

KAZAKHSTAN - EUROPEAN UNION RELATIONS, 2001-2013

*Thesis submitted to Jawaharlal Nehru University
For award of the degree of*

DOCTOR OF PHILOSOPHY

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DECLARATION

I declare that the thesis entitled "KAZAKHSTAN - EUROPEAN UNION RELATIONS, 2001-2013" submitted by me for the award of the degree of DOCTOR OF PHILOSOPHY of Jawaharlal Nehru University is my own work. This thesis has not been submitted for any other degree of this University or any other university.

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CERTIFICATE

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DEDICATED TO

To my parents and fore grandfather

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ABBREVIATIONS

ADB	Asian Development Bank
AFSJ	Area of Freedom, Security and Justice
AMU	Arab Maghreb Union
ASEM	Asia –Europe Meeting
BOMCA	Border Management Programme in Central Asia
BSEC	Black Sea Economic Cooperation
CADP	Central Asia Drug Action Programme
CAEC	Central Asian Economic Community
CAREC	Central Asia Regional Economic Cooperation
CEECs	Central and East European Countries
CEFTA	Central European Free Trade Agreement
CEFTA	Central European Free Trade Agreement
CFSP	Common Foreign Security Policy
CFSP	Common Foreign and Security Policy
CIA	Central Intelligence Agency
CICA	Conference on Interaction and Confidence Building Measures in Asia
CIS	Commonwealth of Independent States
CIS	Commonwealth of Independent states
CIVCOM	Committee for Civilian Aspects of Crisis Management
CJEU	Court of Justice of the European Union
CMEA	Council for Mutual Economic Assistance
CSCE	Conference on Security and Cooperation in Europe
CSD	Commission on Sustainable development

CSDP	Common Security and Defence Policy
CU	Custom Union
DCI	Development Cooperation Instrument
DG	Directorate General
DG DEVCO	European Commission Directorate General for Development and Cooperation — Aid (previously DG DEV)
DG RELEX	Directorate General For External Relations
EASO	European Asylum Support Office
EATL	European Asian Transport Link
EBRD	European Bank of Reconstruction and Development
EC	European Community/Communities
EC	European Commission
ECHO	European Community Humanitarian Office
ECHR	European Convention on Human Rights
ECJ	European Court of Justice
ECSC	European Coal and Steel Community
ECT	Energy Charter Treaty
ECtHR	European Court of Human Rights
ECU	Eurasian Custom Union
ECU	European Currency Unit
EDC	European Defence Community
EEA	European Economic Area
EEA	European Environmental Agency
EEA	European Economic Area
EEAS	European External Action Service

EEC	European Economic Community
EFTA	European Free Trade Association
EIB	European Investment Bank
EIF	European Investment Fund
EIDHR	European Initiative for Democracy and Human Rights
EMP	European Mediterranean Partnership
ENI	European Neighborhood Instrument
ENP	European Neighborhood Policy
ENPI	European Neighborhood Partnership Instrument
EP	European Parliament
EPA	Economic Partnership Agreement
EPC	European Political Cooperation
ESDP	European Security and Defence Policy
ESDN	European Sustainable Development Network
EU	European Union
EUBAM	European Union Border Assistance Mission
EUCAP	European Union Capacity Building Mission
EUJUST	European Union Rule of Law Mission
EUMM	European Union Monitoring Mission
EUPOL	European Union Police Mission
Euratom	European Atomic Energy Community
Eurojust	EU Unit of Law Enforcement Officials
EUSR	European Union Special Representative
EUTM	European Union Training Mission
EuRASEC	Eurasia Economic Community

FAO	Food and Agriculture Organistaion of the United Nations
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
G8	Group of Eight
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GDP	Gross Domestic Product
GHG	Greenhouse gas
GNP	Gross National Product
GSP	Generalised System of Preference
GWOT	Global War on Terrorism
HDI	Human Development Index
IAEA	International Atomic Energy Agency
ICT	Information and Communication Technology
ICC	International Criminal Court
IISD	International Institute for Sustainable Development
IGC	Intergovernmental Conference
IDB	Islamic Development Bank
IMF	International Monetary Fund
IMF	International Monitory Fund
INOGATE	Interstate Oil and Gas Transportation to Europe
IPCC	Intergovernmental Panel on Climate Change
IR	International Relations
ISAF	International Security Assistance Force (Afghanistan)

MDG	Millennium Development Goal
MEP	Member of European Parliament
MFN	Most Favored Nations
NATO	North Atlantic Treaty Organisation
NDN	Northern Distribution Network
NFZ	Nuclear Free Zone
NGO	Non Governmental Organisation
OEC	Organisation for Economic Cooperation
OECD	Organisation of Economic Cooperation and Development
OEEC	Organisation for European Economic Cooperation
OIC	Organisation of Islamic Conference
OPEC	Organisation of Petroleum Exporting Countries
OSCE	Organisation of Security Cooperation in Europe
PCA	Partnership and Cooperation Agreement
PRC	People's Republic of China
PfP	Partnership for Peace
SEZ	Special Economic Zone
SMEs	Small Medium Enterprises
SCO	Shanghai Cooperation Organization
SSR	Security Sector Reforms
TACIS	Technical Assistance to the Commonwealth of Independent State
TEU	Treaty on European Union
TRIM	Trade Related Investment Measures
UK	United Kingdom
UN	United Nations

UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNODC	United Nations Office on Drugs and Crime
UNSC	United Nations Security Council
US	United States of America
US \$	United States Dollar
USSR	Union of Soviet Socialist Republic
WB	World Bank
WEF	World Economic Forum
WEU	Western European Union
WMD	Weapon of Mass Destructions
WTO	World Trade Organisation
WTC	World Trade Centre
WW-I	World War I
WW-II	World War II

PREFACE

Kazakhstan's unique geographical situation being the centre of Eurasia with its ethnic and religious diversity, the dynamics of its geo-politics and geo-economics with two neighboring nuclear powers- Russia and China, determine Kazakhstan's foreign policy in the post - Cold War period. Kazakhstan - European Union relations entered into a new phase of comprehensive and strategic partnership after 2001. Kazakhstan's leadership always projected the country as the "Eurasian Bridge" connecting Europe with Asia.

The collapse of the bipolar system of international relations at the end of the 20th century led to power vacuum in Central Asia. Central Asia's strategic location provides a basis for the pursuance of the concept of 'geopolitical pluralism and multiculturalism' in international politics. Kazakhstan views the development of its bilateral cooperation with the European Union as long term priority, based on its national strategic interests in the international arena and maintaining balance of power in the region and in pursuit of its multi-vector policy. The European Union launched its Central Asia strategy for assistance for 2002-2006 and followed it up for 2007-2013. Kazakhstan was the first post - Soviet state and Muslim majority country to hold the chairmanship of OSCE in 2010. This is viewed as recognition of Kazakhstan's global role by the European countries.

Kazakhstan's multi - vector foreign policy seeks multi - alignment with great powers of international politics. Kazakhstan adopted new approach 'Path of Europe' as the European orientation of its foreign policy. It seeks to attract European investment into Kazakhstan. In Central Asia, Kazakhstan is the reliable, comprehensive and strategic partner for promoting EU objectives and perspectives of regional stability through regional cooperation. The initial phase (1992-1995) of Kazakhstan's relations with EU witnessed establishment of official political contacts and formation of legislative and institutional basis for interstate relations between them. The period (1996-2001) was marked by the expansion and revitalisation of relations based on earlier agreements. The framework of Kazakhstan's relations with the EU is bilateral partnership and multilateral relations. Kazakhstan enjoyed observer status earlier but now has full membership with the European Commission for Democracy through Law (Venice Commission) since 2011.

