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## **JOINT STAFF WORKING DOCUMENT**

### **Progress Report on the implementation of the EU Central Asia Strategy**

## 1. Overall Assessment

The EU strategy for Central Asia<sup>1</sup> adopted in 2007 has structured a substantial strengthening of the relations between the EU and the five Central Asian states (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan), as well as the EU relations with the Central Asia region as a whole, over the last seven years.

**The priority areas defined in 2007** (human rights and rule of law; youth and education; trade and investment; energy and transport; environment and water; common security threats and challenges) **remain fully pertinent and, more importantly, allow to measure progress against the objectives set in the EU strategy.**

Since the progress report adopted in 2012<sup>2</sup>, the **salient achievements** were as follows.

- The whole exercise of the new programming period 2014-20 was finalised. The global envelope for EU **bilateral and regional cooperation** in Central Asia for the programming period 2014-20 increased to EUR 1028 million (+56% compared to 2007-13). In application of the differentiation principle, Kazakhstan no longer benefits from a bilateral cooperation envelope<sup>3</sup>. Bilateral EU aid is strictly concentrated to a maximum of three focal sectors, with two countries (Turkmenistan and Uzbekistan) having only one focal sector. Differentiation has been applied not only in relation to tailored actions per country, but also on the use of diversified instruments Development Cooperation Instrument (DCI), Nuclear safety, thematic programmes, the European Instrument for Democracy and Human Rights (EIDHR), Non-State Actors and Local Authorities (NSA-LA), etc.
- The **Investment Facility for Central Asia** (IFCA) has approved between 2010 and 2013, EUR 85 million in the form of investment grants for key infrastructures in the

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<sup>1</sup> The EU and Central Asia: Strategy for a new partnership - <http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2010113%202007%20INIT>

<sup>2</sup> Progress Report on the implementation of the EU Strategy for Central Asia - [http://eeas.europa.eu/central\\_asia/docs/20120628\\_progress\\_report\\_en.pdf](http://eeas.europa.eu/central_asia/docs/20120628_progress_report_en.pdf)

<sup>3</sup> Kazakhstan is of course eligible directly to the Partnership Instrument as well as to regional and thematic DCI programmes.

energy and water sectors and for SMEs development in the Kyrgyz Republic and Tajikistan, the two poorest countries of the region. Since 2014, Uzbekistan and Turkmenistan have started benefitting from the programme.

- The EU has continued to hold structured **human rights dialogues** with all five Central Asian countries and to support civil society organisations in the region, notably through the European Instrument for Democracy and Human Rights (EIDHR), wherever possible. As part of the **Rule of Law Initiative**, the EU conducted a series of seminars and training workshops on access to justice, principles of fair trial, independence of the judiciary, the development of the legal profession and training of judges.
- The past two years have seen total **trade** between the EU and Central Asia increase by over 8% and progress as regards accessions to the World Trade Organisation (WTO): while Kyrgyz Republic is a WTO member since 1998, Tajikistan joined in March 2013 and Kazakhstan has reached the final stage of the process in 2014. Turkmenistan is the only Central Asian state where EU bilateral trade relations remain governed by an interim trade agreement, in the absence of the EU ratification of the Partnership and Cooperation Agreement (PCA).
- The EU, being the largest trading partner and first foreign investor of Kazakhstan, concluded in October 2014 the negotiations (initiated in 2011) of a new, **Enhanced PCA with Kazakhstan**. The new Agreement will replace the Partnership and Cooperation Agreement in force since 1999, and will give EU–Kazakhstan relations a new up-to-date and stronger foundation. It puts a strong emphasis on democracy and the rule of law, human rights and fundamental freedoms and sustainable development. It enhances cooperation in foreign and security policy, with the focus on regional stability, weapons of mass destruction (WMD), international cooperation in the fight against terrorism, conflict prevention and crisis management. It ensures better regulatory environment for the economic operators in areas such as trade in services, establishment and operation of companies, capital movements, raw materials and energy, government procurement and intellectual property rights.

- EU focus on **education** has been mainly in Higher Education particularly through ERASMUS MUNDUS and TEMPUS programmes. Other actions have engaged Central Asian states to support youth initiatives and researcher mobility programmes. Moreover, mutually beneficial cooperation was developed in research and innovation through the 7th EU Framework Programme. The absence of an EU Member State as a leader has however prevented the education platform from really taking off.
- EU **energy** interests in Central Asia remained high as the region was emerging as a major hydrocarbon supplier. In particular, the EU continued pursuing the objective to expand the Southern Gas Corridor to Central Asia through negotiations with Turkmenistan and Azerbaijan for the development of the Trans-Caspian Gas Pipeline. Integration of energy markets remained a key mutual interest and EU industry also began to be attracted by Central Asian largely untapped potential for renewable energy and energy efficiency. The EU is also following closely the engagement on energy issues in Central Asia of important neighbours such as China, Russia, India and others.
- **Water** security and promoting water cooperation is a major priority for the EU engagement in the region, particularly in light of specific issues such as the Rogun dam. The EU encourages integrated water management and trans-boundary cooperation on water issues and pursues diplomatic efforts with other international partners to promote regional cooperation on water challenges in Central Asia. The EU has also supported National Water Policy Dialogues and the "water river basin approach" in developing national water policy.
- Through dialogue, the EU has promoted better **environmental governance and climate change mitigation/adaptation**, notably increased participation of Central Asian cities in the Covenant of Mayors, as an open and attractive platform to share best practices on making the cities less energy-consuming, less polluted and more climate-friendly.
- The EU has prioritised support to the development of safe and secure air and maritime **transport** in Central Asia.

- The **High Level Security Dialogue**, aiming at jointly identifying new areas and new ways of concrete cooperation on security issues was established in June 2013 in Brussels with all five Central Asian (CA) states present at the meeting. The discussions centred on the situation in Afghanistan, Iran and Syria and reflected upon the cooperation between the EU and Central Asia in the area of drugs and drug trafficking, border management, counter-terrorism as well as chemical, biological, radiological and nuclear (CBRN) risks. As a follow-up, a first EU-Central Asia counter terrorist expert meeting took place in Almaty in April 2014. The second dialogue is scheduled to take place in the first half of 2015.
- A new **EU-Central Asia Drug Action Plan** was endorsed by the EU and Senior Officials of the five Central Asian countries in November 2013 giving a new impetus to the fight against drug trafficking in the region.
- The **Border Management** in Central Asia (BOMCA) programme continued to be the main tool channelling EU support to development of harmonized and coordinated modern border management methods at the regional level. The EU also supported the wider regional debate on border security and management through the forum of the Central Asia Border Security Initiative (CABSI) (the last conference was in October 2013 in Ashgabat).
- The EU has launched a joint initiative with the International Centre for **Migration** Policy Development (called MIEUX) providing peer-to-peer short-term transfer of knowledge and know-how in migration management, which has so far benefitted Kazakhstan, Uzbekistan and the Kyrgyz Republic.
- The EU has created the **CBRN** (Chemical, Biological, Radiological and Nuclear) Centres of Excellence initiative in some 50 countries including the Central Asian states of Uzbekistan (candidate to host the regional secretariat), the Kyrgyz Republic and Tajikistan with the objective to facilitate CBRN interagency and cross border cooperation.
- The EU has further expanded its activities under the **disaster preparedness** programme (DIPECHO) in all countries of the region and the Commission's

Directorate General for Humanitarian Aid and Civil Protection (ECHO) has opened a regional office in Almaty in 2014.

**Despite these substantial achievements the implementation of the EU Strategy for Central Asia faces significant challenges.** While some of these are new, many had already been identified in 2007.

- **Central Asian states are centralised regimes with often tense relations with their neighbours.** The 2013 Special Report<sup>4</sup> by European Court of Auditors indeed underlined the challenging political context in which EU cooperation with Central Asia takes place. This context imposes significant political and administrative constraints, which somehow limit the efficiency of operations and require the EU to strive to ensure an efficient programme implementation. Given the nature of EU aid that is focused on institutional support rather than on physical assets or goods, the success of EU cooperation is largely dependent on progress in Central Asia-led policy reforms. Therefore, measuring the impact of EU development cooperation in Central Asia is somewhat difficult.
- This difficulty to operate in Central Asia is not limited to the implementation of the Strategy by the European Commission but it also affects the Member States. **The involvement of the Member States as leaders in the EU-Central Asia regional platforms is uneven.** It seems that there is a particular difficulty to mobilise EU resources in Central Asia compared to other regions in the world. For example, the absence of an EU Member State leading the education platform has impeded progress in this area.
- **Tensions among neighbouring Central Asian countries and a generally low level of trust between them does not favour regional cooperation** and leads to unequal participation by the partner countries in regional initiatives.

