



# EU-KAZAKHSTAN RELATIONS

The **Enhanced Partnership and Cooperation Agreement between the European Union and Kazakhstan** entered into force on 1 March 2020. This new agreement, which constitutes the first of its kind signed by the EU with one of its Central Asian partners, provides a comprehensive framework within which bilateral relations are conducted and **has elevated relations between the EU and Kazakhstan** to a new level.

The **EU Strategy on Central Asia** provides the overall framework for regional engagement. The Strategy, which focuses on resilience and prosperity, should support, amongst other priorities, Kazakhstan's transition to a green economy and the diversification of its economy.

## RELATIONS TAKEN TO A NEW LEVEL

The Enhanced Partnership and Cooperation Agreement creates an enhanced legal basis for EU- Kazakhstan relations, providing a broad framework for **reinforced political dialogue , comprehensive sectoral cooperation, and promoting mutual trade and investment**. It also enhances concrete cooperation in 29 other key policy areas, including in the sectors of:

justice and home affairs

economic and financial cooperation

energy and transport

environment and climate change

employment and social affairs

culture, education and research

Specific cooperation on civil society enables more meetings and consultations with Kazakhstan on **the role of civil society and its active participation in economic, social and political cooperation**. A dedicated, annual human rights dialogue systematically addresses the situation in Kazakhstan, in addition to specific concerns being raised whenever needed.

## EU – THE MAIN TRADE PARTNER FOR KAZAKHSTAN

**The EU is Kazakhstan's most significant trade partner**, representing almost 30% of its external trade in 2021. Kazakhstan's exports to the EU are almost entirely in the oil and gas sectors, alongside minerals, chemicals and food products.

From the EU, Kazakhstan imports machinery (32% of total Kazakh imports), chemical products (25%) including pharmaceuticals (15% of total imports), transport equipment (12%) and agricultural products (7%) (2021).

In 2021, exports from Kazakhstan to the EU totalled **€17.5 billion** and the import volume from the EU to Kazakhstan totalled **€5.6 billion**. The EU is also **the first foreign investor in Kazakhstan**, representing 48% of total gross Foreign Direct Investment (FDI) flows and approximately 60% of total net FDI stocks in 2019.

The Enhanced Partnership and Cooperation Agreement aims at creating a **better regulatory environment for businesses** in areas such as trade in services, establishment and operation of companies, capital movements, energy, and intellectual property rights. It is a tool of regulatory convergence between Kazakhstan and the EU, with some "WTO plus" provisions, notably on public procurement.

The EU and Kazakhstan signed a **Memorandum of Understanding (MoU)** in November 2022 on a Strategic Partnership on Sustainable Raw Materials, Batteries and Renewable Hydrogen value chains. Securing a sustainable supply of raw materials is essential to reach common green and digital objectives. At the same time modernisation of mining and refining processes and technologies through the introduction of new technologies and sustainable practices **will contribute to decarbonisation of extractive industry, energy production and mobility**.

The EU and Kazakhstan have a **shared interest in strengthening cooperation in sustainable connectivity** – both within the region and with the EU. The EU promotes digital connectivity, sustainable transport connections and a green transition. From a broader perspective, a level playing field for business is key, notably by **enhancing transparency of public procurement in infrastructure**, including through accession to the WTO Government Procurement Agreement (GPA) and the adoption of GPA standards.

## FROM ASSISTANCE TO A NEW PARTNERSHIP

To support the implementation of the Enhanced Partnership and Cooperation Agreement, a bilateral **Cooperation Facility of EUR 9 million for 2021-2024** includes capacity development and institution building activities, support for policy dialogues leading to policy reforms, communication activities.

The Cooperation Facility focuses on two priority areas:



**SUSTAINABLE ECONOMIC GROWTH TO PROMOTE A MORE DIVERSE, GREEN AND CIRCULAR ECONOMY, WITH EMPHASIS ON WOMEN AND YOUTH-LED MICRO-SMALL AND MEDIUM-SIZED ENTERPRISES (MSMES)**



**RULE OF LAW TO STRENGTHEN THE LEGAL FRAMEWORK AND INSTITUTIONS IN PLACE**

The Cooperation Facility is complemented by projects supported by the European Fund for Sustainable Development Plus (EFSD+) to facilitate investments from European Financial Institutions, through a combination of grants and loans and a guarantee system.

**Bilateral cooperation between the EU and Kazakhstan is also supported** by the Democracy and Human Rights Programme and the Civil Society Organisations and Local Authorities Programme. The aim is **to strengthen civil society organisations and their role** as local governance and accountability actors and as promoters of inclusive and sustainable growth.

Under the **regional Central Asia programme**, €140 million for 2021-2027, the EU will also continue to support Kazakhstan in key sectors, **such as digitalisation, climate change, water and energy, private sector development, trade, border management and rule of law.**

Some of the regional projects currently implemented in Kazakhstan are:

- The regional Global Gateway flagship Team Europe Initiative on Water, Climate Change and Energy, in the framework of which the EU support regional energy integration and renewable energy reforms through the Sustainable Energy Connectivity in Central Asia (SECCA) programme
- Dialogue and Action for Resourceful Youth in Central Asia (DARYA), on vocational education and training
- Ready4Trade, that support the development of intra-regional and international trade in five Central Asian countries
- Border Management Programme in Central Asia (BOMCA)
- The Central Asia Drug Action Programme (CADAP)

## OTHER FORMS OF EU COOPERATION WITH KAZAKHSTAN

Kazakhstan also **benefits from Erasmus+**, supporting the mobility of students and academic staff and capacity building projects.

The EU is allocating **€76 million (2021-2027) for the Erasmus+ programme** in Central Asia. In its previous phase, Erasmus+ offered more than 3,300 short-term scholarships for Kazakh students or staff to come to study or train in Europe, and over 1,500 scholarships for European students to study in Kazakhstan. Since 2014, 328 Kazakh master students have received a scholarship to complete a joint master programme in Europe.

Capacity building projects for universities continue to be very popular in Kazakhstan. After participating in 49 of the 70 projects funded in Central Asia from 2014-20, **Kazakh universities are now involved in four of the nine Central Asia projects selected in 2022.**

Selected projects address curriculum development and modernisation, including new teaching and learning practices, improving university governance and creating better links between higher education and the world of work.