Kazakhstan and the EU share a paramount interest in enhancing energy security as an important aspect of global security. European Union established significant presence through its economic, trade policy, and development aid policies in Kazakhstan. Europe offers one of the largest market for natural resources, source of modern and advanced environment friendly technology for overall development of Kazakhstan. Kazakhstan has also a number of bilateral agreements for political, economic and cultural cooperation with Britain, France, Germany, Italy, Netherland Sweden, Spain and others. European Union countries view Kazakhstan to be an alternate supplier of oil and gas.

The European Union and other major trade partners have supported Kazakhstan to become part of the World Trade Organisation (WTO). WTO accession is important for wider economic reforms and diversification and better integration of the country into the international trade and economic system. In this regard the renewed EU Generalised System of Preferences (GSP – 2006/2015) offers the best ever preferential framework aimed at encouraging exports and economic diversification in the Central Asian countries. Special Economic Zones (SEZ) and information technology have been emerging one of the FDI investment sectors. Kazakhstan's economy has attracted almost the half of the total EU's FDI of Central Asia especially in oil and gas sector.

Kazakhstan's strategic framework for industrial and technological development aims at attracting Germans for investment in industrial sectors. Kazakhstan's exports to France consist essentially of oil, metals and metallurgical, chemical and agricultural products; while Kazakhstan buys electrical, electronic and manufacturing equipment, basic consumer goods, medicines and cosmetics, cars, foodstuffs and construction materials from France. Britain has become Kazakhstan's third-largest European economic partner. The Nuclear industries are likely to be one of the future driving forces for Europe's increased presence in Kazakhstan on account of uranium extraction in Kazakhstan or the construction of nuclear power plants in partnership with Astana. Kazakhstan has been receiving extensive support and expertise in training and education services including scientific research, finance and banking system, strategic advice, financial engineering, advanced medicines, higher education and vocational education. The Central Asia Research and Education Network (CAREN) project provides high capacity internet links

for one million students and researchers in over 200 universities and research institutions along the ancient Silk Road in Kazakhstan and other Central Asian states.

Kazakhstan's major ecological problems such as desiccation of the Aral Sea, protection of the fragile Caspian ecosystem, remediation of the Semipalatinsk nuclear testing range, cleanup of the "Baikonur" launching facility, desertification, and development of mechanisms for regional trans - boundary water management are also receiving cooperation of European Union and its member states, which gives top priority to sustainable development, energy security and climate change cooperation with Central Asia. EU's Regional Environmental Centre (CAREC) is based in Kazakhstan. Kazakhstan has an official national programme for protection of environment, climate change and promotion of nuclear free zone for Central Asia. European Council (EC) is also assisting in the environment sector, sustainable management and governance, water and forestry sectors, including biodiversity conservation, nature protection, and land degradation. The EU is also cooperating in disaster reduction measures in the context of the Hyogo Framework of Action 2005-2015.

Kazakhstan's location between the two giants - Russian and China has determined the complexity of Kazakhstan's security and defence policy. Kazakhstan formulated and upgraded defence and security reform policy in 2001 after changed security environment following 9/11 and later under new 'military doctrine 2009'. Kazakhstan's defence and security partnership with European Union and its other security organs seeks to guard Kazakhstan's national interests and balances the great power geopolitics in the region. Kazakhstan has increased its participation in international cooperation for joint defence exercise, training, disarmament and liquidation of terrorist groups in Central Asia region. Kazakhstan's views about challenges to regional security, terrorism and counter-terrorism are shared by the EU. Kazakhstan's security policy seeks multi lateral cooperation with the members of the EU along with Russia and US. Kazakhstan's soft power diplomacy has led to the establishment of the 'Eurasian Club' in Germany.

Kazakhstan has also been holding annual multilateral 'Steppe Eagle' military exercises with NATO along with Britain, Italy, Switzerland, U.S, Lithuania, Tajikistan and Kyrgyzstan since 2003. These military exercises focus on the training of Kazakhstan's

KAZBAT, which is the designated battalion for the NATO led peace support operation under the “UN Security Council mandates”. However, the issues of human rights and democratic reforms have been sidelined by the EU in its deals with Kazakhstan.

Dynamics of demographic development and migration have made Kazakhstan into one of the multinational, multi - confessional, multi - ethnic countries in the world. Diaspora is playing an important role in strengthening bilateral relationship between Kazakhstan and European States. Kazakhstan’s ethnic composition changed during the first decade of its independence as a result of outmigration of Russians and other non-Kazakh groups mainly Germans. Most Germans living in Kazakhstan were deported from the ‘Volga German Autonomous Republic’ in 1942 due to the Nazi invasion of former USSR and were settled in Kazakhstan. Kazakhstan’s ethnic German population dropped sharply, from 946,900 people in 1989 to 353,400 in 1999 and to about 200,000 in 2010. Germans migrated from Kazakhstan due to constitutional guarantee of political asylum by Germany. Germany’s open immigration policies and benefits that German immigrants received were another cause of German migration from Kazakhstan. Kazakh diaspora in Europe is concentrated in countries such as Germany, Switzerland, Austria, France, Sweden, Great Britain, Norway, Denmark and Netherlands. An association of German social communities in Kazakhstan “Renaissance” was the first organisation registered by the Kazakh Ministry of Justice in 1995. Similarly, there is an Association of Kazakh Greek communities “Filiya” and so on. There are more than 4.5 million Kazakhs living outside Kazakhstan, most of whom live in Europe. Federation of European Kazakh Association has been working in London since May 2009. This was established by 10 Kazakh associations in Europe, which united under one umbrella with the official foundation of the Federation of European Kazakh Associations (FEKA). Main objectives of FEKA are to build their solidarity and to cooperate and preserve of culture and other identities associated with home land and in Europe. Both the German diaspora in Kazakhstan and Kazakhstan diaspora in Europe have been contributing to strengthening economic and social relations between Kazakhstan and the European countries.

Kazakhstan’s multi - vector foreign policy framework is based on the non- ideological, pragmatic and multi - alignment foundation. Its geographical land locked position, energy

resources, adoption of market economy model are the main security and economic determinants of pursuing multi vector foreign policy in world affairs. Against this backdrop, this research work has done an extensive literature review in a thematic manner.

Theoretical Perspective of Multi Vector Foreign Policy

Kazakhstan is a regional leader and strategically important country in Central Asia. The Theoretical perspective of multi vector foreign policy has the framework of realist rational model of state behaviour, dynamics of national interest of state security and economic development.

The economic framework of multi - vector approach adopted the market economy model for promoting economic regionalism and regional alliances in Central Asia, multilateral cooperation with EU and its member states and also significant integration with the world economy. Japanese scholar on Central Asia, Hanks (2009) remarked that pro-Western strategy of multi - vector foreign policies have objectivity of the concerns of nuclear arsenals and intense effort to attract the western FDI in economic growth. The multi - vectorism provides the choice with multiple options in dealing with neighbouring states, Russia, China, EU and its member states and other great powers of international politics. Kazakhstan has become simultaneously active member of SCO, NATO, OSCE and other international organisations, with magnifies the growing global status of Kazakhstan in international politics. The British scholar Cumming (2005) argues that linkage between national identity and multi - vector foreign policy is 'symbiotic' in the sense of 'Kazakhization' of identity. Another objective of multi - vector policy is the search for alternative oil pipeline export routes and engaging multiple pipeline policy for export of its natural resources to European market. Delcour (2011) said that the realist analysis of the EU's policy documents highlighted the binary position in the framework of relations with Kazakhstan and other Central Asian states. The EU encouraged the political, economic stability and social development through regional cooperation since independence of Central Asia. EU deploys a number of new policies and instruments for security and economic concerns after 9/11 terror attacks in this region. Cohen (2008) highlighted that Kazakhstan has pursued the broad multilateral and bilateral relations

with member states of EU. European vector is among top five priorities of Foreign Policy of Kazakhstan before it won the chairmanship of OSCE in 2010. Kazakhstan has taken initiatives under 'Road to Europe policy', which looks for the inclusion of Kazakhstan in its 'European Neighbourhood Policy' in European Parliament recently.

