

# Eurasia and the EU - the Next Chapter



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# **Eurasia and the EU – the Next Chapter**

## **Introduction**

In 1991, as the USSR broke up, the former Soviet republics of Central Asia gained independence and found themselves in a new world, full of challenges. The leaders of these new countries had to deal with insecurity caused by both economic and political collapse and unfamiliar concepts such as the free market, democratisation and globalisation. For the rest of the world, Central Asia was an unknown and undiscovered region, with great potential for engagement and vast natural resources.

To improve their standing in the global arena, the five newly independent states started looking for new partnerships, including with the European Union (EU).

At first, the EU engaged with the Central Asian republics through the Technical Assistance to the Commonwealth of Independent States (TACIS) programme, the initial instrument used by the EU to support the transition to market economies of the CIS countries and Mongolia.<sup>1</sup> Since the beginning, it was clear that the Union's approach was different. It was more values-based, aimed at promoting stability and economic development, rather than becoming another "Soviet style" resource-extracting power.

Today, the EU has a stable presence in the region, with diplomatic representations in each state, four fully-fledged Delegations and one liaison office, and has signed bilateral Partnership and Cooperation Agreements (PCA) with all but one country in the region.

Despite other regional actors becoming more active and growing interactions between Central Asian states and other regional organisations and powers, such as the Eurasian Economic Union (EAEU) and the BRICS countries, the EU remains by far the region's major trade partner. Trade between the EU and Central Asia has grown by 8% over the last two years, and the EU accounts for approximately one third of Central Asia's external trade.

Several recent events indicate that the EU intends to boost its engagement with the region still further, while Central Asian states are looking with great interest at enhancing their partnership with Brussels.

The EU has completed reviewing its Strategy for Central Asia (hereinafter the Strategy), its main mechanism of engagement with the region. The reviewed

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<sup>1</sup> A. Frenz, (2006). *The European Commission's Tacis Programme 1991 – 2006 - A Success Story* –. Available at: [http://www.enpi-info.eu/files/publications/tacis\\_success\\_story\\_final\\_en.pdf](http://www.enpi-info.eu/files/publications/tacis_success_story_final_en.pdf)

Strategy will cover the period 2014 - 2020 and allocate a total of € 1,068 million in resources. This represents an increase of 56% compared to the period between 2007-2013.<sup>2</sup>

In April 2015, the EU appointed a new special representative for Central Asia, Slovak diplomat Peter Burian, intended to be the main EU voice in the region and tasked with enhancing the effectiveness of Brussels' actions<sup>3</sup>.

Kazakhstan, the EU's leading partner in the region, recently initialled an Enhanced Partnership and Cooperation Agreement (EPCA) with the EU, the strongest possible framework of bilateral cooperation for a non-neighbour state. The initialling of the EPCA, combined with the conclusion of the negotiations on Kazakhstan's accession to the World Trade Organisation (WTO) in June 2015<sup>4</sup>, as well as its eventual accession to the WTO before the end of the year, open up new dimensions for cooperation between the EU and Astana, and represent a template for other countries in the region to follow Kazakhstan's path and strengthen their relations with Brussels.

This paper will analyse how EU engagement in Central Asia has developed over time, outlining the main areas of cooperation with each of the five states, and inspect the main directions of the revised Strategy, providing comments and recommendations to further strengthen a mutually beneficial partnership.

## **The Roots of the EU - Central Asia Partnership**

The common goal of achieving stability and prosperity by means of peaceful inter-action makes Europe and Central Asia ideal partners for increased cooperation.

Rich in natural resources and strategically located, Central Asia is of great interest to the EU. It borders China, Iran and Russia and is a natural transportation hub connecting Europe with Asia. Furthermore, Central Asia shares a border with Afghanistan, risking a possible spill-over of instability from its southern neighbour. Thus, the stability of the region is of critical importance to the EU and its Western partners, and Central Asian states remain key allies in the fight against Islamic extremism.<sup>5</sup>

The EU has established both bilateral and regional mechanisms of cooperation with the region. After the first tough transitional years, the EU actively engaged in Central Asia by launching bilateral PCAs with each country in the

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<sup>2</sup> [http://eeas.europa.eu/delegations/kazakhstan/documents/press\\_corner/2015/fac\\_22\\_june\\_2015\\_en.pdf](http://eeas.europa.eu/delegations/kazakhstan/documents/press_corner/2015/fac_22_june_2015_en.pdf)

<sup>3</sup> EU Council conclusions on the EU Strategy for Central Asia (2015). Available at: <http://www.consilium.europa.eu/en/press/press-releases/2015/04/15-new-eu-special-representative-for-central-asia/>