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<sup>4</sup> Special Report N°13 of the Court of Auditors: EU development assistance to Central Asia - [http://www.eca.europa.eu/Lists/ECADocuments/SR13\\_13/QJAB13014ENN.pdf](http://www.eca.europa.eu/Lists/ECADocuments/SR13_13/QJAB13014ENN.pdf)

- While there are considerable differences between Central Asian countries, **successes in the area of human rights, rule of law, good governance and democratisation, a major aspect of the EU Strategy, have been modest.** In several countries, governments are simply not willing to engage in gradual electoral reforms. Civil society is increasingly perceived as a threat, and legislative reforms have recently been introduced that limit access to funding for civil society organisations, notably from foreign sources.
- **The Russian Federation is pursuing an integrationist agenda** in Central Asia concretised by the Customs Union (CU) created in 2010, with Kazakhstan as a founding member (together with Russia and Belarus). The CU will become the Eurasian Economic Union in January 2015 and will soon enlarge to the Kyrgyz Republic. While the EU in general supports regional economic integration, it believes that any such integration, including the Eurasian Economic Union, must be fully based on WTO principles and rules, must respect the sovereign and autonomous decisions of States to decide on their participation, and should not create obstacles to trade between its members and the EU.
- The **significant environmental challenges** (unsustainable exploitation of natural resources and degradation, air pollution, desertification and water scarcity problems) that Central Asia inherited from the Soviet Union are still present and Central Asia, being already a high natural disaster prone region, has also become particularly vulnerable to the impacts of climate change.
- **The issues identified in 2007 continue to pose serious risks to security and stability in the region and more recent trends add further concerns.** Numerous domestic grievances such as social-economic and urban-regional disparities, ethnic tensions and lack of political representation, wide-spread corruption and youth unemployment make the region a fertile ground for radicalisation and remain a potential trigger for conflict, especially when combined with regional and external pressures related to water management and access to natural resources. Uncertainties about political transitions, both internal and within the region, add more fragility to the national and regional context. Deficiencies in management of toxic and industrial waste and uranium legacies remain a challenge of regional scope.

- **The 2014 transition in Afghanistan** risks bringing along a further increase of already record opium cultivation and related trafficking from Afghanistan through Central Asia to consumer markets in Russia and Europe.
- **The crisis in Ukraine**, which intervened in a context already shaped by the Russian integrationist agenda, China's continued economic expansion, diminishing US presence and the premises of the first ever power transitions in some Central Asian States, has confirmed and amplified these trends while also prompting Central Asian leaders to re-evaluate both their internal and external postures.
- Finally, **more stable administrative resources would contribute to a better EU coverage of Central Asia**. In a region where assets deployed by the Member States are relatively scarce, the EU should ensure the sustainability of administrative structures.

Looking at the way the Strategy has been implemented from the point of view of the EU's interests and values but also taking into account the response of Central Asian states and the region as whole, does **not call for a complete overhaul of the EU approach** seven years after the adoption of the first EU Strategy for Central Asia. By and large, neither the geopolitical equation of the region nor the EU strategic priorities for the region have been fundamentally altered. **However the pursuit of these priorities could be made more effective.**

In particular,

- It would serve both the credibility of the Union and the effectiveness of our engagement with the region if those bilateral **framework agreements** for cooperation that the EU has concluded with Central Asian states but have yet to come into effect – i.e. the PCA with Turkmenistan (signed in 1998) as well as the Enhanced PCA recently concluded with Kazakhstan – would **enter into force as quickly as possible**.
- The **human rights dialogue** with Central Asian states should be made **even more result-oriented and inclusive**. The EU could for example offer to facilitate tripartite local discussion forums between the EU, the authorities and civil society. EU's priority

to promote human rights, rule of law and good governance is best served by long term engagement.

- **Member States could increase their role as direct implementers of cooperation programmes** to respond to the will of Central Asian countries to benefit from EU's best practices. Member States' effective leadership in the sectorial platforms should definitely be the test as to whether these priority areas should continue to be pursued because, without strong political leadership, engagement with our Central Asian partners fails to reach the policy dialogue dimension. The question merits consideration notably for the education platform.
- **Coordinated EU efforts could be stepped up to assist Central Asian countries in their institutional and capacity building to address climate change and Disaster Risk Reduction issues** but also to promote further adhesion by the Central Asian states to international conventions and legal principles on shared water resources.
- Finally, the **balance between regional and bilateral EU engagement with Central Asian partners could be re-assessed**. The 2007 Strategy for EU relations with the Central Asian republics that had acceded to independence in the early 1990's strongly emphasised 'Central Asia' as a region; as a result, EU development cooperation reflects this strong regional element. Incidentally, the only Commission Delegation in Central Asia at the time when the Strategy was adopted was a regional one in Almaty. Since then, Central Asian states have gained in maturity and assertiveness, and have somehow grown apart in terms of international ambition and development levels. All Central Asian states, to various degrees, engage bilaterally with their main partners such as China, the United States and Russia and expect the same treatment from the EU. The EU has taken into account this evolution and is today represented in each of the Central Asian capitals through an EU Delegation or, in one case, a chargé. Differentiation in bilateral cooperation is also strictly applied. Maybe this principle of differentiation could inform the Strategy as a whole and lead to recalibrating in which areas and how the EU approaches Central Asian states regionally and what it stresses in bilateral formats.

These are just a few examples of possible improvements in implementing the current Strategy.

## **2. Introduction**

The European Council adopted in June 2007 the "Strategy for a New Partnership with Central Asia" (referred to below as the "EU Strategy for Central Asia"). This was the first EU strategic paper on the relations between the EU and the five newly-independent Central Asian States (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan).

This Strategy was adopted in a context of increased EU engagement in neighbouring Afghanistan, the extension of the European Neighbourhood Policy to the Caspian region, ongoing EU support for reform and modernisation of post-Soviet societies and EU energy security interests. It also recognised the security threats and challenges that require cooperation between Central Asia and the EU: border management, management of migration flows, fight against organised crime, terrorism as well as human, drugs and arms trafficking.

The EU Strategy for Central Asia which has now been implemented for more than seven years foresees that progress made on implementing the Strategy be reviewed in 2008 and every two years thereafter. Three implementation progress reports have been prepared in 2008, 2010 and 2012 respectively. The conclusions adopted by the Foreign Affairs Council on 25 June 2012 approved the latest progress report and confirmed that all priority areas of the Strategy remained important.

The present report is the fourth progress report on the implementation of the EU Strategy for Central Asia. It was purposefully disconnected from the 2014-2020 programming exercise of the Development Cooperation Instrument for Central Asia concluded in 2014 in order to avoid any confusion or duplication, while preserving the coherence of EU action in the region.

The report focuses on developments in the implementation of the Strategy that took place since the adoption of the 2012 progress report and, while it is not a programmatic document per se, it aims at describing a possible way forward.

In doing so, the report takes into consideration the internal dynamics of the Central Asian states and the changes in their geopolitical environment.

While it assumes that developing and implementing a coherent EU Strategy for Central Asia is more important than ever, this report is an invitation to revisit and refine the priorities adopted in 2007.

### **3. Bilateral and regional development cooperation**

#### Bilateral development cooperation<sup>5</sup>

Since the last progress report, EU-Central Asia development cooperation intensified at bilateral and regional levels, with a more focused approach as per the orientations of the Agenda for Change<sup>6</sup>. This increased drive resulted from the finalisation of the programming period 2011-2013, as well as from the intense planning process and preparation of the new framework for development co-operation 2014-2020.

The European Court of Auditors, in its 2013 Special Report on EU development assistance to Central Asia<sup>7</sup>, gave an overall positive appreciation of the EU cooperation programmes. It acknowledged its overall compliance with EU overarching development objectives of reducing poverty and improving governance, recognising significant efforts in a challenging political context. The Court of Auditors also underlined the quality of EU programmes, aligned with EU policies and partner countries priorities.

At bilateral level, development cooperation addressed some specific pillars of the EU Strategy for Central Asia. EU bilateral co-operation supported rule of law programmes and reforms of the judicial system in Kazakhstan, the Kyrgyz Republic, and Uzbekistan. Concerning socio-

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<sup>5</sup> See Annex 1

<sup>6</sup> Increasing the impact of EU Development Policy: an Agenda for Change – COM (2011) 637 and EU Council conclusions May 2012.