Political and Diplomatic Relations

The leadership of Kazakhstan announced government's "Strategy 2050" to become one of the world's 50 top competitive states. Kazakhstan' multi - vector foreign policy aims at maintaining balanced relations with all its neighbors and great powers of international politics. Kazakhstan has been seeking both bilateral and multilateral cooperation in all aspects of international relations with European Union in global politics. European Commission President Barroso (June 2013) during his visit to Astana said that Kazakhstan has modern economic model and is more stable than some of its neighbors. But, Kazakhstan has poor human rights records. Chief European negotiator Wiegand (Oct 2013) talked of covering all aspects of political dialogue, cooperation in foreign and security policy, justice and home affairs, economic cooperation, people to people relations under new agreement between Kazakhstan –EU. Under new Partnership and Cooperation Agreement (PCA), both parties grant each other 'Most Favored Nations' (MFN) status with favorable custom duties and charges on imports and exports. The EU forced Kazakhstan to launch the 'National Human Rights Action Plan in 2009, but Kazakhstan has been practicing restrictive policies regarding religious freedom, national security, media, use of internet and social media. Weitz (2008) underlines the strategic role of Kazakhstan from the perspective of economic, security and multilateral cooperation in the region as well as in global politics. Kazakhstan has emerged as a leader in promoting regional economic and political integration in Eurasia. According to Delcour (2011), the EU's initial policies followed regional approach with common identity, promoting regionalism towards Central Asia after the collapse of USSR. The EU encouraged political, economic stability and social development through regional cooperation in early years of independent states of Central Asia. EU has adopted a number of new policies and instruments for security and economic concerns after 9/11 terror attacks in this region. The European Union has launched new neighbourhood and

extended neighbourhood policy to create security complex and geographically coherent pattern of security interdependence. The scholars of international security studies, Buzan and Waver (2003) pointed out that the neighbourhood policy has meaningful objectivity to manage the growing interaction between EU and its periphery by providing a framework for creating a stable and secure space along with the democracy and good governance surrounding the Union. Boonstra (2011) viewed that Kazakhstan has shown interest in building stronger relations with Europe through its 'Path to Europe' initiatives, but concerns remain over the country's human rights abuses and the absence of progress in developing democratic structures. The European Union has been making efforts to promote human rights and democratisation, ensure active involvement of civil society, parliaments, local authorities and others actors in the monitoring and implementations of the EU strategy. Bowyer (2008) makes a critical analysis of the European states' decision to offer Chairmanship of OSCE to Kazakhstan, as the milestones of Kazakhstan's enhanced cooperation with EU. OSCE has been monitoring democratic process besides looking at the election, media and political parties laws. Piening (1997) examined the European Union's role as partner, trader, investor and paradigm for countries and emerging regional groupings in the world, described the EU as the world's foremost trading partner in Central Asia and CIS. American expert on Central Asia, Olcott (2005) ascribed that Kazakhstan's strategic importance in American foreign policy to it being the only non-Slavic post-Soviet state to have inherited nuclear weapons besides being the site of a projected multibillion-dollar American investment. The United States sought more cooperation from the Central Asian States after the 9/11, to access Afghanistan by using the territory of the Central Asian States. Denison (2009) views Central Asia as a key resource base for the EU's southern corridor strategy. The Baku Initiative set out the parameters of future engagement on energy issues, harmonisation of legal and technical standards, integration of energy systems, modernisation of existing infrastructure and development of new infrastructure to improve safety and develop new supply interconnections, and promotion of the financing of new commercial projects. The EU has identified energy as a pivotal source of interaction between Europe and Central Asia. Kassenova (2010) pointed to the EU interest in a peaceful, democratic and economically prosperous Central Asia. The European orientation of Kazakh foreign policy is driven by

the sense that the country is a part of Eurasia and, therefore, has a European identity. Melvin (2008) analysed the role of European Union to engage Kazakhstan strategically for economic and security challenges in Central Asia and neighborhood of European Union. Kazakhstan is the natural candidate for regional leadership and reliable partner for the EU in the Central Asia. Kazakhstan is committed to maintain comprehensive ties with the West through its multi-vector foreign policy. The scholar of International Institute for strategic studies, Antonenkohas (2007) opined that dialogue with the SCO could assist the EU in fulfilling several of its key objectives, such as deepening ties with Russia and China, promoting economic development in Central Asia, tackling soft security threats that emanate from the region (such as drug-trafficking and migration), and enhancing its energy security. Germany made a priority to enhance Europe's relations with Central Asia, due to its proximity to an unstable region (Afghanistan, Pakistan and Iran), Islamic fundamentalism and Central Asia's vast energy resources.

Economic Ties and Energy Cooperation

Kazakhstan has vast mineral resources, hydrocarbons, petroleum and enormous economic potential. Kazakhstan has second largest oil reserves as well as oil production after Russia among the former USSR Republics. It is a Caspian Sea littoral state. It is also landlocked state, due to which, it is dependent only on pipelines to transport its hydrocarbon resources to the European and international market. Kazakhstan is the new important source of oil for German, British, French, Italian companies in Kazakhstan. The European countries also regard the Caspian region and Kazakhstan as new source of oil and gas including offshore Kasahgan area. The European Union is the leading trade and investment partner of the Kazakhstan since 2007, with over 40% of its total exports going to European market. Tsertsvadze and Boonstra (2013) who review the pattern of Kazakhstan –EU relations under new PCA state that human rights records and rule of laws are serious concerns for EU. Kazakhstan's delayed accession to WTO is another stumbling block for the Astana-Brussels partnership. Hindley (2008) expressed his view from economic standpoint that WTO membership is much better option for Kazakhstan. Kazakhstan has entered into Bilateral Investment Treaty (BIT) with European Union and its member states. Gleason (2006) has examined impact of globalisation, market

economy and integration with western economy on Kazakhstan. Kazakhstan is widely recognised to be comparatively successful among the Central Asian states in terms of measures of economic and political reforms. The currency ‘Tenge’ became and has remained fully convertible. Kazakhstan has taken steps in the direction of political and economic liberalisation. Jong and Wouters (June, 2011) have given strategic views of EU’s drive towards energy diversification in Central Asian states. Azerbaijan, Kazakhstan and Turkmenistan in Central Asia and Caspian Basin are home to impressive oil and gas deposits and are geographically situated in Europe’s near abroad, rendering the region to be of strategic interest to the EU. So energy security becomes the driver of European policy towards Central Asia particularly Kazakhstan. The European Union priorities towards Central Asia are the coherence in external energy relations, promotion of democracy and human rights, and role of Lisbon treaty regarding new external energy treaty to guide the EU efforts. This repository of energy resources becomes “region of strategic interest” for European Union in the era of economic globalisation. Kazakhstan’s natural gas fields being located in the west of country are advantageous for EU. Kazakhstan’s geographical location allows the supply of oil via Caspian Pipeline Consortium (CPC) to the Russian Black Sea port of Novorossiysk, to Georgian port of Supsa, to the Baku-Tblisi-Ceyhan (BTC) pipeline onwards to the European market. Starr (2007) pointed out that Europe has been benefiting economically when it launched its TRACECA east - west transport programme (Transport corridor Europe-Caucasus-Asia). Kazakhstan and Uzbekistan both have benefitted from the expansion of north –south routes linking northern Europe and Russia with Persian Gulf and Arabian Sea, which will become pre eminent transit country for east and west trade over new transport system of roads and railroads. Reopening of the great continental trade routes linking Europe, Russia, Middle East, China and India will have significant impact on all republics of Central Asia. Kushkumbayev (2007) argued that advancement of internal and external transport corridors and communication play important role in Kazakhstan’s economic and political independence. Kazakhstan has strategic interest in TRACECA programme, which includes railways, highways and ports of the Black sea and Caspian Sea. Expansion of the pipeline is the main determinant in developing the transport

infrastructure in Central Eurasia. European countries supported the project to connect Kazakhstan to Baku-Tbilisi-Ceyhan (BTC) projects.

