



## EUROPEAN UNION'S ENGAGEMENT WITH KYRGYZSTAN: A BRIEF OVERVIEW

The European Union (EU) has always been an active actor in the Central Asian region. Since the early independence years, the EU supported the region with its technical assistance (TACIS) and later with its Development Cooperation Instrument (DCI). In 2007, the EU enacted its first Central Asia strategy that defined overall objectives of cooperation, political dialogue and included seven priority areas of cooperation. In 2019, the European Commission adopted a renewed Central Asia strategy, which reaffirmed the EU's commitment to continuous cooperation with Central Asia as a region of strategic importance for the EU policy. The 2019 strategy has three major pillars that bring a new set of EU policies and instruments to advance the partnership between the EU and the Central Asian states.

Within the current strategy, a new-generation Enhanced Partnership and Cooperation Agreement (EPCA) is defined as a cornerstone of the EU's engagement with the region. In 2019, negotiations on the EPCA with Kyrgyzstan were finalized, which demonstrate the degree of engagement between the EU and Kyrgyzstan. Moreover, the relatively quick negotiations, which lasted between December 2017 and June 2019 in seven rounds of talks in comparison with usual multi-year discussions, also speak about the enthusiasm for boosting the cooperation.

In fact, the impact of the EU's comprehensive support in the Central Asian region is well evident in Kyrgyzstan. Being a long-time beneficiary of the EU's development assistance, Kyrgyzstan established close connections with the EU both at strategic and people's level. Through its assistance and democracy promoting activities, the EU contributed to the political, economic, and social development of Kyrgyzstan.

However, the political turbulence that Kyrgyzstan has been experiencing during recent years, has hindered the bilateral relationship. Recent developments such as expected constitutional reforms and pending early presidential elections hamper the implementation of planned activities. In particular, discussions of the new multi-year cooperation program for 2021-2027 between the European Union and Kyrgyzstan were postponed until the end of the parliamentary elections next year. Similarly, the planned allocation of 6 million euros for digitalization in 2019 has been put off until 2021. Nevertheless, the EU granted 36 million euros to support economic macro stability and social security of the country. For Kyrgyzstan, a low-income country facing an eco-

nomics crisis caused by the pandemic in addition to existing political tensions, the EU's financial assistance is substantial.

Intrinsically, the European Union has been providing continuous support for Kyrgyzstan's development. The EU has created several programs aimed at Kyrgyzstan's prosperity using bilateral and regional approaches. The Multi-Annual Indicative Program (MIP) for 2014-2020 with a 184 million euro budget is the main bilateral DCI mechanism of assistance in Kyrgyzstan. The program is focused on three key areas, namely the rule of law, education, and integrated rural development. In line with the EU's Rule of Law Initiative for Central Asia, which aims to facilitate policy dialogue and promote the measures needed to encourage and support legal and governance reforms in Central Asian states, the EU has been promoting the rule of law and judiciary reforms in Kyrgyzstan. In the framework of the project, assistance has been provided for the implementation of the e-justice system, reformation of the election framework, promotion of human rights, as well as the rule of law. The education sector, including both general and vocational education, is also in need of reform in Kyrgyzstan due to poor quality and delivery conditions. With the EU's financial support worth almost 72 million euros, the MIP has been working to increase human capital by assisting the transformation of the education system of Kyrgyzstan, including the Vocational Education and Training (VET) system. Since the level of poverty remains among the crucial issues of Kyrgyzstan and 66% of the poor people live in the rural areas, the EU directed another 72 million euros to support the rural infrastructure projects and establish a relevant national strategy to solve rural problems. Overall, the MIP attempts to stimulate the socio-economic development of the country and to facilitate the improvement of the quality of life in Kyrgyzstan.

In addition to bilateral assistance, Kyrgyzstan benefits from the EU regional programs. In particular, in 2011-2018, the Investment Facility for Central Asia, which attracts investments to the region, allocated about 130 million euros to Kyrgyzstan in the form of grants, in addition to loans issued by international financial institutions. These grants were mainly distributed in the water supply, wastewater services in urban areas, energy efficiency and SME support sectors. As border security remains a critical issue for the stability of the entire region, the EU has established the Border Management Programme in Central Asia (BOMCA), to strengthen border security, combat illegal

trafficking and facilitate intra-regional trade. Launched in 2003, the program had successfully implemented nine phases that ended in 2019 (continuing with Afghanistan only), which promoted the capacity building of border personnel, improved border management systems and boosted trade corridors. Although the program had a regional approach, Kyrgyzstan and Tajikistan were the major recipients of funds for supplying their checkpoints with specialized equipment and training border personnel. Assistance through the EU thematic instruments also contributes to the development of Kyrgyzstan. The Instrument contributing to Stability and Peace, the European Instrument for Democracy and Human Rights, the Civil Society Organizations and Local Authorities Programme and Erasmus+ are programs that have also been working to support the democratization of society and advance the capacity building of people of Kyrgyzstan.

