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# JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

### The EU and Central Asia: New Opportunities for a Stronger Partnership

## Joint Communication to the European Parliament and the Council The EU and Central Asia: New Opportunities for a Stronger Partnership

#### **INTRODUCTION**

The European Union (EU) and the five countries of Central Asia (Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan) have a **longstanding relationship based upon strong mutual interests.** 

The *EU Strategy on Central Asia of 2007<sup>1</sup>* helped the EU and Central Asia to reach an unprecedented level of cooperation. Central Asia's **strategic geographical location at the crossroads of Europe and Asia,** its **share in EU energy imports and the market potential of seventy million inhabitants**, as well as the **EU's interest in regional security**, have made Central Asia an increasingly important partner for the EU.

Some of today's developments in Central Asia have further opened up new opportunities for taking the EU-Central Asia partnership forward. **Reform processes** in the region have triggered calls for political recognition and support for modernisation from the EU. The **new momentum in regional cooperation**, illustrated by the first informal Summit of Central Asian leaders of March 2018 in Astana, has enhanced the relevance of the EU's experience in crafting cooperative solutions to common challenges. Renewed efforts to promote **Euro-Asian connectivity** have increased interest for the EU's approach to sustainable connectivity. Stronger cooperation between Central Asia and **Afghanistan** has set new parameters for the EU's own efforts to promote peace in the country. And the new ambition expressed by some Central Asian states to play a more active role in **global and regional affairs** is increasing the potential for cooperation with the EU on common objectives.

EU engagement in the region can build upon **significant assets**. The countries of Central Asia can trust the EU as a leading donor and committed partner in their reform and economic transition process, a leading supporter of their integration in the world trading system, a source of quality investment and state-of-the-art technologies, and a natural supporter of their regional cooperation efforts.

This Joint Communication aims to forge a stronger, modern and non-exclusive partnership with the countries of Central Asia so that the region develops as a sustainable, more resilient, prosperous, and closely interconnected economic and political space. It will build upon the lessons learnt from EU engagement in the region, take into consideration other relevant strategies including the *Global Strategy for the European Union's Foreign and Security Policy*<sup>2</sup>, the *New European Consensus on Development*<sup>3</sup>, the *EU Strategy on Connecting Europe and Asia*<sup>4</sup> and *EU Strategy on Afghanistan*<sup>5</sup>, and be guided by the *United Nations 2030 Agenda for Sustainable Development*<sup>6</sup>.

<sup>&</sup>lt;sup>1</sup> The EU and Central Asia: Strategy for a New Partnership, 10113/07 of 31 May 2007.

<sup>&</sup>lt;sup>2</sup> Shared vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy, June 2016.

<sup>&</sup>lt;sup>3</sup> New European Consensus on Development, 'Our world, our dignity, our future', OJ 2017/C 210/01 of 30 June 2017.

<sup>&</sup>lt;sup>4</sup> Connecting Europe and Asia – Building blocks for an EU Strategy – Council conclusions, 13097/18 of 15 October 2018.

<sup>&</sup>lt;sup>5</sup> Afghanistan – Council conclusions, 13098/17 of 16 October 2017.

<sup>&</sup>lt;sup>6</sup> Transforming our world: the 2030 Agenda for Sustainable Development, Resolution adopted by the United Nations General Assembly on 25 September 2015.

The EU Strategy will focus on three interconnected and mutually reinforcing priorities:

#### > Partnering for Resilience

The EU will partner with Central Asian countries in anticipating and addressing the challenges affecting their socio-economic goals and security and enhancing their ability to embrace reform and modernisation. It will promote democracy, human rights and the rule of law, intensify cooperation on implementing the Paris climate commitments and tackling trans-regional environmental challenges to turn them into opportunities, and step up cooperation on migration.

#### > Partnering for Prosperity

The EU will partner with Central Asian countries in unlocking their significant growth potential by fostering the development of a competitive private sector and promoting a sound and open investment environment. It will cooperate in the development of skills, research and innovation, with special attention for youth. It will work to address structural constraints on intra-regional trade and investment, support remaining Central Asian states' accession to the World Trade Organisation (WTO) and promote sustainable connectivity.

#### > Working Better Together

The EU will work together with the countries of Central Asia to strengthen the architecture of the partnership, intensifying political dialogue and opening up space for civil society participation. It will remain engaged as a leading development partner for the region. It will strengthen public diplomacy to underline the benefits of the partnership to the region and its citizens.

While respecting the aspirations and interests of each of its Central Asian partners, as well as maintaining the need to differentiate between specific country situations, the EU will seek to deepen its engagement with those Central Asian countries willing and able to intensify relations. The EU will seek to work with third countries and international organisations where such broader involvement would contribute to the general objectives of the EU and this Strategy. The **new-generation bilateral** *Enhanced Partnership and Cooperation Agreements* (EPCAs), which the EU has concluded and which it might conclude with individual countries of Central Asia<sup>7</sup>, will remain a cornerstone of EU engagement. This Joint Communication aims to mobilise the broad set of EU policies and instruments, which will be used to take the EU-Central Asia partnership to the next level, and will also guide the programming of EU development cooperation and assistance.

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#### Cross-cutting Priority: Investing in Regional Cooperation within Central Asia

The EU has a strong interest in seeing Central Asia develop as a region of rules-based cooperation and connectivity rather than of competition and rivalry. The EU is determined to invest in the new opportunities and growing potential for cooperation within and with the region as a whole.

