

Mr Rakhmetov noted that - although Kazakhstan had received EUR 178 million through the TACIS programme - it did not always have technical assistance where it was needed, due to the large number of programmes which had been carried out. It was underlined that there was the need to use the TACIS money in order to help the people who lived on former nuclear

sites or near these sides and who had suffered from the fallout of nuclear tests. The TACIS programme was scheduled to end this year, however work was underway on the European Union strategy for 2007-2013 for Central Asia.

Mr Vardakis, the Commission representative, noted that technical assistance to Kazakhstan was extended through a process of partnership and dialogue. In view of the fact that the TACIS programme would be coming to an end on 31 December 2006, the Commission had submitted to the Council and to the European Parliament a proposal for a new regulation for a new financing instrument - the "Economic Cooperation and Development Cooperation Instrument" - which would benefit Kazakhstan and Central Asia. He noted that the new instrument would be much more comprehensive than the TACIS programme, as it would not only support economic cooperation but also development. It would therefore be possible to finance technical assistance, institutional capacity building, training and studies, works, contracts, supplies and procurement. The Central Asia Strategy was a strategy for cooperation and had been drafted by the Commission services. At the moment it was going into inter-service consultation and would be presented to the member states either in July or in September 2006.

It would have three main priorities for the whole of Central Asia:

- to foster regional cooperation in Central Asia;
- to support political and economic reforms;
- to contribute to poverty alleviation.

Mr Vardakis noted that the Head of Delegation of the European Commission to Kazakhstan, Ambassador van der Meer, had informed the Commission of the forthcoming request from the government of Kazakhstan to look into activities supporting decontamination, and in particular to address the problems of the Semipalatinsk site.

Mr Maat addressed the problem of avian flu. He noted that some countries in the EU were very much in favour of vaccination against foot and mouth disease and even avian influenza. Mr Dyachenko noted that Kazakhstan had taken the necessary measures and had saved quite a lot of money for vaccination programme to deal with bird flu. Kazakhstan was taking this problem very seriously and the Kazakh side expressed their interest in linking their projects with those of EU countries if the European side had any specific suggestions as to how could the cooperation operate.

Mr Zhigalov stressed that Kazakhstan was the only country which had included environmental projects in its technical assistance programmes within the framework of TACIS. In April 2006 an environmental conference, with the main topics dealing with water issues, had taken place in Kazakhstan. The Commission considered it a very positive initiative. He noted that the EU would need to increase its imports of fossil fuels from the Caspian region - possibly by as much as 30%. The official visit of the Energy Commissioner Mr Piebalgs to the oil producing region in Kazakhstan was perceived in the country as a stepping stone towards cooperation in the field of energy between the two sides. In addition the initiative of MEPs to organize a working seminar in the European Parliament on June 20 2006, with the presence of Mr Piebalgs, the Minister of Energy for Kazakhstan, as well as the Chair of the EP Energy Committee Mr Chichester, was very much appreciated by the Kazakh side.

3.1 Economic and financial relations

Mr Dyachenko noted that Kazakhstan's economy was developing in a very dynamic manner and therefore there was potential for further development of cooperation with the European Union. Kazakhstan was interested in supplying both oil and gas to the EU. In the view of the Kazakh side, Kazakhstan was a more stable supplier of energy than Russia or North Africa, and therefore, the EU should take advantage of this and raise its share of gas imports from Kazakhstan to as much as 20%.

Mr Dyachenko expressed concern about the dependence of Kazakhstan's economy on oil. He noted that in recent years very serious attempts had been undertaken to overcome that dependence and further economic reform would enable Kazakhstan to cut it to a minimum. In June 2006, twelve bills, which would create customs and tax benefits, would be adopted in the Kazakh Parliament in order to encourage development of non-oil sector. The income from gas and oil exports would be put towards a national fund and that money would be used for stimulating the non-oil sector, including fields such as "cutting edge" technologies, nuclear energy, space exploration, food processing industry, petrochemicals and plastics. Kazakh capital had already been invested in the economies of the neighbouring Central Asian countries, because Kazakhstan had not only a stable economy and society but also a quite developed financial and banking system and was therefore able to serve as a base for developing the economies of the whole Central Asian region. In that sense, Kazakhstan was a leader among the Central Asian countries.

Mr Dyachenko said that he could not understand why the EU did not recognise the Republic of Kazakhstan as a fully developed market economy. He stressed that Kazakhstan was a serious and ambitious country, which was strongly pursuing its economic performance with respect to developing its potential in the Central Asian region.