<sup>4</sup> [https://www.wto.org/english/news\\_e/news15\\_e/acc\\_kaz\\_27jul15\\_e.htm](https://www.wto.org/english/news_e/news15_e/acc_kaz_27jul15_e.htm)

<sup>5</sup> <http://carnegie.ru/publications/?fa=55483>

region, with the exception of Turkmenistan, the only Central Asian state yet to ratify its PCA. Kazakhstan, Kyrgyzstan and Uzbekistan signed their PCAs in 1999, while Tajikistan joined them in 2010. These treaties aim at promoting human rights, democracy and the rule of law, and helping the partner countries to adopt EU standards through political dialogue, trade and economic relations and cooperation in a variety of sectors.<sup>6</sup> In the framework of the PCAs, regular meetings of Cooperation Councils and Parliamentary Cooperation Committees are held between the EU and signatory states.

Recognising both the importance of the region in terms of energy security and major transnational threats, including terrorism, international organised crime, trafficking of people, weapons and drugs, the EU decided to deal with the region as a whole. Thus, in June 2007 the Union adopted a new political approach by launching its Strategy for Central Asia, replacing the outmoded TACIS.<sup>7</sup>

The Strategy was introduced to upgrade EU cooperation with the states of Central Asia. Despite the agenda at that time being dominated by concerns over the Union's energy security and the war in Afghanistan, the Strategy took a wide and comprehensive approach, identifying a considerable number of priority actions.<sup>8</sup> Seven main priorities were outlined in the Strategy: human rights dialogues, rule of law, education, economic development, energy and transport links, environmental sustainability and water, and improved border management. The Strategy was buttressed by the Central Asia Development Cooperation Instrument (DCI), which allocated approximately € 750 million for the 2007 – 13 period.<sup>9</sup>

This amount seems rather small for such an ambitious Strategy, and indeed the level of activity in some sectors may have been lower compared to that of other regional actors. Nevertheless, the Strategy has significantly assisted Central Asia's development and reduced the level of poverty in the region, contributing to improving the often-tense relations between states in the region. Cooperation on security issues has led to significant results in the areas of border security, counterterrorism, counternarcotics, management of migration flows and the fight against organised crime.

The geopolitical context has changed dramatically since the launch of the Strategy. The EU is confronted with turmoil and insecurity in the

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<sup>6</sup> *The European Union and Central Asia: the new partnership in action*. (2009). 1st ed. [ebook] Available at: [http://eeas.europa.eu/central\\_asia/index\\_en.htm](http://eeas.europa.eu/central_asia/index_en.htm)

<sup>7</sup> R. Lala (2012). *European Union – Central Asia relations after the Lisbon Treaty*. Available at [https://www.academia.edu/1453159/European\\_Union\\_-\\_Central\\_Asia\\_relations\\_after\\_the\\_Lisbon\\_Treaty](https://www.academia.edu/1453159/European_Union_-_Central_Asia_relations_after_the_Lisbon_Treaty)

<sup>8</sup> Boonstra, J. and Emerson, M. (2010). *Into EurAsia Monitoring the EUβ€™s Central Asia Strategy*. 1st ed. [ebook] FRIDE. Available at: <http://www.eucentralasia.eu/publications/eucam-publications/policy-briefs/2010.html#.VYyvJPntmko>

<sup>9</sup> *The European Union and Central Asia: the new partnership in action* (2009)

neighbourhood from the South (e.g. Libya, Syria and the Islamic State) to the East. The ongoing crisis in Ukraine and Russia's deeper engagement in the post-Soviet space is affecting the EU's Eastern partners as well as the Central Asian states.

In order to address these new challenges, the EU is currently revising its Strategy alongside its Eastern Partnership. The EU is trying to push forward the implementation of the Association Agreements, recently signed with Moldova and Georgia, while at the same time searching for a new formula that would provide closer ties with the Union for partners who have joined the Eurasian Economic Union (EAEU), such as Armenia. Armenia will serve as a sort of "trial balloon" in the sense that, if an agreement is reached, this will be a positive precedent that could be used to enhance cooperation with other EEU members, notably Kazakhstan and Kyrgyzstan.<sup>10</sup>

### **Kazakhstan-EU Cooperation, a Model for the Region**

The EPCA between Kazakhstan and the EU was initialled in January 2015, and is expected to be signed by the end of the year.<sup>11</sup> The initialling of the EPCA represents the zenith of relations between Astana and Brussels - "a sign of trust from the EU to Kazakhstan as a partner and a sign of confidence in the future of this country", in the words of the EU's Ambassador to Kazakhstan Ms Aurelia Bouchez.<sup>12</sup> President Nazarbayev wrote that "the signing of the new PCA in Brussels will open a new chapter in Kazakhstan-EU relations"<sup>13</sup>, already well consolidated 21 years after the first EU Delegation in Central Asia opened in the city of Almaty.