**Regional cooperation** should allow Central Asian states to better manage their interdependence, address their vulnerabilities and shared concerns, unlock their economic growth potential, increase

<sup>&</sup>lt;sup>7</sup> The EU has signed an EPCA with Kazakhstan. EPCA negotiations are underway with Kyrgyzstan and Uzbekistan. Tajikistan has expressed interest in engaging in EPCA negotiations. EPCAs create a framework which is not exclusive to participation in other existing cooperation initiatives, such as Free Trade Agreements and the Eurasian Economic Union, of which Kazakhstan and Kyrgyzstan are members.

influence in international affairs and preserve their independence and identities. While it belongs to Central Asians to identify ways to advance voluntary forms of regional cooperation at their own pace, the EU will **support these processes**, based upon its own experience of the benefits which integration mechanisms and greater connectivity can bring.

**EU-Central Asia dialogues** and **EU-funded regional programmes** will contribute to promoting cooperative solutions at the regional level in areas such as the environment, water, climate change and sustainable energy; education; the rule of law; sustainable connectivity; drugs policy; security and the prevention of radicalisation; border management and intra-regional trade facilitation.

Whenever useful for the EU and Central Asia, and depending on issues, dialogue and cooperation programmes with Central Asian states could extend to **neighbouring states**, such as countries of the **Eastern Partnership**, Afghanistan and others. Central Asia and **Afghanistan** have become increasingly relevant to each other given their common interest in security and stability, water management and building effective connectivity links. Integrating Afghanistan as appropriate in relevant EU-Central Asia dialogue meetings and regional programmes, and supporting more trilateral cooperation projects with Afghan and Central Asian partners, will therefore remain a priority.

#### 1. <u>PARTNERING FOR RESILIENCE</u>

It is in the strategic interest of the EU to strengthen the resilience of Central Asia, of its states and societies. This requires reinforcing their ability to anticipate and withstand external and internal pressures, to embrace reform, and to address the challenges stemming from globalisation, rapid population growth, climate change and environmental degradation, pressure on water and energy resources, labour migration and new security threats. Given the significant differences between the Central Asian countries in their socio-economic development stages and models, the EU will focus on the most acute vulnerabilities, building on existing strengths and concentrating efforts on those areas where it can make a difference. Promoting relevant opportunities for the increasingly connected and aspirational young population of Central Asia and empowering women and girls will remain key priorities for the EU.

#### 1.1. Promoting Democracy, Human Rights and the Rule of Law

Consolidating democratic institutions, empowering citizens and establishing more inclusive political and economic governance structures, promoting the rule of law, strengthening the accountability of public institutions and ensuring respect for human rights are key conditions for the success of the sustainable development of Central Asia. Respect for human rights will therefore remain an essential element of the EU's bilateral relations with the countries of the region.

The EU will continue to promote **respect for human rights in compliance with international standards**, with a focus on freedom of expression (including media pluralism), freedom of association, women's rights, children's rights, the rights of minorities and fight against discrimination, and prevention and eradication of torture. The EU will also seek to build partnerships, for instance in the context of the *Good Human Rights Stories Initiative*.

The EU will encourage Central Asian states to **cooperate further with UN treaty bodies, agencies and Special Procedures.** It will promote cooperation in **multilateral human rights fora** such as the *UN Human Rights Council* and *Third Committee of the UN General Assembly*. It will cooperate towards the ratification and implementation of key international human rights and core labour standards conventions and resolutions, using to that effect the *Special Incentive Arrangement for*  *Sustainable Development and Good Governance* (GSP+) for eligible countries in the region. The EU Member States' experience in the legal adjustments required to accede to the Rome Statute of the *International Criminal Court* could be beneficial for the Central Asian countries.

**Civil society participation** in public decision-making has a crucial role to play to ensure the sustainability of the modernisation processes underway in Central Asia. The EU will promote an enabling legal and political environment for civil society that allows human rights defenders, journalists and independent trade unionists and employers' organisations to operate freely and safely. It will encourage dialogue and cooperation between civil society and administrations at all levels.

The EU will step up efforts to promote **democracy**, the **rule of law and good governance**, which are necessary to make public institutions more responsive and accountable to their citizens as well as to attract foreign investment. The EU will remain engaged in promoting fair and transparent electoral processes. It will enhance legal and judicial cooperation, including with the Council of Europe, to promote the independence and efficiency of justice systems. As **corruption** remains a widespread concern in the region, the EU will make expertise available to the countries wishing to make the necessary changes to their legislation and administrative systems and to strengthen their independent oversight institutions.

Given its positive spill-over in many areas from counter-radicalisation to private sector development, the EU will promote – including through the integration of the UN Agenda for Women, Peace and Security in the relevant aspects of EU cooperation – gender equality and empowering of women and girls, whose potential to engage in social, economic and political life remains largely untapped in the region. The Spotlight Initiative<sup>8</sup> could play an important role in that respect.

**Promoting decent work and respect for international labour standards** will remain a priority. The EU will help to consolidate the progress made in recent years towards compliance with the fundamental conventions of the *International Labour Organisation* (ILO) and encourage the ratification and implementation of ILO conventions on labour inspections, occupational health and safety and working conditions. The EU will promote compliance with the *UN Guiding Principles on Business and Human Rights*.