In addition to development cooperation, the EU has granted Kyrgyzstan a GSP+ (Generalized Scheme of Preferences) status in 2016, which stimulated the export of Kyrgyz goods to the EU market by providing preferential access through removing duties on certain goods. With the signing of the EPCA, before the EU Member States ratify the agreement, it will be possible to provisionally implement the trade related part of the agreement, which would secure more opportunities for investment and trade between the EU and Kyrgyz companies.

Overall, the EU's support to Kyrgyzstan through its financial assistance and capacity building activities has undoubtedly helped the development of Kyrgyzstan significantly. However, despite the huge instrumental assistance of the EU to support Kyrgyzstan's growth, the implemented projects and programs have yielded mixed results. Weak governance, widespread corruption, clan struggles, tensions between ethnic minorities, border clashes and poor socio-economic conditions impact the implementation of the EU's efforts. Yet, if on one hand the EU's instruments are assessed as ineffective due to the country's blurred democratization process, on the other hand, the sustained open and active civil society demonstrates that the efforts were not in vain. Moreover, the EU's much-needed sectoral support to Kyrgyzstan's budget, as well as capacity-building projects, have had a huge impact on supporting the development of Kyrgyzstan.

## Politics, Foreign Affairs, and Security

- President 10 December 2020 Azerbaijan held a military victory parade at the Azadliq Square in Baku devoted to the completion of Azerbaijan's recent military success in liberating its territory in Nagorno-Karabakh. President of Turkey, Recep Tayyip Erdogan, attended the parade. While addressing the ceremony, he vowed that Turkey and Azerbaijan would continue to cooperate to develop the liberated lands. Turkish soldiers also participated in the victory parade (Hurriyet Daily News, 10.12.2020).
- Acting President, Speaker of the Parliament of Kyrgyzstan, Talant Mamytov, visited Russia and held a meeting with the Chairman of the Russian State Duma, Vyacheslav Volodin. The parties discussed comprehensive cooperation between the countries, including a high level of inter-parliamentary partnership. Talant Mamytov proposed to update joint events within the framework of the Cross Year of the Kyrgyz Republic and the Russian Federation and asked to consider the possibility of increasing the number of regular air and rail traffic (24.kg, 08.12.2020).
- President of Russia, Vladimir Putin, signed a package of legislation, giving Russian constitution precedence over international law. As a result, amendments were introduced in several Russian codes and 115 Russian laws. Andrey Klishas, the Chairman of the Russian Federation Council Committee on Constitutional Legislation and State Building, explains that Russia consistently abides by ratified international treaties. However, Russia's legislation will outlaw implementation of decisions taken by international organizations that run counter to the Russian constitution (TASS, 08.12.2020).
- During consultations held between foreign ministries of Ukraine and Tunisia, the diplomats discussed the issue of obtaining observer status in the Organization of Islamic Cooperation (OIC) for Ukraine. The issue was raised by Ukrainian diplomats and the consultations were held at the level of heads of structural units. The Ukrainian side expressed hope that Tunisia would help Ukraine to implement the initiative at the UN (Ukrinform.net, 12.12.2020).
- The UN General Assembly approved a resolution on Afghanistan, which welcomes the progress in the interstate meeting calling for an immediate end to the violence by a majority of the votes. 130 out of 193 member states voted in favor of the resolution and 59 countries abstained from voting. The four countries that voted against the resolution were Russia, China, Pakistan and Belarus. The document reiterates the commitment of the UN to preserve the sovereignty, independence, territorial integrity and national unity of Afghanistan (Indianexpress.com, 11.12.2020).
- President of Uzbekistan, Shavkat Mirziyoyev, held an online meeting with the Prime Minister of India, Narendra Modi. The two leaders discussed a wide range of issues of bilateral interest such as regional political dialogue and security, enhancing bilateral trade and investment, cooperation in education, cultural and humanitarian spheres, etc. The sides signed a number of bilateral documents and adopted a Joint Statement on Close Friendship and Strong Partnership between Uzbekistan and India (Uzdaily.uz, 11.12.2020).