Mrs Juknevičienė agreed that the growth of the economy in Kazakhstan was very impressive; however she expressed her concern about the strong involvement of the government in a major part of the economy. The private sector made up 65% of GDP but the big companies were still controlled by the state, the president or by his relatives or people close to him. Recent developments, including the merger of the major state companies into a one state holding totally controlled by the state and the president, would not help Kazakhstan with achieving market economy status. She pointed to the merger of KazMunayGas together with telecommunications, post services and railways. The new conglomerate could not be judged to be a positive move towards building a market economy.

Mrs Juknevičienė noted that the European side was concerned that foreign direct investment was mainly present in the energy sector and that the investment climate in Kazakhstan was generally still not favourable to attracting more foreign direct investment. Hence, the government should seek to improve the investment climate in all sectors, as this would help Kazakhstan towards achieving market economy status. The government should also decide whether it was ready to liberalise the Kazakh economy, including the energy sector. So far the EU was taking very active steps towards cooperation with the Republic of Kazakhstan and the European side expected that the undergoing reforms would be directed towards the

expected results; i.e. towards a more liberal market economy.

Mr Zhigalov said that the state sector in Kazakhstan was comparable to that of countries such as Norway and Russia and that there were areas in which Kazakhstan was ahead of Ukraine, which had achieved market economy status. He argued that Kazakhstan was an attractive economy for investment. Mr Zhigalov noted that no more than 23% of Kazakhstan budget income came from the oil and gas sector, which it was less than in cases of other oil and gas dependant countries. He stressed that there should not be major problems in granting market economy status to Kazakhstan in view of the exchanges at a meeting in May 2006 between Trade Commissioner Peter Mandelson and the Kazakh Trade Minister at which the Commissioner had expressed very positive opinions about the current reforms in Kazakhstan and had indicated that market economy status would be granted in the foreseeable future.

Mr Aman noted that, although the EU was accusing Kazakhstan of having monopolies in certain areas, the Kazakh government was trying to put the infrastructure in place with the help of the state in order to bring in business. Kazakhstan was a large country with a low level of population. There were villages located 200 kilometres from each other and linking them together would be a very expensive investment. He stressed that private business was not interested in such projects and the state therefore had to provide the money.

Mr Itegulov stressed that public opinion in Kazakhstan was in favour of high state involvement in such areas as the extraction industries.

Mrs Juknevičienė noted that foreign direct investment per capita was very high in Kazakhstan; however it was primarily oriented to the energy sector. She agreed that in the EU there were countries such as France where state ownership was very substantial. However, the Commission was taking the same approach towards those countries as towards the Republic of Kazakhstan. The same criteria had been applied and there were certainly no double standards whether the EU was evaluating the economy of France or that of Kazakhstan. She stressed that she did not support the establishment of very strong state holdings in Kazakhstan, especially if one of the main leaders of the holding was the son-in-law of President Nazarbayev. Nevertheless she said that - even though she did not agree that strengthening of state ownership would assist the liberalisation of the market - she respected the decision of the Kazakh people.

Mr Rakhmetov noted that at the time of the collapse of the Soviet Union there had been a process of substantial privatisation, however this had led to many problems and - for example - there had not been enough money to pay pensions to state employees.

Mr Seppänen stressed that in the EU there was a very wide range of views and position on liberalisation and privatisation. His political group for example, had been very often critical about liberalisation and privatisation because they resulted in services that were not as good as they had previously been. He suggested that perhaps the solution would be to have private and state property next to each other so that the state and private sector could compete. In addition the EU should not impose liberalisation either in the Union itself or in third countries. Neo-liberalism was a common trend, which had come to Europe from the US, and could result in liberalisation at any cost.

Mr Maat argued that certain services such as postal services had to be provided by the state but nevertheless the best way to make the economy grow would be through liberalisation. However, he pointed out that liberalisation should not go too far and citizens' views should be taken into account.

Mr Aman noted that there should be the possibility for government to subsidise farmers and their production due to the very difficult climatic conditions in some regions of Kazakhstan. He also stressed that Kazakhstan needed support from the EU in order to improve the health situation, especially in rural areas.

With regard to Kazakhstan's bid for membership of the WTO, Mr Maat stressed that the EU could help Kazakhstan in negotiating its entry into the organisation.