The EU has been one of the most important vectors of Astana's "*tous azimuts*" foreign policy, and Kazakhstan has long been a strategic partner for the EU, as demonstrated in 2013, when Mr. Barroso chose Astana as the location for the first ever visit of a European Commission President to Central Asia.

The initialling of the EPCA has also played an important role in the conclusion of negotiations on Kazakhstan's accession to the WTO. The breakthrough in negotiations was warmly welcomed by the EU<sup>14</sup>, which played an important role in supporting Kazakhstan's membership bid throughout nearly two

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<sup>10</sup> <http://blogs.lse.ac.uk/euoppblog/2015/05/13/armenia-is-becoming-an-important-test-case-for-relations-between-the-eu-and-the-urasian-economic-union/>

<sup>11</sup> Priorities of the Latvian presidency at the Council of the European Union (2015). Available at: [http://ec.europa.eu/austria/documents/agenda/2015\\_01\\_26\\_lv\\_presidency\\_priorities.pptx](http://ec.europa.eu/austria/documents/agenda/2015_01_26_lv_presidency_priorities.pptx)

<sup>12</sup> [http://eeas.europa.eu/delegations/kazakhstan/documents/press\\_corner/2014/hod\\_speech\\_senate\\_15sep2014\\_final\\_en.pdf](http://eeas.europa.eu/delegations/kazakhstan/documents/press_corner/2014/hod_speech_senate_15sep2014_final_en.pdf)

<sup>13</sup> N.Nazarbayev (2014). *The Next Chapter in Kazakhstan-EU Relations*. <http://www.wsj.com/articles/the-next-chapter-in-kazakhstan-eu-relations-1412703767>

<sup>14</sup> [http://www.eeas.europa.eu/delegations/wto/documents/press\\_corner/2015\\_06\\_22\\_statement\\_accession\\_of\\_kazakhstan.pdf](http://www.eeas.europa.eu/delegations/wto/documents/press_corner/2015_06_22_statement_accession_of_kazakhstan.pdf)

decades of talks. Kazakhstan's WTO accession, combined with the new opportunities provided by the EPCA, will help boost its cooperation with the EU in a number of sectors.<sup>15</sup> Foreign investment will be greatly facilitated, and Kazakhstan will be able to bring its trade and investment regulations and standards closer to those of the EU<sup>16</sup>, further increasing its attractiveness in the eyes of European investors<sup>17</sup>.

The EU is already the major trading partner of Kazakhstan - the latter accounting for 88% of the EU's total trade with Central Asia, with the annual bilateral trade between the two entities equalling € 31 billion. The partnership with Kazakhstan is set to grow further, as witnessed by Kazakhstan's accession to the ASEM, the Asia-Europe Meeting, further reinforcing the link between Astana and Europe<sup>18</sup>.

The new EPCA covers 29 areas of cooperation between the EU and Kazakhstan. It goes beyond trade and investment, and will strengthen common action in the fields of foreign policy and security, as well as human rights and the rule of law. In addition to the EPCA, Kazakhstan remains eligible to benefit from the regional and thematic programmes of the earlier Strategy.<sup>19</sup>

A major priority for both Astana and Brussels has been cooperation in the energy field. Kazakhstan is the EU's third largest oil supplier among non-OPEC countries, with 60% of Kazakhstan's oil flowing to Europe. Cooperation in this sector has been achieved thanks to a bilateral Memorandum of Understanding and through the implementation of the regional INOGATE programme, supporting energy market integration.<sup>20</sup> Kazakhstan's vast energy resources are deemed to have played an important role in the development of the Southern Gas Corridor (SGC) project, set to bring vast quantities of gas from the Caspian Basin to Europe. The EU is also conscious of the great potential for the production of green energy in Kazakhstan, a territory well-suited for solar and wind energy production<sup>21</sup>. It is likely that the EU will enhance its cooperation with Kazakhstan in this area, supporting Kazakhstan's ambitious goal of generating 50% of its power from renewable energy sources by 2050.<sup>22</sup> Renewable energy will be the theme of the EXPO 2017 exhibition

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<sup>15</sup> <http://www.bne.eu/content/story/eu-welcomes-kazakhstans-accession-wto>

<sup>16</sup> T. Tsertsvadze, V. Axyonova *Trading Values with Kazakhstan*, 2013, EUCAM Policy Brief, available at [http://www.eucentralasia.eu/uploads/tx\\_ictcontent/EUCAM-PB-32-Trading-values-KZ-EN\\_01.pdf](http://www.eucentralasia.eu/uploads/tx_ictcontent/EUCAM-PB-32-Trading-values-KZ-EN_01.pdf)