<sup>7</sup> Special Report N°13 of the Court of Auditors: EU development assistance to Central Asia - [http://www.eca.europa.eu/Lists/ECADocuments/SR13\\_13/QJAB13014ENN.pdf](http://www.eca.europa.eu/Lists/ECADocuments/SR13_13/QJAB13014ENN.pdf)

economic development, EU aid focused on supporting the delivery of social services (social security and/or health services), notably in the Kyrgyz Republic, Tajikistan, and Uzbekistan. The support to the development of the private sector was another important area of work notably in Tajikistan and new actions were proposed for Turkmenistan and Uzbekistan.

In order to improve ownership of the reforms by partner countries and increase aid effectiveness, an important part of the EU co-operation with the Kyrgyz Republic and Tajikistan was channelled through sector budget support, while in other countries more traditional implementing modalities were used.

### Regional development cooperation<sup>8</sup>

Regional cooperation in Central Asia focused on the key initiatives identified in the EU Strategy for Central Asia. Notably through the three EU-CA Platforms for dialogue, EU development cooperation contributed to varying degrees to advancing policy dialogue on environmental sustainability and water management, education and rule of law.

Through the Regional Environment Program for Central Asia (EURECA), the EU allocated significant resources to the water management sector, afforestation, biodiversity and environmental raising awareness actions and environment sector in Central Asia. The EU support through the Regional Environment Program for Central Asia (EURECA) included the development of a Water and Environment Cooperation Platform (WECOOP) to facilitate closer regional cooperation both within Central Asia and between Central Asia and the EU. The project has provided capacity-building to regional institutions in areas related to water, the environment and climate change including the International Fund for Saving the Aral Sea, the Inter-State Commission for Sustainable Development and the Inter-State Commission for Water Coordination.

Based on a dialogue-driven approach, under the co-ordination of Italy, the Water and Environment Platform (WECOOP) on environment and water cooperation organised two technical working groups on environmental protection and water, gathering various stakeholders from Central Asian countries, EU Member States and others donors. The

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<sup>8</sup> See Annex 1

Platform has also provided capacity-building to regional institutions dealing with water/environment, in particular the International Fund for Saving the Aral Sea (IFAS) and its Inter-State Commission for Sustainable Development and Water Coordination.

The Central Asian Education Platform (CAEP) supported policy dialogue in Central Asia partner countries around several areas such as teachers' professional development and quality assurance for vocational education training. The Central Asian Research and Education Network (CAREN) project provided a dedicated high-capacity connectivity network, for researchers, academics and students from over 300 Central Asian institutions. Researcher cooperation and mobility has been promoted through the Marie Curie Actions. In education, the EU focus has been mainly at the level of higher education and has been supported mainly through the Erasmus Mundus and TEMPUS programmes. These have channelled significant resources to support reforms and quality improvements, including modernisation and internationalisation. In addition, there has been EU support to vocational and professional training and sector-wide educational reforms have also been developed on a bilateral basis with some countries individually. In particular, funding has allowed the financing of scholarships, fellowships and staff mobility covering all academic levels, partnerships between European and Central Asia higher education institutions and capacity building and cooperation projects. All the Central Asian Ministries responsible for higher education have been involved in one or more of these projects, as well as a number of other stakeholders. From 2014, the consolidated EU programmes are Marie Skłodowska-Curie actions (for researcher collaboration and mobility) and Erasmus+ (for all aspects of education and training).

The Youth in Action Programme has supported joint trans-national projects with youth organisations from Central Asian countries and contributed to developing their capacity. It has enhanced young people's and youth workers' international mobility and so allowed them to develop skills and competences fostering their employability and active participation in society. From 2014 – 2020, this cooperation is being further developed through the Youth in Action strand of Erasmus+, more specifically Key Action 2, Capacity building in the field of youth.

The rule of law platform, coordinated by Germany and France with an active support of Finland, has played an important role in organizing several technical workshops at national

and regional levels, notably on constitutional and administrative law and training of judges. Two EU-Central Asia ministerial meetings were held in December 2012 and October 2014.

Regarding common threats and challenges, the EU continued implementing the Border Management Programme for Central Asia (BOMCA)-Central Asia Drug Action Programme (CADAP), concentrating on capacity building, training and institutional strengthening. For border management the key goal remains the harmonized and coordinated the introduction of Integrated Border Management methods in all five countries. Building on the EU Drugs Strategy (2013-2020)<sup>9</sup> and the lessons learned from the more than 10 years of implementation of the Central Asia Drugs Action Programme (CADAP), the objective of this strategic framework is to support effective, balanced, integrated and evidence-based approaches to the drug phenomenon, in order to reduce drug trafficking and drug use with effective law enforcement, judicial mechanisms and harm reduction measures. Through the BOMCA programme, substantial support was given to the organization of the 11th Central Asia Border Security Initiative (CABSI) Conference held in October 2013 in Ashgabat.

In the field of sustainable energy, the Energy Saving Initiative in Buildings project ended in 2014, while the Sustainable Energy Programme for Central Asia (CASEP) started in the same year, covering both energy efficiency and renewable sources of energy.

The Investment Facility for Central Asia (IFCA), blending EU grants with loans from European Financial Institutions - notably, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), KfW and Agence Française de Développement (AFD) - has gathered momentum in its implementation since the start in 2010. Up to date, IFCA has approved EUR 85 million in the form of investment grants for key infrastructures in the energy and water sectors and for SMEs development. So far, the major beneficiaries of IFCA grants have been the Kyrgyz Republic and Tajikistan, the two poorest countries of the region. Since 2014, Uzbekistan and Turkmenistan have started benefitting from the programme.

### Programming 2014-2020

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<sup>9</sup> EU Drugs Strategy (2013-2020)-

<http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2017547%202012%20INIT>

The programming of the next Multi Financial Framework for 2014-2020 was a major task in the last two years and consultations were held with Central Asian authorities to agree on future priorities. The global allocation to Central Asia was increased by 56 % compared to 2007-2013 period and set at EUR 1028 million. Following the application of the differentiation principle, Kazakhstan will no longer benefit from a bilateral cooperation envelope.

In line with the orientations of the Agenda for Change, a strict approach of concentration of EU aid on a maximum of three focal sectors was followed at bilateral level, with two countries having only one focal sector, i.e. Turkmenistan and Uzbekistan. Turkmenistan will soon be considered an Upper middle Income Country and EU cooperation with the country will be reviewed according to the DCI Regulation.

Following the policy priorities identified in the Agenda for Change, the future EU bilateral cooperation with the Central Asian states will have a stronger focus on education (Turkmenistan, Kyrgyz Republic and Tajikistan) and rural development (Kyrgyz Republic, Tajikistan and Uzbekistan). Building on previous programmes, the EU will enhance co-operation on rule of law (Kyrgyz Republic) and in the health sector (Tajikistan). In these latter countries, sector budget support will be used to the extent possible reinforcing policy dialogue on reforms, public finance management and a balanced macro-economic framework.

Regional development assistance will concentrate on two sectors: (i) Sustainable Regional Development – Energy, Climate change and Environment/Water and socio-economic development; (ii) Regional Security for Development. Two additional instruments will supplement the two focal sectors; the blending mechanism operating through IFCA and a Multi-country Technical Assistance Facility.

#### Lessons learnt and outline of future orientations

Development Cooperation with Central Asia operates in a difficult context both at national and regional level, with centralised regimes (the Kyrgyz Republic being an exception) and often tense relations with the neighbours. This implies coping with a number of political and administrative constraints, which somehow limit the efficiency of operations and require the EU to strive to ensure an efficient programme implementation. Given the nature of EU aid

focused on institutional support (not on physical assets or goods), and ultimately linked to the progress of policy reforms, the impact of EU development cooperation is difficult to assess and intrinsically limited. More results-oriented indicators will have to be progressively developed in order to better demonstrate the value added of EU cooperation in the difficult Central Asian environment.

Regarding regional cooperation and more specifically the three Strategy Policy Initiatives, the effectiveness of the implementation framework – i.e. the platforms for dialogue, depend directly on the involvement of EU Member States. Without this, Platforms have proved to be difficult to operate. For instance, the absence, so far, of an EU Member State leading in the education area has impeded progress. Without a strong political leadership, discussions often remain at a technical level but fail to reach the policy dialogue dimension which could impact on policy reforms. In the future, EU Member States participation in the EU-Central Asia Platforms should be reinforced.

