On June 23-24, 2016, 15th Summit of Shanghai Cooperation Organization (SCO) was held in Tashkent under the chairmanship of the President of Uzbekistan, Islam Karimov. Steadily adhering to the “Shanghai Spirit”, the SCO member states signed the Tashkent Declaration, the Action Plan for 2016-2020 for the implementation of the SCO Development Strategy towards 2025, the Program on the Development of Cooperation in the Sphere of Tourism and the Memorandum of Obligations on the Membership Status of India and Pakistan. Therefore, the key topics during the Summit were devoted to the issues of regional security, enhancement of cooperation in the fields of economy and tourism, and accession of new members.

Since its foundation on June 14, 2001, the SCO has determined its priority target as fighting against “three evil forces” that could undermine the stability and security in the region: terrorism, extremism and separatism. Nowadays, as China and Russia have been strengthening their strategic alliance in the region, which even cause the necessity for the Western countries to minimize the geopolitical and economic challenges that originate from this strategic alliance by signing the Trans-Pacific Partnership Agreement between the U.S. and its allies and the Missile Shield System Deployment in Central and Eastern Europe. This situation increases the geopolitical tensions based on the conflictal interests of the global actors in the Middle East, Eastern Europe, North Asia and the South China Sea, which closely connected to Central Asia. This situation also gives rise to new threats for the SCO member countries. In fact, these threats are not only the Tashkent Declaration and its implementation, but also: 1) interference of the global powers in both the regional and internal affairs of the states causing destabilization; 2) unilateral build-up of missile defense systems by one state or group of states, without taking into account the interests of other countries and recognizing the state borders; 3) militarization of outer space and deployment of weapons in it; 4) growing threat of terrorist groups gaining access to weapons of mass destruction, including the terrorist use of chemical and biological materials; 5) Cyber terrorism threats.

The Tashkent Summit results were influenced by the agreements reached by the SCO Defence Ministers during their meeting that was held in Astana, the capital city of Kazakhstan, on June 8, 2016. According to these agreements that had been achieved in order to be protected against new threats, the areas of cooperation among the SCO member states as follows: 1) ensuring an effective participation in regional transport and energy projects by developing relations with the Central Asian countries; 2) balancing the U.S. vector of foreign policy with Russian and Pakistan's vectors by shaping their multilateral foreign strategy through the SCO; 3) strengthening international authority of the country dealing with the challenges coming from confrontation with India by using the SCO resources (especially China). China and Uzbekistan have supported the membership of Pakistan. However, Russia has declared that it can support Pakistan's accession only if India also join the Organization. On the other hand, Kazakhstan has some concerns about this issue. These concerns stem from the fact that both India and Pakistan possess nuclear weapons, moreover, these countries are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons, and finally, ongoing territorial disputes between India and Pakistan can constitute an obstacle for the implementation of the SCO’s policies. In this regard, according to the Memorandum of Obligation, both states are obliged to sign Good Neighbor Agreement. In fact, Pakistan’s accession will have significant importance for accelerating progress in solving Afghanistan problem in favor of the SCO countries and ensuring a safe transport route to South Asia for all countries in the region.

In May 2002, India expressed its interest in joining the SCO for the first time. However, up till today, India could not manage to become the SCO member due to three reasons: 1) Moscow's balancing the U.S. vector of foreign policy with its own in economic and military fields. In fact, Russia has continuously brought India's SCO membership to the agenda for the following reasons: 1) Russia is implementing the North-South International Transport Corridor to have easy access to the Indian Ocean. India plays a key role in ensuring the safety of the corridor; 2) China's financial power is significantly higher than the financial power of Russia. In order to balance China's financial influence within the SCO, Russia, in the long term, would aim to prevent China's financial monopoly by acting together with India. India's membership can turn the SCO into a new center of power in Eurasia. However, accession of both countries as new members of the SCO can cause many problems. Border dispute is the main issue among these problems. In short, India’s and Pakistan's memberships depend on applying the Memorandum of Obligation and bilateral non-aggression protocols to their memberships. Therefore, India’s and Pakistan’s memberships can be confirmed during the 17th SCO Summit, which will be held in Astana on June 8-9, 2017, only if the parties fulfill all requirements of the Memorandum removing all doubts of the member states. Thus, the SCO can consolidate its power in the fields of security and economy at both regional and international levels.
Politics, Foreign Affairs and Security

