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Department for Russia,
Eastern Europe and
Central Asia



Finland's country strategy for the central Asian countries of Kyrgyzstan, Tajikistan and Uzbekistan

2021–2024

Ministry for Foreign Affairs of Finland

EXECUTIVE SUMMARY

Central Asia, with its geostrategically significant location and market of 70 million consumers, has in recent years become an increasingly important partner for the European Union, which in 2019 adopted a new strategy on Central Asia. A region of deep and multi-faceted historical, religious, and cultural linkages, Central Asia is today displaying a growing potential for regional cohesion, connectivity, and collaboration with the international community. At the same time, serious challenges, such as climate change, water scarcity, and concerns related to demography, human rights and security, as well as the socio-economic impacts of the COVID-19 pandemic, increase the vulnerability of the region, underlining the need for intensified cooperation.

Finland wants to support stability, sustainable development, and prosperity in Central Asia with well-coordinated practical actions that bring added value based on Finland's relative strengths, experience, and know-how, in line with the EU objectives. As an EU member state, Finland participates in the formulation of EU policies on Central Asia and acts in partnership with the UN, the OSCE, international financial institutions, and like-minded countries to achieve the UN Sustainable Development Goals and to promote respect for universal core values such as human rights, equality, and the rule of law. In Central Asia, as elsewhere, Finland places particular importance on supporting women and girls and vulnerable groups, such as people with disabilities.

Building on its good bilateral relations with all Central Asian countries, Finland continues to conduct multi-level political dialogue and inter-parliamentary cooperation, promote trade and investment, and deepen cultural, academic, and people-to-people contacts with each of them. Finland's experience of cooperation with its neighbours in the Nordic region can well provide models and inspiration for regional cooperation between the Central Asian countries, including Afghanistan.

Finnish development cooperation projects, outlined in a separate Country Programme, are implemented in Kyrgyzstan, Tajikistan, and, to a larger extent than before, in Uzbekistan, due to positive developments in the country. The Finnish Embassy in Nur-Sultan and the Roving Ambassador for Central Asia carry out small-scale projects and, also in cooperation with Finland's Honorary Consuls, public diplomacy and business promotion activities in all five countries, including Kazakhstan and Turkmenistan.

Finland acts as a financing partner in several UN projects related to strengthening the economic base, creating jobs, and improving the rule of law. Multi-annual

programmes dealing with climate change mitigation and sustainable management of natural resources are carried out in the form of inter-institutional cooperation projects between Finnish governmental expert organisations and their partners in the respective countries. Finland promotes knowledge sharing and cooperation in the field of education. Finland allocates funding for projects of OSCE Project Offices in the region via Finland's OSCE Delegation in Vienna. Finland is a participant in the Multi-Partner Human Security Trust Fund for the Aral Sea in Uzbekistan and EBRD Early Transition Countries Fund operating in several countries. The Ministry for Foreign Affairs of Finland makes financing available for Finnish civil society organisations for their international projects.

FACTSHEET

Kyrgyzstan	Tajikistan	Uzbekistan
Population: 6.4 million	Population: 9.1 million	Population: 34 million
GDP per capita: 1,309 USD	GDP per capita: 871 USD	GDP per capita: 1,725 USD
Life expectancy: 71.4	Life expectancy: 70.9	Life expectancy: 71.6
Democracy Index: 101/167	Democracy Index: 159/167	Democracy Index: 157/167
Human Development Index: 122/189	Human Development Index: 125/189	Human Development Index: 108/189
Press Freedom Index: 82/180	Press Freedom Index: 161/180	Press Freedom Index: 156/180
Doing Business ranking: 80/190	Doing Business ranking: 106/190	Doing Business ranking: 69/190
Corruption Index: 126/180	Corruption Index: 153/180	Corruption Index: 153/180

Population: stat.kg (2019), stat.tj (2019), stat.uz (April 2020)

GDP: World Bank, data.worldbank.org (2019)

Life expectancy: World Bank, data.worldbank.org (2018)

Democracy Index: The Economist Intelligence Unit, eiu.com (2019)

Human Development Index: UNDP Human Development Reports, hdr.undp.org (2019)

Press Freedom Index: Reporters Without Borders, rsf.org (2020)

Doing Business ranking: World Bank, doingbusiness.org (2019)

Corruption Index: Transparency International, transparency.org (2019)

1 REGIONAL CONTEXT

The five Central Asian countries – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan – are located at the crossroads of Europe and Asia. The geostrategically important region is bordered by Russia in the north, China in the east, and Afghanistan and Iran in the south. Natural resources and energy, a market potential of 70 million consumers, transportation links, and proximity to Afghanistan make Central Asian states interesting partners for the European Union. As noted in the EU Strategy on Central Asia (2019), sustainable connectivity, shared security concerns, and trade interests form a solid basis for further cooperation with the region.