Mr Callanan argued that agricultural subsidies had been one of the greatest mistakes of the EU, because huge quantities of cash were being spent on a quite inefficient industry that employed relatively few people. Those EU member states that received the greatest subsidies had become addicted to them and as, a result, very resistant to giving them up. He warned Kazakhstan not to go down the same road of subsidising agriculture because it caused tremendous problems and raised criticism from African and other countries that the access to the EU market of agriculture products had been denied to third countries. Mr Callanan favoured liberalisation, but stressed that it should be done in a proper, transparent way. With regard to foreign direct investment, he suggested that laws should be put in place which would be impartially administered through an independent judiciary. People should have confidence that the banking system would properly administer their funds and be certain that they did not need to pay bribes to members of the government or to local bureaucrats in order to allow their company to operate properly.

4. Exchange of views on the general political situation and inter-state cooperation in Central Asia

Mr Yeleubayev noted that there were major sources of raw materials in Central Asia. It was therefore very important for the states of this region to develop a common strategy that would reflect their interests and also to develop a proper division of responsibilities in the region. One of the most important challenges was the development of energy and transport in the Caspian region because mutual cooperation was essential for the countries in this area. Relations with Central Asian neighbours were therefore at the top of the Kazakh agenda. Kazakhstan could develop major partnership with its neighbours because of its enormous oil and gas reserves. There were also other factors that played a role with regard to cooperation between the Central Asian countries, such as the threat of international terrorism and extremist organizations, illegal trafficking, drugs, the involvement of international criminal groups, the absence of a mutually acceptable plan for the use of water resources, the absence of an effective economic model for cooperation between Central Asian states, and the need to overcome political conflicts. Mechanisms for preventing diplomacy and heading off conflict should therefore be created in the Central Asian region.

Mr Yeleubayev argued that the information coordination centre, which was already in place, could help to ensure mutual cooperation in dealing with shared threats. Secondly, there was a

project to cooperate on the use of water resources. Thirdly, there was also a need for cooperation in regional security field. Finally, there had been a Kazakh initiative to develop new forms of cooperation, because of the increasing mutual economic interdependency, and to ensure the free movement of capital, labour force and services across borders which would lead to the creation of a single economic space in the Central Asian region.

Mr Callanan endorsed the comments that Kazakhstan had a very responsible position as the largest and the most economically developed country among Central Asian states. However, he expressed his disappointment at Kazakhstan's reaction to the massacre in Andijan. He noted that President Nazarbayev had given his support to the action of President Karimov at a time when the massacre had been condemned elsewhere in the world and independent journalists had not been permitted to enter Andijan. He argued that it was extremely regrettable that Kazakhstan had not condemned such flagrant human rights abuses and had even endorsed the actions of President Karimov.

Mrs Juknevičienė supported the view of Mr Callanan that Kazakhstan had certain international commitments and noted that for this reason the European side had its concerns about Astana's support for the government of President Karimov. She also noted that the Council of the European Union had stated that it was not acceptable that Kazakhstan had forced nine Uzbek citizens - who had suffered from the events in Andijan and escaped to Kazakhstan - to return to their home country.

5. Exchange of views on environmental problems and public health in Kazakhstan and in the European Union

Mr Callanan noted that Kazakhstan faced tremendous environmental problems, especially with regard to the degradation of the Aral Sea region and he stressed that this problem should be solved in cooperation with the other Central Asian states. He noted that the Sea was drying up because of the destructive Soviet irrigation system that had been put in place primarily for the development of cotton farming and the only solution would be to stop the irrigation. However, it would not be so easy to do that when millions of people across Central Asia relied for their incomes on irrigated cotton fields. 40 million people lived on the edges of where the Aral Sea used to be. Unemployment was rising in the region, the level of migration had increased and life expectancy was very low, with many babies born with birth defects. The other environmental problem in Kazakhstan was the Semipalatinsk region with its nuclear testing ground. Some TACIS funds had been spent in this region; however Mr Callanan considered that the EU could do more to help.

Mr Rakhmetov explained that Kazakhstan itself was investing a lot of money in the Semipalatinsk region. There was a state programme which should protect and allow the government to rehabilitate the victims living in the area. It was a two step programme which firstly would help the people who lived there. This would include social and medical assistance and possible evacuation of some of the people from the site. Secondly it would focus on water and to find out whether water was drinkable in the region. He also noted that Kazakhstan had a social assistance programme for the inhabitants of the Aral Sea region.