<sup>17</sup> [http://en.tengrinews.kz/politics\\_sub/Kazakhstans-membership-in-WTO-to-attract-foreign-investments-260899/](http://en.tengrinews.kz/politics_sub/Kazakhstans-membership-in-WTO-to-attract-foreign-investments-260899/)

<sup>18</sup> <http://www.aseminfoboard.org/members/kazakhstan>

<sup>19</sup> [http://europa.eu/rapid/press-release\\_IP-13-1119\\_en.htm](http://europa.eu/rapid/press-release_IP-13-1119_en.htm)

<sup>20</sup> N. Norling (2014), *Kazakhstan's Deepening Ties to Europe*,

<http://www.cacianalyst.org/publications/analytical-articles/item/13091-kazakhstans-deepening-ties-with-europe.html>

<sup>21</sup> EC, Joint Staff Working Document, 2015. *Progress Report on the Implementation of the EU Central Asia Strategy*. Available at

[http://www.parliament.gv.at/PAKT/EU/XXV/EU/05/32/EU\\_53204/imfname\\_10524558.pdf](http://www.parliament.gv.at/PAKT/EU/XXV/EU/05/32/EU_53204/imfname_10524558.pdf).

<sup>22</sup> <http://www.bne.eu/content/story/kazakhstan-sets-ambitious-new-targets-renewable-energy>

in Astana - a great opportunity to enhance the production of green energy in Kazakhstan and beyond, thanks in part to the participation of European companies and the exchange of technologies.

Cooperation in international and domestic security is another key component in the EU-Kazakhstan partnership. Kazakhstan has been fully supportive of EU regional programmes aimed at coordinating efforts in the field of counterterrorism, counternarcotics and border management.<sup>23</sup> Astana has been actively engaged in the reconstruction of Afghanistan, most notably by providing scholarships to almost 1,000 Afghan students.<sup>24</sup> Meanwhile, Kazakhstan's policy of nuclear disarmament has continued to receive the EU's full backing since the early 1990s.

The EU has also supported Kazakhstan's successful programme of institutional reform and its efforts at combating corruption, and has provided assistance aimed at economic diversification and rural development in the region.<sup>25</sup>

Education is another mutual priority between the EU and Astana. Many Kazakh students have benefitted from the ERASMUS+ scholarship and studied in European universities, while Kazakhstan's Bolashak International Scholarship Program has allowed many of its current state employees to study in Europe.<sup>26</sup>

Consular issues are also on the agenda. A year has passed since Kazakhstan eased the visa requirements for citizens from selected EU member states (with the list expanded further in July 2015), and talks are ongoing between Astana and the EU concerning a simplification of the visa regime for Kazakh citizens travelling to the EU.<sup>27</sup> The EU is positively perceived in Kazakhstan, by government officials and citizens alike, as shown by a recent survey conducted by the Almaty-based Public Opinion Research Center.<sup>28</sup>

Overall, "Kazakhstan is among the most economically EU-oriented of the post-Soviet states and this trend is - in contrast to most other post-Soviet countries - strengthening rather than weakening"<sup>29</sup>. For Kazakhstan, partnership with the EU is a fundamental part of its trajectory from a middle-income to a high-

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<sup>23</sup> EC, Joint Staff Working Document, 2015. *Progress Report on the Implementation of the EU Central Asia Strategy*.

<sup>24</sup> <http://www.astanatimes.com/2015/02/scholarship-programme-afghan-students-nearing-final-goal/>

<sup>25</sup> EC, Joint Staff Working Document, 2015. *Progress Report on the Implementation of the EU Central Asia Strategy*.

<sup>26</sup> N. Nazarbayev (2014). *Next Chapter in Kazakhstan-EU Relations*.

<sup>27</sup> <http://ortcom.kz/en/news/the-issue-on-simplification-of-visa-regime-between-kazakhstan-and-the-eu-was-discussed-in-berlin.6133>

<sup>28</sup> Public Opinion Research Center (PORS), 2014. *Report on the Results of the Survey "Europe in the Eyes of Kazakhstanis"*.