Over the last three decades since gaining independence in 1991, the five Central Asian states have sought to implement major reforms and modernise their economies — albeit with varying levels of success. Most of them still rely heavily on extractive industries and agriculture. In Tajikistan and Kyrgyzstan, remittances from labour migrants have become an essential part of the economy. Kazakhstan, with its significant reserves of oil and minerals, has achieved the highest level of development, gaining the status of an upper-middle income country, alongside gas-rich Turkmenistan. Yet, all five states require further economic diversification and strengthening of the private sector. The region's young population offers both challenges and opportunities for sustainable growth.

While the wealth and resources of the countries vary, the state of democracy, human rights, and rule of law remain a major concern throughout the region. Public institutions are generally weak, widespread corruption continues, and civil society participation is restricted. Problems regarding gender equality remain, including violence against women and lack of representation in political and professional life. Proximity to Afghanistan adds to security threats such as violent extremism, radicalisation, terrorism, and border security. On the other hand, the changing political landscape in the region has led to closer integration of Afghanistan in the nascent regional cooperation in Central Asia.

The change of leadership in Uzbekistan, the Central Asian country with the largest population, and one with a land border with all the others, in 2016, reset the political scene between the formerly isolated, dissenting neighbours. Recent years have seen settlement of former disputes and rapid development of trade, tourism, and cross-border contacts between the countries. Since 2018, the recognition of shared concerns and opportunities have prompted the Central Asian leaders to hold informal consultative meetings. Clearly, the countries would benefit from closer regional

cooperation in tackling common challenges such as climate change, water issues, and seizing joint economic opportunities.

Russia continues to wield significant influence in Central Asia, due to historical reasons and economic ties. It is an important security actor, with military bases in three of the five Central Asian states. The Commonwealth of Independent States, the Eurasian Economic Union, and the Collective Security Treaty Organization are Russian-led formats of cooperation in the post-Soviet space. In recent years, China has emerged as another major player in Central Asia. Within the framework of its Belt and Road Initiative, China uses infrastructure investment and loans to build ties with Central Asian governments. In the future, it can be expected to have increasing interest in the stability of the region next to its borders. The Shanghai Cooperation Organization and Central Asia Regional Economic Cooperation Program (CAREC) provide China additional platforms for engagement.

Over the years, the United States' engagement in the region has been largely shaped by its policies toward Afghanistan. While this continues to be an important factor, the new United States Strategy for Central Asia (2019–2025) notes that Central Asia is a geostrategic region important to the United States' national security interests, regardless of the level of US involvement in Afghanistan. In addition, regional neighbours India, South Korea, and Japan strengthen their respective ties with the resource-rich Central Asian economies, and Turkey promotes cooperation also in the framework of the Turkic Council.

According to the new EU strategy, "The EU and Central Asia: New Opportunities for a Stronger Partnership", the EU is interested in forging its relations with Central Asia as a stronger, modern and non-exclusive partnership so that the region develops as a sustainable, more resilient, prosperous, and closely interconnected economic and political space. EU Strategy on Connecting Europe and Asia, and EU Strategy on Afghanistan have also relevance for EU activities in the region. Furthermore, one of the guiding principles outlined in the EU's policy towards Russia is to strengthen relations with the EU's Eastern Partners and other neighbours, in particular in Central Asia. The European Green Deal and Team Europe Initiatives are key instruments for the implementation of EU policies in the region.

The COVID-19 pandemic has made the partnership with Central Asia even more pertinent. With diminished trade, lowered remittances, collapsed commodity prices, and halted economic activity, the crisis has derailed key drivers of growth in the region. These factors put immense strain on national budgets limiting the ability of governments to restart their economies after the crisis. The poorest countries in the region will be hit particularly hard. Continued cooperation will thus be needed to aid their recovery and address their long-term development needs and priorities.

2 COUNTRY CONTEXT

Kyrgyzstan (Kyrgyz Republic)

Kyrgyzstan is a landlocked country situated mostly within the Tian Shan Mountain chain, further from the sea than any other individual country in the world. It is bordered by China, Kazakhstan, Uzbekistan, and Tajikistan. Over 90 per cent of its surface area is covered by mountains, and it is located in a seismic area subject to earthquakes. The vast majority of its population of 6.4 million people live in rural areas. With a GDP per capita of 1,309 USD, it is the second poorest country in the region after Tajikistan, and classified as a lower-middle income country. Its economy is mostly based on mining, agriculture, and remittances from migrant workers.