Mrs Juknevičienė accepted that the TACIS projects and funds coming from the EU sometimes

did not always meet the requirements of the beneficiary country. The Commission experts often prepared projects without taking into account the involvement of a particular country in the preparation process and therefore they might not have carried out a proper assessment of the country's needs. She noted that better results could be achieved if the Kazakh government were more deeply involved and committed at the time when the terms of reference for a project were being prepared.

Mr Rakhmetov noted that Kazakhstan had developed 38 projects for rehabilitation and had spent US \$42.5 million with the involvement of the UN. A donor conference had taken place and the Japanese government had financed two projects which had now been completed. There were a lot of effective projects in Kazakhstan which had been put together by UN experts with the help of the European Commission. The Kazakh side stressed that the environment was a very pressing issue in their country and that the government and society had made efforts to address the matter. It was noted the Kazakh government had invested in very up-to-date diagnostic, medical equipment to support the victims of the Semipalatinsk nuclear testing area.

Mr Zhigalov thanked certain members of the European Parliament who had invested a great deal of energy in the environmental problems of nuclear testing grounding in the Semipalatinsk. He mentioned in particular Mr Stevenson who had contributed his own money and time and had raised US\$15,000 to help financing an oncological clinic in the Semipalatinsk region. Mr Zhigalov invited all members of the Delegation, as well as the other members of the European Parliament, to participate in the presentation of Mr Stevenson's book that day, which was considered very important for the Kazakh side.

6. Exchange of views on combating terrorism, organized crime and drug trafficking in Central Asia and the contribution of the European Union

Mr Attard Montalto noted that tackling the problem of drug trafficking was extremely difficult because of a number of factors. The border between Tajikistan and Afghanistan was very poorly controlled and the same ethnic people, the Tajiks, lived on both sides of it. There were therefore connections, safe houses and opportunities to take drugs across the border in large quantities. 80 to 90% of heroin which entered into Russia across the Europe came from Afghanistan and the Central Asian republics. This new heroin route had replaced the Silk Road. Problems were also caused by the social climate in the region.

There had been criticism that the type of financing which the European Union was putting into combating the drug trafficking problem in the region was not coming up with adequate results. The EU was providing funds under specific arrangements which, Mr Montalto believed, could be used in a better way. Mr Montalto stressed that just putting the money into training the border guards in order to prevent criminal activities was not enough. He considered that the amount of money which had been invested through various funds since 2002, and the results that had been achieved, were extremely modest. He believed that the only way to prevent organised crime would be to have specialised forces. Hence, all the Central Asian republics should allow special European or American forces with their local forces to take a joint action in the region. He considered that such joint operations could give more positive results. Mr Montalto also noted that the only way to prevent terrorism would

be through political and democratic reforms.

Mr Zhigalov asked for the question about fighting terrorism and extremism to be put further up the agenda at the next interparliamentary meeting because it was always the last item on the agenda and the issue did not receive sufficient time. He noted that since September 11 2001 there had been a war on terror in the world and all countries had been facing some kind of threat, including Kazakhstan. Kazakhstan was a major player in international cooperation in the region with a single anti-terror policy in Central Asia. Kazakhstan had also signed up to the UN convention against terrorism. In 2005 in Almaty a special conference of the Counterterrorism Committee of the UN Security Council had taken place. Kazakhstan was a strong supporter of actions against terrorism and had ratified 38 bilateral and multilateral agreements on terrorism and had adopted many amendments to its legislation on antiterrorism activities. The Kazakh Supreme Court had condemned organisations such as Al Qaeda and the government had signed up to the Shanghai convention on the fight against terrorism, separatism and extremism. Mr Zhigalov noted that there were about 50 000 people addicted to drugs in Kazakhstan and that there was certain abuse of drugs among young people. However, whole package of measures had been put in place together with Kazakhstan's international partners to deal with the problem.

Mrs Juknevičienė announced that she had received a letter from the Coalition for International Criminal Court which stated that Kazakhstan was not yet a party of the Rome Statute of the International Criminal Court and that in the region of Central Asia only Tajikistan had already ratified the Statute. She asked for further clarification on Kazakhstan's position on this issue.

7. Approval of the minutes of the fifth meeting of the EU-Kazakhstan Parliamentary Cooperation Committee (Astana, 16 May 2005)

The minutes were approved without amendment.

