



EUROPEAN UNION AND TAJIKISTAN: ASSISTANCE FOR PROSPERITY

Tajikistan occupies a special role in the European Union's (EU) policy in Central Asia. Being a low-income country that is prone to climate change and natural disasters, Tajikistan is the largest recipient of development aid from the EU countries in the region, which according to estimates accounts for over 40% of the global total overall development assistance of the EU Member States. The paper, while recognizing the EU's strategic role in the Central Asian region both in maintaining bilateral and multilateral ties, focuses on its engagement with Tajikistan. The EU's policy with Tajikistan is framed under the EU's Central Asia strategy that was renewed in 2019, replacing that of 2007. Based on the strategy, Tajikistan along with other Central Asian states advanced their positions in the EU's external policy, whereas the EU's engagement with the region became more instrumental and progressive. The bilateral relations between the EU and Tajikistan are governed by the Partnership and Cooperation Agreement (PCA), which has been in effect since 2010. Although Tajikistan bid for initiating negotiations on the Enhanced Partnership and Cooperation Agreement (EPCA) like other Central Asian states in accordance with the EU strategy, the discussions did not start yet. In terms of economic cooperation, Tajikistan conducts its trade with the EU through the Generalized System of Preferences (GSP) scheme, which allows exporting to the EU with reduced tariffs, whereas negotiating to obtain a GSP+ status with more preferential tariffs has been continuing. The last (ninth) meeting of the EU-Tajikistan Cooperation Council held on February 19, 2021, emphasized the positive development of bilateral relations, which would contribute to enhancing existing ties between the EU and Tajikistan, including the aspired negotiations.

As for practical cooperation, despite the substantial progress in reducing poverty, Tajikistan remains the poorest country in the Central Asian region and Europe. Furthermore, due to the consequences of a pandemic that declined the overall growth and remittances together with increased prices, Tajikistan faces significant risks to its economy. Tajikistan also remains highly dependent on remittances, which in some years exceeds 40% of GDP – among the highest in the world. The reason lies in limited economic opportunities of the country, poverty, and unemployment that forced them to search for opportunities for survival in neighboring countries. For instance, in 2017, according to an EU report, Tajikistan's GDP was composed of contributions from remittances up to 30.73%, 29.09% of government revenues, and 5.24 % of Offi-

cial Development Assistance (ODA), including 0.72% of ODA only from EU member countries. Therefore, the primary interest of the EU in Tajikistan is in assisting the socio-economic development of the country through its Development Cooperation Instruments (DCI), which has a substantial impact on the economy of Tajikistan. In fact, EU institutions were the third-largest donor of Tajikistan with US\$38.85 million of ODA expenses during 2018-2019. 28% of these expenditures were spent on improving the economic infrastructure of the country, 27% for social infrastructures, 17% for healthcare, 11% for education and other purposes.

Generally, the EU's development aid to Tajikistan is outlined in the Multi-Annual Indicative Programme (MIP) for 2014 – 2020, which has three major areas of support as health, education, and rural development worth €251 million. The MIP aims to reduce the poverty level and improve the quality of socio-economic conditions of Tajikistan by institutionalizing the policy cycle and strengthening the government efforts, along with supporting the development of infrastructure in socially significant facilities.

In particular, health is defined as an essential sector for support with €62.2 million, sharing 24.5% of the total MIP budget. Due to high population growth rates and poor health infrastructure, Tajikistan lags other Central Asian states in providing decent healthcare, whereas the expenditures for public health are the lowest in the region. The EU attempts through its DCI to strengthen governance and leadership in the health sector that would contribute to poverty reduction and improvement of health infrastructure. Overall, the EU institutions already provided support for around 63% of all primary health care facilities in Tajikistan.

For supporting education and vocational education and training (VET), the EU institutions provided €75 million during the MIP implementation phases. Through the funding, the EU aspires to improve the quality of education and VET, and its engagement with the Ministry of Education and Science and the Ministry of Labour, Migration, and Employment of the Population aims to transform the overall quality of education and vocational training by conducting reforms. It also contributes to improving the capacity of youth in the labor market, since over 50% of the population of Tajikistan are under the age of 24, while the pace of job creation has not kept pace with population growth.

Being an agrarian country with over 73% of the population living in rural areas, rural development is essential for the social wellbe-

ing of Tajikistan. However, the rural economy suffers from poorly developed infrastructure, insufficient investment, limited access to finance and supply chains, and many other issues, therefore the level of poverty among the rural population is still significant. In order to eliminate poverty in the rural areas, the EU's DCI instruments were developed, particularly in water management, agricultural productivity and market efficiency, development of agricultural services, supply chain, as well as horizontal activities as capacity building and institutional development at various levels that aim to contribute to the overall development of rural areas. The EU also assists in mitigating the causes of environmental degradation, as well as climate change consequences, because Tajikistan is the most vulnerable country in the region to the impacts of climate change, including natural disasters. For this purpose, the EU allocated €110 million that is 43.8% of all MIP budget.