According to Peyrouse (2009) Kazakhstan –EU bilateral economic relations have broader impact on the Central Asian societies. EU supports Kazakhstan’s accession to WTO as it will improve access for Central Asian products to EU markets through the renewed EU Generalised system of preference (GSP- 2006/2015). This strategy also seeks to enhance exports, economic diversification and market economy structures particularly developing model of ‘Public-Private Partnerships’(PPP). Germany, Britain, Italy, France and other European states have engaged Kazakhstan as main trading and commercial partner in Central Asia.

Defence and Security Relations

Kazakhstan’s defence and security policy is based on its multi - vector foreign policy. It seeks to enhance and intensify bilateral defence relations and active engagement with its neighbours, EU and its members and other military powerful states. Kazakhstan’s new military doctrine has strategic vision of multilateral defence cooperation with nuclear and powerful states of international politics. Laumulin (2010) opined that nuclear issues in Kazakhstan continue to attract the attention of the public, experts, and politicians. Kazakhstan’s main goals are providing security for Kazakhstan and fulfilling its international obligations.

The enhancement of defence and security cooperation between Kazakhstan and European Union is the part of effective multilateralism in the security of Central Asia. Astana – Brussels partnership views stability of being concerned with multiple security threats and economic challenge in Kazakhstan. Afghanistan is another problem for the region in the context of drug trafficking and global terrorism. Kazakhstan and Central Asia’s strategic importance have increased after the global war on terror in Afghanistan post - 2001. Bensahel (2003) examined Kazakhstan’s cooperation with NATO in Global war on terrorism specially in “operation enduring freedom” in Afghanistan, European States and United States along with NATO Partnership for Peace Programme, which have fostered cooperation with the states of Eastern Europe and the former Soviet Union states

particularly Kazakhstan. Matveeva (2006) has focussed on the strategic significance of Kazakhstan and other Central Asian countries with changing security dynamics perception after the events of 9/2001.

Kazakhstan's relations with the European Union are characterised by efforts to find new paradigm of security in Central Asia. The Border Management Programme in Central Asia is flagship of EU regional programme. Canas (2005) states that the European Union regards Kazakhstan as a major partner in promoting more constructive and intensive cooperation in Central Asia. Kazakhstan is an active partner of NATO within the framework of Partnership for Peace. Krumm (2007) argued Kazakhstan as "cockpit" and "locomotive" of Central Asia. After the terrorist attack of 11th September 2001, and the subsequent war in Afghanistan, Central Asia became strategically important in the war against terror in the perception of European states. Legvold (2003) opined that war in Afghanistan turned Central Asia into both a vital strategic resource because of the air bases, as well as a new object of concern due to the region's vulnerability to problems that could be generated by neighbouring Afghanistan, Pakistan, and Iran.

McDermott (2009) argued that U.S war on terrorism, with its deployment of military assets within Central Asia in support of ongoing anti-terrorist operations in Afghanistan, ensures the long-term strategic importance of Central Asia in western policy planning. Kazakhstan, with its vast hydrocarbon reserves combined with its high profile support for the war on terrorism, would play a key role in these calculations. Since September 11, 2001 (9/11), Kazakhstan's defence posture has favoured closer links with the United States, European Union and the North Atlantic Treaty Organization (NATO). The close nature of this defence cooperation relationship is reflected in Kazakhstan's new military doctrine, its intensified military and security training and educational agreements, as well as stepping up the frequency of military exercises. Rauf (2000) pointed out that Kazakhstan played a significant role in the disarmament and nuclear non –proliferation policy in Central Asia. Kazakhstan has contributed to declaration of Central Asia as Nuclear Weapon Free Zone (NWFZ). Hug (2011) points to Kazakhstan's landmark achievement to take the leadership role of a major international political organisation OSCE in 2010. Garnett (2003) urges the United States, the European Union, the G-7, and

other major Western actors to formulate a strategy for Kazakhstan and the surrounding region. Kazakhstan has national priorities and commitment to environmental security, biodiversity and other aspects of environment and climate challenges. Committee on Environment Policy For Europe (2008) of European Commission (EC) is also assisting in the environment sector, sustainable management and governance, water and forestry sectors, including biodiversity conservation, nature protection, and land degradation. Weitz (2008) has underlined the strategic role of Kazakhstan from the perspective of economic, security and multilateral cooperation in the region as well as in global politics . He has also discussed Kazakhstan's bilateral cooperation with European states, EU and USA as well as its neighboring states due to its large territory and population, vast energy wealth, relative political and ethnic stability, and skillful diplomacy. Kazakhstan has emerged as a leader of efforts to promote regional economic and political integration in Eurasia. Kazakhstan plays a prominent role in Eurasia's important international institutions, either as a participant in their decisions or as a partner in their programs. Several factors have led to Central Asia assuming a prominent place on the EU's agenda. First, continued friction with Russia over energy issues has increased European interest in importing oil and natural gas from the Caspian region/Central Asian countries as well as in promoting these states' independence from Moscow. Secondly, some EU members, such as Germany, have substantial commercial interests in Kazakhstan that extend beyond their energy trade. The EU's enlargement and development of the European Neighborhood Policy is bringing Central Asia closer to the EU.

DEFINITION, RATIONALE AND SCOPE OF STUDY

This study seeks to examine and explore the bilateral comprehensive and strategic relationship between Kazakhstan and European Union, which is important for the promotion of democracy, energy, security, climate change, environmental concerns human rights, nuclear non proliferation, education, culture, use of technology, investment nontraditional security and market economy in Kazakhstan. The relationship between Kazakhstan's multi vector foreign policy and EU approach towards Central Asia is largely neglected area. European Union and its foreign policy have dominated area of research in contemporary IR theory with different schools of thought after the Cold War. This research focuses on various aspects of international relations of Kazakhstan and EU with particular reference to its multi vector foreign policy.

Kazakhstan's relations with the European Union can be viewed by using two dependent variables: foreign policy choices of the EU as an international actor and promoter of democracy in Kazakhstan, and policy choices of Kazakhstan with regard to acceptance, disregard, or denial of the EU's agenda. One can view this relation through the impact of regional and global powers cooperation. The relationship between Kazakhstan's multi - vector foreign policy and EU approach towards Kazakhstan are studied in detail. This research on contemporary changes and trends in the 'Kazakhstan –European Union' relations evaluates their effects on international relations and security balance within and outside the region.

This research assists in further understanding of the peculiarities of the comprehensive partnership vision in the era of globalisation. Secondly, it provides the practical guidelines for developing cooperation and connects with the EU's contemporary global politics. It also analyses the security architecture in defence, economic and political perspective with a focus on crisis management. It critically analyses the new experience of Kazakhstan's multi -vector foreign policy in the age of globalisation and its impact.

RESEARCH QUESTIONS

1. What are the main challenges to Kazakhstan's foreign trade, defence and foreign policy?

2. What are the basic tenets of Kazakhstan's multi - vector foreign policy?
3. What are the pillars on which Kazakh-EU relations is based?
4. How does Kazakh-EU cooperation affect the dynamics of regional integration in Central Asia?
5. What are the Astana perspectives for the EU as balancer between rival energy and geo political interests of Russia, China and the U.S?

