

The EU's new Central Asia strategy

SUMMARY

Central Asia is an often overlooked region, but one that is gradually becoming more important for the European Union. Although the Central Asian countries are less of a priority than those of the Eastern Neighbourhood, the EU has steadily intensified diplomatic relations with the region, at the same time as ramping up development aid. European trade and investment, above all in Kazakhstan, have made the EU the main economic player in Central Asia, ahead of Russia and China. However, former overlord Russia does not seem to resent European influence in Central Asia as much as in eastern Europe, and the region has avoided becoming a zone of geopolitical confrontation.

The EU's 2007 Central Asia strategy defines the priorities for EU development aid and diplomatic activity in the region. These include responding to security threats, protecting human rights, promoting economic development, developing transport and energy links, and ensuring environmental protection. Since then, progress in these areas has been uneven. Nevertheless, the issues identified in 2007 are still highly relevant today, and will probably remain at the heart of future EU policy in Central Asia.

However, there have also been several major developments since the strategy was adopted: China's Belt and Road Initiative is reviving overland trade routes connecting Europe and Asia via the region; in Uzbekistan, a more conciliatory foreign policy under the country's new president has eased regional tensions and opened the door to cooperation between formerly hostile neighbours. At the same time, Central Asian countries are becoming more interested in engaging with Afghanistan. A new strategy, expected for mid-2019, will therefore need to spell out how the EU responds to these new dynamics.



EU High Representative, Federica Mogherini, meets with Central Asian foreign ministers in Tashkent, March 2018.

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EU-Central Asia relations

Geographically and culturally remote, the five countries of ex-Soviet Asia have often been overlooked by Europe. This situation is slowly changing. China's [Belt and Road Initiative](#) is reviving historical Silk Road trade routes connecting Europe and the Far East via Central Asia; long-isolated [Uzbekistan](#), the region's most populous state, is showing signs of opening up to the rest of the world. Recognising growing potential, the EU is gradually stepping up its engagement.



EU dialogue with Central Asia is becoming more active

Soon after the 1991 break-up of the Soviet Union, the EU began negotiating [partnership and cooperation agreements](#) (PCAs) with the newly independent countries. These have since come into force with all Central Asian countries but Turkmenistan. A new generation of enhanced partnership and cooperation agreements (EPCAs) is currently under negotiation. The EPCA with Kazakhstan (the only one signed so far) does not match the ambition of the association agreements concluded in eastern Europe with Ukraine, Georgia and Moldova; for example, there are no provisions on visa-free travel or free trade (something that would be incompatible with Kazakhstan's membership of the Eurasian Economic Union). Nevertheless, the agreement envisages wide-ranging cooperation in areas such as trade and investment, energy, transport, environmental matters, education, foreign policy, democracy and human rights.

Table 1 – EU agreements with Central Asian countries

Country	PCA	EPCA	Current status
Kazakhstan	In force since 1999	Signed in 2015, not yet ratified	PCA; pending ratification, some provisions of EPCA provisionally applied
Kyrgyzstan	In force since 1999	Negotiations launched December 2017	PCA
Tajikistan	In force since 2010	Tajik request for negotiations in November 2018, not yet launched	PCA
Turkmenistan	Signed in 1998 but not yet ratified		Interim trade agreement pending ratification of PCA
Uzbekistan	In force since 1999	Negotiations launched in November 2018	PCA

These various agreements have led to an intensification of diplomatic contacts between the EU and each of the Central Asian countries; these now include annual cooperation councils as well as regular meetings on topics such as human rights, justice and home affairs, and trade.

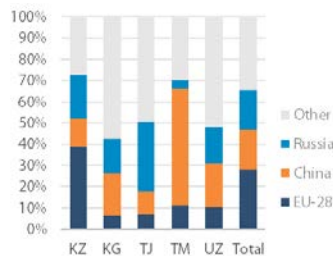
At regional level, the EU also holds annual meetings (most recently in November 2018), between EU High Representative, Federica Mogherini, and the five Central Asian foreign ministers. In 2005, the EU also appointed its first [special representative](#) to Central Asia; the post is currently held by Slovak diplomat, Peter Burian.

There has been less engagement with Turkmenistan than with the other four countries. Although a PCA was negotiated in the 1990s, the European Parliament withheld its consent due to human rights concerns. Although those concerns remain relevant, the Parliament is currently [debating](#) whether to unblock ratification of the agreement. Relations are also set to benefit from the [upgrading](#) of the EU's Liaison Office in Ashgabat to a fully fledged delegation, planned for mid-2019.