## Economy, Finance, and Energy

- Minister of National Economy of Kazakhstan, Ruslan Dalenov, participated in a government session, where he reported that regions of the country attracted more than 10 trillion tenge (23.87 billion dollar) in fixed capital investments. Investments in 13 regions of Kazakhstan increased, while Turkestan region and Shymkent city became top destinations due to the booming construction sector. According to Dalenov, to date, supply of housing equaled 12.1 million square meters, which exceeded the same period last year by 9.3% (Kazinform, 10.12.2020).
- Head of the Central Bank of Russia, Elvira Nabiullina, gave an interview to Bloomberg, where she reported that the regulator expects inflation in Russia to be at 4.5% at the end of the year. According to the research and forecasting department of the Bank of Russia, in November 2020, annual inflation exceeded 4%. The Bank of Russia predicts that the inflation will begin to decline only in the middle of the first half of 2021 (TASS, 10.12.2020).
- Belarus is interested in increasing bilateral trade in agricultural and food products with countries of the Commonwealth of Independent States. During January-October 2020, trade turnover between the parties amounted to \$5.8 billion. Recently, member countries of the CIS held the 33<sup>rd</sup> session of the Intergovernmental Council on Agriculture and Food, where the participants discussed the process of integrating the information systems in phytosanitary control and considered a plan of priority measures of cooperation in agricultural engineering (BelTA, 11.12.2020).
- Uzbekistan is in the process of implementation of a project on renewal of the fleet of locomotives with assistance of the Asian Development Bank (ADB). Recently, the country received the first batch, consisting of four units of modern and powerful freight and cargo-passenger locomotives from China. Uzbekistan plans to purchase 30 modern electric locomotives. For the implementation of the project, the ADB approved \$170 million in 2019 and allocated additional \$35.4 million in 2020 (Uzdaily, 11.12.2020).
- The World Bank supports Ukraine to overcome consequences of the economic shocks induced by the pandemic. The bank forecasts a growth in poverty rate, which will increase by 4% and reach 23% by the end of 2020. As a result, the World Bank will allocate an additional \$300 million loan to Ukraine within the Social Safety Nets Modernization Project. The first loan worth \$150 million under the project was approved on April 30<sup>th</sup>, 2020 (Ukrinform, 12.12.2020).
- According to the Asian Development Bank's Tajikistan Resident Mission, the country needs to accelerate private sector growth by creating a stable financial system, increasing access to financial services, and improving fiscal management. To assist Tajikistan, the ADB has approved a \$50 million policy-based grant under the Financial Sector and Fiscal Management Improvement Program, implementation of which would contribute to achieving more sustainable and inclusive economic growth (Kabar, 10.12.2020).

## Society and Culture

- Abai's bust was installed in the newly-opened Kyrgyz-Kazakh cultural center in Bishkek. The opening ceremony of the cultural center was attended by Kyrgyz and Kazakh diplomats and high-ranking officials from ministries of culture of the both countries. The main goal of the center is to popularize the culture, art, traditions and history of Kazakhstan and Kyrgyzstan (11.12.2020, Akipress.org).
- The report of the UN Children's Fund – UNICEF called "Analysis of the situation of children in Uzbekistan" has evaluated the nutrition of children in Uzbekistan as unsatisfactory. According to the report, 9% of children in Uzbekistan have symptoms of chronic malnutrition. 15% of Uzbek children under the age of five are diagnosed with anemia, more than 50% of them are diagnosed with iron deficiency and 6% with vitamin A deficiency, which cause symptoms of developmental delay (Centralasia.media, 08.12.2020).
- The International Turkic Academy celebrated its tenth anniversary. In honor of the event, the management of the organization met with the representatives of well-known mass media to sum up the year. President Darkhan Kydyrali as well as other members of the management of the International Turkic Academy summed up the work and achievements of the Academy over the past ten years and told the media about its future plans (Inform.kz, 11.12.2020).
- Acting Mayor of Bishkek, Balbak Tulobayev, held a meeting with the Ambassador of Uzbekistan to Kyrgyzstan, Khurshid Mirzakhidov. The sides discussed the issues of further development and cooperation between the two capital cities of Bishkek and Tashkent. The parties also expressed their willingness to cooperate in areas such as trade, investments, as well as cultural and humanitarian assistance (Kabar.kg, 11.12.2020).
- Postage stamps dedicated to the 175<sup>th</sup> anniversary of the great Kazakh poet, writer and philosopher Abai, and the 135<sup>th</sup> anniversary of the outstanding Azerbaijani composer and musicologist Uzeyir Hajibayov were issued in Spain. Postage stamps depict samples of creative work by Abai Kunanbay and Uzeyir Hajibayov, as well as musical instruments of the Turkic world. The issue of stamps was made possible thanks to the support of the International Turkic Culture and Heritage Foundation and the Embassy of Azerbaijan in Spain (Azertag.az, 11.12.2020).
- The UN and the EU launched the Spotlight Initiative Regional Program against gender-based violence for Central Asia and Afghanistan. Funded with an approved budget of \$4.3 million, the program is aimed at combating sexual and gender based-violence against women in the region. The initiative will focus on developing alliances in the region around legislative reforms, setting social norms and attitudes, strengthening civil society and women's movements (reliefweb.int, 08.12.2020).