

THE EUROPEAN UNIONS' STRATEGY IN CENTRAL ASIA

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Introduction

Since the Kyrgyz Republic proclaimed its independence in 1991, it has been conducting political and economic reforms which the EU supports. The Kyrgyz Republic and European Union are mutually interested in strengthening their bilateral relations.

This support is reflected in the Partnership and Cooperation Agreement (PCA). The PCA is an agreement covering the full spectrum of political and economic relations between the European Union and the Kyrgyz Republic. The main objective of the agreement is the rendering of assistance to the Kyrgyz Republic in its transition to a market economy and in the establishment of closer relations with the European countries.

1. Technical Assistance

Technical assistance to the Kyrgyz Republic is being provided in the form of the TACIS Programme (Technical Assistance to the Commonwealth of Independent States) within the context of the PCA agreement to assist in the implementation of the PCA commitments. There are specific procedures for the implementation of the TACIS program. The measures and activities required by the Kyrgyz Republic for assistance are determined under the regularly developed Strategy and Indicative Programme.

A new strategy of the European Union (EU) has been developed as a result of the emerging geopolitical realities. The strategy is designed to open Central Asian economies and communities and to integrate them with other world economies and communities

according to the interests of both the European Union and the Central Asian states. The components of the Strategy include, (i) further integration of the Central Asian countries, including improvement and strengthening of bilateral relations with the EU; (ii) contributions to the regional stability maintaining good neighbourly relations between the states of the region and (iii) contributions to social stability in the region by reducing the poverty level.

The EU TACIS Regional Indicative Program is directed toward implementing the strategy by three "directions". These are (i) activities and initiatives within the context of regional collaboration; (ii) regional support of the programs implemented at the national level and (iii) social and economic assistance to vulnerable groups of the population in specific pilot regions.

The European Commission decided to double financial assistance in-line with the TACIS Programme increasing assistance to the Central Asian states from 2003, from 25 mln. Euros to 50 mln. Euros. Three areas of cooperation have been defined: (i) assistance in the implementation of institutional, legal and administrative reforms; (ii) assistance in overcoming the social consequences of the transition period and (iii) development of infrastructural networks.

Furthermore, a long-term liability on poverty reduction has been adopted as an important part of the new EU strategy in the Central Asian region.

2. Poverty

The TACIS Programme will carry out activities to achieve long-term impacts on poverty reduction in selected pilot regions. Due to the limited financial resources this direction cannot encompass the entire

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Central Asian Region. According to the EU strategy, a specific number of selected geographical regions where the highest percentage of indigent population is located will focus attention for the next several years. Hence, the Batken oblast appears as a pilot region in Kyrgyzstan. By focusing on such pilot regions, the EU aims to make significant, steady and observable influence on poverty reduction.

Within the context of this direction, all interventions will concentrate on the development of the local rural population, particularly the most vulnerable groups. An integrated "bottom-up" approach will be used involving work by the local partners from the local communities' level. The objective of this approach is to use these pilot regions as examples of good practices which can be further applied through out the entire Central Asian Region. Therefore, activities within the context of this direction will be undertaken in compliance with the second area of cooperation which is assistance in overcoming the social consequences of the transitional period.

3. TACIS Programme Local Participation

One of the principal objectives of the TACIS Programme is the transmission and dissemination of know-how accumulated by government and private organizations of the EU states to local specialists. EU specialists have acquired considerable experience in the areas of technical assistance projects. Therefore, all efforts are applied to ensure more active utilization of the local potential while preparing and implementing projects. Therefore, the EU is building a base for the development of increased cooperation and partnership between European and local companies. It involves joint participation in the competitive selection (tender) for implementation of the TACIS projects and there are many examples of successful cooperation.

4. Decentralization

Based on the experience of implementation of the TACIS Programme in the Kyrgyz Republic considerable time was required to start the implementation of any project. However, there has been a significant speeding-up of the process. Our efforts are not exhausted in this respect. We are constantly developing new ways for improving the efficiency of the process.

Priority is given to the elaboration and development of "flexible" Terms of Reference. This enables the potential companies-participants in the tender to include their own recommendations and alterations and to take into account current political and economic conditions and staff qualifications of the beneficiary-organization. To increase efficiency of the Programme, and provide effective reaction to the changing conditions more freedom is being considered in making alterations in the Terms of Reference.

The EU Delegation has recently taken major steps on decentralization and de-concentration of the project cycle management. All activities on Project control and management (determination, implementation and completion of the projects) have been transferred from the European Commission Head Office in Brussels to the local representatives of the European Commission in Almaty and Bishkek. This will greatly contribute to the acceleration of decision-making processes and of strengthening the role of the recipient states in the development of a real bilateral dialogue.