8. Adoption of the draft conclusions of the sixth meeting of the EU-Kazakhstan Parliamentary Cooperation Committee

Mr Zhigalov made a substantial number of comments on the draft recommendations.

Mrs Juknevičienė suggested that, in view of the disagreements, the European members of parliament would include some new articles with regard to the points that had been raised by Mr Zhigalov in order to find a compromise and approve a text acceptable to both sides.

Following the formal meeting the recommendations were negotiated and finally agreed.

9. Date and place of the seventh meeting of the Parliamentary Cooperation Committee

It was agreed that the next meeting would take place in the Republic of Kazakhstan on a date to be determined by the Co-Chairs.

Annex I

Final Conclusions

of the VIth Kazakhstan – EU Parliamentary Cooperation Committee meeting in Brussels on May 29-30, 2006

The EU-Kazakhstan Parliamentary Cooperation Committee, at its VIth meeting in Brussels on 29-30 May 2006, discussed mutually agreed agenda items and adopted the following conclusions

1. stresses the importance of the relationship between the European Union and the Republic of Kazakhstan and emphasises that it must be based on a clear and effective commitment to shared values;
2. underlines again the importance to Kazakhstan and the European Union of the Partnership and Cooperation Agreement (PCA) as a means of developing and deepening this bilateral relationship;
3. welcomes the active development of inter parliamentary dialogue and the high level visits from the European Parliament to Kazakhstan in 2005, including the visits of the various European Parliament political groups: welcomes also the participation of the European parliamentarians in the election observation mission;
4. welcomes the active support of Kazakhstan in developing regional cooperation and the cooperation of the countries of Central Asia with the EU: notes the planned EU troika-Central Asia states meeting taking place this year in Kazakhstan and the conferences on ecology and energy under the aegis of the European Union;
5. applauds the impressive and continued economic growth of Kazakhstan and welcomes the government's stated commitment to attracting foreign capital; notes that transparency and effectively tackling corruption can greatly improve the business climate and stimulate investment;
6. stresses again that it is essential to deepen economic reforms and to limit the permitted level of participation of the state in the economy;
7. welcomes steps to enable Kazakhstan to increase the number of oil export routes, which is in line with the EU policy aimed at diversification of supplies of hydrocarbons; expresses the hope that a comprehensive approach to the settlement of the legal status of the Caspian Sea will be found;
8. stresses that the trade and economic interests of Kazakhstan and the EU are largely complementary and welcomes the significant increase of the volume of bilateral trade in recent years;

9. welcomes the efforts of Kazakhstan to join the WTO and takes note of the concerns expressed by the Kazakhstan parliamentary delegation on the non-recognition of Kazakhstan as a market economy state;

10. welcomes the recent establishment of the State Commission on the Development and Realisation of the Programme of Political Reforms as a step in the right direction; in this respect welcomes the recent registration of the Real Ak Zhol political party;

11. welcomes the ratification in November 2005 by the Kazakh Parliament of the International Covenant on Civil and Political Rights and also the International Convention on Economic, Social and Cultural Rights: calls for their full implementation;

12. takes note of the report of the international election observation mission (IEOM) to the Kazakhstan presidential elections of December 2005; urges the Kazakh authorities to make efforts to address the shortcomings identified and bring about a situation in compliance with the OSCE commitments on democratic elections;

13. emphasises that Kazakhstan's bid for the chairmanship of the OSCE in 2009 represents a challenge and an opportunity both for the OSCE and for Kazakhstan; urges the Kazakh authorities to rise to the occasion and to ensure the right conditions to increase real and genuine political pluralism and to promote the principles of democracy, human rights and the rule of law, in order to demonstrate its commitment to the values and principles upon which the OSCE is founded;

14. stresses once again the importance of a fully independent judiciary that is free from external influence and also underlines the need for a transparent executive;

15. regrets the killings of all political figures, wherever they may, be and stresses the need for political differences to be resolved through exclusively political means;

16. welcomes steps taken by both sides to promote inter religious and inter ethnic harmony and condemns religious and racial hatred wherever it takes place; in this connection welcomes the policy of Kazakhstan in the sphere of inter-ethnic relations and inter-religious dialogue and the organisation of the second Congress of world and traditional religions in September 2006 in Astana;

17. the Kazakh side acknowledges the desire of the European Parliament that Mr Zhakiyanov be permitted to travel to Strasbourg/Brussels for meetings, in line with his official invitation to the European Parliament;