Cooperation with the *Organisation for Security and Cooperation in Europe* (OSCE)<sup>9</sup>, including at the local level, will be key in this respect. The EU will promote adherence to and implementation of the principles and commitments of the OSCE; strengthen cooperation with the autonomous institutions, the OSCE Office for Democratic Institutions and Human Rights, the High Commissioner on National Minorities and the Representative on Freedom of the media; and encourage Central Asian states to step up their own engagement with the OSCE and to support its field missions in the region.

Finally, the EU will reinforce cooperation with the *Organisation for Economic Cooperation and Development* and with the ILO in the promotion of sound business environments and of the decent work agenda.

Specific initiatives in this area should include:

Using regional programmes to support the sharing of experience in legal and judicial reform, human rights, international labour standards, good governance, electoral reform and women's empowerment between the EU and Central Asia, among Central Asians themselves, and with countries of the Eastern Partnership

<sup>&</sup>lt;sup>8</sup> The Spotlight Initiative is a joint EU-UN initiative which aims to eliminate violence against women and girls.

<sup>&</sup>lt;sup>9</sup> All countries of Central Asia are members of the OSCE.

- Developing training opportunities on human rights and advocacy skills for civil society activists and human rights defenders and promoting cross-border contacts among them in the region, as well with their counterparts in the EU and Eastern Partnership countries
- > Establishing a dedicated dialogue on labour standards and business and human rights

## 1.2. Strengthening Cooperation on Border Management, Migration and Mobility, and in addressing Common Security Challenges

The EU and Central Asia have been longstanding partners in security. Regular meetings of the *EU*-*Central Asia High-level Political and Security Dialogue* provide an opportunity for exchanging views on broader security challenges and effective policy responses. The EU will promote an **integrated approach** to cooperation in security with the region and intensify cooperation to address the main root causes of insecurity such as poverty, social exclusion and marginalisation, limited political participation, institutional weaknesses, corruption and mismanagement of natural resources. In order to contribute to sustainable human security, the EU will aim to engage with Central Asian countries on the **security sector** and consider cooperation aimed at promoting its accountability and the effectiveness of its reform.

**Climate change and environmental degradation** are potential threat multipliers. The EU will therefore further integrate the link between the environment, climate and security in its policy dialogue, conflict prevention, development and humanitarian actions and disaster risk reduction strategies across Central Asia.

**Terrorism and violent extremism** remain a challenge in the EU as well as in Central Asia. Cooperation in preventing violent extremism and radicalisation, financing of terrorism and addressing the issue of returning terrorist fighters will remain a priority of the partnership, and will be developed with the newly-established post of EU security and counterterrorism expert with regional competence for Central Asia, and in cooperation with civil society and with continued attention for human rights. The EU will promote exchange of good practice on the prevention of violent extremism, including research on the drivers of violent extremism, preventive measures and counter-messaging. It will seek to strengthen the resilience of the local communities towards violent extremism while respecting human rights and the rule of law and being gender-sensitive, in line with the *UN Action Plan on Preventing Violent Extremism*.

Building upon the lessons learnt from past programmes in the region, the EU will step up cooperation with Central Asia on **modern integrated border management**, extending regional cooperation efforts to Afghanistan. The EU will seek further ways to intensify cooperation with the region in the **fight against organised crime**, **migrant smuggling**, **trafficking in human beings and trafficking in illicit drugs**. The EU will continue cooperating in the development of integrated and balanced drug policies.

With the aim to improve the management of the migration and mobility within the Central Asian region, and to create the conditions for enhanced people-to-people contacts between the citizens of Central Asian countries and those of the EU and other partner countries, strengthened cooperation will focus on **addressing irregular migration** in full respect of human rights. This will imply cooperating on border management, readmission of irregular migration through promoting vocational training, decent working conditions and quality jobs at home, supporting the legal channels of migration, and

establishing effective legislation and systems to assist the victims of trafficking in human beings and the persons in need of international protection.

To that end, the EU will encourage Central Asian countries to **develop national migration policies**, to **cooperate at the regional level**, and to **cooperate on the multilateral governance of mobility and migration**, following the guiding principles of the United Nations. In parallel, the EU will also enhance its bilateral dialogue and cooperation on migration and mobility with the countries of Central Asia, in particular in the framework of the EPCAs.

The EU will engage with Central Asian states to promote an open, free and secure **cyberspace** and enhance **cybersecurity**.

The EU will continue to cooperate with the region on **non-proliferation of Weapons of Mass Destruction, export control of dual-use items, and nuclear safety and security,** making full use of the *Chemical, Biological, Radiological and Nuclear Risk Mitigation Centre of Excellence in Central Asia.* It will engage in closer dialogue with Central Asian states on **crisis management and peacekeeping.** 

It is also in the interest of the EU to continue monitoring developments in regional security structures such as the *Shanghai Cooperation Organisation* and *Collective Security Treaty Organisation*.