HYPOTHESES

1. Energy diplomacy in Kazakhstan's foreign policy has been given prime importance in enhancing Kazakhstan - European Union relations.
2. The European Union views Kazakhstan as a regional partner in Central Asia, to counter balance Russian and Chinese influence in the region.

RESEARCH METHODS

Kazakhstan seeks to adopt both bilateral and multilateral approach to its relations with European Union and its member states. European Union has been making efforts for inclusive political system and market economy in Kazakhstan.

The primary sources include government documents of the European Union offices, European Council and other EU bodies, NATO, OSCE, WTO, IMF, ECB, UNO, Russia, ministry of external affairs of Kazakhstan, Central Asian states and the member states of European Union, including declarations, speeches and documents related to the development of the EU's European economic, diplomatic, security and Defence policy. Apart from primary sources, the secondary sources such as books, articles published in journals and newspapers, and reports from non -governmental organisations have been studied. The descriptive and analytical method has been used in this study, to analyse the pattern and trends of European vector of foreign policy of Kazakhstan.

This research has focused on the European Union's role as peace building organisation and crisis management in Kazakhstan and Central Asia. It also reviews the overall impact of the EU's "Central Asia Strategy Paper 2007-2013" on Kazakhstan. This research also

examines the geopolitical aspects of the bilateral and multilateral cooperation between Kazakhstan and European Union in the 21st century.

Methodological Approach and Analytical Framework

The analytical approach adopted in this thesis follows two different paths that cover the topics related to “Kazakhstan – European Union” interaction over more than two decades: the first concerns the historical – diplomatic dimension and second political – strategic discourse.

Modern historical relations between Kazakhstan and the EU have constantly been inscribed into narrative that reiterated the absolute pre eminence of mutual indifference on a diplomatic level, due especially to Kazakhstan’s opportunistic, or structural, indifference about high politics discourse. The external world especially Russia has exerted a strong influence on Kazakhstan’s domestic history. A number of themes and dimensions- historical, economic and strategic – are involved in its foreign policy with Europe. Furthermore, the role of Russia, China, and U.S also have conditioned and encouraged, low profile diplomatic approach to Europe.

Attempting to analyse the historical dimension of Kazakhstan – Europe interaction from the perspective of international relations, the first problem is about the theoretical approach to be taken. The neo –realist and neo –liberal’s paradigms can explain only partially, and in limited way, the nature of the Kazakhstani ‘response’ in the context of interactions that country modeled with outside world. So, even in this case, main stream international relations theory fails to fully explain Kazakhstan’s posture towards Europe in last two decades. The discussion arises with particular reference to the neo - realist paradigm, as the neo - liberal model is theoretically more flexible and therefore less binding.

One can consider three major theoretical aspects useful for the purposes of our analysis: distribution of power, interference and identity. We can use Waltz’s structural realism and also approach of Mearsheirmer’s offensive realism in the context to explain systemic changes and issue of power distribution.

Aims and Structure of the Study

This thesis investigates into the institutionalisation of relations between Kazakhstan and the EU since the end of Cold War politics. It also analyses the development of the EU as European global organization in the relations to the perspectives of the member states and the regional context of Central Asia.

The aims of this research are:

- To analyse political and diplomatic relations between Kazakhstan and European Union and its member states;
- To demonstrate that the weight of external variables (structures of the international system) has been crucial to Central Asia;
- To demonstrate that the construction of the “identity discourse” is essential for a proper understanding of the course of Kazakhstan-EU diplomacy after 1991 and post 9/11.

The perspective of **first chapter** titled ‘**Introduction**’ explains the position of Kazakhstan in world community. It traces the development of Kazakhstan - EU relations before 1991 and passing through Partnership Cooperation Agreement (PCA) in 1999, considered to be turning point in partnership after 2001. It also explores the role of institutions and policies for the diplomatic and political relations.

The second chapter titled ‘**Kazakhstan’s Multi vector Foreign Policy and its European Vector**’ is centered on the theoretical aspects of multi - vector foreign policy and its relations with the EU and its influential actors of 21st century in the era of multi-polar world. It covers the history of multi - vector foreign policy developments with contemporary foreign policy problems.

It also offers theoretical perspective on the concept Kazakhstan as “emerging power” in Central Asia and consequences of a change in the distribution of power. It examines emergence of the EU as global super power to reshape Europe as well as Eurasia in 21st

century. It also links theory and method in explaining how engagement with the EU has changed the domestic and regional impact of Kazakhstan's influence.

The third chapter titled '**Economic Ties and Energy Cooperation**' is focused on the economic and energy situation of Kazakhstan and its European economic vector. The chapter provides a broader understanding of the political economy and its new existing institutional structures after the demise of Soviet command system in Kazakhstan. It also focuses on the nature of different sectors of economy in general and its contribution to the GDP. It also highlights the new economic model of market economy and energy security and its implications for the European market. The role of other influential organisations like Eurasian Union, SCO and its regional impact on economy and bilateral economic and trade relations between 'Kazakhstan – EU' and the 'EU-Central Asia' strategy is also discussed. It also analyses the wide impacts of global dynamics of Kazakhstan economy and political economy and its integration with world economy particularly European economy. Sustainable development and environmental security have been becoming integrated in the realm of economy, security, international law and international relations in the 21st century. This chapter introduces the general theoretical framework of sustainable development and its links with energy security and environmental security of Kazakhstan in post - Soviet Central Asia.

The fourth chapter titled '**Defence and Security Relations**' examines the concept of "security" in 21st century. It investigates the security perception and regional approaches of Kazakhstan as well as the EU and its major powers in the context of soft power to hard power from regional security with national interests to ecology challenges. It also traces the connection between multipolarity and multilateralism in Central Asia with enhancement of the EU's global role in the term of Central Asia. This chapter also focuses on the threats to the environment, in all their diversity, which is serious challenge for Kazakhstan and other Central Asian states with growing concerns of the EU, UN and global community as a whole. Climate change, degradation of ecosystem of important rivers and its severe negative implications for environmental security are also addressed in this chapter.

The fifth chapter titled ‘**The European Diaspora in Kazakhstan**’ provides the analytical synthesis of diaspora links, value of Europeanization of Kazakh society, implication of diaspora engagements in civil society and politics of Kazakhstan.

The **sixth chapter** titled ‘**Conclusion**’ sums up the research findings through the above chapters.

CHAPTER –ONE

INTRODUCTION

1.1. Introduction

The dramatic collapse of the Soviet Union under President Mikhail Gorbachev in 1991 marked the end of Cold War. Central Asia once considered at the periphery of the international relations has now become the centre of global politics after 2001. International relations are reshaped by 'New World Order' in the era of new global politics. The distinctive feature of new order has defined as world free from bloc confrontation including global ideological confrontation, political and military confrontations of the Cold War era.¹ The end of Cold War introduced a number of new approaches in the geopolitics of Eurasia. The "New World Order" has been influenced by Western liberal democracy and free market. The centre of gravity in economic development has been gradually shifting from Europe and the U.S to Asia and the Pacific Rim. According to Joseph Nye, "it is historical transition process and the restoration of history to its former condition. In 1820, in the early days of industrial area, Asia dominated with share of the world's gross domestic product (GDP) was 58 %. It was reduced to 19 % in 1940. Now, it has climbed back to 37 %, and by 2020 at the latest Asia will have retained the share it had two centuries earlier".²

President Nazarbayev views new world order is projected as emergence of new global confrontation as 'war of cultures' and 'war of economies' in international affairs.³

The collapse of the bipolar system of international relations at the end of the 20th century led to power vacuum in the dynamics of geopolitics in Central Asia. Central Asia has become the geo- political and geo - economic hotspot for the great powers of international politics after the disintegration of USSR.