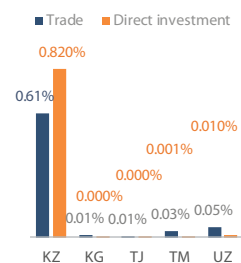
EU-Central Asia economic ties

Figure 2 – EU trade and investment in Central Asia

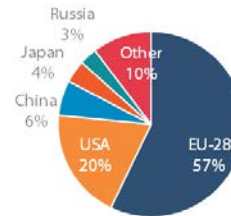
Central Asia main trade partners (share of country's total foreign trade, 2017)



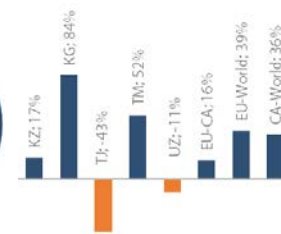
Central Asian countries' % share in total EU external trade/ direct investment, 2017



Sources of foreign direct investment in Kazakhstan (as of October 2018)



Change in EU trade with Central Asia, 2007-2017 (CA=Central Asia)



The EU is Kazakhstan's (and Central Asia's) main trading partner and investor; on the other hand, Central Asia accounts for only a minute share of EU foreign trade and investment, especially if Kazakhstan is excluded. In real terms, EU trade with Central Asia is stagnating.

Sources: [DG Trade](#), [Eurostat](#), [National Bank of Kazakhstan](#).

The EU exports manufactured goods, such as medicines, cars and machinery to Central Asia. Imports are dominated by raw materials and low value-added manufactured goods (Kazakhstan, Turkmenistan: oil; Kyrgyzstan: gold; Tajikistan: aluminium, textiles; Uzbekistan: chemicals, textiles). In real terms, the volume of trade is stagnating (16% for 2007 to 2017, far behind the 39% increase achieved by EU trade with the rest of the world during the same period). Kyrgyzstan was the best performer (+84%), but this increase was largely driven by a (possibly temporary) surge in Kyrgyz gold exports to Europe. By contrast, trade with Tajikistan and Uzbekistan declined.

Despite this poor performance, the EU remains Central Asia's biggest economic partner (30% of the region's total trade; direct investments worth €62 billion). EU trade and investment is concentrated overwhelmingly in Kazakhstan, in particular in the country's oil sector, which in 2017 accounted for 85% of its exports to the EU and the bulk of EU direct investment.

China's trade with the region has grown tenfold since 2000, and it has invested an estimated US\$25 billion there since 2013; already, Beijing is the main trading partner of Kyrgyzstan, Turkmenistan and Uzbekistan, but at regional level it comes a distant second to the EU, with 20% of foreign trade, followed by Russia in third place (slightly under 20%).

While the EU is a highly important economic partner for Central Asia, the converse is not true; the region as a whole, and especially its smaller economies, represent only a minute share (less than 1%) of the EU's total foreign trade and investment.

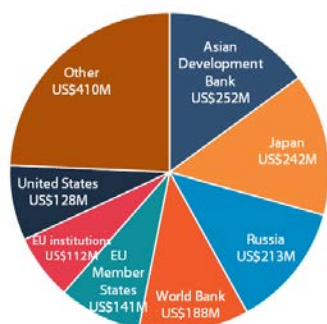
Development aid

EU aid for Central Asia has increased over the years. For 2014-2020, Development Cooperation Instrument grant funding is €1.1 billion, 62% up from the previous programming period. Funding is likely to grow again in 2021-2027, if the European Commission's proposal to raise total funding for its external action across the globe by 30% is approved.

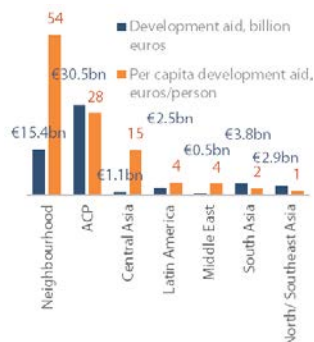
Relative to the size of its population, Central Asia gets less money than the two country groups prioritised by EU development aid (ACP countries, Eastern and Southern Neighbourhood), but more than most other regions of the world (southern Asia, with a population nearly 30 times larger, only receives 3.5 times as much funding).

Figure 3 – EU development aid in Central Asia

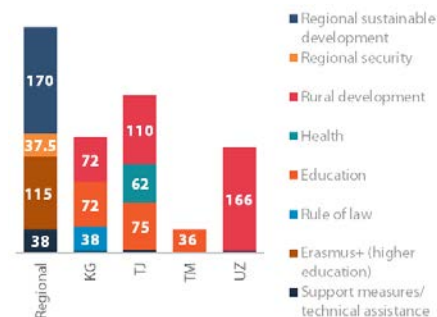
Main donors of official development assistance to Central Asia (2016, does not include China), US\$ million



EU development aid, geographically allocated funding, 2014-2020



Thematic allocation of EU development aid to Central Asia, 2014-2020 (€ million)



The EU is one of the biggest donors to Central Asia. Although it only receives a small share of EU development aid, Central Asia is well-funded relative to the size of its population. Sustainable development, education and rural development are the main priorities of EU development aid in the region.