Specific initiatives in this area should include:

- > Using the EU-Central Asia High-level Political and Security Dialogue and the newlyestablished post of EU security and counterterrorism expert with regional competence for Central Asia to strengthen practical cooperation on a broader security agenda, including security sector reform and governance, hybrid threats and the water/security nexus
- Holding ad hoc EU-Central Asia experts' meetings on the prevention of violent extremism and counterterrorism to promote sharing of best practices and strengthening of crossborder cooperation in line with relevant international commitments
- Intensifying cooperation and synergies with the OSCE on preventing and countering transnational threats in Central Asia
- Continuing cooperation on drugs policy to further strengthen national policies in drug demand reduction and address illegal drugs supply and related organised crime
- Sharing expertise on cyber security and hybrid threats, including the opportunity for Central Asia to participate in the joint identification of hybrid threats as part of the EU's Hybrid Risk Survey
- Strengthening cooperation on modern integrated border management, building upon longstanding EU-Central Asia and EU-Afghanistan cooperation
- Enhancing dialogue and cooperation on migration and mobility in the framework of the EPCAs and of the United Nations

#### 1.3. Enhancing Environmental, Climate and Water Resilience

Central Asia is facing increasingly severe environmental challenges. The combined impact of climate change, which has started to reduce water flow by shrinking the glaciers that feed Central Asian rivers, and rapid population growth will exacerbate some of the region's environmental concerns, with potential implications for economic development, security and migration.

The EU can help the region to turn these challenges into opportunities. As these challenges are transboundary in nature and require mutual trust and cooperative solutions, the EU will continue to pursue a **regional approach** to cooperation in the field of the environment, water and climate change.

The EU will cooperate with its Central Asian partners on the implementation of the *Paris Agreement* on *Climate Change*<sup>10</sup> and the *nationally determined contributions* through concrete measures directed towards climate change mitigation, adaptation and disaster risk reduction.

The EU will support Central Asian countries in adopting high environmental standards and will encourage them to move away from linear production models to a **circular economy** in which the value of products is retained as long as possible, energy and resource efficiency is increased and waste and emissions of carbon and pollutants are minimised. Such a shift to sustainable consumption and production can bring significant benefits to human health and quality of life, while helping to promote economic diversification, creating new business opportunities and stimulating economic growth.

Building upon the region's potential in solar, wind and hydroelectric energy, the EU will encourage Central Asia's **reforms of the energy sector** and **transition to a low-carbon economy**. Making available EU technology and expertise **in renewable energy and energy efficiency** and providing advice on regulatory reforms should contribute to strengthening the region's energy resilience, helping to meet its climate objectives and creating jobs and business opportunities on both sides.

The EU will also promote **better environmental governance** and support the capacity-building of Central Asian states to mainstream environmental concerns in other policies and public decisionmaking, especially through adequate assessments of environmental impacts. The EU will promote the environmental sustainability of investments in connectivity infrastructure and the accession of all Central Asian countries to regional and global multilateral environmental agreements.

Sharing experience in the **sustainable management of natural resources, biodiversity protection** and **ecological tourism** can help to achieve a wide range of objectives such as rural development, conservation of ecosystems and environmental awareness-raising.

In line with the EU's *Council Conclusions on Water Diplomacy*<sup>11</sup>, the promotion of a **regional agenda for water, peace and prosperity** will remain a key priority in the region. The EU will continue to encourage mutually acceptable solutions to improve regional cooperation on the equitable management of transboundary water resources, in concertation with the relevant UN agencies and other partners. It will promote accession to and implementation of the *Water Convention of the United Nations Economic Commission for Europe*<sup>12</sup>, encourage cooperation around the **Aral Sea** and the implementation of the **Agreement on the legal status of the Caspian Sea**<sup>13</sup>.

The EU will continue to foster cooperation with the region, including through the training of experts, to promote **integrated water resources management**, reduce water waste, improve water quality, and modernise infrastructures and promote modern agricultural irrigation systems.

As the region is particularly exposed to natural and man-made hazards, the EU will support national and regional efforts towards new policies and legislation in **disaster risk reduction**. The EU will also make available its expertise in civil protection and emergency response in order to encourage a more structural, regional approach to resilience and preparedness.

<sup>&</sup>lt;sup>10</sup> Signed on 12 December 2015.

<sup>&</sup>lt;sup>11</sup> Water Diplomacy – Council conclusions, 13991/18 of 19 November 2018.

<sup>&</sup>lt;sup>12</sup> Convention on the Protection and Use of Transboundary Watercourses and International Lakes, done at Helsinki on 17 March 1992.

<sup>&</sup>lt;sup>13</sup> Signed on 12 August 2018 in Aktau.

The EU will continue to cooperate in supporting environmental remediation measures to address the **legacy of toxic chemical and radioactive waste** from past uranium mining in the region.

The EU will use its financial instruments, grants and guarantees, in particular those provided by the *European Investment Bank* (EIB), and in cooperation with the *European Bank for Reconstruction and Development* (EBRD) and other multilateral development banks, to **mobilise public and in particular private capital for environmental projects** and **environmentally sustainable economic activities**. The promotion of a sound regulatory framework will be of crucial importance to attract private investment.