Since gaining independence in 1991, Kyrgyzstan has witnessed a number of political upheavals, including revolutions in 2005 and 2010. The constitutional changes of 2010–2016 resulted in the adoption of a parliamentary system of governance and strengthening of the role of prime minister. In 2017, the election of the president, Sooronbay Jeenbekov, marked the first peaceful transfer of power in the country, as well as in the region, since 1991. However, despite its democratic advancements, governing coalitions have proved unstable and political parties institutionally weak. Unrest following the disputed parliamentary elections in 2020 raised concerns about the sustainability of democratic processes in the country.

Kyrgyzstan's political, economic and military ties with Russia remain close. It is a member of the Eurasian Economic Union and the Collective Security Treaty Organization. Kyrgyzstan hosts a Russian military base in Kant as well as certain other Russian military facilities. Almost a third of Kyrgyzstan's GDP consists of remittances from migrant workers, predominantly from Russia. China has consolidated its influence in the Kyrgyz economy as a major trade partner and infrastructure investor. To date, around 45 per cent of Kyrgyzstan's external debt is owed to China. Relations with Kyrgyzstan's neighbours are calm but have at times been strained by tensions over natural resources and water, trade disputes, and skirmishes along the Kyrgyz-Tajik and Kyrgyz-Uzbek borders.

Even though the Kyrgyz economy has grown at an average rate of 4 per cent since 2014, it is very vulnerable to external shocks owing to its low levels of economic diversification and reliance on remittances. In 2018, the gold sector accounted for 36 per cent of Kyrgyz exports, and the output of a single company, the Kumtor gold mine, represented over 8 per cent of Kyrgyzstan's overall GDP. Due to its vulnerabilities,

Kyrgyzstan will be hit particularly hard by the impacts of the COVID-19 pandemic as borders have closed and migrant workers are unable to send back money. Kyrgyzstan was the first country to receive emergency funding from the International Monetary Fund to help it cope with the outbreak. In the long term, international donors are encouraging Kyrgyzstan to implement measures to improve the legal business and investment environment, further reduce trade barriers, and move businesses from the informal to the formal sector. According to the World Bank, Kyrgyzstan has significant potential for the expansion of its agriculture sector, hydroelectricity production, and tourism industry.

Compared to its neighbours, Kyrgyzstan has a more active civil society, greater level of democratisation and wider freedom of the media. Yet a number of human rights concerns remain. The main problems identified in Kyrgyzstan's most recent Universal Periodic Review, conducted in early 2020, were ethnic and religious discrimination, unfair legal proceedings related to the interethnic clashes of 2010, violence and discrimination against women and LGBTI persons, poverty and homelessness, deficiencies in education and healthcare, and the use of torture by law enforcement officers.

Due to its geographical location, Kyrgyzstan is very vulnerable to the adverse effects of climate change and extreme weather events. The country has already witnessed an increase in temperatures and changes in precipitation patterns, including the reduction of snowfall. The accelerating pace of glacier melt will continue to add stress on already scarce water resources as both floods and droughts become more frequent. This will have a negative impact on agriculture, food security and health systems, among other things. Kyrgyzstan's relatively high poverty rates, weak infrastructure, and limited institutional and financial capacity place further constraints on addressing the various challenges posed by climate change.

Kyrgyzstan hosts a large number of international organisations, including 17 United Nations agencies, development banks (e.g. Asian Development Bank, European Bank for Reconstruction and Development, World Bank), international development cooperation partners (e.g. USAID, GIZ, Soros Foundation, and Aga Khan), and the OSCE Programme Office in Bishkek. Europe is represented by the Delegation of the European Union, and embassies of France, Germany, Switzerland, and the United Kingdom.

Tajikistan

Tajikistan lies in the southeast corner of Central Asia, bordering Uzbekistan, Kyrgyzstan, China, and Afghanistan. Mountains cover 93 per cent of its surface area, providing water for irrigation, hydroelectric power, and scenic landscapes. Highly dependent on agriculture, Tajikistan is a lower-middle-income country with GDP per capita of 871 USD. Natural disasters are commonplace as more than 60 per cent of the country's 9.1 million inhabitants live in areas of high seismic risk. While other Central Asian peoples speak Turkic languages, Tajiks are a Persian-speaking Iranian people.