Sources: [OECD DAC](#), European Commission ([EDF](#), [ENI](#), [DCI](#) programming documents); [World Bank](#).

EU grant funding is split between regional and bilateral programmes. After becoming [upper middle income](#) countries, Kazakhstan and Turkmenistan stopped being eligible for bilateral aid (in 2014 and 2017 respectively), but continued participating in regional programmes.

To spread the benefits of its funding as widely as possible, the EU mostly supports activities that are relatively cheap but can bring significant benefits, such as educational exchanges, training and networking, rather than expensive infrastructure development.

As well as grants, EU financial support to Central Asia also comes in the form of loans from the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), which between them have invested [€11.3 billion](#) in the region. Among other things, EBRD and EIB loans support projects to improve municipal water supply and waste water systems, build solar and wind farms, finance SME expansion, and develop transport and energy infrastructure.

A third option is '[blending](#)', which combines grants and loans. Money from the EU's [Investment Facility for Central Asia](#) (IFCA) is used in various ways, for example in the form of loan guarantees or investment grants reducing the amount of capital that partner countries need to raise themselves, to help Central Asian governments secure finance. Between 2010 (when the IFCA was established) and 2016, [€143 million](#) of development aid leveraged €970 million of loans.

Three main players in Central Asia: Russia, China and the EU

[Russia](#) remains the dominant military force in Central Asia through its [Collective Security Treaty Organisation](#) alliance with Tajikistan, Kyrgyzstan and Kazakhstan. The latter two countries are also members of the Russia-led [Eurasian Economic Union](#) (EAEU). However, as an economic partner Moscow has been overtaken in Central Asia by the EU and, more recently, [China](#). Relations within this triangle are not straightforward. Due to Russia's continuing aggression in Ukraine, the EU has made cooperation with the EAEU [conditional](#) on Moscow implementing its commitments under the Minsk Agreements. For this reason, Kazakhstan's tentative [offer](#) to promote EU-EAEU-China dialogue in Central Asia looks unrealistic.

On the other hand, despite these difficulties, Central Asia has not seen the same kind of geopolitical confrontation as eastern Europe. Whether or not it resents China's growing economic clout, Moscow still sees Beijing as an [ally](#) in most areas, and has [suggested](#) that the Belt and Road Initiative could

somehow be coordinated with its own Eurasian Economic Union (although it is difficult to see how these two very different projects could be integrated). In the absence of a Western military presence in the region, and of Central Asian aspirations to join the EU or NATO, Russia has not objected to EU involvement either. Thanks to this lack of geopolitical tensions, Kazakhstan and Uzbekistan have managed to avoid being forced to choose sides, and enjoy the benefits of diversified relations with a range of partners.

Priorities of the EU's 2007 Central Asia strategy

The EU adopted its first [strategy](#) for Central Asia in 2007, defining the priorities for its diplomatic activity and development aid, with the general goal of achieving peace, democracy and prosperity in the region. The proposed initiatives to achieve this goal are grouped under six main headings, discussed in greater detail in the following section.

Combatting common threats and challenges

On the face of it, Central Asian countries are highly stable, having (except Kyrgyzstan) authoritarian regimes that, in the three largest states, have survived with little change since post-Soviet independence. However, stability has been achieved through a repressive approach that has masked but not addressed the underlying problems.

The authorities have dealt with the threat of radicalisation by clamping down on religious freedoms. For example, despite releases of some high-profile prisoners, Uzbekistan is still thought to have [thousands](#) of suspected extremists in jail. Repression has contained but not eradicated the domestic terrorist threat (for example, a July 2018 [attack](#) claimed by ISIL/Da'esh that killed four tourists in Tajikistan). Abroad, over 4 000 Central Asians are [believed](#) to have fought alongside ISIL/Da'esh in Iraq and Syria, and others have carried out lethal attacks in New York, Stockholm and St Petersburg.

The threat of volatility hangs over several Central Asian countries. Kyrgyzstan has been through two revolutions and bloody ethnic riots, while post-independence Tajikistan was ravaged by civil war. Even in authoritarian Turkmenistan, a deep economic [crisis](#) is eroding the regime's grip on power, and in Kazakhstan the question of what will happen once long-time ruler Nazarbayev steps down remains unanswered.