Moreover, in order to increase the added value of the EU cooperation it is necessary to improve the EU Member States role as direct implementers of cooperation programmes. This will respond to the will of Central Asian countries to benefit from EU best practices and expertise.

#### **4. Human rights, rule of law, good governance and democratisation: main achievements and way forward**

Although there have been positive developments in some countries of the region, including legislative reforms, increased efforts to prevent torture, and steps towards the eradication of the use of child/forced labour, the human rights situation remains a source of concern across most of Central Asia.

Civil society organisations, journalists and human rights defenders are facing increased pressure in several countries of the region, with the introduction of restrictive regulations and continuing police harassment. The ill-treatment of detainees remains an issue, despite some welcome improvements in torture prevention in a number of countries. Members of

religious and belief communities, ethnic minorities and the lesbian, gay, bisexual, transgender and intersex (LGBTI) community continue to experience discrimination and inadequate protection by the state. With the notable exception of the Kyrgyz Republic, democracy has not taken hold in Central Asia, and the elections that do take place generally lack in credibility.

The EU Strategy for Central Asia stipulates that human rights, rule of law, good governance and democratisation underpin the long-term political stability and economic development of Central Asia, and this is a central element of the EU's relationship with the countries of the region. Human rights issues have been systematically raised in political dialogue with Central Asian governments, including in meetings with heads of state and government.

The EU continues to hold structured human rights dialogues with all five Central Asian countries. These dialogues allow for a regular assessment of developments in the area of human rights, and a frank exchange of views on human rights violations, including the discussion of individual cases. These discussions are at times difficult, and have not always led to substantive outcomes, but they are nonetheless valuable, not least because they allow for the discussion of sensitive issues in an open and structured manner. The EU has used the human rights dialogues to reiterate its readiness to provide technical support to genuine reform efforts, and to share information on EU human rights policies and best practices.

EU Delegations and the embassies of EU Member States hold regular meetings with human rights defenders, and EU diplomats have monitored trials in several countries in the region. Consultation meetings with civil society activists, including human rights defenders, have been held in advance of each dialogue in both Brussels and in the country concerned. Civil society seminars, funded by the European Instrument for Democracy and Human Rights (EIDHR), which bring together local activists, international experts and academics, have been held on an annual basis in those countries with functioning independent civil society organisations. The recommendations adopted in these seminars, which have focussed on key issues including freedom of expression and torture, have been addressed in subsequent discussions at the human rights dialogues.

The EU has supported civil society organisations in the region, notably through the

EIDHR. The EIDHR has funded projects in a range of areas, including on access to public information, building capacity of civil society to advocate for human rights, the promotion of human rights education, assistance to victims of human trafficking, the elimination of violence against children in closed institutions, access to justice for vulnerable groups and the abolition of the death penalty. As part of the EU Rule of Law Initiative for Central Asia initiative the EU conducted a series of seminars and training workshops on topics that are a priority for all Central Asian countries: access to justice, principles of fair trial, independence of the judiciary, the development of the legal profession and training of judges.

While there are considerable differences between Central Asian countries, successes in this area of the Strategy have been modest. In several countries, governments are simply not willing to engage in gradual electoral reforms. Civil society is increasingly perceived as a threat, and legislative reforms have recently been introduced that would limit access to funding, notably from foreign sources.

The EU has continued to closely cooperate with international organisations in Central Asia, including the OSCE offices and missions in the region, the Council of Europe, and the UN Office of the High Commissioner for Human Rights.

Looking forward, the human rights dialogues need to be made even more results-oriented and inclusive, but this will also require a genuine commitment of the partner countries to engage in meaningful, effective and sustainable reforms.

As a follow-up between annual dialogues, continuous tripartite local discussion forums could be held between the authorities, civil society and the EU to actively accompany reform processes.

Also, exchanges of and between relevant professionals from both sides should be fostered more systematically. While there are areas in which reforms have already been initiated and where the EU is supporting ongoing efforts, there are others, such as freedom of media, the fight against torture, the protection of human rights defenders and forced labour, where reforms should be intensified. Overall, major structural reforms are only likely in the mid- to long-term, but the EU nevertheless will remain reactive to developments on the ground.

Progress in the field of human rights, the rule of law, and democracy is essential for stability and economic and social development.

## **5. Youth and education: main achievements and way forward**

Education is an imperative for sustainable social and economic development, which is a precondition for further growth and employment. The majority of the Central Asian population is under the age of 25, providing enormous potential for development or, if ignored, undereducated and marginalised, for social conflict and radicalisation. Therefore, it is essential that more responsive educational systems and institutions with greater capacity provide opportunities for the younger generation.

Despite their common origin under the Soviet Union, each education system in Central Asia today has been evolving according to the national education context and environment. Nevertheless, each should respond to the demands and expectations of those in education, as well as to the needs of the labour market, and help establish the nation's place in a globalised world (meaning a need for further internationalisation). There is increasing evidence of an urban/rural divide and gender bias in access to education which increases from primary to tertiary level. This is negatively impacting on the achievement of the Millennium Development Goals.

Whilst only Kazakhstan is a Member of the European Higher Education Area, all Central Asian countries have been following closely the Bologna Process and this has driven many of their national reforms in recent years. Common priorities include improving the quality of higher education (contents, governance, Quality Assurance and recognition), the structure (Qualification Frameworks and a three cycle system), development of Joint Degrees and strengthening mobility as a means for better learning, enhancing graduates' employability and introducing new information technologies and modern pedagogical methodologies. These efforts to align systems with best European standards are welcomed.

The EU has committed to enhance its efforts to support the Central Asian partners in reform, modernisation and internationalisation of education. The focus has, over the past years, been

on the higher education sector and significant resources have been provided to finance scholarships, fellowships and staff mobility covering all academic levels, partnerships between European and Central Asia Education Institutions and capacity building.

Under Erasmus Mundus (2012 and 2013) and Erasmus+ (2014), 24 Masters students from Central Asian countries have been awarded scholarships to take part in Erasmus Mundus Masters Courses (EMMC) and three fellows have been selected for joint doctorates. One institution was included as a full partner in an EMMC consortium. Over 799 students and 194 staff were selected for mobility through Erasmus Mundus Action 2 partnerships. The exchange of students and scholars has contributed significantly to increasing mutual and intercultural understanding between citizens in the EU and Central Asian countries.

Under the Tempus IV programme, almost 25 million Euros have been committed in 2012 and 2013 for cooperation projects with Central Asian countries. 34 Tempus projects were funded in which more than 330 Central Asian organisations participated (more than two-thirds of these were universities). 27 were "Joint Projects" focusing, for example, on the development of new curricula at Bachelor and Master level in a wide range of disciplines or the introduction of new teaching and learning methodologies. 7 were "Structural Measures" which involved the Ministry of Education of the country concerned and supported the modernisation of higher education and reform of education systems. All the Central Asian Ministries responsible for higher education have been involved in one or more "Structural Measures," as well as a number of other stakeholders.

The five Central Asian countries also benefit from designated groups of national experts who are trained on Bologna and other EU higher education reform issues. There were approximately 35 nominated Higher Education Reform Experts in Central Asian Countries between 2012 and 2013.

Meanwhile, the European Training Foundation has intensified its engagement in Central Asia in the area of vocational and professional training, with specific initiatives in all the five countries. This has helped improve the image and relevance of vocational education and training in these countries and stimulated regional policy dialogue. Particular progress has been made in legislation and policy formulation, the involvement of social partners in policy

dialogue and implementation, national qualification frameworks, school management and cooperation with business.

In the area of youth, emphasis has been put on involving Central Asian youth organisations in trans-national projects. These have fostered capacity improvements in Central Asian youth organisations and international mobility of young people and youth workers, so allowing them to exploit their capacities, skills and competencies better in view of employability and active participation in society. Since 2012, 9 youth organisations from Central Asian countries have been involved in the Youth in Action and Erasmus+ programmes.

The mobility of researchers is also fundamental for enhancing links between researchers, research organisations and countries. Since 2012, 1 researcher from the Kyrgyz Republic, 2 from Turkmenistan, 6 from Uzbekistan and 6 from Kazakhstan have taken part in the programme, along with 2 Kazakhstan organisations involved in Industry-Academia Partnerships and Pathways.