Central Asian states gained independence in the difficult time of international arena. The Gulf War affected not only Arab world but had great impact on Muslim community that

¹ . Lopor, Keith Philip (1997) (eds.), *After the Cold War: Essay on the Emerging World Order*, Austin: University of Texas Press.

2. Rusi, Alpo M. (2001), "Europe's Changing Security Role" in Heinz Gartner, Adrian Hyde-Price and Enrich Reiter (eds.) *Europe's New Security Challenges*, London: Lynne Rienner Publishers.

³ . Nurusultan A. Nazarbayev (1997), "Kazakhstan and Commonwealth of Independent States: Inevitable Integration in Post Cold War order" in Keith Philip Lopor (eds.), *After the Cold War: Essay on the Emerging World Order*, Austin: University of Texas Press.

led to rise of some anti - western sentiments in the post - Soviet space. The Civil War in Afghanistan also unbalanced the regional security in the first decade of Central Asian independence. Historically speaking, Central Asia was a gateway between East Europe and Persia and also China and Mediterranean Sea.⁴

The newly independent states of Central Asia established their diplomatic and economic links with the world powers. Strategic potential of Central Asia was the prime factor for growing interest of global powers including European states, USA, Russia, China, India, Iran, Japan and others in post - 2001.

The eminent geographer Alford Mackinder divided the world's land masses into three zones. Central Asia was one of the pivot areas of insight of his geopolitical perception of 21st century. It is the most landlocked region on the earth. Central Asia was a chessboard under colonial rivalry between two European powers - Tsarist Russia and Britain in the early years of 19th century. Sir Mackinder argues that 'actual balance of power' is product of both 'geographical condition' and 'human' factors including economics, strategy, equipments and organisation. Physical geography of the 'pivot' made it a 'natural seat of power'. Mackinder's 1904 scheme linked the pivot's perspectives to continental 'inner crescent' of Europe, the Middle East, South and East Asia, and the oceanic 'outer crescent' of the America, Britain, South Africa, Australia and Japan.⁵ The second change occurred in the shift of balance of power in the dynamics of political affairs of Central Asia after 9/11 terror attacks on the World Trade Centre (WTC) and American military headquarter 'Pentagon' in September 2001, which led the 'Global War on Terrorism' in Central Asia's neighbor state - Afghanistan. NATO and USA led "Global war against Terrorism (GWOT)" in Afghanistan transformed the region into frontline in global struggle against terrorism.

Following the end of Cold War, Kazakhstan and other Central Asian states emerged as independent entities in the world political system. The Political dynamics that developed

⁴ . Abazov, Rafis (1998), *Practice of Foreign Policy Making: Formation of Post Soviet Politics of Kazakhstan, Kyrgyzstan and Uzbekistan*, Final Report under NATO Fellowship.

⁵ . Sevara and Nick Megoran (2013), "Introduction: Helford Mackinder and Central Asia" in Sevara Sharapova and Nick Megoran (eds.), *Central Asia in International Relations: The Legacies of Helford Mackinder*, London: Hurst& Company.

around shifting geography of power in Central Asia emerged as a distinct sub-set of post-Soviet regimes. The European Union initiated the fruitful bilateral and multilateral cooperation with Central Asian states after 1991. The geo-strategy of politics and energy resources, new framework of multilateralism of the EU in Central Asia and introduction of market economy model set the new framework of cooperation between Kazakhstan and the European Union in the context of international affairs of twenty first century.

Central Asia's strategic location has given it a historical legacy for the pursuance of the concept of "geopolitical pluralism and multiculturalism" of international politics. Central Asia has a multi dimensional power junction of military, security, culture, geo-economic and geo-political spheres. Central Asia is the vast landlocked region of Asia, lying at the cross road of Europe, Middle East, South Asia and East Asia. This Region is located between the Volga and Yangtze Rivers, Himalayas in the south and Arctic Ocean in the North. The idea of Central Asia as distinct region of the world geographical map was introduced by the famous German geographer Alexander Von Humboldt in 1843. He proposed vast area lying between 5° N and 5° S of latitude 44.5° N which is assumed to be the middle parallel of entire Asian mainland.⁶ The European Union and Central Asia became extended neighbors following the disintegration of Soviet Union. The EU has widened the scope of its Common Foreign Security Policy (CFSP) towards the post-Soviet realm through the extension of its policies towards the Central Asian states: Kazakhstan, Turkmenistan, Kyrgyzstan, Uzbekistan and Tajikistan.

Greater involvement of major powers including the EU, Russia, China, US, Turkey, Iran, India and Pakistan in terms of geopolitical influence and struggle for energy resources designed the New Great Game in Central Asia after 2001. The European Union has been engaged through wide variety of interests from energy security to soft security activities in Central Asia.⁷

⁶ . Baumer, Chritoph (2012), *The History of Central Asia: The Age of the Steppe Warriors*, London: I.B Tauris, Volume -1.

⁷ . Peyrouse, Sebastien, Jon Boonstra and Marlene Laruelle (2012), *Security and development approaches to Central Asia: The EU compared to China and Russia*, EUCAM Working Paper N0 11, Ministry for Foreign Affairs of Finland.

Central Asia provides a tough test and ample reason for the European Union commitment to liberal democracy and promotion of prevention of human rights and human security, weak parliaments and judicial system, and legitimacy of elections. Uzbekistan and Kazakhstan have been run by former secretaries of Soviet Communist Party since 1991. Kazakhstan is to be considered semi authoritarian state. Kazakhstan initiated “Path to Europe” programme before it took over Chairmanship of OSCE in 2010. Kazakhstan also set up its first ‘National Human Rights Action Plan’ and also considered EU’s objections regarding justice, political and economic reforms during the Chairmanship of OSCE.⁸

The EU’s relations with Kazakhstan and Central Asia reflect complex patterns of historical, cultural, political, economic and institutional relations in world political history. Central Asia provides the context for the parallel assessment of the great powers’ interest especially the EU, Russia, China, U.S in contemporary global politics of this region.⁹

1.2 . Kazakhstan : Historical Perspective

The five independent states of Central Asia occupy a vast land area of 1,542,000 square miles. These Central Asian states are landlocked and surrounded by Russia in the north, Iran and Afghanistan in south, China in east. It was historically at the locus of the Silk Road, based on the trading of silk and gold between the West and China.¹⁰

Soviet definition of Central Asia included only four states of Tajikistan, Uzbekistan, Kyrgyzstan and Turkmenistan and excluded Kazakhstan.

Central Asia was locus of the Great Game between the two great imperialist powers, the Russian and the British empires in the nineteenth century. Soviet Central Asia became a window to showcase the “model of Soviet development.” Soviet Union considered the

⁸ . Wakotsch, Alexander and Richard Youngs (2015), “The Limits of EU democracy Support: Central Asia and the Gulf Cooperation Council” in Sieglinde Gstohl and Erwan Lannon (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

⁹ . Kavalski, Emilian (2012), *Central Asia and the Rise of Normative Powers: Contextualising the security Governance of the European Union, China and India*, New York: Bloomsbury.

¹⁰ . Cohen, Saul Bernard (2003), *Geopolitics of the World System*, Lanham: Rowman & Littlefield Publishers, Inc.

‘Central Asia model’ as politics of ideological alternative to capitalism and alternate model of development. When the Soviet leaders including Khrushchev and Bulganin visited third world states, they referred to follow ‘Central Asia model’ as an alternative for the third world states.¹¹

Map of Central Asia



Source: Jeffery Mankoff (2013), The United States and Central Asia after 2014, A Report of the Russia and Eurasia Program, CSIS.