The first years of independence of Tajikistan were marked by a bloody civil war (1992–1997) after which the economic recovery and nation-building have progressed with difficulty. The latest presidential elections in October 2020 secured a fifth term for the authoritarian regime of President Emomali Rahmon, who has held power since 1992. The most prominent opposition party, the Islamic Renaissance Party of Tajikistan, was banned and went into exile in 2015.

Tajikistan's political, economic and military ties with Russia remain close. Russia's military base in Tajikistan is the largest non-naval Russian military facility abroad. Remittances sent home by up to one million Tajik migrant workers in Russia are an important source of income. Tajikistan's economic dependence on China continues to deepen through loans, acquisitions, and infrastructure investment. Tajikistan's long common border with Afghanistan adds to its strategic importance in the region. The country faces a number of border-related issues, including insurgent activity, drugs smuggling and human trafficking, allegedly sometimes exaggerated by the government to justify tightening of control and restricting civil society activity.

The pandemic affects Tajikistan's economy directly and through its impact on the Russian economy and remittances. Its main exports are aluminium, electricity, and cotton. The International Monetary Fund is encouraging Tajikistan to implement structural reforms to improve business environment in the country and foster higher and more job-rich growth. Big infrastructure projects, such as the large Rogun hydro-power construction project, and non-guaranteed borrowing by state-owned companies have put debt on an unsustainable path. Tax reform is needed to reinvigorate private sector development and restore fiscal sustainability. Targeted social assistance should be stepped up to protect vulnerable groups.

Tajikistan's human rights situation is problematic. The concerns raised in its last Universal Periodic Review in 2016 were widespread use of torture, new legislation restricting the space for civil society, increase in the number of politically motivated

detentions, and incarcerations of human rights defenders and opposition figures in the name of national security. Furthermore, the UPR report mentioned freedom of press concerns, domestic violence, child marriage, homophobia, and discrimination against LGBTI persons. The 2004 moratorium on the death penalty was commended, as was the adoption of a law on the prevention of domestic violence in 2013. The situation with regard to political freedom and freedom of expression has recently deteriorated further.

Climate change is expected to cause temperature increases, reduction of precipitation in specific regions, increase of precipitation in others, reduction in ice cover and changes in hydrological cycles, bringing, for example, an increase in drought, mudflows, landslides, glacier lake outburst floods and avalanches. These already contribute to increased mortality and morbidity from natural disasters and extreme weather events. Potential associated risks include food insecurity and malnutrition, deterioration of drinking water quality and quantity and damage to health system infrastructure.

Tajikistan hosts a large number of international organisations, including 24 United Nations organisations, development banks (i.a. Asian Development Bank, European Bank for Reconstruction and Development, and World Bank), international development cooperation partners (i.a. USAID, GIZ, Swiss Cooperation Office, and Aga Khan), and the OSCE Programme Office in Dushanbe. Europe is represented by the Delegation of the European Union, and embassies of France, Germany, and the United Kingdom.

Uzbekistan

Uzbekistan is a landlocked country situated between the rivers Amu Darya and Syr Darya. It is the only Central Asian country sharing a border with all the others – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and also Afghanistan. It is the biggest Central Asian country by population (34 million in 2020). Uzbekistan's versatile landscape ranges from desert to picturesque mountain peaks, and the fertile soil of Ferghana Valley, which Uzbekistan shares with Tajikistan and Kyrgyzstan. Uzbekistan's subregion Karakalpakstan is one of the places most suffering from the man-made catastrophe of the Aral Sea.

Since the death of its first president, Islam Karimov, in 2016, Uzbekistan has abandoned its former isolation and opened up regionally and internationally. Under the leadership of President Shavkat Mirziyoyev, the country is undergoing all-encompassing economic and societal reforms. The government has liberalised

currency exchange, pursued foreign investment, freed prisoners of conscience, removed Uzbek citizens from “blacklists,” loosened media restrictions, adopted legislation on gender equality, and started reforming its judicial system. However, genuine progress with civil liberties and democratisation, also in the light of parliamentary elections in 2019, is still debatable.

In foreign policy, Uzbekistan has significantly improved the tone of its relationships with all its neighbours, including Afghanistan, and has encouraged regional cooperation and interconnectivity. Uzbekistan has extended visa-free travel to 85 countries, including the EU. It continues rapprochement with international organisations. This has improved its international image, calmed regional tensions and brought concrete benefits like additional trade, investments and people-to-people contacts. Sensitive questions on borders, water and energy are being discussed, and some bilateral agreements have been reached.