In addition, a long and fruitful cooperation in Research and Development has been carried out between Europe and Central Asia in all areas of civil R&D on the basis of mutual benefit, in particular through the EU 7th Framework Programme (FP7). 77 participations from the countries of the region have been recorded in 57 projects throughout FP7 from 2007 to 2013 and received a total funding contribution of about EUR 5 million from this programme.

Through its DIPECHO programme, the EU has also considerably contributed to the integration of Disaster Risk Reduction (DRR) into the formal school curricula thus systematically promoting the resilience agenda amongst Central Asian countries.

#### Looking forward:

Despite the positive results gained over the years thanks to existing programmes and on-going initiatives, the education sector in Central Asia continues to require serious attention. Priorities, as in past years, remain adapting to economic globalisation by addressing the relevance of study programmes and improving governance (implementing quality assurance and transparency measures, recognition of qualifications at national and regional level and career development of staff). Equitable access to education and training at all levels remains a challenge, especially for socially disadvantaged and vulnerable groups. Central Asia should

continue to develop its links with the European Higher Education Area, particularly with the Bologna process. To this effect, the EU-CA Education Platform can play an important positive role as a policy dialogue forum.

Despite positive attempts and some documented achievements into mainstreaming Disaster Risk Reduction (DDR) into education, there is still a need to further develop the DRR approach in Central Asia. Following interventions are to be considered: education for DRR, ensuring safe and resilient physical structures used for education, promotion of specific indicators and tools e.g. building codes, Safer Schools.

Therefore, Central Asia should take advantage of the opportunities offered by the Erasmus+ programme for institutions (e.g. to develop Joint Masters Degrees and Capacity Building projects) and for individuals (mobility and training of students, researchers and staff), and also from the Marie Skłodowska-Curie actions for researcher collaboration, mobility and doctoral programmes. Currently weak capacities and insufficient exposure to international cooperation will be addressed, inter alia, through the introduction of a bilateral scholarship programme (credit mobility) under Erasmus+.

All of the above cannot be fully realised without Central Asian countries support for their National Research and Education Network organisations (NRENs) to further develop e-infrastructures for high-capacity, high quality Internet links between Central Asian and European research and education institutions.

From 2014, opportunities for research collaboration at individual and organisation level are available under Marie Skłodowska-Curie actions (MSCA), the new EU framework programme for research and innovation. The MSCA funding supports human resources behind research and innovation. It fosters international and inter-sectorial mobility to leading academia and non-academia organisations in Europe and around the world. Participation of Central Asian research and HEI organisations is possible under MSCA Innovative Training Networks supporting training programmes (including joint and industrial doctorates) and MSCA Research and Innovation Staff Exchange to enhance international and inter-sectorial cooperation and transfer of knowledge. Individual researchers may apply for Individual Fellowships or co-funded fellowships to undertake mobility and realise their research projects in Europe.

Moreover, Central Asia countries are more and more, as Europe does, focusing on innovation as a means to sustainable economic and social development. Therefore their scientists, institutes and industries are encouraged to participate in collaborative research and innovation projects funded through the new European research and innovation programme 'HORIZON 2020' (2014-2020), which is 'open to the world'. It is expected that, on average, Horizon 2020 will fund about 1500 collaborative research and innovation projects, all open to participating partners from Central Asia (CA).

## **6. Economic development, trade and investment: main achievements and way forward**

The EU aims, through various instruments, at a gradual economic integration with its Central Asian partners, based on market principles, a stable business and investment environment, and the rule of law.

### Bilateral trade<sup>10</sup>

Bilateral trade and economic relations between the EU and Central Asia have been growing strongly in the past decade. The EU has become the region's most important trade and investment partner, notably for Kazakhstan, which represents about 88% of the EU's total bilateral trade with the five Central Asian countries. The EU is an important trade partner also for the other Central Asian countries but with more limited turnover.

EU imports are dominated by the energy sector (mainly crude oil), while machinery, equipment and other manufactured goods represent the vast majority of EU exports to the region.

Over the past two years, total trade between the EU and Central Asia increased by over 8%. The EU has been Kazakhstan's largest trade partner (the annual bilateral trade amounting to 31 billion EUR which is more than a third of Kazakhstan's total external trade) and its first foreign investor (representing half of total FDI in the country).

### Partnership and Cooperation Agreements

With Kazakhstan, the Kyrgyz Republic, Tajikistan and Uzbekistan, the EU's bilateral trade relations are governed by Partnership and Cooperation Agreements (PCA), while with Turkmenistan an interim trade agreement is in force.

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<sup>10</sup> See Annex 2

The EU and each Central Asian country keep regular meetings to take stock of the bilateral trade relations as part of the implementation of the PCAs. Over the past years these bilateral events provided a useful platform to address issues related to trade and investment climate.

The EU and Kazakhstan conducted negotiations on a new, Enhanced PCA since 2011, with the aim to further enhance the regulatory framework for bilateral trade and investment relations. The negotiations were concluded in October 2014 and the Enhanced PCA will be applied after the completion of the related legal procedures.

## WTO

For the EU to further develop its trade and investment relations with the Central Asian countries, it is vital that they all accept the global trade rules by becoming a member of the WTO. The Kyrgyz Republic is a WTO member since 1998.

During the last couple of years, there has been very good progress in this area: Tajikistan joined the WTO in March 2013, while Kazakhstan has reached the final stage of its WTO accession process by 2014. By October 2014, the EU and Kazakhstan concluded all their bilateral negotiations with regard to the terms and conditions of Kazakhstan's accession to the WTO. The EU provided very important support in the form of technical assistance to both Tajikistan and Kazakhstan in their WTO accession processes.

The EU keeps urging Uzbekistan and Turkmenistan on each bilateral occasion to join the WTO – but these two countries prefer to maintain their rather closed economic policies and to envisage WTO membership only as a long term goal.

## Investment climate

The business environment varies greatly depending on the country. Kazakhstan has a more developed investment climate but there has been progress in most countries. For those countries that are (or are about to become) WTO members the transposition of global trade rules not only ensures a better legal system but also improves the general perception of investors. Corruption remains an important challenge to be addressed.

## Generalised Scheme of Preferences (GSP)

The EU's Generalised Scheme of Preferences (GSP) also aims at helping the diversification of the Central Asian economies by offering lowered tariffs for their exports to the EU on a wide range of products. With the exception of Kazakhstan (due to its level of economic development), all Central Asian countries benefit from the general GSP arrangement. Turkmenistan is going to receive GSP preferences until 31 December 2015. Subsequently, it is going to be removed from the list of beneficiaries because it was classified as upper-middle income countries for the third consecutive time in 2014.

Another variant of the scheme is the so-called the "**GSP+**", which provides for the full removal of tariffs on essentially the same product categories as those covered by the general arrangement. These are granted to vulnerable countries which undertake to ratify and implement international conventions relating to human and labour rights, environment and good governance. Kyrgyzstan, Tajikistan and Uzbekistan satisfy the vulnerability criteria to be entitled to join GSP+. They should be encouraged to do so.

#### Macro-financial assistance

The Kyrgyz Republic should also benefit over 2014-2015 from EUR 30 million of macro-financial assistance (half of it being provided as a grant, the other half being provided as a loan), an emergency financial support extended to EU partner countries experiencing a balance of payments' crisis.

#### Regional economic integration

A Customs Union was created by Russia, Kazakhstan and Belarus in 2010. It will be transformed into a Eurasian Economic Union in January 2015. From the Central Asian countries only Kazakhstan is a member, while the Kyrgyz Republic pursues accession talks.

As a precondition for closer integration with the EU, the Eurasian Economic Union must be fully based on WTO principles and rules, and should help remove barriers to deeper economic cooperation. It must also fully respect the sovereign and autonomous decisions of States to decide on their participation, and should not create obstacles to trade between the EU and the Eurasian Economic Union members.

Kazakhstan's partnership with the Asia-Europe Meeting (ASEM), which started in 2014, will also strengthen the transition/pivotal role of the region between the EU and Asia.

### Statistical cooperation

The EU supports Central Asian countries in a number of technical assistance and capacity building initiatives in statistics. Over the last few years, EU has provided expertise for Global Assessments of National Statistical Systems of Kazakhstan, Kyrgyzstan and Tajikistan. Together with ENP-East countries, all Central Asian countries are participating in high level meetings, promoting European standards, quality in statistics and regional cooperation. These countries have access to a number of tailor made trainings on specific areas of statistics and standard methodology used in daily work of statistical offices.