External threats to Central Asian security come mainly from Afghanistan. [Incursions](#) by Afghani militants across the region's porous borders raise the risk of terrorist attacks. Drugs are also smuggled across the border; Central Asia is an important transit region for Afghan heroin, besides having many drug addicts of its own.

EU development aid and Central Asian security threats

Border management in Central Asia (BOMCA): includes activities to improve security, for example by training border guards, providing equipment such as scanners, and helping to develop databases. ([€5 million](#) for 2015-2018).

Central Asia drug action programme (CADAP): CADAP projects help Central Asian governments gather data and expertise on the problem, raise public awareness of drug problems, and improve treatment and rehabilitation of addicts (€6.5 million EU funding for 2015-2018).

Human rights, rule of law, good governance, democratisation

As described above, EU programmes are helping Central Asian states improve border security and tackle drug trafficking. However, resilience – identified as one of five priorities of EU external policy in the 2016 [Global strategy](#), where it is defined as the capacity to survive external and internal crises – requires a broader approach that also focuses on democratic reforms and strong institutions. To help build this kind of resilience, the 2007 strategy launched a [Rule of Law Initiative](#). Under it, the EU has provided training for Central Asian lawyers and other practitioners, as well as expertise on

reforms to the legal system, in collaboration with the Council of Europe. Another instrument supporting human rights is the GSP+ trading scheme, offering beneficiary countries duty-free access for various exports to EU markets, in exchange for signing 27 international conventions on human rights, labour rights, environmental protection and good governance. Kyrgyzstan is currently the only Central Asian beneficiary of the scheme, but Uzbekistan also [aspires](#) to join. Finally, the EU has human rights dialogues with each of the five countries, with annual meetings at which human rights concerns are discussed.

Although the human rights situation remains very difficult throughout Central Asia, the EU has helped to bring about several positive changes. For example, the Rule of Law Initiative supported [Kazakhstan's](#) efforts to bring its criminal justice system in line with international standards. Central Asian countries now regularly submit draft legislation for review to the Council of Europe's [Venice Commission](#), which also participates in the initiative. Finally, EU pressure played a part in persuading Uzbekistan to end the use of child and forced adult labour in its cotton harvest.

Youth and education

Over [half](#) of Central Asia's population is younger than 30. As this age group is particularly vulnerable to the twin threats of radicalisation and drug abuse, education has a very important role to play in developing resilience by offering them alternative opportunities. Through its [Education Initiative](#), launched in parallel with the Rule of Law Initiative, the EU aims to help Central Asian countries strengthen their education systems. European initiatives target various sectors. The Erasmus+ programme focuses on higher education (see boxed text). Led by the EU's European Training Foundation, the [Torino Process](#) coordinates reforms aimed at modernising vocational education, so that school leavers are better equipped to find work. For 2014-2020, €75 million of bilateral aid has been allocated to vocational and general secondary education in [Tajikistan](#), while [Kyrgyzstan](#) is receiving €72 million of EU budget support to improve its education system in general. Primary education in all five countries benefits indirectly from EU financial support for the World Bank's global [Education for All](#) initiative.

EU development aid and Central Asian education

Erasmus+: Although the number of Central Asian university staff and students participating in Erasmus educational exchanges to Europe is small ([around 800](#) in 2017), there can often be a multiplier effect, for example, when university teachers return to their home institutions. Erasmus+ also funds cooperative capacity-building [projects](#) for Central Asian universities, which, among other things, develop curricula for new courses (€115 million for 2014-2020).

CAREN project: poor internet connections prevent Central Asian universities, research centres and hospitals from sharing data, a major handicap for joint research and other cooperation. To remedy this problem, the EU's [CAREN project](#) provides them with a high-performance broadband internet network; at present, it links institutions in Kyrgyzstan and Tajikistan with one another and (via the pan-European [GÉANT](#) network) their EU counterparts.

Economic development, trade and investment

Central Asian economies are under-performing

Together with education, economic development is another key factor in building stable and prosperous Central Asian societies. Although the countries of the region enjoy strong [growth rates](#) (in 2017, ranging from 4 % in Kazakhstan to 7 % in Tajikistan), not enough jobs are being created to absorb the fast-growing population (expanding at the rate of over one million a year). Poverty is also very widespread; nearly [one-third](#) of the Tajik population lives below the national poverty line, compared to 25 % in Kyrgyzstan and 14 % in Uzbekistan. These two problems are driving mass emigration (as many as one in eight Tajik and Kyrgyz nationals have left to work in Russia) and making young people receptive to Islamic extremism.