¹¹ . Shams-ud-dn and Bhaswati Sarkar (2003), *Afghanistan and Central Asia in the New Great Game*, Delhi: Lancer Books.

Map of Central Asia and Europe



Source: The World Bank (2013), Europe and Central Asia Report

Over 1-1.6 million years ago, sites of Hominids existed under the similar conditions on the open area of the Caspian Sea, the Turan Desert in Mongolia and Northern China. The Paleographic situation in the Southern regions of Kazakhstan was favorable for ancient man to live. The Karatau Mountain was also most suitable region for settlement of ancient man in Kazakhstan. The recent findings and research on multi temporal

Paleolithic monuments in Central Kazakhstan testifies the Early Stone Age in Kazakhstan.¹²

The Kazakhs are predominantly of Turkic origin. Sakas, an Indo –European people, had dominated the steppe region for hundreds of years. The great scholars of Kazakh history trace the origins of Kazakh statehood back to the Saka era, two millennia ago.¹³ Kazakh statehood known as ‘Kazakh Khanate’ was established in the 15th century. Kazakh splits into three tribal confederations- Big, Middle and Small Hordes (Kazakh Ulu, Orta and Kishi Zhus respectively) in the 17th century. These units were further divided into tribes and clans. Kazakhs tribes sought protection from Russia after attack from Oirat Mongols (Jungars) in 18th Century, but some turned into China, now part of Xinjiang province. Kazakh leaders (Khans) accepted the Russian authority and influence after annexation of steppe region by Russians empire in early 19th century. Soviets established Kazakh territorial –administrative entity of Autonomous Soviet Socialist Republic (ASSR) in 1920. Kazakh ASSR acquired the status of full Union republic as Kazakhstan Soviet Socialist Republic in 1936.¹⁴

1.2.1 Kazakhstan under Soviet Union (USSR)

Soviet Union was the best example of the history of the ‘command –administrative system’ in the post World War -II system. It was practicing the idea of “state socialism”, a model based on the use of economic power of the state to accelerate the socialist transformation of the society. USSR was identified as ‘totalitarian state’ of international relations before its demise. The Soviet model of economic management was also known as “command administrative system” or “command economy”. Such system also formed “military –communist” structure in managing the economy in the period of “ war communism”. Political Scientist Ardent K. Friedrich and Zbigniew Brzezinski adopted

¹² . Zh.K. Taimagambetov, “History of Kazakhstan”, retrieved on 20 January 2016, URL: <http://e-history.kz/en/contents/view/1089>.

¹³ . Akiner, Shirin (2005), “Towards a typology of diasporas in Kazakhstan” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

¹⁴ . Ibid.

following parameters to define a totalitarian regime. These features are presently referred as ‘state concept of totalitarianism’¹⁵:-

- The leader;
- The ideology;
- The state party;
- The state monopoly on weapons, communications, secret police;
- State controlled economy;
- Monopolising all sphere of human life;
- Destroying all notion of freedom.

Presently Kazakhstan has replaced all the above features of ‘Totalitarian Soviet system’ by a system of bureaucratic market production and distribution, created a hard centralised, policy planned economy with tight controlled state run system. Great political scientist, Max Weber has referred such system as “human machine”, which means that “Bureaucratic management means rule by means of knowledge and specific rational character”. The economist E.G Yasin remarked that such existing system is a part of big business, which is based on sound principles and covers the whole country with support of function of all the armies and the state apparatus. Kazakhstan was one of the frontier base of ‘military –industrial complex’ of USSR.¹⁶

Kazakhstan land area of 2,724,000 sq. Km, stretching from European part of Russia by the Volga delta right up to the Tian Shan mountains at Chinese border.¹⁷ It was the centre of heavy industries during the Soviet period. Khrushchev launched grandiose scheme for colonising the ‘virgin lands’ of Kazakhstan for large production of cereals. It becomes successful after the arrival of Russians and Ukrainians in Kazakhstan. The important industries were coal in Karaganda, steel and copper production in Dzhezkazgan and also

¹⁵ . Kozybakova, Fatima (2014), “Command –Administrative System in Kazakhstan in the Postwar Period: The Characteristic and Features of Functioning”, *World Applied Science Journal* 29(8):1082 -1086, retrieved on 4 May 2016, URL: [http://www.idosi.org/wasj/wasj29\(8\)14/21.pdf](http://www.idosi.org/wasj/wasj29(8)14/21.pdf).

¹⁶ . Ibid.

¹⁷ . TO &GY (2014), Kazakhstan 2014: The Oil and Gas Year, retrieved on 24January 2016, URL: http://www.theoilandgasyear.com/content/uploads/2015/01/TOGY_Kazakhstan_2014.pdf

iron mines production in Kustanai. It was also the main atomic testing ground of former USSR.

Lenin signed a decree creating a “Kazakh – Kirghiz Revolutionary Committee” with the support of Red Army on July 10, 1919. Kazakh Autonomous Soviet Socialist Republic was created on 26 October 1920, recognised as Kazakh ASSR in 1925 and 5th December 1926 under USSR. This was one of the worst effected regions during Stalin’s collectivisation campaign in early 1930s.¹⁸ Khrushchev period (1953- 1964) was the period of prosperity of comprehensive economic and industrial development of Kazakh USSR after his announcement of ‘Virgin Land’¹⁹ Scheme in February 1954. But, the ‘Virgin Land’ scheme was replaced with ‘Ponomarenko’ by Brezhnev as Secretary in Kazakhstan in 1955. The entire political –administrative system of former USSR changed after Gorbachev assumed power as General Secretary in 1985, with his reforms initiatives – ‘Glasnost’ and ‘Perestroika’.²⁰

Present President Nursultan Nazarbayev was then elected as first Secretary of the CPK’s Central Committee in June 1989, was passed a law to declare Presidential form of government in the Kazakh Soviet Socialist Republics (Kazakh USSR) on 24 April 1990. The Supreme Soviet of the Kazakh SSR approved the declaration of State Sovereignty on 25 October 1990. Kazakhstan signed the treaty to establish an Economic Community along with seven other republics in October 1991, but Presidents of Azerbaijan, Georgia, Moldova and Ukraine abstained.²¹ Under this new agreement, there was provision for established ‘Union of sovereign states to replace USSR. Under these guidelines for political reforms, Nazarbayev decided to hold a popular ballot for Presidency on December 1, 1991. Nazarbayev became first elected President in first direct Presidential

¹⁸ . Ubiria, Grigol (2016), *Soviet Nation –Building in Central Asia: The Making of the Kazakh and Uzbek Nations*, London: Routledge

¹⁹ . Nikita Khrushchev announced “Virgin Land’ scheme” on February 23, 1954 for increasing the USSR’s Grain Production and Putting Virgin and Idle Lands into Cultivation.

²⁰ . Olcott, Martha Brill. (1995), *The Kazakhs*, California: Hoover Institution Press.

²¹ . Lane, David and Vseolod Samokhvalov (2015) (eds.), *The Eurasian Project and Europe: Regional Discontinuities and Geopolitics*, Hampshire: Palgrave Macmillan.

election. Kazakhstan declared itself as independent and sovereign state on 16 December 1991, following the breakup of USSR.²²

1.3. Geostrategic Importance of Central Asia and Kazakhstan in World Politics.

Great Scholar Rudolph Kjellen defined the framework of geopolitics in 1899 as “the theory of the states geographical organism or phenomenon in space”. Another great scholar, Karl Haushofer, who is father of German geopolitik, described “Geopolitics as a national science of state,.....a doctrine on the spatial determinism of all political processes, based on the broad foundations of geography, especially political geography”. Many statesman and IR scholars like Geoffery Parker argue that geopolitics is “the study of international relations from spatial or geographical perspectives”. There are following five stages of modern geopolitics in the history of world politics²³ :-

- The Race for Imperial Hegemony;
- German geopolitik;
- American geopolitics;
- The Cold War state centred versus universalistic geographical; and
- The post Cold War period.