Uzbekistan is a lower middle-income country with GDP per capita of 1,725 USD. Its natural resources include gold, oil, natural gas, silver, uranium, molybdenum, tungsten, coal, copper, zinc, and lead. It produces cotton and agricultural products. The COVID-19 pandemic has significantly weakened Uzbekistan’s growth potential. The Uzbek economy faces serious challenges, such as employing 600,000 young people entering the job market every year. Remittances from 2–3 million Uzbek working migrants in Russia are an important source of revenue. Russian companies dominate the region’s energy sector, while Russia is Uzbekistan’s second largest trading partner. Russia’s economic influence is challenged by China, Uzbekistan’s largest trading partner and an important investor in the country’s transport networks and infrastructure.

The new policies adopted have made Uzbekistan interesting to foreign companies but the investment environment is still hampered by rigid administrative practices and corruption. Uzbekistan renewed its bid to join the WTO and is negotiating with the EU on an Enhanced Partnership and Cooperation Agreement and additional trade preferences under Generalised Scheme of Preferences +.

The Universal Periodic Review was undertaken in 2018. The main concerns raised were women’s rights, freedom of speech, opinion and assembly, freedom of religion and forced labour in cotton fields. Uzbekistan rejected 11 recommendations concerning the rights of LGBTI persons. In 2020, Uzbekistan announced that the state plan for the harvesting of cotton will be abolished. This will help to dismantle what is left of forced labour practices. According to the International Labour Organization, in 2019 out of 1.75 million people involved in cotton harvesting, 5.9 per cent were subject to some form of coercion.

Climate change is projected to increase temperatures and decrease water availability across Uzbekistan. Expected impacts include increased food insecurity as well as an increase in waterborne diseases and heat-related illnesses.

Numerous international organisations have their offices in Uzbekistan's capital Tashkent, including 14 United Nations organisations, development banks (e.g. Asian Development Bank, European Bank for Reconstruction and Development, World Bank), international development cooperation partners (e.g. USAID, GIZ, Swiss Cooperation Office), and the OSCE Programme Office in Tashkent. Europe is represented by the Delegation of the European Union, 10 embassies of EU member states, and Switzerland and the United Kingdom.

3 FINLAND'S RELATIONS WITH KYRGYZSTAN, TAJIKISTAN AND UZBEKISTAN

Kyrgyzstan

Finland recognised the independence of Kyrgyzstan in 1991 and established diplomatic relations with the country in 1992. The Ambassador to Nur-Sultan represents Finland in Kyrgyzstan, while the Ambassador to Moscow represents Kyrgyzstan in Finland. Finland has an Honorary Consul in Bishkek, and Kyrgyzstan has an Honorary Consul in Helsinki. Relations are good with a focus on development cooperation. The foreign ministries hold regular political consultations, and friendship groups in both parliaments maintain contacts.

Finland's development cooperation with Kyrgyzstan started right after the establishment of diplomatic relations. This included the launch of a major anti-tuberculosis project and the provision of expertise to help establish the Central Bank of Kyrgyzstan. Cooperation was revitalised with the "Wider Europe Initiative" programme (WEI) in 2009. Finland's 2012 Development Policy Programme identified Kyrgyzstan and Tajikistan as key targets of WEI focus. Finland reaffirmed this focus again in its 2016 Development Policy. In addition, since the opening of the Embassy of Finland in Nur-Sultan in 2009, the embassy has implemented a number of small-scale development projects in Kyrgyzstan from the Fund for Local Cooperation. The Finnish Meteorological Institute (FMI), Geological Survey of Finland (GTK), and Finnish Environment Institute (SYKE) have implemented inter-institutional cooperation (ICI) projects.

Bilateral trade is limited. In 2019, Finnish exports to Kyrgyzstan amounted to 3.8 million euros. Imports from Kyrgyzstan were 125,381 euros. Finland exports to Kyrgyzstan mostly machinery and equipment related to mining, processed foods, and some consumer products.

The most prominent Finnish non-governmental organisation active in Kyrgyzstan is Abilis Foundation, which supports persons with disabilities and has provided long-term support for Kyrgyz organisations working in this field. The University of Eastern Finland has conducted capacity building in partnership with the National Agrarian University of Kyrgyzstan under the Higher Education Institutions Institutional

Cooperation Instrument programme on aquaculture and fishery sectors. Finland has also engaged in the sector by supporting a FAO project for 10 years (3.9 million euros). The Aleksanteri Institute has had institutional cooperation with the OSCE Academy in Bishkek, including student exchanges to Finland.