Economic underperformance reflects a range of [structural problems](#). All five countries have failed to diversify their economies and are over-dependent on commodities or low value-added manufactured exports. Reflecting the dominance of inefficient state-owned enterprises, Central Asian countries have struggled to develop a competitive private sector. For example, small and medium-sized businesses contribute just [one-fifth](#) of Kazakhstan's economic activity (in most EU countries, the corresponding share is over one-half).

Except for Kazakhstan, Central Asian countries are poorly integrated with the global economy and regional neighbours (less than [one-tenth](#) of the five countries' total foreign trade is with one another; by contrast, the figure for EU countries is over [two-thirds](#)). Protectionist economic policies and unwieldy customs procedures are among the barriers preventing the emergence of an integrated regional market that could boost trade and investment in the same way that the common market did for the European Economic Community.

The EU is supporting Central Asian economic integration

The EU supports Central Asian efforts to integrate into the global economy. For example, EU expertise helped [Tajikistan](#) and [Kazakhstan](#) to become WTO members in 2013 and 2015 respectively (Kyrgyzstan joined in 1998 and the remaining two countries are still considering membership).

The GSP and the GSP+ aim to help partner countries diversify their economies by offering them reduced or zero tariffs for a wide range of exports to EU markets; Tajikistan and Uzbekistan currently benefit from the GSP, while Kyrgyzstan has qualified for the more generous GSP+ scheme. So far, their economic impact has been limited; in 2017, three-quarters of Kyrgyzstan's exports to the EU came from a single commodity (gold), while just 3 % of the country's total European exports benefited from GSP+, compared to [88 %](#) in the case of Pakistan. EU projects (see boxed text below) aim to change this situation by raising awareness among exporters of the schemes' potential, and helping them to comply with strict EU quality standards. In future, such measures could help products with strong potential (such as Tajik and Kyrgyz [fruits](#)) to reach European markets.

With its experience of developing the internal market, the EU can help Central Asian economies to become more integrated with one another. Although Uzbekistan's new openness to regional cooperation is likely to benefit trade, a Central Asian common market seems unlikely, not least because Kazakhstan's and Kyrgyzstan's membership of the Russia-led Eurasian Economic Union bars them from joining other regional trading blocs. Nevertheless, there are many areas where the EU can help to dismantle barriers to regional trade – for example, through its BOMCA border management programme, which aims not only to improve Central Asian border security but also to facilitate cross-border trade, building on the EU's expertise on streamlining procedures and sharing information between customs authorities.

EU development aid and Central Asian economic development

Support to Investment, Competitiveness and Trade in Central Asia [supports](#) the private sector, for example, through training, consultancy, regional meetings, sharing of best practices, targeted both at small businesses and the associations representing them. One of the aims is to help small businesses market their products in EU countries, comply with European quality standards, and take advantage of the EU's GSP/GSP+ preferential trading schemes (€31 million EU funding).

EIB and EBRD loans to small businesses: Central Asian small businesses often find it difficult to borrow the money they need to grow. To help overcome this problem, the EIB and the EBRD have teamed up with local banks (for example, in [Kyrgyzstan](#)) to offer preferential loans.

Rural development: for 2014-2020, €350 million of bilateral aid will help to combat poverty in Uzbekistan, Tajikistan and Kyrgyzstan, for example, by [helping](#) residents of rural areas find new sources of income.

Energy and transport links

Central Asian countries are poorly connected

Despite being strategically located at the 'crossroads of Asia' on the traditional Silk Road trading routes, Central Asian countries are poorly connected to one another and the rest of the world. The region is landlocked, remote from European and East Asian population centres, cut off from neighbouring areas by high mountains, areas of political instability (Afghanistan) and sparsely populated steppes. These geographical handicaps have been aggravated by mutual hostility and [economic policies](#) promoting self-sufficiency. Isolation is a major barrier to Central Asian countries' efforts to modernise and integrate with the global economy.

Chinese investments are upgrading Central Asian transport infrastructure

During a 2013 visit to Kazakhstan, Chinese President, Xi Jinping, [launched](#) what has since become known as the Belt and Road Initiative (BRI). The BRI envisages major infrastructure investments along six [overland corridors](#) connecting China to other Asian and European countries. Two of these pass through Central Asia: the New Eurasia Land Bridge (China-Kazakhstan-Russia-Belarus-Europe) and China-Central Asia-West Asia, which connects western China to Turkey and Iran via all five Central Asian countries.

Beijing's interest in Eurasian infrastructure has partly to do with the growing importance of rail transport for its trade with Europe. Cheaper than air freight and faster than shipping, the share of rail freight in the value of EU-China trade [quadrupled](#) between 2007 and 2016, from 0.5 % to 2.1 %. A large part of this transited through Central Asia as the region through which the shortest routes from most parts of China to Europe pass. Partly as a result of Chinese investment, direct freight trains now link China to [12 European countries](#), and journey times have fallen to under two weeks. For Central Asian countries, new infrastructure not only brings increased revenue from transit traffic but also easier access to European and Far Eastern markets for their own exports; for example, in the first nine months of 2018, Kazakh agricultural exports to China grew by a massive [42 %](#).