<sup>29</sup> N. Norling (2014), *Kazakhstan's Deepening Ties to Europe*, <http://www.cacianalyst.org/publications/analytical-articles/item/13091-kazakhstans-deepening-ties-with-europe.html>



income country with a Western-style accountable government<sup>30</sup>, reflected in the contents of its 2050 Strategy which aims to make Kazakhstan one of the 30 most competitive nations in the world by 2050.<sup>31</sup>

## **Turkmenistan: Playing the Energy Card**

Turkmenistan is the only country in Central Asia where the EU does not yet have a fully-fledged Delegation, and the only one yet to ratify its PCA.<sup>32</sup> The biggest roadblock in EU-Turkmen relations to date is the country's human rights record - although the EU-CA Human Right Dialogues remain in place, they have had little impact so far.<sup>33</sup>

The EU's Energy Strategy is focused on energy security and diversification in order to reduce its dependency on Russian gas. Turkmenistan represents the only new opportunity for gas imports in Central Asia, and as a result, energy is at the top of the EU agenda in its talks with Ashgabat.<sup>34</sup>

Of chief concern is Turkmenistan's connectivity with the SGC, allowing for the supply of higher volumes of gas from Caspian region. The Trans-Caspian Pipeline (TCP) project, entailing the construction of a pipeline under the Caspian Sea between Turkmenistan and Azerbaijan, has not shown signs of progress for several years due to political, ecological and financial uncertainties.

On May 1<sup>st</sup> 2015 in Ashgabat, the EU Energy Commissioner Maros Sefcovič signed a declaration on the development of cooperation in the field of energy with Turkmenistan, Azerbaijan, and Turkey. Such an agreement would be mutually beneficial since Turkmenistan would be able to diversify its exports, which are currently skewed towards China.

Turkmenistan has shown itself willing to develop closer ties with the EU, having permanently closed the door on the EAEU<sup>35</sup>. In reality, the country does not have many alternatives; it is relying exclusively on China, which is mainly paying in barter rather than in cash. Russia is trying to reduce the imports of Turkmen gas, while the possible end to sanctions on Iran means that Teheran

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<sup>30</sup> Ibid.

<sup>31</sup> [http://www.akorda.kz/en/page/page\\_poslanie-prezidenta-respubliki-kazakhstan-lidera-natsii-nursultana-nazarbaeva-narodu-kazakhstan](http://www.akorda.kz/en/page/page_poslanie-prezidenta-respubliki-kazakhstan-lidera-natsii-nursultana-nazarbaeva-narodu-kazakhstan)

<sup>32</sup> European Parliament, (2015). *Subcommittee on Human Rights - meeting 06/05/2015 15.00-18.30*. [online] Available at: <http://www.europarl.europa.eu/news/en/newsroom/content/20150430IPR48930/html/Subcommittee-on-Human-Rights-meeting-06052015-15.00-18.30>

<sup>33</sup> Ibid.

<sup>34</sup> Boonstra, J. (2015). *Reviewing the EU's approach to Central Asia*. 1st ed. [ebook] Available at: [http://www.eucentralasia.eu/uploads/tx\\_icticontent/EUCAM-PB-34-Reviewing-EU-policies-in-Central-Asia-EN\\_01.pdf](http://www.eucentralasia.eu/uploads/tx_icticontent/EUCAM-PB-34-Reviewing-EU-policies-in-Central-Asia-EN_01.pdf)

<sup>35</sup> European Parliament, (2015). *Subcommittee on Human Rights - meeting 06/05/2015 15.00-18.30*

could become a strong competitor in the energy race. In this context, the ratification of a PCA could be used by the EU as leverage in order to promote cooperation in areas other than energy. Once signed, the PCA should provide a new forum for dialogue on human rights issues, as Toivo Klaar - Head of the Central Asia division of the EEAS, the EU's Foreign Ministry equivalent - has mentioned.<sup>36</sup>

In the European Council's conclusions on the review of the Strategy, it was recognised that the entry into force of the PCA with Turkmenistan would help develop the full potential of an EU-Turkmen relationship. In this respect, upgrading the EEAS Liaison Office in Ashgabat into a fully-fledged EU Delegation is of paramount importance.<sup>37</sup>

### **Uzbekistan: a Reluctant Partner**

EU relations with Uzbekistan have not markedly improved since the lifting of sanctions imposed following the tragic events in Andijan<sup>38</sup>, and the establishment of a Delegation in Tashkent in 2011

Although a strong ally in the fight against terrorism - the country borders unstable Afghanistan and has observed the rise of Islamic radical groups within its borders – Uzbekistan's engagement in EU's regional security programmes, including BOMCA and CADAP (focused on border management and drug trafficking respectively), has been tentative.

Remarkably, Uzbekistan will receive € 168 million in EU funding for rural development between 2014 – 2020: double the budget of the previous funding cycle.<sup>39</sup> The current geopolitical context plays a significant role in this development. The crisis in Ukraine and sanctions between Russia and the West have negatively impacted the Russian economy, already suffering from the effects of low oil prices. While Uzbekistan is not a member of the EAEU, it is still very much affected by reduced revenues caused by the drop in remittances from labour migrants residing in Russia. Consequently, Tashkent is seeking trade agreements with both the EU and the EAEU, despite its relative unattractiveness to Western investors due to currency convertibility issues.