Specific initiatives in this area should include:

- Strengthening inter-regional and intra-regional cooperation for a and mechanisms in the field of the environment, water and climate change
- > Developing sharing of experience and innovative financing to promote renewable energy
- Promoting scientific cooperation and research on water management as well as openaccess reliable data on climate and water that can inform effective policy
- Strengthening cooperation with the United Nations Regional Centre for Preventive Diplomacy in Regional Central Asia on the water and security nexus
- Supporting the sustainable management of natural resources and ecosystems and the implementation of the Strategic Plan for Biodiversity and the future post-2020 Global Biodiversity Framework
- Promoting sharing of experience and cooperation on the circular economy, in particular sustainable waste management systems and the fight against air pollution

#### 2. <u>PARTNERING FOR PROSPERITY</u>

An increasingly strategic location at the crossroads of Europe and Asia, a young population<sup>14</sup>, high literacy rates and abundant natural resources provide Central Asia with significant growth and development potential. At the same time, there is an increasing recognition in the region of the need to adopt new economic development models and to diversify economies to meet the challenges and opportunities of globalisation. The EU will work with the countries of Central Asia to help produce durable results, which will imply developing the private market, improving the investment climate, accelerating the transition towards a green and circular economy, reducing socio-economic inequalities, investing in human capital and promoting decent work for all, unlocking the potential for intra and inter-regional trade and promoting sustainable connectivity.

#### 2.1. Consolidating the Partnership for Economic Reform

The EU has a strong interest in supporting the transformation of the economies of Central Asia, which are currently over-dependent on commodities or low value-added exports<sup>15</sup> as well as migrant remittances, into diversified and competitive private sector-driven economies which can create jobs, integrate in regional and global value chains, and provide a level-playing field and opportunities for all economic operators.

The EU will aim to encourage **more sustainable and inclusive growth models** in the region. Economic reform and modernisation should bring benefits to the entire societies and contribute to reduce inequalities as well as regional disparities and the rural-urban divide. The EU's experience in rural development, regional policy and cohesion will be particularly relevant to that end.

<sup>&</sup>lt;sup>14</sup> Half the population of the region is under 20 years old and Central Asian economies need to absorb one million new entrants on the labour market every year.

<sup>&</sup>lt;sup>15</sup> Hydrocarbons and minerals represented almost 60% of the region's total exports in 2018.

The development of a **competitive private sector** and in particular of Small and Medium-sized Enterprises (SMEs) will be a priority of EU engagement given the vital role that the private sector can play in supporting economic growth, women empowerment, promoting decent work and combating poverty. The EU will promote the development of capital markets and broadening of access to finance for SMEs, sound regulatory frameworks and fiscal policies as well as effective anti-corruption policies. Private sector development will remain a key priority of the *EU Investment Facility for Central Asia*.

As a leading source of private investment worldwide, the EU is particularly well placed to intensify dialogue at the strategic level with the governments and business representatives of the region as well as with international financial institutions to promote a **sound, transparent, open, non-discriminatory and predictable regulatory and policy environment** for European economic operators trading with or investing in Central Asia.

Support to private sector development and investment should focus as a priority on growth and employment-generating sectors where the EU has **particular expertise and comparative advantages** such as the agricultural sector and agri-business, the environment and water, energy, transport and sustainable tourism.

The EU will promote **business-to-business dialogue and cooperation** with Central Asia, including among start-ups and business incubators. It will help to create bilateral and regional fora for business-to-business dialogue and cooperation such as *European Chambers of Commerce* in countries of Central Asia. The EU will aim to include Central Asian employers' and workers' associations into dialogue on issues ranging from the investment climate to education, employability (including of women and girls) and labour market reform.

As the availability of **high-quality statistics** is a pre-condition for developing efficient public policies, the EU will continue to work on the development of the statistical systems of Central Asian countries.

As part of its regular bilateral consultations with the countries of Central Asia, the EU will strengthen exchanges and cooperation on macro-economic reforms, **financial, monetary and fiscal policies as well as public finance management**. It will promote debt management strategies and domestic bond markets and facilitate reforms of the monetary policy frameworks and financial system supervision.

Specific initiatives in this area should include:

- Promoting improvements in the business and investment environment and supporting private sector development, in particular small and medium size enterprises, through EU-Central Asia business-to-business dialogue and cooperation, sectoral dialogue and technical assistance
- Promoting twinnings to share know-how and build the capacity of Central Asian administrations in key aspects of economic reforms
- > Sharing know-how on the development of statistical systems

#### 2.2. Facilitating Intra-regional and Inter-regional Trade and Investment

More needs to be done together to address the structural constraints which still limit the potential for trade and investment between the EU and Central Asia<sup>16</sup>, boost intra-regional trade<sup>17</sup> and investment, and ensure Central Asia's deeper integration into the global economy.

The EU will continue to encourage and support the **accession to the WTO** of all Central Asian states. The implementation of WTO commitments will help Central Asian states to open up their economies, strengthen their international competitiveness, integrate into global value chains and participate in shaping global economic governance. Creating a level-playing field and increasing confidence for business in the region will include promoting accession to the *Government Procurement Agreement* (GPA) of the WTO.

Building upon its experience in regional integration mechanisms, the EU will support efforts to facilitate **intra-regional trade and investment in Central Asia**, including by sharing experience and best practices on addressing non-tariff barriers to trade and promoting regulatory convergence and harmonisation, for which integration in the *International Standardisation Organisation* and *International Electrotechnical Commission*-led international standardisation system and a solid quality system have proven to be essential building blocks.

The EU will use the EPCAs and technical cooperation programmes to promote **convergence or compatibility with EU rules and technical international and European standards** and to **remove technical barriers to trade**. These efforts will facilitate reciprocal market access and create market access opportunities for Central Asian economic operators at the global scale, as EU rules and standards are recognised worldwide. Intensifying dialogue on sanitary and phytosanitary measures to strengthen food safety systems in Central Asian countries would be beneficial to local consumers and business and facilitate trade with the EU.