18. underlines that independent and pluralistic media are essential to a free and open society and accountable systems of government; supports all efforts by the Government of Kazakhstan and civil society groups to reform media legislation and to establish adequate working conditions for independent and professional journalism;

19. supports all cooperation between the EU and Kazakhstan in the framework of strengthening democracy, the rule of law and fundamental freedoms in the Central Asia

region and in the fight against the scourges of terrorism and organised crime, including drug trafficking and money laundering;

20. stresses the need for Kazakhstan to improve its border and migration management, particularly by the conclusion of a Readmission Agreement with Russia;

21. underlines the need for both sides to observe international commitments on refugees;

22. welcomes the recent visit to Kazakhstan of Commissioner Andris Piebalgs as a positive step towards the enhancement of bilateral energy cooperation, which is of great importance in improving the security of energy supplies; welcomes the seminar "Strategic Partnership between Kazakhstan and the European Union in the field of energy supply" which will be held in the European Parliament on 20 June 2006;

23. invites the EU-Kazakhstan Cooperation Council to follow up on these conclusions where appropriate.

Annex II

List of Kazakhi participants in the sixth Kazakhstan - EU Parliamentary Cooperation Committee meeting in Brussels on May 29-30, 2006

- | | |
|------------------------------------|--|
| 1. Sergey DYACHENKO | Vice-speaker of the Majilis of Parliament of the Republic of Kazakhstan, Head of delegation |
| 2. H.E. Konstantin ZHIGALOV | Ambassador, Head of Mission of Kazakhstan to the EU |
| 3. Uzakkali YELEUBAYEV | Member of the Committee for agriculture, the Majilis of Parliament of the Republic of Kazakhstan |
| 4. Maral ITEGULOV | Member of the Committee for budget and finance, the Majilis of Parliament of the Republic of Kazakhstan |
| 5. Yerzhan RAKHMETOV | Member of the Committee for economic reforms budget and regional development, the Majilis of Parliament of the Republic of Kazakhstan |
| 6. Talgatbek ABAIDILDIN | Secretary of the Committee for social and culture development, the Senate of Parliament of the Republic of Kazakhstan |
| 7. Yevgeniy AMAN | Member of the Committee for economic, finance and budge, the Senate of the Parliament of the Republic of Kazakhstan |
| 8. Orynbay RAKHMANBERDIYEV | Member of the Committee for international affaires, defence and security, the Senate of Parliament of the Republic of Kazakhstan |
| 9. Nailya MUKANOVA | Secretary of the delegation, principal consultant of Department for international relations, the Majilis of Parliament of the Republic of Kazakhstan |

10. Gani MYRZALIYEV	Assistant to the Vice-speaker of the Majilis of Parliament of the Republic of Kazakhstan
11. Yermek BEKISHEV	Assistant of MP Mr Rakhmetov
12. Daulet BEKISHEV	III Secretary of the Mission of Kazakhstan to the EU
13. Arman ABIKENOV	I Secretary of the Mission of Kazakhstan to the EU
14. Dmitry IVANOV	I Secretary of the Mission of Kazakhstan to the EU
15. Satybaldy BOURSHAKOV	I Secretary of the Embassy of Kazakhstan to Belgium
16. Leila MURZABEKOVA	Attaché of the Embassy of Kazakhstan to Belgium

**DELTAGERLISTE/ANWESENHEITSLISTE/KATAΣΤΑΣΗ ΠΑΡΟΝΤΩΝ/LIITE RECORD
OF ATTENDANCE/LISTA DE ASISTENCIA/LISTE DE PRESENCE/ELENCO DEI
PRESENTI/PRESENTIELIJST/LISTA DE PRESENÇAS/LÄSNÄOLOLISTA/DELTAGARLISTA**