Despite such benefits, there are worries about some aspects of the BRI. For poorer countries, expensive infrastructure projects can be a debt trap; already, Kyrgyzstan and Tajikistan owe [40 %](#) and 50 % respectively of their foreign debt to China. A leaked [report](#) signed by EU ambassadors to Beijing criticises the BRI's lack of transparency and its prioritisation of Chinese interests.

EU development aid and Central Asian connectivity

CASA-1000: the EIB and the EBRD are contributing US\$170 million to the World Bank-led [CASA-1000](#) power line, which will enable Tajikistan and Kyrgyzstan to export their surplus hydroelectricity to Afghanistan and Pakistan.

Environment and water

Water use – an environmental and a political problem

Most of Central Asia's [water](#) comes from two rivers, the Amu Darya and the Syr Darya. After flowing through a series of hydroelectric dams that provide Tajikistan and Kyrgyzstan with nearly all their electricity, these two rivers irrigate downstream agriculture, mostly in Uzbekistan, Turkmenistan and Kazakhstan. Competition for shared water resources causes regional tensions, especially between Uzbekistan and its two upstream neighbours: Tashkent claims that new Tajik and Kyrgyz hydroelectricity projects, such as the giant [Roghun dam](#), threaten to disrupt the flow of water needed for the economically vital Uzbek cotton harvest. In 2012, Uzbek President, Islam Karimov, [warned](#) that new dams could cause 'not simply serious confrontations, but even wars'. Tensions have since eased, with Karimov's successor, Shavkat Mirziyoyev, lifting Uzbekistan's objections to upstream dam-building projects, but the allocation of scarce water resources between countries

and economic sectors remains a difficult issue. In future, the combined impact of climate change (which could reduce water flow by shrinking the glaciers that feed Central Asian rivers) and rapid population growth is expected to exacerbate the problem.

Water scarcity is an environmental as well as a political issue. Since the 1950s, huge quantities of river water that used to flow into the inland [Aral Sea](#) have been diverted to irrigate agricultural crops. As a result, what was once the world's fourth-largest saline lake has now shrunk to just one-tenth of its former size. Former lakeside towns have been left stranded, and rising salt concentrations have killed off most of the fish in the remainder of the lake, depriving fishing communities of their livelihood. Without the steadying influence of a large body of water, weather in the surrounding areas has become more extreme, with colder winters and hotter summers. Receding waters have exposed a layer of pesticides from upstream agriculture on the former seabed; during storms, this is whipped up into [toxic dust clouds](#) that cause respiratory and other health problems.

Solving such problems will require Central Asian countries to work together, something that Uzbekistan's new willingness to cooperate with neighbours on water-related issues has now made possible. In August 2018, the five Central Asian presidents met for their first Aral Sea [summit](#) since 2009. The summit agreed to reorganise the largely ineffective International Fund for Saving the Aral Sea ([IFAS](#)) and encourage more efficient water use by modernising irrigation systems. However, no specific measures have yet been announced, and in any case much more drastic action will be needed to fully rehabilitate the Aral Sea (which at present only gets [one-ninth](#) the amount of water it needs).

Climate change

Kazakhstan and Turkmenistan are the region's two main producers and consumers of fossil fuels, and also the largest contributors to climate change (in 2014, both countries were among the world's [top 20](#) carbon emitters). High emissions reflect overwhelming [reliance](#) on coal (Kazakhstan) and gas (Turkmenistan) for energy production, as well as inefficiency (relative to the size of its economy, Turkmenistan is the world's [eighth](#) most intensive energy consumer, a figure that probably points to wasteful energy use).

The remaining three countries have much lower greenhouse gas emissions, but are also vulnerable to climate change: high temperatures are likely to mean more severe [droughts](#), threatening agriculture and fragile ecosystems. Desertification is a problem across the region, even in relatively water-rich Kyrgyzstan, [half](#) of whose territory could be affected by the end of the century.

Central Asian countries are finally acting on climate change: all five have signed and (except Kyrgyzstan) [ratified](#) the Paris Climate Agreement. In 2013 Kazakhstan adopted a [Green Economy Plan](#), including an ambitious target to generate half of its electricity from renewable sources by 2050.