Brussels therefore has an opportunity to leverage concerns related to judicial reform, labour conditions, rural development and economic diversification. The EU also has the chance to seek a more steady commitment from the Uzbek

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<sup>36</sup> Ibid.

<sup>37</sup> EU Council conclusions on the EU Strategy for Central Asia (2015).

<sup>38</sup> <http://www.osce.org/odihr/15653?download=true>

<sup>39</sup> Boonstra, J. (2015). *Reviewing the EU's approach to Central Asia*. 1st ed.

government to its initiatives in the field of regional security, and a deeper involvement in regional dialogue to solve water-related issues.

### **Kyrgyzstan and Tajikistan: in Need of EU Development Assistance**

Kyrgyzstan and Tajikistan are the smallest of the five Central Asian states and among the poorest countries in Europe and Asia, with a GDP per capita of USD 1,263 and USD 1,036.<sup>40</sup> Neither country possesses significant natural resources, the potential to produce hydropower notwithstanding. The two countries suffer from chronic energy insecurity and have experienced considerable political instability: Kyrgyzstan has witnessed two forced changes of government in 2005 and 2010, and Tajikistan fell into a civil war between 1992 and 1997.

Although both countries are members of the WTO, their trade volume with the EU is negligible. The EU mainly exports goods to Kyrgyzstan, with € 402 million of goods exported in 2014 out of a total trade turnover of € 481 million.<sup>41</sup> Similarly, the EU exported € 200 million of goods to Tajikistan while importing € 100 million.<sup>42</sup>

The two countries receive more EU aid than any other in the region, with € 146 million in aid received by Kyrgyzstan and € 124 million by Tajikistan between 2007 - 2013<sup>43</sup>. The EU places particular importance on bilateral cooperation with Kyrgyzstan and Tajikistan in the field of education, and is keen to engage with both states in the reform of the judiciary and healthcare sectors, as well as public finance management. Poverty reduction is also a priority, with the EU committed to levelling rural-urban inequalities and improving the infrastructure system of the two states.<sup>44</sup> Tajikistan and Kyrgyzstan suffer from corruption, which has penetrated state institutions at both high and low level. This can affect the delivery of EU aid.<sup>45</sup>

Kyrgyzstan has the most developed civil society in the region, and the EU recognises the great potential for engagement from the bottom up in the reform of government, particularly the judiciary institutions<sup>46</sup>.

Dushanbe and Bishkek have cooperated extensively with the EU in the field of security. Enhancing border security remains a priority for both countries, due

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<sup>40</sup> <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

<sup>41</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113409.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113409.pdf)

<sup>42</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_111574.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_111574.pdf)

<sup>43</sup> [http://www.eucentralasia.eu/uploads/tx\\_icticontent/EUCAM-FS-1-EN.pdf](http://www.eucentralasia.eu/uploads/tx_icticontent/EUCAM-FS-1-EN.pdf)

<sup>44</sup> Multi-Annual indicative Programme (MIP) for the Kyrgyz Republic 2014-2020, European External Action Service (EEAS), 2013

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<sup>46</sup> [http://eeas.europa.eu/delegations/kyrgyzstan/documents/eu\\_kyrgyzstan/2014\\_09\\_24\\_cs\\_roadmap\\_final.pdf](http://eeas.europa.eu/delegations/kyrgyzstan/documents/eu_kyrgyzstan/2014_09_24_cs_roadmap_final.pdf)

to tense relations with neighbours over border disputes, which often generate skirmishes and shootouts between border guards. Tajikistan shares a 1,300 kilometres border with Afghanistan and is exposed to both the risk of infiltration of insurgents from North Afghanistan and the spread of drug trafficking. Thus, assistance from the BOMCA and CADAP programmes is fundamental for both nations.

In March 2015, Dushanbe hosted the 2<sup>nd</sup> High Level Security Dialogue (HLSD) between the EU and the countries of Central Asia, where “it was agreed to intensify common efforts between the EU and Central Asian states in all these areas, and to extend these also to regional cooperation between Afghanistan and Central Asia”.<sup>47</sup> The Dialogue, a new instrument established in 2013, symbolises the common interest of the EU and the countries of Central Asia in cooperating against threats to regional security. Islamic radicalism is a significant threat for both Tajikistan and Kyrgyzstan, which have seen a growing number of citizens leave to fight alongside the so-called Islamic State in the Middle East.<sup>48</sup> Therefore, solid cooperation is in the interests of both the two weakest states of the region and the EU - not only in security matters, but also in addressing the socio-economic grievances which can lead to radicalisation in the first place.

### **The Direction of the EU Strategy Review (2014 - 2020)**

The EU Strategy on Central Asia was reviewed for the fourth time since 2007. Thanks to an initiative taken by the Latvian Presidency of the EU during the first half of 2015, Central Asia has once again entered Europe’s sphere of attention.

