



# EU-KAZAKHSTAN ENHANCED PARTNERSHIP AND COOPERATION AGREEMENT

**On 1 March 2020, the EU-Kazakhstan Enhanced Partnership and Cooperation Agreement (EPCA), ratified by all EU Member States and the European Parliament, will enter into force.**

Since 2016, when the Agreement started to be provisionally applied, **the EU and Kazakhstan** have worked together for the successful implementation of priority projects in areas such as trade and customs cooperation, environment and climate change, energy and green economy, transport, rule of law as well as human rights and the involvement of civil society in the implementation of the Agreement.

In addition, the **EU Strategy on Central Asia** adopted in 2019, provides an excellent framework to strengthen regional cooperation by taking advantage of new opportunities in the region and addressing common challenges together.

## **Successes of the provisional application of the EPCA**

In the framework of the EPCA, bilateral cooperation between Kazakhstan and the European Union has progressed steadily through our many exchanges in Cooperation Committees, Cooperation Councils, Subcommittees and Dialogues. The EPCA has enhanced cooperation in 29 key policy areas. Some key successes in these areas are outlined below.



### **TRADE**

The EPCA (Chapter 11) aims at **promoting fair and open competition which benefits Kazakh consumers and small and medium-sized**

**companies.** The EPCA has an ambitious Trade and Sustainable Development Chapter (Chapter 10) that incorporates several provisions on labour rights and environmental protection which should ensure sustainable economic growth benefiting the Kazakh society as a whole. The whole trade title of the agreement (Title III) is about **promoting trade based on the rule of law as well as stable and transparent rules and standards.** This is very much to secure the interests of the Kazakh citizens.

According to statistics, 2018 has been an excellent year in terms of trade and investment flows between the EU and Kazakhstan. EU exports to Kazakhstan reached EUR 5.8 billion, and increased by 14%, and exports of Kazakhstan to the EU reached EUR 20.8 billion, and increased by 18%. As a result, Kazakhstan is the EU's first trading partner in Central Asia, and the EU is by far Kazakhstan's first trading partner overall representing 40% of the total Kazakh trade. The picture looks equally good in terms of investments. According to the statistics available from Kazakhstan National Bank, in 2018, Foreign Direct Investments from the EU represented 48% of total flows.

**A high-level platform for dialogue between the Kazakhstan Government and the EU on economic and business matters** ("business platform") established in July 2019 and chaired by the Prime Minister of Kazakhstan reflects the importance of EU investment and trade with Kazakhstan. Over the past few months the platform has discussed topics such as sanitary and phyto-sanitary issues, currency regulations, environmental code, public procurement, the rule of law, recycling fees for



agricultural machinery and taxation. The variety of topics demonstrates the high level of interest from the EU investors. The platform has helped to address trade irritants and bring concrete improvement to the business climate, which paves the way for further increases in mutual trade and investment flows. The annual EU-Kazakhstan Cooperation Committee in Trade Configuration is also an excellent opportunity to discuss a number of topics linked to the implementation of the trade title of EPCA.



## **EDUCATION**

Under the EPCA, the EU and Kazakhstan have committed to **enhanced people-to-people contacts, including through cooperation and exchanges in the fields of science and technology, innovation development, education and culture.**

Under Erasmus+, EUR 115 million have been earmarked for cooperation with Central Asia. Funds ensure the short-term mobility of close to 7,400 students and staff between Europe and Central Asia. Nearly 60% of these exchanges involve Kazakhstan (representing the mobility of 4,115 students and staff).

Scientific research, including the mobility and training of researchers, is another important area of cooperation between the EU and Kazakhstan, funded by the EU's Horizon 2020 programme, and in particular the Marie Skłodowska-Curie Actions. To date, Kazakhstan has received an EU contribution of EUR 300 000 from Horizon 2020. Nazarbayev University is the most active participant with a total of five participations in Horizon 2020 projects.

The entry into force of the EPCA will enable cooperation to **promote the modernisation of the education and training systems in the Republic of Kazakhstan** and to promote lifelong learning (Article 244).