Tajikistan

Finland recognised Tajikistan's independence in 1991, and diplomatic relations were established in 1992. The Roving Ambassador for Central Asia based in Helsinki represents Finland in Tajikistan, while the Ambassador to Minsk represents Tajikistan in Finland. Relations between the countries are good with a focus on development cooperation. Political consultations between ministries of foreign affairs are conducted every two years.

Finland's development cooperation with Tajikistan started with the Wider Europe Initiative (WEI) in 2009. It was consolidated by Finland's 2012 Development Policy Programme and further reaffirmed by Finland's 2016 Development Policy. The Office of the Roving Ambassador implements small-scale humanitarian projects from the Fund for Local Cooperation. The Finnish Meteorological Institute (FMI), Geological Survey of Finland (GTK), and Finnish Environment Institute (SYKE) have implemented inter-institutional cooperation (ICI) projects.

Bilateral trade in 2019 consisted solely of Finnish exports to Tajikistan totalling 2.3 million euros. While prospects for growth in trade remain slim, projects implemented in Tajikistan by international development organisations such as the Asian Development Bank, the World Bank, and the European Bank for Reconstruction and Development may present opportunities for Finnish companies.

A number of Finnish civil society organisations are active in Tajikistan, such as Abilis Foundation and the Threshold Association, which support persons with disabilities in developing countries, FIDA International, the Missions and Development Co-Operation Organisation of the Pentecostal Churches of Finland, and FILHA, an expert organisation in tuberculosis and lung diseases.

Uzbekistan

Finland recognised Uzbekistan's independence in 1991, and diplomatic relations were established in 1992. The Roving Ambassador for Central Asia based in Helsinki

represents Finland in Uzbekistan, while the Ambassador to Riga represents Uzbekistan in Finland. Finland nominated an Honorary Consul to Tashkent in 2019. Relations between Finland and Uzbekistan are good, and there is mutual interest to activate and diversify bilateral cooperation. Political consultations between ministries of foreign affairs have taken place on a yearly basis since 2018. The bilateral Intergovernmental Commission for trade, economic, scientific and technical cooperation reconvened after a long interval at ministerial level in June 2020.

A key component of Finland's development cooperation with Uzbekistan is the Aid for Trade project implemented by the United Nations Development Programme since 2009 (a similar project is implemented also in Kyrgyzstan and Tajikistan). In 2020, Finland joined the United Nations Multi-Partner Human Security Trust Fund for the Aral Sea by donating one million euros for the five-year effort to alleviate the negative effects of this man-made environmental disaster.

Bilateral trade is dominated by Finnish exports, which grew by a third and totalled 43 million euros in 2019. The first Team Finland visit to Tashkent with 15 participating companies took place in 2019, and other export and investment promotion events will follow. Among potential sectors for Finnish business are mining, energy efficient technologies, water management, IT, agriculture, and education. Tourism is a priority for Uzbekistan, and in 2019, it made traveling for EU citizens visa-free.

4 FINLAND'S STRATEGIC GOALS

4.1 More dialogue and engagement to support stability, sustainable development, and prosperity

Finland wants to support stability and sustainable development in Central Asia bilaterally, as part of the EU, and multilaterally. Rules-based cooperation and sustainable connectivity between stable, democratic and prosperous “neighbours of neighbours” of the European Union is a key goal. Central Asia has a strategic role in global efforts to promote Euro-Asian connectivity and there is room for increased cooperation in this field. Finland is well positioned to build on its traditionally good bilateral relations with Central Asian countries, striving to intensify political dialogue and reinforcing ties between authorities, economic actors, civil society, and other stakeholders both bilaterally and multilaterally. Development cooperation projects will remain an important component of collaboration. Uzbekistan has been newly included as a partner country in development cooperation following the positive changes that have taken place in the country.

Finland's bilateral cooperation with the Central Asian countries is designed to support the overall objectives of the EU Strategy on Central Asia (2019), bringing added value based on Finland's relative strengths, experience, and know-how. An influential and united European Union with a higher visibility is in Finland's interest also in Central Asia. Finland remains committed to observing the United Nation's universal values of strengthening international law, democracy, and human rights. All activities must take into account the UN Sustainable Development Goals. Finland continues well-established cooperation with international partners such as UN organisations and the Organization for Security and Cooperation in Europe, as well as international financial institutions.