The EU will continue to cooperate with Central Asian states to improve **reciprocal market access for goods and services.** The EU will step up efforts to help beneficiary countries of Central Asia to make better use of the unilateral preferential access to the EU market provided by the **GSP** and **GSP**+, which can stimulate exports and economic diversification as well as better labour standards and working conditions, and adequately complement EPCAs.

The EU will step up cooperation with Central Asia to promote compliance with **international customs standards** of the EU, the *World Customs Organisation* and the WTO to advance simplification and harmonisation of customs procedures. The EU will strengthen cooperation with the region to combat illicit trade, border and tax fraud, tax evasion and infringements to intellectual property rights. It will promote further exchange of information to strengthen the fight against money laundering, corruption and terrorism financing.

Based on its experience, the EU will continue to promote the usage and development of **Geographical Indications** by Central Asian countries, which can help them to diversify their agricultural production towards higher added value.

Specific initiatives in this area should include: Intensifying the sharing of EU experience and best practices on addressing non-tariff

<sup>&</sup>lt;sup>16</sup> In 2018, the EU ranked among the top five trade and investment partners of each Central Asian states but trade with the region still represented less than one percent of total EU trade.

<sup>&</sup>lt;sup>17</sup> Intra-regional trade accounted for 5% of the region's total trade in 2018.

barriers to trade and promoting regulatory convergence and harmonisation

- Supporting accession to the WTO and to the GPA, including through technical assistance
- Intensifying dialogue on sanitary and phytosanitary measures to strengthen food safety systems
- Sharing experience regarding standardisation and quality infrastructure to facilitate intraregional trade and trade with the EU
- Promoting the simplification and harmonisation of customs procedures and supporting the development of cross-border e-commerce
- Stepping up technical cooperation towards better use of the unilateral preferential access to the EU market provided by the GSP and GSP+
- Sharing experience on Geographical Indications to help the diversification of agricultural production

### 2.3. Promoting Sustainable Connectivity

The development of **Euro-Asian connectivity** has the potential to bring significant benefits to Central Asia through better infrastructure, economic diversification and integration in regional and global value chains. The EU has a strong interest in the development of functioning trade corridors between Europe and Asia as well as in ensuring that connectivity develops in a sustainable, open, inclusive and rules-based way, thus creating a suitable environment for sustainable investment and a level playing field for business in Central Asia.

In line with its *Strategy on Connecting Europe and Asia*<sup>18</sup> and using existing frameworks of cooperation, the EU will, where appropriate, establish **partnerships on sustainable connectivity** with countries of Central Asia, following market principles, guaranteeing transparency and based on international standards. Cooperation in this area should mainly focus on **transport, energy and digital connections, as well as people-to-people contacts**. It will help to bring sustainable benefits to Central Asia beyond the advantages associated with their status as transit countries, and help Central Asian countries to reach Sustainable Development Goals (SDGs) and climate targets.

The combination of European private investment and of the EU regional cooperation programmes which have contributed to linking up Europe with its neighbourhood and Central Asia since the early nineties have made the EU a key player in the promotion of Euro-Asian connectivity. Renewed international efforts in this field, including the extension of the *Trans-European Networks-Transport* (*TEN-T*) to the EU's neighbouring countries, China's *Belt and Road Initiative* and other initiatives, can create significant opportunities to address the major needs of Central Asia.

The EU and Central Asian countries will step up cooperation and ensure synergies in planning for **transport connectivity** and in laying down the necessary regulatory frameworks, including to connect the well-developed TEN-T framework with networks in Central Asia, including through the Southern Caucasus and to other regional networks<sup>19</sup>. This aims to achieve balanced and sustainable East-West and North-South land transport connections, notably building upon the work of the *Central Asian Regional Economic Cooperation*. To achieve this objective, the EU could offer technical assistance and could contribute to sustainable infrastructure development as appropriate to help its partners plan their transport systems and ensure their interconnection. The EU will contribute to decarbonisation of

<sup>&</sup>lt;sup>18</sup> Connecting Europe and Asia – Building blocks for an EU Strategy – Council conclusions, 13097/18 of 15 October 2018.

<sup>&</sup>lt;sup>19</sup> Central Asian countries will be consulted on the Joint Study on Sustainable railway-based Comprehensive Transport Corridors between Europe and China as determined in the framework of EU-China Connectivity Platform.

land transport by promoting **electric mobility**, whether on road or rail, and will pay due attention to the development of **air transport and civil aviation**, including safety issues.

Further EU-Central Asia cooperation in **border management**, including strengthened cooperation on modern integrated border management, as well as the promotion of **compatible customs transit systems** will underpin efforts to develop connectivity in transport.

The EU will continue to focus on enhancing the role of Central Asia in contributing to the **security of energy supply and diversification of suppliers, sources and routes of the EU**, including assessing the possibility to build the *Trans-Caspian Pipeline*. The EU will cooperate with Central Asia to promote the regulatory frameworks, technologies and skills required to lower the costs, develop renewable energy sources and energy savings technologies and mobilise investment through blending and other financial incentives. The EU will help to modernise electricity distribution through smart and resilient decentralised grids and **develop interconnections between countries**, to spur regional and inter-regional electricity trade.