The EU's role

EU development aid and Central Asian environmental protection

EIB and EBRD loans are supporting renewable energy (for example, a new [wind power](#) plant in Kazakhstan) and energy efficiency (an [upgrade](#) to part of Tajikistan's electricity grid so that less power is lost during transmission). They have also helped to improve [municipal water systems](#), making them more [resilient](#) to climate change and ensuring reliable access to clean water in Tajik and Kyrgyz cities.

Environmental remediation in Central Asia: apart from water scarcity and climate change, one of Central Asia's most pressing environmental [problems](#) is the toxic radioactive waste left from uranium mining. The EU is contributing financially to international efforts to decontaminate the sites posing the greatest health risk to local residents.

The EU supports Central Asian cooperation on water and the environment, for example through a Platform for Environment and Water Cooperation, bringing together Central Asian and international stakeholders; the most recent [meeting](#), held in June 2018, was attended by over 100 participants.

[EUWI EECCA](#), another EU-supported forum, promotes dialogue between Central Asian, other ex-Soviet countries and European partner countries on water policy.

Impact of the 2007 Central Asian strategy

Table 2 – 2007 EU-Central Asia strategy scorecard (● = good progress ● = mixed results ● = little progress)

Proposal in EU strategy, 2007		Current state of play
Establish a regular regional dialogue at foreign minister level	●	Since 2005, annual EU+5 ministerial meetings; since 2013, an annual high-level political and security dialogue , also at foreign minister level
Open EU delegations in each Central Asian country	●	Delegation in Turkmenistan (the only country that does not yet have one) to open mid-2019
Establish a human rights dialogue with each country	●	Annual human rights dialogues are now held with all five countries, enabling the EU to raise human rights issues behind the scenes without compromising relations.
Rule of Law Initiative	●	The general human rights situation remains very difficult, but there have been some positive changes (e.g. Kazakhstan's reform of its criminal justice system).
Education initiative	●	Erasmus+ exchanges and capacity building projects for universities; bilateral aid for Tajik and Kyrgyz schools; Torino Process supporting vocational education reforms.
To facilitate learning, connect Central Asia to Europe digitally, via an e-silk highway	●	Researchers from Tajik and Kyrgyz universities and hospitals can share data with one another and with EU counterparts via the CAREN network, but overall, the region has some of the worst internet connections in the world.
Help Central Asian countries join the WTO	●	With EU support, Kazakhstan and Tajikistan joined the WTO in 2015 and 2013 respectively; Uzbekistan has adopted a roadmap for its membership.
Help Central Asian countries pursue economic diversification	●	Central Asian countries remain predominantly commodity exporters. For example, in 2017 oil and gas accounted for 63 % of Kazakhstan's exports, barely changed since 2007.
Support the development of an EU-Central Asia energy transport corridor	●	No new energy transport routes have been developed. Despite a recent agreement on the legal status of the Caspian Sea, a pipeline bringing Turkmen gas to Europe remains a distant prospect .
Help develop renewable energy	●	Excluding hydropower, renewable energy makes a negligible contribution to the region's energy mix. However, Kazakhstan has ambitious plans to generate more electricity from wind and solar power.
Promote transboundary river basin management	●	Competition for scarce water resources remains intense, although tensions between Uzbekistan and its upstream neighbours have eased since 2016.
Support efforts to facilitate trade through more efficient customs procedures	●	According to the World Bank's Ease of Doing Business ranking, Central Asian countries have improved their customs procedures, but are still among the most difficult countries in the world for cross-border trading.
Support anti-corruption efforts	●	Since 2007, Central Asian countries have only marginally improved their ranking on Transparency International's Corruption Perceptions Index , and remain among the world's most corrupt countries.

Progress on the initiatives proposed in the 2007 strategy has been uneven. The EU's most obvious success has been the development of closer diplomatic relations with the region. However, in many areas (human rights; anti-corruption; economic diversification) there has been little change for the better. As these depend on factors that are largely outside the EU's control, the disappointing lack of results can hardly be blamed on the strategy. On the other hand, modest improvements, such as Kazakhstan's judicial reforms or its renewable energy programme, may indicate that EU engagement is slowly helping to bring about a change of mind-set on some issues.

The 2007 strategy has often been [criticised](#) for spreading limited resources across an overly broad range of priorities, and for approaching Central Asia as a single region rather than five separate countries with very different needs. However, a distinction needs to be drawn between the strategy, whose role is to provide a broad framework for EU action in the region, and programming of development aid, which follows a more targeted approach, selecting a much more limited number of priorities for each country from within that framework.

