



EU-CENTRAL ASIA RELATIONS

The European Union’s engagement with the region has significantly expanded since the early 1990s, building upon Central Asia’s geographical location and tradition of **bringing Europe and Asia together**. Both regions share strong common interests in prosperity, connectivity, energy and security.

Some developments in Central Asia have enhanced the **geostrategic significance** of the region and opened up **new opportunities** for EU engagement:

- ◆ **Reforms in Uzbekistan** have generated an explicit call for enhanced support and cooperation with the EU;
- ◆ The **new momentum in intra-Central Asia regional cooperation** has enhanced the relevance of the EU’s own experience in crafting cooperative solutions to cross-border challenges;

- ◆ International efforts to promote Europe-Asia connectivity have triggered genuine interest in the region for the EU’s own approach to promoting **sustainable connectivity**, as outlined in the 2018 Strategy on Connecting Europe and Asia;
- ◆ Constructive engagement by Central Asian states towards promoting peace in **Afghanistan** has also opened space for closer cooperation with the EU.

In an **increasingly competitive geopolitical context**, in which neighbouring players are reasserting their influence, Central Asians are aiming to **diversify their options** and are looking at a stronger EU presence as a **factor of balance in the regional equation and a committed partner for reform and modernisation**.



THE NEW EU STRATEGY ON CENTRAL ASIA

STRONGER, MODERN & BROAD PARTNERSHIP

INVESTING IN REGIONAL COOPERATION

- ◆ Moving towards common rules and a more integrated regional market
- ◆ Tackling common challenges such as environmental degradation and terrorism
- ◆ Stepping up cooperation with Central Asian partners to promote peace in Afghanistan

PARTNERING FOR RESILIENCE

- ◆ Strengthening Central Asian countries so they can overcome internal & external challenges
- ◆ Supporting the delivery of successful reforms
- ◆ Closer cooperation on promoting human rights and the rule of law
- ◆ Turning environmental challenges into opportunities
- ◆ Sharing know-how on renewable energy and energy efficiency

PARTNERING FOR PROSPERITY

- ◆ Developing a competitive private sector and promoting an open investment environment
- ◆ Fostering research and innovation with a focus on skills development for youth
- ◆ Promoting sustainable, comprehensive and rules-based connectivity
- ◆ Supporting economic modernisation
- ◆ Leading supporter of the accession of Central Asian states to the World Trade Organization



NEW CHALLENGES, NEW OPPORTUNITIES, NEW APPROACHES

The EU adopted in June 2019 a **new Strategy on Central Asia**, updating a first Strategy of 2007, which outlines its strategic interests in the region and proposes to forge a stronger and non-exclusive partnership with Central Asian states so that the region develops as a **more resilient, prosperous, and closely interconnected economic and political space**.

The Strategy outlines **three priority strands for EU engagement**:

- ◇ partnering with Central Asian states and societies for **resilience** (human rights and democracy, security, environmental challenges);
- ◇ partnering for **prosperity** (supporting economic diversification and private sector development, promoting intra-regional trade and sustainable connectivity);
- ◇ supporting **regional cooperation** in Central Asia.

The new EU Strategy also provides guidance for the preparation of **EU aid programming** for the period 2021-2027.

The negotiation of new-generation **Enhanced Partnership and Cooperation Agreements (EPCAs)** with Central Asian countries has also provided a strong vehicle to forge a **more modern and diversified partnership** beyond a “trade and aid” agenda and promote cooperation and regulatory convergence in new areas which are relevant to the reform processes underway in the region.

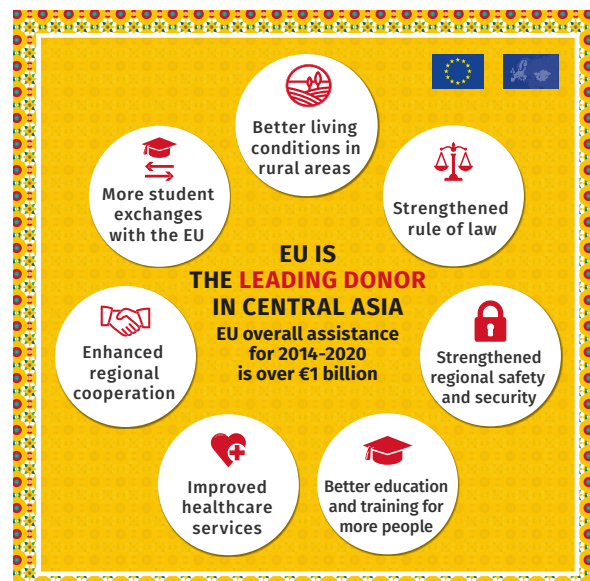
The EPCA with Kazakhstan has now come into force. The EPCA with Kyrgyzstan was initialled in 2019 and work proceeds on preparing the text for signature. EPCA negotiations with Uzbekistan are nearing completion. The EU is preparing to engage in EPCA negotiations with Tajikistan.