Til stede	Formandskabet/Vorstand/Προεδρείο/Bureau/Ufficio di Presidenza/Mesa/Puhemiehistö/J.L. Presidium: (*)
Anwesend	JUKNEVIČIENĖ (P), MAAT (1VP) (2VP)
Παρόντες	Medlemmer/Mitglieder/Μέλη/Members/Diputados/Députés/Deputati/Leden/Deputados/Jäsenet/Ledamöter: HASSI (29/5), JEGGLE, OLAJOS (29/5), WOJCIECHOWSKI (30/5)
Present	Stedfortrædere/Stellvertreter/Αναπληρωτές/Substitutes/Suplentes/Suppléants/ Membri supplenti/Plaatsvervangers/Membros suplentes/Varajäsenet/Suppleanter: CALLANAN, DOMBROVSKIS (29/5), GRABOWSKA (30/5), SEPPÄNEN
Presentes	
Présents	
Presenti	
Aanwezig	
Lasna	
Närvarande	
Art. 178,2	
Art. 183,3	ATTARD MONTALTO
Endv. Deltog/Weitere Teiln./ Συμμετείχαν επίσης/Also present Participaron igualmente/ Participaient également/ Hanno partecipato altresì/ Andere deelnemers/ Outros participantes/ Muut osallistujat/ Dessutom deltog	
(Dagsorden/Tagesordnung Pkt/Ημερήσια Διάταξη Σημεί/Point OJ/Punto OG/Agenda Punt/Ordem do dia Punto/punto orden del dia/Esityslist Kohta/ Föredragningslista punkt):	

- * (P) = Formand/Vorsitzender/Πρόεδρος/Chairman/Président/Presidente/Voorzitter/Presidente/Puhemies/Ordförande
(VP) = Næstform./Stellv. Vorsitz./Αντιπρόεδρος/Vice-Chairman/Vice-Président/Vicepresidente/Varapuhemies/Ondervoorz./
Vice-Pres./Vicepres/Vice ordförande.

Til stede den/Anwesend am/Παρόν στις/Present on/Présent le/Presente il/Aanwezig op/Presente em/Presenteel/Läsna/Närvarande den.

Efter indbydelse fra formanden/Auf Einladung d. Vorsitzenden/Με πρόσκληση του Προέδρου/At the invitation of the Chairman/Por invitación del presidente/Sur l'invitation du président/Su invito del presidente/Op uitnodiging van de voorzitter/A convite do presidente/Puhemiehen kutsusta/På ordförandens inbjudan:

Rådet/Rat/Συμβούλιο/Council/Consejo/Conseil/Consiglio/Raad/Conselho/Neuvosto/Rådet: (*)

Kommissionen/Kommission/Επιτροπή/Commission/Comisión/Commissione/Commissie/Comissão/Komissio/Kommissionen: (*)
VARDAKIS

Cour des comptes:
C.E.S.:

<p>Andre deltagere/Andere Teilnehmer Επίσης Παρόντες/Also present Otros participantes/Autres participants/Altri partecipanti Andere aanwezigen/Outros participantes Muut osallistajat/Övriga deltagare</p>		KUSSAIROV (Mission of Kazakhstan)
<p>Gruppernes sekretariat Sekretariat der Fraktionen Γραμματεία των Πολ. Ομάδων Secretariat political groups Secr. De los grupos políticos Secr. Groupes politiques Segr. Dei gruppi politici Secr. Van de fracties Secr. Dos grupos políticos Puolueyhymien sihteeristö Gruppernas sekretariat</p>	<p>PPE-DE PSE ALDE Verts/ALE GUE/NGL IND/DEM UEN NI</p>	<p>VAHL PERRIN KAMMITSI, RINALDI</p>
Cab. Du Président		
Cab. Du Secrétaire Général		
<p>Generaldirektorat Generaldirektion Γενική Διεύθυνση Directorate-General Dirección general Direction générale Direzione generale Directoraat-generaal Direcção geral Contrôle financier Service juridique Pääosasto Generaldirektorat</p>	<p>I II III IV V VI VII VIII</p>	
<p>Udvalgssekretariatet Ausschubsekretariat Γραμματεία επιτροπής Committee secretariat Secretaria de la comisión Secrétariat de la commission Segretariato della commissione Commissiesecretariaat Secretaria de comissão Valiokunnan sihteeristö Utskottssekretariatet Assist./Βοηθός</p>		<p>BERTON, BODEN</p> <p>CARNAZZA, OLLJUM</p>

- * (P) = Formand/Pres./Πρόεδρος/Chairman/Président/Voorzitter/Puhemies/Ordförande
(VP) = Næstform./Vize-Pres./Αντιπρόεδρος/Vice-Chairman/Vice-Président/Ondervoorz./Vice-pres/Varapuhemies/Vice ordförande.
(M) = Medlem./Mitglied/Μέλος/Member/Miembro/Membre/Membro/Lid/Membro/Jäsen/Ledamot
(F) = Tjenestemand/Beamter/Υπάλληλος/Official/Funcionario/Fonctionnaire/Funzionario/Ambtenaar/Functionário/Virkamies/Tjänsteman