The EU and Central Asia will enhance cooperation in the **digital economy**, with a focus on promoting access to affordable, open and secure broadband connectivity and to digital infrastructure, including adopting the necessary regulatory reforms; supporting the development and maintenance of high capacity research and education networks; promoting digital literacy and skills; fostering digital entrepreneurship and job creation; and developing areas such as e-Government and e-Education. Given its cross-cutting nature, digitalisation will be a key aspect of EU cooperation with Central Asia in areas such as integrated border management, public administration reform, trade, transport and energy infrastructure as well as SME support. The EU will step up exchange of experience in the appropriate fora on freedom of the internet and the fight against disinformation.

Cooperation on the use of the *Galileo* satellite positioning navigation and timing services could facilitate transport connectivity and provide applications for energy and telecommunication networks.

The EU will work closely together with **third countries, regional organisations and international financial institutions** to promote sustainability and a level playing field in connectivity to pursue the shared interests of Central Asia and the EU. The EU will look for synergies with other key partners involved in the promotion of Euro-Asian connectivity, including in the *Asia-Europe Meeting* (ASEM) process. The commitment of the EU to supporting sustainable connectivity projects should contribute to enhancing the overall quality of investment projects from other actors in the region.

The EU will use its financial instruments, grants and guarantees and EIB loans as well as work with International Financial Institutions and multilateral development banks to **mobilise public and in particular private capital** for sustainable connectivity projects in Central Asia.

Specific initiatives in this area should include:

- Strengthening bilateral and inter-regional cooperation to ensure effective sustainable connectivity
- Contributing to the development of transport corridors between the EU and Central Asia, based on the extension of the TEN-T networks
- Intensifying bilateral dialogues under existing Memorandums of Understanding on Energy Cooperation and organising as appropriate ad hoc regional conferences on energy
- Using innovative financing and blending to further encourage green investment, in particular in renewable energy and energy efficiency
- Using EU instruments (such as grants, blending and guarantees) as well as intensifying consultations with international financial organisations and other relevant actors to underpin sustainable connectivity projects

#### 2.4. Investing in Youth, Education, Innovation and Culture

The development of skills will be key to Central Asia's competitiveness and social cohesion. Promoting quality education, employability and decent job opportunities for the young population and women of Central Asia should help the region to meet the demands of rapidly changing technologies and provide the skilled workforce required to pursue economic diversification and attract foreign investors. Providing quality education and jobs, including in rural areas, including for girls and women, will remain a key condition to prevent the emigration of skilled workforce as well as radicalisation and violent extremism.

The EU will support inter and intra-regional cooperation to build capacity and to increase the **quality** of education, higher education and vocational education and training. It will promote synergies between education systems and the labour market as well as digital education.

The EU can use the *Erasmus*+ programme to help Central Asian universities to modernise and meet the targets of the *Bologna process* on higher education and *Torino principles* on vocational education and training. The EU should seek to develop European studies in Central Asian universities. EU Member States' universities should be encouraged to establish more partnerships and branches with Central Asian universities as well as develop language training in the region.

The EU will explore the possibility to help Central Asia to develop a **regional higher education area**, drawing from the example of the *European Higher Education Area* (EHEA). This would allow the countries of the region to modernise their higher education systems, make them compatible with each other while strengthening their quality assurance and recognition mechanisms.

The EU will strengthen cooperation on **vocational education and training**, in collaboration with the *European Training Foundation*, to promote the employability of young people and of adults in a lifelong learning perspective, to respond to the needs of the transforming economies of Central Asia and of European investors in the region.

EU cooperation with Central Asia in **research and innovation** can help to tackle more effectively the region's challenges while enhancing people-to-people contacts. Exchanging know-how and innovative technologies in addressing climate, water and environmental challenges as well as food security and clean and renewable energy would help to advance regional cooperation by informing policies with sound, reliable and accessible evidence. Strengthening research cooperation in agriculture, health, green transport and sustainable urban development would also be mutually beneficial. EU and Central Asian universities and research organisations should further promote researchers' mobility and staff exchanges including through the *Marie Skłodowska-Curie Actions*.

In line with the *Strategy on Culture in the EU's External Relations*<sup>20</sup>, and building upon Central Asia's cultural heritage of the "Silk Road" corridor, the EU will develop **cultural cooperation** with the region to promote partnerships, co-productions and exchanges in the fields of cultural and creative industries, inter-cultural dialogue and cultural heritage preservation. The EU will step up work with the *United Nations Educational, Scientific and Cultural Organisation* and leading European cultural institutions to that end. The EU will promote the mobility of artists and culture professionals through exchanges, training and residencies, while mobility and exchanges in sport could also be encouraged.

The EU will support research on Central Asia and on EU-Central Asia relations and promote more opportunities for interaction between **researchers and think-tankers** from the EU and Central Asia.

Specific initiatives in this area should include:

- Increasing the number and diversifying the profile of Central Asian beneficiaries of the Horizon, Erasmus+ and Marie Skłodowska-Curie programmes
- Increasing inter- and intra-regional research and innovation cooperation in the areas of water, food and the environment
- Stimulating intra-regional and international mobility of students, staff and researchers, as well as learners and trainers in vocational education and training
- > Helping Central Asia to develop a regional cooperation scheme inspired from the EHEA
- Establishing a dialogue and promoting exchange of best practices on youth employability, women empowerment and employment policies
- Promoting a stronger dialogue between EU, Central Asian authorities, business organisations and social partners on skills gaps and labour market modernisation

#### 3. WORKING BETTER TOGETHER

The EU will aim to promote a coherent approach to Central Asia, making sure that sectoral policies help to address increasingly interlinked challenges. The new EU Strategy should be implemented jointly by EU institutions and Member States and more synergies should be established between their respective strengths and resources.