Apart from the MIP, the European partners conducted a joint analysis in order to synchronize efforts in key sectors and align their position around the National Development Strategy (NDS) and its mid-term reports from 2021 onwards. Tajikistan also works within the EU roadmaps for engagement with civil society 2018-2020, where the focus is outlined on contributing to enhance the role of CSOs, decreasing the gap between urban and rural CSOs, as well as on enlarging cooperation on human rights.

At the same time, the EU has been contributing through its regional programs, such as Border Management Programme in Central Asia (BOMCA), Central Asia Drug Action Programme, Water in Central Asia (CAWa) program, Erasmus+ opportunities, and others.

Bordering with Afghanistan involves additional security implications for Tajikistan. According to the EU's Central Asia strategy, the strong cooperation between Central Asia and Afghanistan was delineated as a new parameter for promoting peace in the region, whilst Afghanistan was included in the programs and projects with the Central Asian focus. By deepening the dialogue between Central Asia and Afghanistan, along with coordinating joint projects, the EU intends to contribute to maintaining peace in Afghanistan and its borders. Tajikistan's role in this process is vital.

Overall, the EU's policy in Tajikistan although is considered modest in comparison to other Central Asian partners, the impact of the EU's assistance for Tajikistan is substantial. By supporting the reform processes in Tajikistan, the EU contributes to improving the socio-economic conditions of people, as well as endeavors to reveal the full potential of trade and investment opportunities of Tajikistan.

Politics, Foreign Affairs, and Security

- The First Deputy Minister of Foreign Affairs of Tajikistan Khusrav Noziri and Special Representative of the Ministry of Foreign Affairs of Japan for Central Asia Shuichi Tokuda had an online meeting, where they discussed issues of political and economic cooperation. The representative of Japan proposed to implement Tajikistan projects of the Japan International Cooperation Agency. They also expressed their interest to strengthen regional cooperation using the "Central Asia + Japan" framework (Asia-Plus, 12.03.2021).
- The President of Kazakhstan Kassym-Jomart Tokayev received the CSTO Secretary General Stanislav Zas, who visited Nur-Sultan on a working visit. The meeting took place at the Akorda Residence of the Head of Kazakhstan. During the meeting, Stanislav Zas informed about the preparation of a draft Action Plan dedicated to the 30th anniversary of the signing of the Collective Security Treaty and the 20th anniversary of the CSTO. The sides also discussed the military-political situation in Central Asia, assessing potential threats and discussing measures of preventing them (Odkb-csto.org, 10.03.2021).
- The President of Kyrgyzstan Sadyr Japarov recently visited Uzbekistan, where he had a meeting with his Uzbek counterpart Shavkat Mirziyoyev. The parties discussed a wide range of issues including trade barriers, water and energy cooperation, border issues, education and healthcare. The Presidents set several important goals. They agreed to increase the number of joint ventures to 50, to create a joint fund, and to increase bilateral trade to \$2 billion. President Japarov also invited his counterpart to Kyrgyzstan (24.kg, 11.03.2021).
- The Ministers of Foreign Affairs of Turkey Mevlut Cavusoglu visited Kyrgyzstan and had meetings with the President of Kyrgyzstan Sadyr Japarov and the Minister of Foreign Affairs Ruslan Kazakbayev. The sides discussed a wide range of bilateral issues stressing the need to implement significant bilateral projects in various fields. The parties also agreed to make every effort to bring the joint trade turnover to \$1 billion (Kabar.kg, 10.03.2021).
- Mongolia held its first annual political dialogue with the EU, which is another step in deepening a comprehensive partnership. The dialogue was held online with the participation of several high-ranking officials from both sides. Mongolia reiterated its commitment to democratic principles, multilateralism and a rules-based international order. The parties discussed the importance of connectivity between Europe and Asia, cooperation in energy, transport and achieving sustainable economic growth (Central Asia.media, 12.03.2021).
- The Minister of Foreign Affairs of Azerbaijani Jeyhun Bayramov met with his Hungarian colleague Peter Szijjarto. The sides exchanged views on cooperation in different fields and discussed issues of cooperation within international organizations. The Hungarian Minister reiterated Hungary's support for Azerbaijan's independence, and territorial integrity within its internationally recognized borders. Following the meeting, the sides signed a Memorandum of Understanding on cooperation in the field of information and documentation (Azertag.az, 10.08.2021).