## **7. Energy: main achievements and way forward**

Central Asia is emerging as a major hydrocarbon supplier in the broader region and the potential for energy cooperation with the EU encompasses a large set of domains. First, the physical **integration of energy markets** is a key mutual interest allowing enhanced commercial links and diversification of trading partners. Second, Central Asia has a significant untapped potential for **renewable** energy deployment and **energy efficiency** improvements, sectors where the EU has developed a strong industry and know-how.

The objective to expand the **Southern Gas Corridor** to Central Asia is being pursued through ongoing negotiations with Turkmenistan and Azerbaijan on the **Trans-Caspian Pipeline** and the completion in 2014 of the Environmental Scoping Study for the Trans-Caspian pipeline.

Energy cooperation with Central Asia builds upon existing synergies with the energy initiatives in the Neighbourhood programme at multilateral level - through the **Baku Initiative** and the **INOGATE** programme - and on the three Memoranda of Understanding signed with Kazakhstan (2006), Turkmenistan (2008) and Uzbekistan (2011) at bilateral level. In addition, the **Enhanced Partnership and Cooperation Agreement** with Kazakhstan will

open further opportunities for the bilateral energy cooperation, with a specific trade chapter on raw materials and energy.

The EU Investment Facility for Central Asia (IFCA) has shown a strong focus on energy, which has received 30% of all contracted funds to date. In the sustainable energy sector, the "Sustainable Energy Programme for Central Asia" (CASEP) has been launched in 2014. In addition, the "Covenant of Mayors-East" initiative, which supports energy efficiency at municipal level, now includes twelve Central Asian municipalities as signatories (nine from Kazakhstan, two from Kyrgyzstan and one from Tajikistan). In November 2014, a high-level conference in Brussels with the European industry representatives also promoted business opportunities in Central Asia in the sustainable energy sector.

## **8. Transport: main achievements and way forward**

In the sector of transport in the past years, the EU supported in priority the development of **safe and secure air and maritime transport** in Central Asia. Moving away from a corridor concept initially framed in the Transport Corridor Europe Caucasus Asia (TRACECA) programme, the EU has been in recent years more engaged in promoting policy reforms in line with European transport safety and security regulations. In particular, aviation safety remains an issue of concern for carriers from some Central Asian countries and further efforts are needed to ensure that operational restrictions on their access to EU airspace are lifted. In this context, the Enhanced Partnership and Cooperation Agreement with Kazakhstan will further strengthen aviation relations with the EU as Kazakhstan has committed to bring all bilateral agreements in line with EU law.

Looking forward, in synergy with its Neighbourhood programmes and in cooperation with other international organisations, the EU should promote in Central Asia the adoption and enforcement of high safety, security, environmental standards in all transport modes. Capacity building and support in the transport sector should seek better interoperability between the Central Asia countries transport systems and those of EU and of its neighbourhood. In addition, coordination with China's transport policy under the 'New Silk Road Economic Belt' initiative should increase the connectivity and seek synergies between the EU, Central Asian and Chinese transport policies in order to ensure compatibility and pursue joint economic opportunities.

## **9. Environment, climate and water: main achievements and way forward**

The sustainable use of natural resources is a crucial key factor for socio-economic development in Central Asia. Central Asia inherited significant environmental challenges from Soviet time: nuclear testing sites, industrial and mining activities, unsustainable exploitation of natural resources, land degradation, air pollution, desertification, water resources issues. The region is also highly vulnerable to the impacts of climate change, while

the economy is characterised by high carbon emissions intensity and energy inefficiency. Central Asia is also a high natural disaster prone region.

The EU-Central Asia Joint Communiqué issued in 2009 in Rome became the reference framework for enhanced co-operation to tackle **environmental governance, climate change, and sustainable water management**. The EU and several Member States have continued to engage with determination to address the environmental and water issues as laid out in the Strategy for Central Asia. Continuous dialogue between the EU and Central Asian states has taken place within the Working Group on Environmental Governance and Climate Changes (EGCC) led by Italy and within the framework of the EU Water Initiative EECCA and its National Policy Dialogues, led by Romania.

The EU and Central Asia agreed on the need to focus on supporting good governance, the mainstreaming of environmental and climate change concerns in sectorial national policies, supporting reforms of water policies and management, and developing and implementing action plans to mitigate and adapt to climate change. Gradual progress on implementing reforms by Central Asian partners and results achieved through growing cooperation on environment and water is encouraging.

#### Main achievements in the field of environmental governance and climate change:

- Promotion of environmental policy integration, drawing on the conclusions of the 2011 "Environment for Europe" Ministerial Conference and of the inclusion of the Central Asian states into the EU-led, and initiating the development of a Shared Environment Information System (SEIS) in the region.
- Increased dialogue and activities under the Working Group on Environmental Governance and Climate Change while ensuring participation of civil society in this dialogue in order to integrate their expertise and experience, and addressing climate change as an area of joint concern to foster regional co-operation in Central Asia.
- Increased participation of Central Asian cities in the Covenant of Mayors, as an open and attractive platform to share best practices on making the cities less energy-

consuming, less polluted and more climate-friendly. Through DIPECHO, EU will also launch pilot projects on “safe city” campaign, related to disaster risk reduction.

- Wide range of efforts by the countries to mitigate and cope with climate change. They do take different forms, and are at different stages of development, but they should enable all countries to contribute to a Global Climate Agreement in Paris in 2015, to reach our agreed target to limit global warming below +2°C.
- Increased co-ordinated European efforts to assist the Central Asian countries in their institutional and capacity building efforts to address climate change in an integrated manner at the local, national and regional level.
- To address the DRR issues, with elements of climate change adaptation, DIPECHO programme has covered important DRR aspects such as: training and capacity building, infrastructure support for contingency plans, provision of disaster preparedness equipment, small-scale mitigation works for demonstration purposes and awareness raising, early warning systems. The programme also contributed to the implementation of Hyogo Framework of Action (HFA) 2005-2015 in the region, and will be contributing to the next HFA planned to be adopted for 2015-2025.

### Water resource management

Water resources in Central Asia are experiencing growing pressures due to increasing demands from agriculture, energy generation, industry and urban centres. Climate change is causing additional stress on water resources by changing precipitation patterns, causing flash floods, reducing water availability, and affecting the energy supply. While in the last years, various strategies and actions plans have been put forward in the region, the situation with regard to environment legislation varies from country to country. The Central Asian countries lack the administrative capabilities and the financial resources to effectively pursue the implementation and the enforcement of their environmental objectives.

Since 2008, the EU has promoted in the region the EU Water Initiative in Eastern Europe, Caucasus and Central Asia (EUWI EECCA), a pan-European political undertaking helping participating countries to modernise the water sector policy and to improve their legislation

and management in their water sector through the implementation of national policy reform process, along the line of the EU experience, notably the EU Water Framework Directive.

Key actions in this area were:

- Support for implementing National Water Policy Dialogues and policy packages in line with lessons learned from the UNECE Water Convention and from the EU Water Framework Directive especially regarding river basin management and integrated water management approaches.
- Encouragement to integrated water management and trans-boundary cooperation on water issues and pursues diplomatic efforts with other international partners to promote regional cooperation on water challenges in Central Asia, particularly in light of specific issues such as the Rogun dam or the Aral Sea.

Looking forward:

The EU should pay particular attention to areas where EU experience and know how can bring added value to respective countries' efforts. Co-ordinated European efforts need stepping up to assist the Central Asian countries in their institutional and capacity building efforts to address climate change in an integrated manner at the local, national and regional level. Notably, use of advanced tools like Climate Adapt of EEA can assist in increasing cooperation on adapting the societies and economies to the on-going climate change.

The EU should promote further adhesion to international conventions and legal principles on shared water resources that provide a framework for elaborating regionally adapted solutions, including, notably, the Convention on the Protection and Use of Trans-boundary Water courses and International Lakes and its Protocol on Water and Health and advance the ratification of other relevant environment conventions by all Central Asian states.

The EU is committed to a lasting cooperation for helping Central Asian partners to adapt to the far reaching negative effects of climate change and to reduce their greenhouse gas emissions. Central Asian states are encouraged to prepare their intended nationally determined contributions to the 2015 Climate Agreement and present them well in advance of the Paris Conference of the United Nations Framework Convention on Climate Change (UNFCCC). The EU also calls upon Central Asian states already parties to the Montreal

Protocol (Kyrgyzstan, Turkmenistan) to begin negotiations on a global phase down of hydrofluorocarbons (HFCs).

