



EU-Kazakhstan RELATIONS



The European Union and Kazakhstan signed an **Enhanced Partnership and Cooperation Agreement (EPCA)** in Astana on 21 December 2015. This new agreement, which constitutes the first of its kind signed by the EU with one of its Central Asian partners, elevates relations between the EU and Kazakhstan to a new level. The new Agreement, once ratified by all Member States and the European Parliament, will replace the Partnership and Cooperation Agreement in force since 1999. Its provisional application started on 1st May 2016.

Relations taken to a new level

Since the conclusion of the 1994 Partnership and Cooperation Agreement, both Kazakhstan and the EU have experienced **significant political, economic and social changes**, triggering a joint decision at political level for an upgrading of bilateral relations. The Enhanced Partnership and Cooperation Agreement creates an enhanced legal basis for EU-Kazakhstan relations, providing a broad framework for **reinforced political dialogue, cooperation in justice and home affairs among other sectors, and promoting mutual trade and investment**. The Enhanced PCA will also enhance concrete cooperation in some other 29 key policy areas, including in the sectors of economic and financial cooperation, energy, transport, environment and climate change, employment and social affairs, culture, education and research. Specific cooperation on **civil society** will also allow more meetings and consultations with Kazakhstan on the role of civil society, and notably encourage its active participation in the economic, social and political cooperation areas.

EU - the main trade partner for Kazakhstan

The EU is Kazakhstan's **first trade partner** representing over one third of its external trade. Kazakhstan's exports to the EU are almost entirely in the oil and gas sectors, alongside other minerals, chemicals and food products. From the EU, Kazakhstan imports machinery and transport equipment and pharmaceuticals, alongside chemical products, plastics, medical devices and furniture. **The EU is also the largest foreign investor** in Kazakhstan, representing over 50% of Foreign Direct Investment (FDI) in Kazakhstan.

From assistance to a new partnership

Support from the European Union has been important to Kazakhstan's development since the country's independence in 1991. Over 350 **projects amounting to €180 million** have been funded by the EU, notably focusing on: (a) strengthening the capacity of **regional and local government**; (b) supporting reform of the **justice sector**; and (c) improving the capacity of the public sector to introduce **social and economic reforms**. Bilateral interventions through the EU Development and Cooperation Instrument were significant during the period 2007-2013 amounting to EUR 74 million.

Currently, two EU flagship programmes are being implemented:

- Supporting Kazakhstan's transition to a Green Economy Model (2015- 2018, €7.1M): implemented by the United Nations Development Programme and contributing to the long-term sustainable economic development of Kazakhstan.



- Support to Judicial Reform in Kazakhstan (2015-2018, €5.5M): implemented by the Northern Ireland Co-Operation Overseas and supporting the implementation of the national policy of humanization of the justice system.

The Regional Multiannual Indicative Program for Central Asia is focusing on two sectors: Sustainable Development (energy, environment, water and socio-economic development) and Regional Security (border management, fight against drugs and crime, Rule of law and judiciary reforms). The EU is allocating **€360 million for regional cooperation projects** in Central Asia for the 2014-2020 funding period (including €115 million for the Erasmus+ programme).

Other forms of EU cooperation with Kazakhstan

The EU also supports Kazakhstan's ongoing legal reforms, offering experience and know-how in particular through financial and technical cooperation and specific projects funded under the **European Instrument for Democracy and Human Rights (EIDHR)**. With a budget of €1 million per year, the EU finances a variety of projects in Kazakhstan that focus on encouraging a pluralistic political system while **strengthening the role of civil society**.

Kazakhstan has also benefits from a number of instruments and programmes:

- The **Nuclear Safety Instrument** and Instrument contributing to Stability and Peace;
- The **Renewable Energy /Energy Efficiency** programme promoting renewable energy, energy saving and energy efficiency in the countries of Central Asia;

350 projects since 1991 worth of €180 mn focusing on:

-  **justice sector**
-  **regional & local government**
-  **social and economic reform**

Two EU flagship programmes under implementation:

-  **€7.1mn for KZ transition to a Green Economy Model**
-  **€5.5 mn for KZ national policy of humanization of the justice system**

The EU also allocates €360 mn for regional cooperation projects in Central Asia for 2014-2020

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- The Central Asia Invest programme, which aims to promote the sustainable economic development of the Central Asian Countries by encouraging the **development of Small and Medium Enterprises (SMEs)**;
- The Border Management Programme in Central Asia (BOMCA) and the Central Asia Drug Action Program (CADAP);
- **Erasmus+** supporting mobility of students and academic staff. In 2015, 13 capacity-building projects have been selected in Kazakhstan, 451 students and staff came from Kazakhstan to Europe and 158 from Europe to Kazakhstan; an additional 42 students have won scholarships for Joint Master's degrees and one doctoral fellowship was awarded.

Like all of the Central Asian countries, Kazakhstan is a recipient of EU **humanitarian and civil protection funding**. In total, almost 100 projects amounting to over €33 million have been funded by the Commission's Disaster Preparedness Programme. The programme's current action plan focusses on **disaster risk reduction measures** at local, state and national levels as well as improving school safety and hospital preparedness.