Finland has a positive country image in the region, but more can be done to present Finland's brand and story, highlighting the benefits of democracy, rule of law, and gender equality. On the other hand, Central Asia, with its ancient history and multifaceted cultural heritage, deserves to be better known in Finland. Thus, Finland encourages widening cooperation in research and culture, ties between non-governmental organisations, and increasing people-to-people contacts, student mobility, and tourism. Finnish stakeholders are encouraged to participate in various financing programmes at national, EU, and international level.

Central Asian economies, as all others, are hard-hit by the impact of the global COVID-19 pandemic, and more than ever in need of support for ongoing reform and modernisation. Finland as an open economy wants to restore and re-energise rules-based global trade and introduce new opportunities for mutually beneficial business activities. Central Asia as a whole is a market of 70 million consumers. Uzbekistan's opening up since 2016 has increased interest towards its market also among Finnish companies. International financial institutions and the EU are channelling funding to support reform processes and infrastructure investments in Central Asia, and Finnish companies would be well advised to explore these opportunities and participate in tenders.

Key instruments for bilateral cooperation, political dialogue, and business promotion:

- High level visits and meetings (i.a. in the sidelines of international events), regular political consultations between Ministries for Foreign Affairs
- Work under the bilateral Intergovernmental Commission for trade, economic, scientific and technical cooperation with Uzbekistan
- Parliamentary cooperation i.a. Friendship Groups
- An up-to-date bilateral and multilateral contractual basis
- Cultural cooperation, media visits, and civil society contacts incl. via the Association of Central Asian Peoples in Finland Julduz ry.
- Public diplomacy and social media
- Services and assistance to Finnish companies on market access, trade barriers and international finance, provided by the MFA (i.a. through instruments such as Finnpartnership and Development Markets Platform, and Embassy/Roving Ambassador, Honorary Consuls, and other Team Finland actors)
- Team Finland visits and trade and investment promotion events, in cooperation with Business Finland, Chambers of Commerce, and other Team Finland actors
- Corporate Social Responsibility monitoring of the Central Asian markets by the MFA
- Exploring the applicability of Public Sector Investment Facility (PIF) in Uzbekistan

4.2 Cooperation to promote rule of law, human rights, and resilience of societies

Human rights, rule of law, democracy and peace, freedom of expression, tolerance, and equality in all international activities form the value base of Finland's foreign and security policy. Finnish development policy places particular emphasis on the rights of women and girls, and on the strengthening of the developing countries' own economies to promote employment, livelihoods and well-being. Finland, in parallel with the EU, United Nations, and other international partners, such as the Organization for Security and Co-operation in Europe, will continue to promote respect for these core values, which are key conditions for sustainable development also in Central Asia.

Finland supports the realisation of peoples' human rights with special attention on increasing their access to justice. This is achieved through strengthening the legal aid systems in Central Asian countries with the aim to increase state-provided free legal aid in each country, particularly to those in the most vulnerable positions, to raise people's awareness of their own rights and to encourage dialogue between civil society and the government authorities on the legal needs of the people. Support will also be provided to strengthening the oversight mechanisms at the national level, particularly the Ombudsman's offices.

Finland supports the work of United Nations organisations to alleviate the severe social and economic ramifications of the COVID-19 pandemic, also in the Central Asian region, and assist in the recovery process. Accelerating reform, improving business environment for private enterprises, and a focus on education and job creation for the fast growing young population are key components for returning these economies on a growth path. This is also important to prevent radicalisation.

Finland encourages the Central Asian countries to strive for deeper integration into the multilateral trading system by joining the World Trade Organization. Finland also encourages the timely finalisation of the negotiations of the Enhanced Partnership and Cooperation Agreement (EPCA) between the EU and Uzbekistan. Finland encourages Kyrgyzstan, Tajikistan and Uzbekistan to actively seize all the opportunities brought by the partnership agreements with the EU.

Many challenges do not recognise state boundaries. Closer regional cooperation between the Central Asian states would allow them to better address their shared concerns, unlock their economic potential, and enhance their influence in international affairs. Increasing integration of neighbouring Afghanistan into Central Asian regional cooperation is a positive sign. As an EU member state, Finland can share her own

experience of the benefits of integration mechanisms, rules-based cooperation, and greater connectivity. Nordic regional cooperation can also provide models for problem solving and common action in a regional context.