## **ENVIRONMENT AND CLIMATE CHANGE**

In December 2019, the European Commission presented the European Green Deal, a roadmap for making the EU's economy sustainable by turning climate and environmental challenges into opportunities across all policy areas and making the transition just and inclusive for all. **The EU is very supportive of Kazakhstan's transition to a Green Economy Model.**

The EU and Kazakhstan has held a three-day workshop on Climate Action to discuss the potential for cooperation in the context of implementing the climate chapter of the EPCA. The workshop helped both sides to gain a broader mutual understanding of respective climate policies and for Kazakhstan to further develop its national policy framework in line with international commitments under the Paris Agreement and the Montreal Protocol on Substances that Deplete the Ozone Layer.

In EU bilateral dialogue with Kazakhstan, the issues related to water management, integration of environment into other sectors and transition to **Green and Circular economy are the main priorities.** Kazakhstan is an active member of the EU-Central Asia Working Group on Environment and Climate Change organised under the EU-Central Asia Platform for Environment and Water Co-operation. The last meeting of this group was held in Brussels on 12-13 February 2020.

The entry into force of the EPCA will enable the EU and Kazakhstan to develop and strengthen their cooperation on environmental issues, thereby contributing to sustainable development and good governance in environmental protection (Article 212). The EU and Kazakhstan shall develop and strengthen their cooperation to combat and to adapt to climate change (Article 215).



## **ENERGY**

Cooperation in the area of energy including **hydrocarbon energy, renewable energy sources and energy efficiency and energy savings** has already been provisionally applied (Chapter 5).

Kazakhstan's oil and uranium exports are important to the European Union and make a positive contribution to the continent's energy diversification. Kazakhstan supplies around 6% of EU oil demand and meets more than 21% of the EU uranium demand.

The EU welcomes Kazakhstan's commitment to promote a low-carbon energy system, in particular the ambitious target of generating 50% of electricity from low-carbon sources by 2050. The EPCA provides opportunities for cooperation with the EU in sectors such as renewable energy and energy efficiency. The newly established Auctions mechanism, launched in May 2018, was a major step forward for Kazakhstan's renewable energy sector. This cooperation can be further intensified with the full entry into force of the EPCA.

Under the EPCA, the EU and Kazakhstan have also been cooperating in the modernisation of the Energy Charter as well as the on-going Energy Charter review process.



## **TRANSPORT**

To date, cooperation in the area of transport (Chapter 6) has been provisionally applied.

The EU and Kazakhstan have engaged in **aviation safety dialogue**. Kazakhstan participates in the EU projects on civil aviation safety and security, especially with the removal of all Kazakhstan airlines from the EU Air Safety List in December

2016, and in the project on maritime safety and security. The EU and Kazakhstan cooperate in meetings of the Organisation for Cooperation between Railways (OSJD).



## **HUMAN RIGHTS**

The EPCA has a strong emphasis on democracy, rule of law, human rights and fundamental freedoms and supports Kazakhstan in its reform and modernisation processes. Every year the EU and Kazakhstan have a Human Rights Dialogue and Justice and Home Affairs Subcommittee. At the **Human Rights Dialogue**, a broad range of human rights related issues are discussed; the penitentiary system, prevention of torture and ill-treatment, civil society, freedom of association and peaceful assembly women's rights, children's right and non-discrimination, freedom of expression and freedom of religion or belief.

**The Justice and Home affairs Subcommittee** is an opportunity to discuss rule of law, good governance and reform of the judiciary, judicial cooperation, the fight against money laundering and corruption, migration, asylum and border management, counterterrorism and prevention of violent extremism.

### **Strengthen cooperation between the EU and Kazakhstan**

The entry into force of the Agreement has been an important priority to further strengthen cooperation in sections of the Agreement which to date have not been subject to the provisional application, for example, cooperation in the field of small and medium-sized enterprises, tourism, employment, labour relations, health, education, research and innovation, industry, climate change, cooperation in public services, as well as the area of security.