During this revision period, many voices were raised within the EU, but also from the region itself, especially from Kazakhstan and Uzbekistan, which have provided extensive documents with proposals concerning the Strategy’s review.<sup>49</sup>

The geopolitical background has changed since the last Strategy review in 2012. Back then, Central Asia was a priority due to the war in Afghanistan, while now it is a priority owing to the EU’s deteriorating relations with Russia.<sup>50</sup>

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<sup>47</sup> [http://eeas.europa.eu/statements-eeas/2015/150311\\_01\\_en.htm](http://eeas.europa.eu/statements-eeas/2015/150311_01_en.htm)

<sup>48</sup> ICG, 2015. *Syria Calling: Radicalisation in Central Asia*. Available at: <http://www.crisisgroup.org/~media/Files/asia/central-asia/b072-syria-calling-radicalisation-in-central-asia.pdf>

<sup>49</sup> Committee on Foreign Affairs - meeting 01/06/2015. Available at: <http://www.europarl.europa.eu/news/en/news-room/content/20150528IPR60489/html/Committee-on-Foreign-Affairs-meeting-01062015>

<sup>50</sup> Ibid

The EU is also vigorously pursuing the implementation of the SGC pipelines (TANAP and TAP), albeit not exclusively. White Stream and AGRI are other speculative pipeline projects proposing to transport natural gas from the Caspian region to Romania and Ukraine, with further supplies to Central Europe, and these would benefit from cooperation with Turkmenistan, as mentioned earlier.

During the review period, many EU officials stressed that Central Asian states need to have more responsibilities in the implementation of the Strategy, and Brussels was called upon to provide more flexible formats for dialogue.

### **Conclusion: the Revised Strategy and Beyond**

The EU Council's conclusions on the Strategy review<sup>51</sup> present a number of considerations, which may serve to enhance an already well-developed and fruitful partnership with the countries of Central Asia.

The EU does not seem to exploit all the potentialities of this partnership, and sometimes its projects lack effectiveness and visibility. Many people do not have a clear understanding of EU activities in the region, despite a prevalently positive impression of the actor and its model of development.<sup>52</sup> Therefore, the reviewed Strategy will need to be supported by a more effective information campaign.

As the Council outlines, the EU needs to cut ineffective small projects and concentrate on a select few large-scale projects addressing practical and concrete matters, so as to avoid the dispersion of funds. Moreover, Brussels needs to acknowledge that countries in Central Asia have followed different development trajectories since Independence. Kazakhstan and Turkmenistan are upper middle-income countries,<sup>53</sup> and inevitably they have different needs from those of Tajikistan and Kyrgyzstan. The 2007 Strategy was based on the early 1990s assumption that Central Asia is a homogenous region. Today such regional approach needs to be updated, as the EU itself recognises.<sup>54</sup>

Some areas are still better addressed regionally. Solving disputes over the use of water resources in the region, a regrettable legacy of the Soviet era will be a priority in the new phase of EU engagement. Kazakhstan, the only country with no major disputes on water management with neighbours, may represent

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<sup>51</sup> Ibid.

<sup>52</sup> Public Opinion Research Center (PORS), 2014. *Report on the Results of the Survey "Europe in the Eyes of Kazakhstanis"*.

<sup>53</sup> Generalized Scheme of Preferences (GSP). (2014). 1st ed. [ebook] Official Journal of the European Union. Available at: [http://trade.ec.europa.eu/doclib/docs/2014/october/tradoc\\_152817.pdf](http://trade.ec.europa.eu/doclib/docs/2014/october/tradoc_152817.pdf)

<sup>54</sup> EC, Joint Staff Working Document, 2015. *Progress Report on the Implementation of the EU Central Asia Strategy*.

the best place to hold EU-led talks on the establishment of a regional mechanism to regulate the supply of water.

The EU should also consider coordinating its projects and the delivery of development aid with state programmes launched by countries in the region. KazAID, the nascent development assistance mechanism being established by Kazakhstan, might interact with EU partners and benefit from their experience in the area. The delivery of aid to Kyrgyzstan, Tajikistan and Afghanistan - priority countries for Kazakhstan's and EU aid programmes - could and should be coordinated in a mutually beneficial partnership.<sup>55</sup>

EU investment, especially in the field of complex infrastructure development, could be coordinated within the provisions of the Nurlı Zhol economic policy recently launched by Kazakhstan<sup>56</sup>. TRACECA and INOGATE - flagship investment programmes launched by Brussels in Central Asia - could harmonise their investments with those envisioned in Kazakhstan's Nurlı Zhol (Path to the Future) infrastructure development plan, with European companies engaged in the construction of new infrastructure links. This would help a great deal in connecting Central Asia with Europe, facilitating the shipment of freight from Asia to Europe and vice versa.