Key instruments for cooperation on rule-of-law, resilience, and economic sustainability:

- Encouraging cooperation of the Central Asian states with UN Treaty Bodies, agencies and Special Procedures
- Participation in the work of the OSCE in Central Asia and support to OSCE Project Offices in Central Asia
- Sharing Nordic experience in regional cooperation
- Institutional cooperation i.a. using EU instruments such as Twinning and TAIEX
- Rule of Law and Access to Justice Programme in Kyrgyzstan, Tajikistan, and Uzbekistan in cooperation with UNDP
- MFA financing for projects in Central Asia of Finnish civil society organisations and foundations
- Projects financed from Local Cooperation Funds of Ambassadors
- 4th phase of Aid for Trade programme in partnership with UNDP
- Participation of Finland in the UN Multi-Partner Human Security Trust Fund for the Aral Sea
- Participation of Finland in the EBRD Early Transition Countries Fund
- Promotion of Finnish education know-how via project cooperation and offering of Education Finland

4.3 Climate change mitigation/adaptation and sustainable management of natural resources

Climate change poses a major challenge to Central Asian countries and it will have consequences for the region as a whole. Changed precipitation patterns and shrinking glaciers are reducing the water flow of Central Asian rivers, putting additional stress on already scarce water supplies. Competition for water has been a source of tensions, and the importance of water and its sustainable management is widely recognised in the region. Climate change and changing weather patterns are also likely to make crop failures and food insecurity more prevalent, further contribute to environmental degradation, and increase the risk of natural disasters. There is an evident link between the environment, climate, security, economic growth, and migration.

Finland supports efforts by the EU and the international community and international financial institutions to assist the Central Asian states in the implementation of Paris Agreement on Climate Change, adoption of higher environmental standards and moving towards circular economy. Reforms of the energy sector, energy efficiency, and transition to a low-carbon economy are also essential. More efficient and effective environmental governance is needed including measures to reduce black carbon emissions, as well as water diplomacy, regional cooperation in sustainable management of natural resources and biodiversity protection.

The development cooperation projects funded by the Ministry for Foreign Affairs will promote the Finnish development policy approaches especially in the fields of water management, sustainable use of natural resources and climate change mitigation and adaptation. Finland's support strengthens the capacities of the responsible local environmental administrations in monitoring and assessing natural resources by equipping them with better tools and skills for responding to the requirements set by today's society and international community. This is done by applying modern techniques such as satellite image analysis, hydrogeological and geophysical methods. New techniques of visualising the existing old data gives information on both ground and surface waters. This will ensure better water quality and quantity, and eventually better living conditions for all.

Finland's project support aims also at an enhanced capacity to forecast geohazards and to produce weather, climate and air quality information and early warning services. Modern sensing applications are one example of methods for regional observations of climate change implications such as outburst floods of glacier lakes, landslides and exogenous geological processes. With comprehensive training packages, Finland's support will ensure a sustainable installation and use of an automated forecast and early warning production process.

Key instruments for cooperation on water, environment, and natural resources management

- Inter-institutional cooperation (ICI) projects:
 - The Finnish Environment Institute's projects in Kyrgyzstan, Tajikistan and Uzbekistan will enhance the capacities of the local environment and water officials in progressing towards improved water quality, wastewater, and safe reuse.
 - The Geological Survey of Finland will focus on improving living standards and conditions for local people through its projects in Kyrgyzstan, Tajikistan and Uzbekistan. The projects will support the strengthening of the domestic economic growth and

prosperity of both countries through sustainable use of natural resources and creation of safer living environment.

- The Finnish Meteorological Institute's projects in Kyrgyzstan, Tajikistan and Uzbekistan focus on improving capacity to perform glacier and snow monitoring and research, to operate a modern air quality observation system, and early warning systems to provide information to citizens of the countries.

5 IMPLEMENTATION AND MONITORING

The country team in the Department for Russia, Eastern Europe and Central Asia of the Ministry for Foreign Affairs (MFA), the Embassy of Finland in Nur-Sultan, and the Office of the Roving Ambassador for Central Asia are in charge of the implementation of this Country Strategy. This is done in close collaboration with Departments/Units in charge of different instruments and activities identified under each strategic objective. While the country team is responsible for coordinating country level activities, other Departments/Units keep country teams informed and involve them in discussions as well as activities relevant to the strategic goals. Country teams hold dialogue with relevant Departments/Units within the MFA and with stakeholders outside the MFA that are active in the country. Other stakeholders outside the MFA are encouraged to have dialogue with the country teams on the ways they can contribute to the strategic goals in each country.

The Embassy, Roving Ambassador, and the team as a whole are providing analysis on the implementation of the strategy as part of their regular reporting. The implementation of the Country Strategy is reviewed in the annual discussions with the Ambassadors. Possible updates are agreed based on the annual discussions by the leadership of the Department for Russia, Eastern Europe and Central Asia.