



EU-Central Asia Economic Forum

Joint press statement

November 5, 2021 in Bishkek

On the occasion of the first in-person European Union-Central Asia Economic Forum **with particular attention to green recovery, digitalisation and better business environment** and in line with the EU strategy on Central Asia, which focuses on **promoting resilience, prosperity, and regional cooperation**, the participants reaffirmed their firm commitment to strengthen the EU-Central Asia cooperation to support transformation of the economies of Central Asia into diversified and competitive private-sector driven economies that can create jobs, integrate in regional and global value chains, and provide opportunities and a level-playing field for all economic actors, as well as help Central Asian states build back better.

To that end, and taking into account the three priority areas of the Forum, participants:

- Recognised the devastating economic and social harm brought by the COVID-19 pandemic and acknowledged the significant EU support under the Central Asia COVID-19 Crisis Response Programme and direct EU assistance provided through the Regional Indicative Program for Central Asia for 2021-2027.
- Welcomed continuous EU support to Central Asian states via European financial institutions through the EU's blending facilities, technical assistance and guarantee instrument.

On transition to a green recovery

- Expressed concerns about the effects of climate change on water, energy resources in Central Asia, which threaten sustainable development of the region.
- Welcomed commitment of Central Asian governments expressed in their national determined contributions to reduce emissions, while also noting that this is important for the health of Central Asia's people, affirmed readiness to continue joint fighting against climate change and stressed the importance of preservation of biodiversity.
- Acknowledged Central Asia's potential to generate clean and climate neutral renewable energy and the need to develop and adopt policies that ensure transition to a net-zero-emissions economy, attract investments in renewable energy sources, encourage emissions-reducing innovations and enable/facilitate intra-regional trade in sustainably generated electricity.
- Recognized the need to attract green and climate finance for the implementation of green and climate-resilient projects by sectors of the economy for the progressive transition of Central Asian states to a green economy.
- Highlighted the green investments and dialogue opportunities created by the EU Strategy on Central Asia, the EU-funded Central Asia Water and Energy Programme and Enhanced Regional Co-operation on Environment, Climate Change and Water Programme, SWITCH-Asia, which can support Central Asia's shift to sustainable consumption and production, and also the Investment Facility for Central Asia, which promotes investment in renewable energy and the

management of household and industrial waste. Also welcomed the implementation of Sustainable Energy Connectivity in Central Asia programme.

On digitalisation

- Recognised that progress in digitalisation is imperative in increasing efficiency and transparency in the public administration system, increasing the level of citizens' involvement in the state and municipal decision making processes and competitiveness of private sector. To that end stressed the EU's valuable experience and expertise that can greatly facilitate Central Asia's digital transformation.
- Welcomed the adoption of national digital strategies by all Central Asian states and noted the progress of recent reforms, particularly in e-government, before and during the pandemic. Stressed the need to develop action and interoperability plans to accompany these strategies, as well as to adopt enabling policies to attract investments in resilient and secure ICT infrastructure, including cross-border infrastructure.
- Reiterated the need to improve quality and coverage of digital infrastructure and increase internet penetration to ensure inclusive access and education opportunities as well as for all citizens and businesses, especially in rural areas, thus strengthening cohesion and reducing digital gap and regional disparities.
- Stressed the importance of initiatives to improve digital infrastructure, like the World Bank's Digital CASA and the EU's support and welcomed the development of a high-performing digital education ecosystem, which is the first strategic priority of the EU's Digital Education Action Plan for 2021–27, and which will be soon piloted in Central Asia.
- welcomed the exchange of experience between the EU and Central Asian countries in the field of digitalization in such sectors as public and municipal services, economy, education, etc.

On creation of a sound business environment

- Affirmed that a healthy business climate is essential for increasing employment and diversifying production and mutual exports, including exports of manufactured goods, to facilitate connectivity between the EU and Central Asia and make growth more sustainable and inclusive. Participants stressed the necessity to continue working together on reforms improving the business climate in Central Asia, via for instance the EU Central Asia Invest Programme, including the OECD policy component.
- Anticipated further strengthening of EU and Central Asia trade relations and welcomed the new EU Ready4Trade programme, acknowledging its beneficial impact on region's businesses and in particular small and medium enterprises (SMEs). Recalled that further efforts are needed to increase export-readiness and competitiveness of SMEs.
- Acknowledged the interest of the GSP-qualifying Central Asia states in continuing to benefit from GSP or GSP+ preferences after the reform of the system. All participants called for further strengthening of the trade and economic cooperation between the EU and Central Asia by promoting diversification of trade between the parties, and by strengthening integration of Central Asia states into the international trading system, which would further increase investment attractiveness of Central Asia countries as well as boost their international image.

- Recognised the importance for the facilitation and growth of trade via harmonising regulations, technical standards, and customs regimes on the basis of international and EU standards and practices, in the context of implementation of the WTO and bilateral Enhanced Partnership and Cooperation Agreements' commitments and continued inter-and intra-regional dialogue.
- Reiterated the need for reforms that would be conducive to private sector and in particular SME development and formalisation, especially in the area of taxation, increased legal certainty, efficacy of the judicial system and the strengthening of business-to-government dialogue. Stressed the need to reduce red tape and streamline regulatory compliance to minimise bureaucratic burden and cost implications for the private sector.
- Confirmed that further progress is needed to improve corporate governance, support market-orientation and, where appropriate, privatisation of State Owned Enterprises so as to enhance competition, increase productivity, promote entrepreneurship, and contribute to sustainable economic growth.

A look into the future

Participants agreed that the Forum gives an impetus for a regular follow-up and review of progress in each of the three priority areas and that close intra-regional co-operation will be imperative in the successful implementation thereof.

Recognized that the Forum created the conditions for the development of a common innovative economic response to COVID-19, as well as allowed for facilitating the implementation of the EU Strategy for Central Asia and contributed to transformation to green economy.

The report, which will be prepared following the Forum, will take note of the discussions for future occasions.