- The Turkish authorities headed by the President of Turkey, Recep Tayyip Erdogan, successfully suppressed an attempted coup by some Turkish military officials. The rebellious faction of the military attacked government institutions and clashed with police and state-supporting civilians in the streets.
- During his official visit to Baku, the President of Ukraine, Petro Poroshenko, and the President of Azerbaijan, Ilham Aliyev, discussed further steps for improving energy, transport, military-technical cooperation between the two countries paying special attention to boosting bilateral trade and exploring the investment opportunities.
- During her official two-day visit to Bishkek, the German Chancellor, Angela Merkel, held talks with the President of Kyrgyzstan, Almazbek Atambayev. The parties discussed the issue of economic and political cooperation between the two countries, as well as regional issues focusing their attention on the EU cooperation with the SCO members.
- During the Meeting of the Ministers of Foreign Affairs of the Caspian States, the Heads of Foreign Ministries agreed to postpone the adoption of the Convention on the Legal Status of the Caspian Sea. According to the results of the meeting, the determination of methods for the delimitation of the seabed, the order of navigation at sea and transit issues remained unsolved.
- During the 11th Asia – Europe Meeting (ASEM) Summit held in Ulaanbaatar, the Heads of the high-level delegation from 51 ASEM partners discussed the trade and economic relations between European and Asian countries and the prospects for further development of these relations.
- During his official visit to Moscow, the U.S. Secretary of State, John Kerry, held talks with the President of Russia, Vladimir Putin, and the Russian Minister of Foreign Affairs, Sergey Lavrov. At the end of the meetings, the parties reached a common understanding on the steps needed to restore the cessation of hostilities in Syria.
- The State Border Service of Kyrgyzstan reported that the construction of the international Terztagt – Avozirdyshyn border checkpoint was started at the Kyrgyz – Chinese border.

Economy, Finance and Energy

- The National Iranian Oil Company (NIOC) informed about signing Memorandum of Understanding (MoU) with Russia’s state-owned energy company Zarubezhneft for feasibility study on the development of the two oil fields in western Iran. According to the agreement, the Russian company will launch feasibility study on two oil fields, namely, Paydar Ghasr and Aban, and offer its proposals on increasing the coefficient of oil recovery in the fields to the NIOC.
- According to OPEC Monthly Oil Market Report, oil production in Kazakhstan is expected to decrease in 2017. It was reported that even with the Kashagan start-up in 2017, a decline of 30,000 barrels per day is expected for next year. Kazakhstan’s oil supply is expected to decrease by 40,000 tons per day to average 1.56 million barrels per day in 2016. It was also noted that the oil production in Kazakhstan dropped by 30,000 barrels per day in 2015 and averaged 1.6 million barrels per day.
- The Asian Development Bank (ADB) stated that the Uzbek government submitted a loan application to the bank in 2015 to attract $450 million for the implementation of the second phase of modernization of the Talimajran Thermal Power Plant in the southern part of the country. The ADB expects to consider the issue in early 2017.
- The Committee on Statistics of the Ministry of Economy of Kazakhstan reported that in January-June 2016 cargo transportation (oil, gas, water) via pipelines in the country increased by 0.9% and stood at 108.62 million tons. During the reporting period, the revenues from cargo transportation via pipelines in Kazakhstan increased by 21.5% and totaled $1.68 billion. In total, around 1.68 billion tons of cargo was transported by all types of transport in the country in the first half of 2016, which is 0.1% less than in the same period in 2015.
- The Ministry of Finance of Tajikistan announced that in next 3 years the national currency would continue to lose its value. It was noted that somoni will slip from its current 7.9 per dollar to 9.6, 10.4 and 11.2 in 2017, 2018 and 2019 respectively.
- According to the Deputy Head of Department of Integrated Analysis and Forecasting of the Ministry of Labor of Russia, Natalia Antonova, in the second quarter of 2016 the subsistence minimum in the country, which shows the minimum income necessary for workers to meet their basic needs, increased to $157.5 or by 1.8% compared to the first quarter of 2016.
- The National Statistics Committee of Kyrgyzstan reported that due to the US dollar strengthening against Kyrgyz national currency in January-May 2016, the average salary in the country declined by 6.8 and reached $189.6 compared to $206 at the end of 2015.
- The Committee on Statistics of the Ministry of Economy of Kazakhstan reported that in January-June 2016 the inflation rate measured at consumer index reached 4.6%. It was noted that prices for food, non-food items and paid services increased by 5%, 4.7% and 4.1% respectively.

Society and Culture

- The Social Progress Imperative ranked Kazakhstan 76th in the Social Progress Index 2016 lifting its position from last year’s 83rd position. The Social Progress Index provides a credible stance on the social and environmental needs of the population in 130 countries.
- The United Nations’ World Heritage Committee added the historic center of Shahrisabz in Uzbekistan to its list of endangered world heritage sites due to overdevelopment. The Committee stated that it was concerned about the destruction of buildings to ease the infrastructure for tourists in the city’s medieval neighborhoods. In addition, the Committee asked UNESCO to send a mission to assess the extent of damage and propose appropriate corrective measures.
- The Ministry of Internal Affairs of Kazakhstan announced that the highest level terror alerts “Red level” was declared in Almaty after a gunman killed three police officers and one civilian. During the anti-terrorist operations, police officers cordoned the Almaty-1 train station and several shopping malls.
- Hundreds of anti-government protesters rallied in Yerevan calling for a bloodless resolution to a hostage crisis a day after a pro-opposition armed group seized a police building in the Armenian capital. The gunmen were holding five police officers hostage demanding the resignation of President Serzh Sarkisian and the release of detained opposition leader Zhirair Sepilyan.