Continued and enhanced cooperation in the security field is in the mutual interest of Central Asian states and the EU, for whom regional stability is crucial. Central Asian states are directly confronted with the threats posed by the spread of Islamic radicalism and instability from Afghanistan. There is uncertainty about the future of the latter following the withdrawal of international troops, and a rise in the production of narcotics smuggled to Europe through Central Asia is expected. The CADAP and BOMCA programmes remain excellent tools to pursue further security cooperation with Central Asian states; affording momentum to the HLSD and the EU-Central Asia counter-terrorism expert meetings is also in the common interest of the EU and partner countries in the region.

Cooperation in the field of energy has yielded impressive results and can be enhanced still further. Extending the energy infrastructure linking Central Asia and Europe - seeking to diversify its energy suppliers amidst international tensions - would be mutually beneficial for both parties.

Finally, Central Asian states are particularly interested in the transfer of technology from the EU. "EU technical know-how could be especially useful in industries where Central Asian states are emerging on the international

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<sup>55</sup> <http://www.edgekz.com/kazaid-invest-eurasias-peaceful-future/>

<sup>56</sup> <http://www.kazakhembus.com/content/nurly-zhol-path-future>

stage”<sup>57</sup>, such as hydrocarbon exploration and extraction, and in the development of green energy sources.

The coming year will bring new dynamism to the already mature relations between the EU and Central Asia. Seeking new methods of engagement with members of the EAEU will be very important for the EU. Kazakhstan’s President Nursultan Nazarbayev and Kyrgyzstan’s President Almazbek Atambayev<sup>58, 59</sup> have repeatedly stressed that membership in the EAEU does not preclude their countries from closer cooperation with the EU, and have called for dialogue between both organisations.<sup>60</sup> Kazakhstan could, for instance, function as a hub for European investments directed to EAEU member states, thanks to its geographical location and favourable investment climate.

The initialling of an EPCA with Kazakhstan and the recent review of the Strategy are important steps to boosting EU cooperation with Central Asia. From Brussels’ perspective, it is now crucial to continue the momentum for engagement with Central Asian states afforded by positive recent developments, and keep strengthening a fruitful partnership based on common interests and shared values.

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<sup>57</sup> R. Lala (2012). *European Union – Central Asia relations after the Lisbon Treaty*

<sup>58</sup> <http://www.euronews.com/2015/04/01/kyrgyzstan-will-push-for-close-engagement-with-eu-says-president-almazbek/>

<sup>59</sup> <http://www.interfax.com/newsinf.asp?id=581241>

<sup>60</sup> <http://tass.ru/en/economy/796180>

## ABOUT THE ECFA

Central Asia is a region larger than Western Europe and contains five countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Blessed with some of the richest and most diverse resources anywhere in the world, over the last twenty years the region has shown its commitment to become a reliable, long-term partner of the West.

Kazakhstan is Central Asia's engine for economic growth, and the Government of Kazakhstan has taken the lead in developing relations with the European Union. In its commitment to the process of deepening political and economic relations with the European Union, Kazakhstan is participating in the establishment of the **Eurasian Council on Foreign Affairs** (ECFA), which is a new and dynamic think tank working at the heart of the European Union.

The first Honorary President of the Eurasian Council on Foreign Affairs is H.E. Erlan Idrissov, Foreign Minister of the Republic of Kazakhstan.

The Eurasian Council on Foreign Affairs has been modelled on the Council on Foreign Relations in the US, the United Kingdom's Royal Institute of International Affairs at Chatham House and the EU's own European Council on Foreign Relations. It is envisaged that over time, the Eurasian Council on Foreign Affairs will become a valuable and independent source of high-quality research, publications and information that will keep Europe fully abreast of the fast-changing development of the Central Asian region. This is a work-in-progress, and it will require dedication and commitment from the ECFA's team of researchers and writers.

The grant for the establishment costs of the ECFA has been provided by the Ministry of Foreign Affairs of the Republic of Kazakhstan. The ECFA and its staff are grateful for this generous donation and thank the MFA. It is envisaged that, as with similar institutions in other countries, governments in the region as well as corporate sponsors and private individuals will over the longer-term join the funding base of the ECFA.

A list of upcoming publications can be [found here](#). The formal launch of the ECFA took place in November 2014, attended by distinguished members of its [Advisory Council](#). The ECFA's first Director, Rauan Kenzhekhanuly, provided regular news updates on the region in his [Blog](#), while the new Director, Zhanbolat Ussenov, has come on board in early 2015 to continue to steer the new organization, and has begun providing his views too. You can [subscribe here](#) to receive all news updates as well as the ECFA's regular newsletters and bulletins.

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