The EU and the Central Asian countries engage in an annual ministerial level meeting.

THE EUROPEAN UNION AS A PARTNER FOR SUSTAINABLE DEVELOPMENT

The European Union’s development priorities in Central Asia, in line with its commitment to implementing the **United Nations Sustainable Development Goals (SDGs)**, aim at meeting the increasing needs from growing and young populations and at providing economic opportunities. The EU’s development priorities are focused in a region lacking economic diversification, facing significant environmental challenges, and in which the levels of intra-regional trade and investment flows remain sub-optimal.

Assistance provided by the European Commission combined with assistance provided by EU Member States individually makes the European Union the





number one provider of development assistance in the region. European Commission assistance to Central Asia reached **€1.1 billion for the period 2014-2020.** To better tailor the development programmes to each country's specificities, such as their existing level of development and an assessment of needs, the European Union employs a **differentiated approach** to its assistance, with a focus on the poorest and the most fragile countries.

Regional programmes aim at supporting a broad-based process of dialogue and collaboration between the five Central Asian countries. **Regional cooperation** is important for **energy**, the **environment**, **climate**, **water** and **socio-economic development**. The **rational use of natural resources** is a key factor for the development and political stability of the region. Addressing the needs of a rapidly growing young population through the provision of jobs and **better education and research opportunities** is also key.

Given Central Asia's vulnerability to **natural disasters** and the effects of climate change, regional programmes also support the countries' capacities to prepare for and respond to these risks, building on the results of earlier disaster-preparedness programmes.

The EU is eager to use regional projects to underpin the new momentum in regional cooperation in Central Asia, illustrated by developments such as the regular consultative summits of Central Asian leaders.

The EU is also supporting the strengthening of the rule of law and the legal capacity of the Central Asian countries and contributes to the reform of their **legal and judiciary systems**. Regional cooperation aims at **strengthening**

cross-border co-operation through **integrated border management** in order to facilitate cross-border trade and to improve people's mobility, while also intensifying the fight against organised crime and trafficking (Border Management in Central Asia Programme – BOMCA). The EU also supports drug demand reduction, prevention and health aspects of drug use through the Central Asia Drug Action Programme (CADAP).

The EU plans to step up its support to **investments, job creation, education, economic growth and private sector development** in the region. The EU's regional programmes support policy reform and stimulate regional exchanges on **competitiveness and business environment reforms**.

Supporting intra-regional trade in Central Asia and linking up the Central Asian economies with the global value chain is a priority for the EU. The EU helps Central Asian countries address key regulatory and procedural obstacles to intra and extra regional trade. The EU also promotes job creation through programmes that **catalyse the growth** of young Small- and Medium-sized Enterprises. The EU also promotes **sustainable consumption and production** patterns in the region. With its **Investment Facility for Central Asia (IFCA)**, the EU provides grants to support financial resources from financial institutions and other public and private partners for investments, technical assistance, or risk capital operations. This encourages beneficiaries to make developmentally relevant investments, which would otherwise be financially or technically difficult to realise.

By the end of 2020 the EU and countries of Central Asia will hold a first ever **Economic Cooperation Forum**.



RESPONSE TO COVID-19

The EU has mobilised **€134 million for the region**, which has been severely hit by COVID-19, **as part of the “Team Europe” response to the pandemic**. The assistance is focused on mitigating the immediate and longer-term challenges caused by the pandemic in the health and socio-economic areas.

In July 2020, the EU launched a €3 million regional Central Asia COVID-19 **Crisis Response Solidarity Programme**, with a primary focus on Kazakhstan and Turkmenistan. The programme will provide support to mitigate the outbreak of the pandemic and contribute towards the longer-term resilience of the national health systems. The European Investment Bank (EIB) has also mobilised a significant package of Covid-related loans for the region.

PROMOTING THE ROLE OF THE CIVIL SOCIETY

The EU seeks to promote the role of civil society in addressing the challenges that partner countries in Central Asia are facing.

Building on the success of the EU Central Asia Forum held in Bishkek in 2019, the second **Civil Society Forum** took place on 27 October 2020. The Forum is envisaged as a platform to allow civil society representatives of the two regions to contribute to the development of the EU-Central Asia partnership.

The Forum gathers civil society representatives, researchers, media experts, private sector and government experts to discuss ideas, generate new and innovative proposals and recommendations on how civil society can further contribute and be more involved in the implementation of the EU Central Asia Strategy at the local level through programmes and at policy level.