## **10. Combatting common threats and challenges: main achievements and way forward**

The issues identified in the EU Strategy for Central Asia as the main threats and challenges continue to pose serious risks to security and stability in the region and more recent trends add further concerns. Numerous domestic grievances such as social-economic and urban-regional disparities, ethnic tensions and lack of political representation, wide-spread corruption and youth unemployment make the region a fertile ground for radicalisation and remain a potential trigger for conflict, especially when combined with regional and external pressures related to water management and access to natural resources.

The 2014 transition in Afghanistan risks bringing along a further increase of already record opium cultivation and related trafficking from Afghanistan through Central Asia to consumer markets in Russia and Europe. Central Asian countries have also witnessed an unprecedented increase in drug consumption and related impact on society, including HIV and hepatitis epidemics. Concerns about future developments in Afghanistan naturally call for a stronger focus on threats by international terrorist groups. Unequal distribution of water resources could possibly lead to an escalation of tension between several countries. Disputes over demarcation of borders, ethnic enclaves and porous borders are another source of concern.

The crisis in Ukraine intervened in a geopolitical context of Central Asia already shaped by a number of factors such as the Russian integrationist agenda, China's continued economic expansion, diminishing US presence and the premises of the first ever power transitions in some Central Asian States. It confirmed and amplified these existing trends while also demonstrating the determination of Russia to pursue its objective of reintegrating the ex-Soviet space. It led Central Asian leaders to re-evaluate their multi-vector foreign policy, to heighten their domestic security posture to avoid any "Maidan style" uprising, to anticipate increased separatist tendencies where they exist and to manage the ripple effect of sanctions due to high dependency on Russian economy. The entry into force of the Eurasian Economic Union will further shape the economic linkages in the region where China has become the dominant player in terms of trade and investment. Russia is also keen to reinforce its security presence in the region, including military assistance, and to encourage the regional organisations such as the Shanghai Cooperation Organisation (SCO) and the Collective

Security Treaty Organisation (CSTO) to become more prominent fora for cooperation also on security issues. Despite some differences on regional engagement, all five Central Asian countries continue to express their willingness to further cooperate on regional security with the EU who remains committed to supporting Central Asia countries in addressing the above-listed destabilising factors.

Establishment of the **High Level Security Dialogue**, aiming at jointly identifying new areas and new ways of concrete cooperation on security issues was the manifestation of this commitment. The first meeting attended by representatives of all five countries, mostly at the Deputy Foreign Minister level, took place in June 2013 in Brussels. The discussions took stock of the situation in Afghanistan, Iran and Syria and reflected upon the cooperation between the EU and Central Asia in the area of drugs and drug trafficking, border management, counter-terrorism and chemical, biological, radiological and nuclear (CBRN) risks. The second High level dialogue is taking place early 2015.

In the area of counter-terrorism, Afghanistan remains the focus of attention, in particular following the drawdown of the International Security Assistance Force (ISAF). However, the terrorist threat emanating from and directed at Central Asia has continued to have much wider regional effect. For example, the attack on Karachi airport in June 2014 was claimed by the Islamic Movement of Uzbekistan. There is considerable concern about the significant number of Central Asian nationals who have gone to fight in Syria and Iraq, including for groups such as ISIL (Islamic State in Iraq and the Levant), and the threat that they may pose on their return.

The EU supported the development of a regional framework for implementing the UN Global Counter-Terrorism Strategy, which culminated in the Almaty Declaration in 2011. The Declaration provides a platform for enhanced co-operation and exchange of best practice, and develops a Joint Action Plan for the Implementation of the UN's Global Counter-Terrorism Strategy in Central Asia. The EU is now funding a follow-on project to assist in the development of country programmes, linked to concrete actions in line with the regional framework, and to provide tools and build local capacity to facilitate the implementation of these actions. Long-term projects to address social-economic and political grievances in these countries themselves would also greatly contribute to mitigate the risk of radicalisation.

Building on these foundations, and following a commitment made at the EU-Central Asia Security Dialogue in May 2013, the inaugural EU-Central Asia counter-terrorism expert meeting was held in Almaty on 25 April 2014. Discussion focused on sharing assessment of terrorist threats, identifying best practice and possible areas for future co-operation. Joint work under the Prevent strand of the EU Counter Terrorism Strategy was a particular priority.

Concerning the **drug-related phenomenon**, a new follow-on the **EU-Central Asia Drug Action Plan** was endorsed by the EU and Senior Officials of the five Central Asian countries in November 2013 for the years 2014 to 2020.

The EU and a number of its Member States have also been supporting the Central Asia Regional Information and Coordination Centre (CARICC) for combating the illicit trafficking of narcotic drugs, psychotropic substances and their precursors. Unfortunately, delays and uncertainty of the CARICC leadership rotation have prevented the envisaged further intensification of this cooperation and slowed down the progress. Under the Heroin Route programme, a specific project with the objective to strengthen information networks amongst the countries in the region has consistently reached out to CARICC as well as other Central Asian and international partners to foster regional and trans-regional law enforcement cooperation.

Further to these activities, the EU has continued to support trans-regional cooperation against organised crime along the different heroin routes by contributing notably to reinforcing the Drugs Control Coordination Unit (DOCCU) of the Economic Cooperation Organisation (ECO) and supporting cross border cooperation between the ten ECO Member States which include all Central Asian countries. The EU has facilitated the creation of an informal regional network of forensic laboratories in the ECO countries and has specifically supported some of these forensic laboratories, including in Kazakhstan and the Kyrgyz Republic. The EU has also contributed to the UNODC/WCO Container Control Programme in Kazakhstan.

A well-functioning system of **integrated border management** is the cornerstone of countering the risks posed by trafficking of illicit goods and irregular migration, while facilitating licit mobility/migration and trade transactions contributing to economic development, social stability and cross-border cooperation. EU also supports the wider

regional debate on border security and management, for which the **Central Asia Border Security Initiative (CABSI)** provides a discussion and coordination forum. The last conference, held in October 2013 in Ashgabat, brought together the Central Asian countries, partners (US, China, Russia, Japan, Afghanistan and others) and international organisations (UNDP, UNRCCA, UNODC, OSCE, ICMPD, IOM, UNHCR, CARRIC) to discuss mainly cross-border trade and migration.

Concerns related to **migration flows** among Central Asian countries are gradually recognised as one of the main challenges and potential destabilising factors. Large parts of active workforce of Tajikistan, the Kyrgyz Republic and Uzbekistan migrate to Russia for work. These migration flows have so far neither been regulated by a visa regime nor by a strict work permit requirement or registration procedures and remain an important element in diplomatic negotiations, as changes to the fragile balance could cause radicalisation and social upheaval. The EU stands ready to share its experience and the expertise of its Member States. A joint initiative between the EU and the International Centre for Migration Policy Development (called 'MIEUX') provides short-term transfer of knowledge and know-how between peers in migration management (assessment, policy development, institutional reform, legal frameworks, study visits). So far Kazakhstan, Uzbekistan and the Kyrgyz Republic have benefited from MIEUX. EU also encourages Central Asian countries to continue their engagement within the IMO-led Budapest and Prague's processes.

Threats in the region are not limited to flows of illicit goods and human beings. Concerning the risk mitigation of intentional, natural or man-made accidents related to **Chemical, Biological, Radiological and Nuclear materials (CBRN)**, the EU has created the CBRN Centres of Excellence initiative. Today already 50 countries in eight regions have become partners, including Uzbekistan (candidate to host the regional secretariat), the Kyrgyz Republic and Tajikistan in Central Asia. 25 additional countries are expected to join soon. Under this initiative, the EU is facilitating CBRN interagency and cross border cooperation and stimulating administrative reforms, providing support to the partner countries in terms of needs assessments, preparation of national action plans and bottom up projects with a regional perspective. Concerning dangerous **biological materials**, the EU has engaged activities aiming at strengthening bio-safety and bio-security capabilities in Central Asian countries,

through the International Science and Technology Centre (ISTC)<sup>11</sup> and specific projects provided for the upgrade of laboratories, of diagnostic capabilities and for bio-safety/security training of specialists in Kazakhstan, Tajikistan and Afghanistan.

The continuation of the International Science and Technology Center (ISTC) in Astana, Kazakhstan provides new opportunities for support to contain dual-use knowledge in Central Asia and neighbouring countries. The EU is among the main funding parties of the Center. Some Central Asian countries are participating in the EU outreach program on export control in dual-use items. An expert will be deployed long term in Kazakhstan from 1 January 2015 onward to deepen mutual cooperation in this field.