Economy, Finance, and Energy

- Authorities of Kazakhstan launched a draft order to increase electricity tariffs. They explain their decision by higher costs to purchase fuel and equipment. Moreover, revenues of companies decreased last year due to the pandemic and electricity consumption dropped by 7%. Therefore, higher tariffs are needed for revenue compensation and further development of the sector by constructing new power plants and improving older ones. Increasing needs of the economy require new capacity as Kazakhstan expects power shortage from 2023 (Qazaq TV, 09.03.2021).
- Recently, a Turkish company Aksa Enerji announced its plans to build two additional natural gas plants in Uzbekistan. The company will invest \$450 million into each project. In general, the company's plan includes the construction of 240 and 230 MW combined-cycle power and gas-piston power plants in the Tashkent region, and a 270 MW gas-piston power plant in the Bukhara region. Energy sales from the Bukhara plant will be based on a guaranteed capacity payment scheme (UzReport, 10.03.2021).
- According to the Committee on Economic and Fiscal Policy of Uzbekistan, the country plans to provide financial assistance to Kyrgyzstan through the creation of the Kyrgyz-Uzbek Development Fund. For this purpose, Uzbekistan will allocate \$50 million. The fund will finance various economic projects in Kyrgyzstan. The Board of Directors, consisting of three representatives from Uzbekistan and two from Kyrgyzstan, will govern the fund. Deputies have already approved the corresponding agreement (24.kg, 09.03.2021).
- The President of Turkey, Recep Tayyip Erdogan recently, announced that the construction of the fourth power unit of the country's first Akkuyu nuclear power plant would take place in 2022. It will consist of four power units with a capacity of 1200 MW each. Full completion of the project will allow generating about 35 billion kWh annually. The Akkuyu will account for 10% of Turkey's electricity supply and create at least 4000 jobs (TASS, 11.03.2021).
- The World Bank continues to provide financial assistance to Tajikistan. The country's parliament unanimously voted for ratification of the agreement, according to which the World Bank allocated an additional \$36.5 million grant for rehabilitation of the second phase of the Nurek hydroelectric power plant. The plant satisfies 50% of the country's total energy demand. For the rehabilitation of the first phase of the plant, Tajikistan attracted more than \$325 million from international development institutions (Asia-Plus, 11.03.2021).
- Ukraine actively attracts loans and investments from international financial institutions for the implementation of different projects. According to the country's Finance Ministry, a total number of joint projects equaled 40 as of March 1, 2021. For these joint programs, Ukraine attracted loans worth €5.66 billion and \$3.09 billion. The country has already disbursed \$1.73 billion and €1.69 billion. Ukraine plans to implement additional 18 investment projects and attract \$590 million and €2.15 billion from the same sources (Ukrinform.ua, 11.03.2021).

Society and Culture

- The Secretary-General of the Cooperation Council of Turkic-speaking States (CCTS) Bagdad Amreyev met with the President of Kazakhstan Kassym-Jomart Tokayev. During the meeting, Secretary-General Bagdad Amreyev informed the Head of State about the activities and development prospects of the Turkic Council. While discussing the cooperation between the Turkic States, President Tokayev noted the importance of creating the Turkic Investment Fund, which will contribute to the development of cooperation between small and medium-sized businesses of the CCTS member countries (Inform.kz, 11.03.2021).
- Turkey and Uzbekistan agreed to open a branch of Bahcesehir University in Uzbekistan. The agreement was reached during the meeting of the Minister of Foreign Affairs of Turkey Mevlut Cavusoglu with his Uzbek counterpart Abdulaziz Kamilov. Apart from that, the Ministers discussed promising aspects of mutually beneficial bilateral relations in various spheres of life of the two states, including joint events planned for 2021 (Centralasia.news, 10.03.2021).
- UNESCO will allocate \$435,000 for the professional development of teachers in Uzbekistan. This was announced during the videoconference meeting of the Scientific Project Management Committee "Adapting and scaling teacher professional development approaches in Uzbekistan". Within the framework of the project, the advanced training program will involve more than 600 teachers from 150 schools in different parts of Uzbekistan throughout 2020-2022 (kabar.kg, 13.03.2021).
- The State Committee of the Republic of Uzbekistan for Tourism Development and the Ministry of Sports and Tourism of the Republic of Belarus signed an agreement on cooperation in tourism. The sides agreed to cooperate in promoting tourism products, exchanging information and sharing experience in the field of tourism. The interdepartmental Agreement is believed to give a new impetus to bilateral relations between Belarus and Uzbekistan and strengthen the legal framework in the field of tourism (Uzdaily.uz, 10.03.2021).
- The Kyrgyz-Kazakh cooperation in the field of culture and sports were discussed at the meeting of the Ministers of Culture and Sports of Kyrgyzstan Kairat Imanaliev and his Kazakh counterpart Aktoty Raimkulova in Bishkek. The meeting was also attended by several high-ranking officials from both countries. The delegates discussed priority projects and expressed readiness for cooperation in the field of culture and sports between the two countries (E-cis.info, 12.03.2021).
- A book entitled "Azerbaijan on the Silk Road" was published in English and Russian by the International Turkic Culture and Heritage Foundation. The book is the first generalizing academic publication on the study of the history of Azerbaijan within the context of the Great Silk Road based on scientific research findings. The publication of the book was done within the framework of the international project "Turkic-speaking states on the Great Silk Road" being implemented by the Foundation (Azernews.az, 12.03.2021).