## 3.1. Strengthening the Architecture of the Partnership and Engaging Civil Societies and Parliaments

The current institutional set up of the inter-regional dialogue consists of the **annual** *EU-Central Asia Foreign Ministers' Meeting*, with the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission representing the EU, and the annual *EU-Central Asia High-level Political and Security Dialogue* held at vice-ministerial level.

The High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission and Central Asian Foreign Ministers should also meet informally, whenever necessary, on the sidelines of the annual meetings of the *United Nations' General Assembly* (UNGA), meetings of the OSCE Ministerial Council and other international meetings and conferences.

To complement this, *ad hoc* EU-Central Asia *Senior Officials' Meetings* could be considered.

<sup>&</sup>lt;sup>20</sup> Joint Communication to the European Parliament and the Council "Towards an EU strategy for international cultural relations", JOIN(2016) 29 final of 8 June 2016.

The **institutional framework for bilateral relations** with countries of Central Asia will be strengthened as EPCAs are concluded and enter into force, with regular dialogues on human rights complementing regular meetings at ministerial and senior official level.

As the EU and Central Asia share the same commitment to international law and a rules-based global order with the UN at its core, the EU will **enhance cooperation in multilateral and regional fora**.

Given the constructive role that the European Parliament has played in enriching the common agenda of the EU-Central Asia partnership, further **inter-parliamentary dialogue** should be encouraged, including through regular visits. The EU will aim to organise more **high-level visits to the region**.

The EU will also intensify efforts to promote closer engagement with **civil society, think tanks, local governments, the business sector, social partners, cultural organisations, academics and youth.** Civil society consultation will be an important aspect of the programming of EU development cooperation, which will seek to reinforce the ability of civil society to promote government accountability and transparency.

The annual EU-Central Asia ministerial meeting could be complemented by meetings of an informal *"EU-Central Asia Forum"* bringing together representatives of civil society, academics and think-tankers as well as officials from the EU and Central Asia. These meetings would allow civil societies to contribute to the development of the EU-Central Asia partnership and increase its visibility.

The EU will intensify consultations on Central Asian affairs with **like-minded and other relevant partners** to develop mutual understanding and cooperation in areas where interests converge.

Specific initiatives in this area should include:

- Holding ad hoc senior officials' meetings in-between the regular meetings of the EU-Central Asia High-level Political and Security Dialogue and Ministerial meetings
- Organising informal ministerial consultations on the side-lines of UNGA and developing common understanding and convergence of positions in the UN and other multilateral fora
- > Intensifying consultations on Central Asian affairs as appropriate with third-partners
- Involving civil society further in the development of the EU-Central Asia partnership, including by establishing an informal "EU-Central Asia Forum"
- > Encouraging more frequent inter-parliamentary contacts and visits

#### 3.2. Cooperating for High Impact

The EU and its Member States have been a leading development cooperation partner for Central Asia in the last decade<sup>21</sup>. The EU will continue to use available financial instruments to support the region and help meet the challenges and maximise the opportunities of the EU-Central Asia partnership. The **new EU Strategy for Central Asia** will guide the EU's cooperation with the region in the coming years. Meeting commitments under the *United Nations 2030 Agenda for Sustainable Development* will be a key element of EU engagement. **Dialogue with civil society and local authorities** will also contribute to the definition of EU priorities for Central Asia. **More synergy with Member States' policies towards the region, including development cooperation** will be required.

Development cooperation alone will not allow achieving the SDGs , and it will need to be used as a **catalyst to attract private capital for growth.** The EU should make the best possible use of its wider

<sup>&</sup>lt;sup>21</sup> The EU has allocated €1.1 billion to development cooperation with Central Asia under the budget cycle 2014-2020.

development assistance toolbox in the region, including **innovative modalities of cooperation** such as twinning and a greater focus on investment. **EPCAs** will provide opportunities for an intensified policy dialogue with Central Asian countries in a wide range of sectors that will contribute to achieving the SDGs.

Cooperation with **International Financial Institutions** will continue to play an important role in leveraging public and private financing for sustainable development in Central Asia.

Specific initiatives in this area should include:

- Organising EU-Central Asia policy dialogues in specific sectors and supporting these dialogues with twinning operations
- > Intensifying, where appropriate, cooperation with International Financial Institutions

#### 3.3. Raising the Profile of the Partnership

To raise the profile of the EU in Central Asia, the EU and its Member States need to develop a more dynamic and better-targeted communication strategy, presenting the rationale behind its engagement and underlining the opportunities, which the EU-Central Asia partnership can bring to the region and to its citizens. This will notably require developing common messages and identifying communication opportunities, including through social media and other new communication technologies, for the attention of the young people of the region, opinion-makers, social media influencers, civil society, academics and the media at large.

Specific initiatives in this area should include:

 Developing more systematic common messaging and enhancing the use of web portals and of the social media to highlight the tangible benefits of EU engagement in the region

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The Council and the European Parliament are invited to endorse the approach and actions presented in this Joint Communication.