The EU has also reinforced its cooperation with the Central Asian countries in the scope of nuclear safety within the framework of the Instrument on Nuclear Safety Co-operation (INSC). UNGA adopted in November 2013 a resolution on “The role of the international community in averting the radiation threat in Central Asia”, thus highlighting the political importance of the **uranium legacy** sites in the region. A total number of 8 national and regional INSC projects with special focus on the uranium legacy sites are now either being implemented or under preparation. The INSC activities are coordinated within the regional Coordination Group for Uranium Legacy Sites (CGULS) under the auspices of the International Atomic Energy Agency (IAEA). The INSC partner countries are Uzbekistan, the Kyrgyz Republic and Tajikistan. The projects will develop comprehensive remediation plans for some of the worst affected legacy hot spots in the three countries. Establishment of a new multilateral environmental remediation fund for Central Asia managed by EBRD is foreseen as a vehicle for actual implementation of remediation works at prioritised uranium legacy sites. The EU is also working with countries in the region to combat illicit trafficking of nuclear and radioactive materials across borders with Afghanistan.

Adding to a long list of man-made risks to security and stability, Central Asian countries are particularly exposed to natural disasters, exacerbated by climate change, such as floods, landslides, avalanches, droughts and glacier melt, but above all earthquakes. The EU has further expanded its activities under the disaster preparedness programme (DIPECHO) in all countries of the region, which originally started in 2003. DIPECHO covered among others

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<sup>11</sup> With headquarters at the Nazarbayev University in Astana, Kazakhstan since 2014

preparation of emergency plans at community level, training for communities in disaster preparedness techniques, improvement of early warning systems and coordination mechanisms, as well as adaptation mainstreaming and advocacy for disaster risk reduction (DRR), among national authorities and development actors and greater integration of DRR into education. Through DIPECHO initiative, the EU acknowledges and promotes disaster risk reduction as a vital part of the EU's resilience agenda. Since disaster risk reduction is a long-term development effort, stakeholders other than European Commission are also encouraged to provide longer-term financing to systematically integrate disaster risk reduction in their strategies. DG ECHO's presence in the region also ensures that EU has a regular presence and monitoring of the situation in the region, which will - in case of need and government request - facilitate a quick and efficient response to any humanitarian crisis in the region, caused either by natural or man-made disaster.

The list of threats, challenges and uncertainties defining the security context of Central Asia remains long and it is beyond the capacities of the EU alone to achieve a major impact in stabilising the region. The EU must nevertheless remain committed to supporting and facilitating progress and building on its role of a well-respected actor offering a wealth of expertise and a politically neutral approach. The EU's main attraction is arguably its possible role as an honest broker (e.g. water) and a counter-weight from powerful neighbours, a trade and development partner and a proponent of human rights and the rule of law. EU leverage may be larger at regional than at domestic level.

Looking forward, the EU should carefully analyse the developments in the regional context since the adoption of the EU Strategy for Central Asia, and the impact of EU engagement to date. It should also define the areas where the EU role brings most added-value, is irreplaceable or is vital for the strategic interests of the EU.

**Regional approach** remains a key principle, as transnational threats and challenges cannot be addressed without international cooperation. The Regional Indicative Programme for Central Asia (2014-2020) clearly brings in the security dimension and defines Security for Development as one of the focal sectors and foresees support for enhancing the rule of law and developing a stable and democratic legal frameworks as well as for strengthening cross-border cooperation through integrated border management, facilitating border trade, securing mobility of people and intensifying the fight against drug trafficking. Countries within Central

Asia are nevertheless very different and any EU engagement needs to be flexible enough to cater for the necessary **diversity** in priorities and capabilities of the beneficiary countries. Demand-driven bi-lateral or multi-lateral initiatives can work as building blocks underpinning the regional cooperation.

**Political will and ownership** remains a key pre-condition for progress. Bottom-up approach consisting of capacity building and facilitating of exchanges and international cooperation at the technical level is an extremely useful tool which can deliver outstanding results and prompt interest and political backing for reforms. EU expertise is well-respected and sought after, and peer-to-peer knowledge sharing is a well-praised EU tool that allows at the same time for better visibility of EU engagement. EU will capitalise on more direct engagement of EU experts notably in implementing CADAP and BOMCA programmes. However, technical expertise approach is not sufficient to address systemic failures and trigger an overall reform especially in sensitive sectors related to state security. Long-term targeted support at strategic level would be necessary also to ensure sustainability of results achieved by the EU actions.

## **11. Conclusion**

The EU strategy for Central Asia adopted in 2007 has structured a substantial strengthening of the relations between the EU and the five Central Asian states (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan), as well as the EU relations with the Central Asia region as a whole, over the last seven years.

The priority areas defined in 2007 (human rights and rule of law; youth and education; trade and investment; energy and transport; environment and water; common security threats and challenges) remain fully pertinent and, more importantly, allow to measure progress to be measured against the objectives set in the EU strategy.

This progress report represents an opportunity to open a dialogue with the EU Member States, Central Asian partners, civil society and stakeholder on how these priorities should be pursued in the years to come and to identify the key challenging areas after seven years of implementation of the Strategy.

# ANNEX 1

## EU development cooperation in Central Asia

Major areas of support	MIP 1: 2007-2010							MIP 2: 2011-2013							MIP 1&2 (2007-2013)	
	KAZ	KYR	TAJ	TUR	UZB	REG	Sector TOTAL	KAZ	KYR	TAJ	TUR	UZB	REG	Sector TOTAL	Totals	% per sector
<b>Poverty alleviation</b>	9.5	49.2	52	4.5	10.4	66.4	192	0	37.5	46.5	10.0	18.0	44.9	156.9	348.9	52.9%
* Education/Higher education	5	5.5		4.5	10.4	66.4	91.8		20		6.0	8.0	44.9	78.9	170.7	
* Health	4.5		32				36.5			12.9				12.9	49.4	
* Social protection		31	14				45		13	17.6				30.6	75.6	
* Agriculture/Rural development		12.7	6				18.7		4.5	16.0	4.0	10.0		34.5	53.2	
<b>Environment/Energy/Climate</b>	0	0	0	3	0	35.2	38.2	0	0	0.0	2.9	4.0	47.0	53.9	92.1	14.0%
<b>Governance</b>	28.5	3	5	4.8	12	2	55.3	24.7	13.5	8	9.5	0	2	57.7	113.0	17.1%
* Justice, rule of law	3.5				10	2	15.5	12	13.5	8	5		2	27.5	43.0	
* Public finance management*			5				5							13	18.0	
* Parliaments				2.3	2		4.3				4.5			0	4.3	
* Public administrative reform	10			2.5			12.5	8.8						13.3	25.8	
* Decentralisation/local development	15	3					18	3.9						3.9	21.9	
<b>Economy/Trade/Private sector development</b>	6	0	9	6.5	3	10.4	34.9	0	0	0	0	9.8	5	14.8	49.7	7.5%
<b>Cross-border/Security</b>	0	0	0	0	0	13	13	0	0	0	0	0	10	10	23.0	3.5%
<b>Others</b>	0	3	0	3.2	3.2	9	18.4	1.3	0	0.6	0.9	4.0	7.7	14.5	32.9	5.0%
<b>TOTAL per country and regional</b>	44	55.2	66	22	28.6	136	351.8	26	51	55.1	23.3	35.8	116.6	307.8	659.6	100.0%
<b>% of MIP</b>	13%	16%	19%	6%	8%	39%	100%	8%	17%	18%	8%	12%	38%	100%		

## ANNEX 2

### EU trade in the region: Central Asia (2011-2013 data, Eurostat)

	EU28 imports					EU28 exports					EU28 trade balance			TOTAL TRADE				
	2011	2012	2013	12/11	13/12	2011	2012	2013	12/11	13/12	2011	2012	2013	2011	2012	2013	12/11	13/12
CA 5	23,894	25,645	24,749	7.3%	-3.5%	8,788	10,055	10,592	14.4%	5.3%								
KAZ	22,920	24,542	23,468	7%	-4%	5,985	6,923	7,495	16%	8%								
UZB	397	260	247	-34%	-5%	1,301	1,222	1,408	-6%	15%								
TKM	447	670	866	50%	29%	953	1,326	1,093	39%	-18%								
KGR	55	54	77	-1%	43%	408	422	400	3%	-5%								
TJK	76	120	90	58%	-25%	140	163	195	16%	19%								