A new strategy for 2019

Although the priorities set out in 2007 are still relevant, a new strategy is needed to take account of recent developments in the region. Since 2016, [Uzbekistan's](#) more conciliatory foreign policy and bold domestic reforms have opened the door to more regional cooperation on shared challenges in Central Asia as well as closer engagement with the EU. A second major factor is China's growing influence in Central Asia, and the need to respond to its Belt and Road Initiative. With regard to security issues, Central Asian nationals have perpetrated deadly terrorist attacks in Europe and elsewhere and fought alongside ISIL/Da'esh in Iraq and Syria, highlighting the [urgency](#) of addressing the long-standing threat of radicalisation. Awareness is also growing of the role that Central Asia could play in helping to stabilise Afghanistan.

The process of drawing up a new strategy was launched in 2017, when the Council of the EU [asked](#) the EU High Representative and the Commission to present a proposal for a new strategy by the end of 2019. Following consultations with Central Asian governments and other stakeholders, the Commission and Council are now expected to approve a text in spring 2019, in time for the annual meeting of the High Representative and five Central Asian foreign ministers, which is likely to take place in mid-2019.

Connectivity in the spotlight – responding to the Belt and Road Initiative

While most of the issues described in 2007 are likely to remain in the new strategy, the emphasis given to each area will probably change in line with recent developments. Responding to China's Belt and Road Initiative, it has become essential for the EU to develop its own approach to connectivity. While the 2007 strategy already emphasises energy and transport links, EU initiatives in this area have been overshadowed by Chinese investments.

The new strategy is likely to build on EU High Representative Federica Mogherini's September 2018 [definition](#) of connectivity as 'the physical and non-physical infrastructure through which goods, services, ideas and people can flow unhindered', as well as the EU's [document](#) from the same month on 'Connecting Europe and Asia'. Responding to some of the concerns about BRI projects, the latter document emphasises the need for transparently managed, sustainable connectivity that is economically viable, good for the environment, and does not leave partner countries with unmanageable debts. In contrast to China's focus on infrastructure, the EU calls for a broader approach that also includes non-physical aspects, such as promoting people-to-people contacts and dismantling regulatory barriers.

Despite differences, EU and Chinese approaches to connectivity are complementary rather than competing. The EU does not have the same financial resources to invest in Central Asian infrastructure as China, but it does have considerable expertise in many other connectivity-related fields, for example promoting the free movement of people, goods and services or enabling educational exchanges. Ideally, EU and Chinese efforts should be coordinated wherever possible; this is the aim of an [EU-China Connectivity Platform](#) launched in 2015. Among other things, the platform will do so through a forthcoming study on rail corridors between China and Europe, identifying bottlenecks and looking at joint solutions to ensure sustainability.

Afghanistan – a new priority for Central Asia

Barely mentioned in the 2007 strategy, Afghanistan is likely to feature much more prominently in the 2019 version. In the past, the five countries of ex-Soviet Central Asia have often seen their southern neighbour as a threat to regional stability; however, the emphasis is gradually shifting to opportunities. For example, Afghanistan is set to become a transit country for the [TAPI pipeline](#) and CASA-1000 power line, aimed respectively at bringing Turkmen gas and Tajik/Kyrgyz hydroelectricity to South Asia. Uzbekistan is helping to build a new [railway](#) in Afghanistan, which

could eventually link up with the Iranian railways, thus providing Uzbek exports with an overland route to the Persian Gulf. As well as being a potentially vital transit country, Afghanistan also offers economic opportunities in its own right; for example, it is already Uzbekistan's [sixth-largest](#) export market.

Afghanistan also stands to benefit from closer links to Central Asia. For example, [TAPI](#) and [CASA-1000](#) are expected to generate over US\$400 million in transit fees annually. Uzbekistan has started to play an active role in the Afghan peace process: after the March 2018 Tashkent [conference](#) on Afghanistan, it offered to host peace talks between the government and Taliban rebels.

EU development aid and Central Asia-Afghanistan links

Although the EU manages most of its development aid for Central Asia separately from Afghanistan, recently there has been a tendency to link the two, in line with growing Central Asian interest in the country. For example, from 2020 on it is planned to merge and substantially increase the funding for BOMCA and BOMNAF, the two currently separate border management programmes for Central Asia and northern Afghanistan. At the same time, the EU has [pledged](#) €2 million of funding in support of a Kazakh educational programme for Afghani students. The EU is also providing [technical assistance](#) to the Afghan Railway Authority, among other things to facilitate cooperation with Uzbekistan on a new rail route.

European Parliament position: in its [resolution](#) of April 2016 on the implementation and review of the EU-Central Asia strategy, the EP agrees that the EU has an interest in strengthening its relations with all the Central Asian countries, but feels that little progress has been made in achieving the goals of the 2007 strategy, such as improved human rights. For the EP, the priorities of the 2007 strategy are still relevant, but a more tailored approach is needed, taking into account the specific features of each country, and making EU funding conditional on better performance.

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