Great geopolitical thinker and also ‘father of modern geopolitics’ Sir Helford Mackinder (1861-1947) theorised the geopolitical perspectives of the inner area of the Eurasia as ‘Pivot Area’ of world politics. He referred himself as democratic idealist and realist. He stated that rule of the greatest landmass could be basis for domination in world politics. He also stated that the Eurasian land power would be Russia, Germany or even China especially the alliance of first two that gained control of Pivot Area and lead the influence over maritime world. The English geographer James Fairgrieve also introduced the term

²² . Olcott, Martha Brill. (1995), *The Kazakhs*, California: Hoover Institution Press.

²³ . Cohen, Saul Bernard (2003), *Geopolitics of the World System*, Lanham: Rowman & Littlefield Publishers, Inc.

“Heartland” after eleven years of Sir Mackinder’s Pivot Area theory. Sir James Fairgrieve also opined that China was in excellent position to dominate Eurasia. Sir Mackinder used ‘Heartland’ later in his book “Democratic Ideals and Realities” (1919) and in which, he analysed his earlier theory with new dimension of geopolitics of Eurasia. He included Eastern Europe from Baltic through the Black Sea as Inner Eurasia’s strategic annex. He also mentioned that “who rules Eastern Europe commands the Heartland: who rules the Heartland commands the world Island: who rules World Island command the world”.²⁴ Sir Mackinder projected Eurasia as heartland due to its vast natural resources and location that would determine the destiny of the world politics.

Mackinder’s perspectives of geopolitics of heartland also justified scholar Sloan’s argument that ‘Central Asia is once more a key to the security of all Eurasia’. Scholar O’Hara also opined that geopolitical competition between external powers in Central Asia since 1991 can be described as “The scramble for the ‘Heartland’”. He suggested that Mackinder’s ‘insightful observations may yet to be proved correct’’. Scholar Ergashev gave supporting argument of ‘New Great Game’ with Sir Mackinder’s perspectives, while Fettweis criticised the application of Mackinder’s ideas to contemporary Central Asia as profoundly misplaced.²⁵

Admiral Alfred T. Mahan (1849- 1914) was a naval historian and president of the United States Naval War College, who also mentioned geopolitical importance of Eurasian landmass. Mahan stated that critical zone of conflict lay between the thirteenth and fourteenth parallels in Asia, where Russian land power met with British sea power. He predicted that world dominance could be led only by an Anglo- American alliance in surrounding Eurasia. He also suggested that an alliance of the U.S, the Great Britain, Germany and Japan would make common cause against Russia and China. He basically argued in support of the U.S’s sphere of influence and he also favoured the extension of US sphere of influence over European – Atlantic realm. He strongly supported his “blue

²⁴ . Cohen, Saul Bernard (2003), *Geopolitics of the World System*, Lanham: Rowman & Littlefield Publishers, Inc.

²⁵ . Sharapova, Sevara and Nick Megoran (2013), “Introduction: Helford Mackinder and Central Asia” in Sevara Sharapova and Nick Megoran (eds.), *Central Asia in International Relations: The Legacies of Helford Mackinder*, London: Hurst & Company.

water strategy”, that is US annexation of the East Asian states including Philippines, Hawaii, Guam, and also control over Panama Canal Zone.²⁶

Famous American geographer and scholar of international relations, Nicholas Spykman, had the same global view as Mackinder. Spemann’s geopolitical theory “Rimland” reflected world’s view of Mahan. It was considered to be as antipode to the concept of the Heartland. Spykman considered that the Eurasian coastal lands including Maritime Europe, the Middle East, India, Southeast Asia and China could be the prime key for world control, due to its population, rich resources and their use of interior sea lanes. Spykman rejected the land power doctrine to say that, “Who controls the Rimland rules Eurasia, who rules Eurasia controls the destinies of the world.”²⁷

Famous geopolitical thinker George Renner (1942) suggested that the airlines have united the Heartland of Eurasia with expanded Heartland within the northern hemisphere. He also stated that extended Heartland would be the dominant power centre of the world, which would have advantages of interior air, sea and land routes across the polar world.²⁸ The British strategist, Air Force Marshal Sir John Slessor, strongly advocated airborne nuclear weapon as “The Great Deterrent” against the total war, but he also ruled out total war and predicted limited war. His strategic doctrine followed a Rimland –Heartland equilibrium theory.²⁹

In the context of the fourth stage, geopolitics of Cold War dominated the Eurasian centric approach of world politics. Famous and popular geopolitical doctrine, “domino theory” was proposed by William Bullit in 1947. It argues against containment of Soviet Union that predicted that Soviet Communist power would spread via China into Southeast Asia. The concept of domino theory was followed by both American President Kennedy and Nixon administration. This theory argues in favour of the Western containment policy beyond the South East Asian and Middle Eastern Shetterbelts. Henry Kissinger introduced “Linkage theory” in 1979, which was applied to detente with Soviet Union

²⁶ . Cohen, Saul Bernard (2003), *Geopolitics of the World System*, Lanham: Rowman & Littlefield Publishers, Inc.

²⁷ . Ibid.

²⁸ .Ibid.

²⁹ .Ibid.

and accommodation of China. “Linkage theory” is based on the theory of network that connected all parts of world’s trouble spots to the USSR. Scholar Leslie Hepple clearly suggested that Kissinger’s geopolitical theory is synonymous with global balance of power. Nixon administration applied “Linkage theory” as agreement on strategic arms reduction, mutual nuclear deterrence and tried to play China against the USSR. The logical consequence of this policy was acquiescing to the “Brezhnev Doctrine”. Famous Scholar Zbigniew Brzezinski’s world view is based on the struggle between Eurasian land power and sea power. Brzezinski opined that US. –Russia conflict is an endless game, control over “linchpin” states (Germany, Poland, Iran, or Pakistan –Afghanistan, South Korea and the Philippines) is an essential part of U.S geostrategic game plan.³⁰

Central Asian geostrategic significance has increased after the 9/11 terror attacks on ‘World Trade Centre’ (WTC), New York and the ‘Pentagon’. It is also vital for regional and global security due to global war against terrorism in its neighbourhood in Afghanistan, which is sanctuary of global terror networks of Al-Qaeda, Taliban and Islamic fundamentalists.

Geostrategist and former US National Security Advisor Zbigniew Brzezinski views Central Asia as ‘Black hole’ and ‘Eurasian Balkans’ in his book *The Grand Chessboard* (1997). Scholar Alexander Dugin has replaced the metaphor of chessboard with that of a Rubik’s cube. The metaphor of chessboard implies the static board over which there is contest. The moment of the board (region’s patterns) itself becomes dynamic, as the game and its metaphors change. From two dimensional chessboards with three dimensional cubes, holds the new vision of geo political implications in Central Asia.³¹

Kazakhstan is an important and potential power of Central Asia, due to its geographical location, vast landlocked state, ample natural resources and rapid sustainable economic growth in the era of globalisation. Kazakhstan is the state of vast enormous potential natural wealth like untapped fossil –fuel reserves, substantial gold deposits and unmined veins of copper, chrome and aluminum. President Nursultan has turned the country’s

³⁰ . Cohen, Saul Bernard (2003), *Geopolitics of the World System*, Lanham: Rowman & Littlefield Publishers, Inc.

³¹ . Sengupta, Anita (2009), *Heartlands of Eurasia: The Geopolitics of Political Space*, Maryland: Lexington Books.

demography and geography into national assets and views Kazakhstan as a bridge between Europe and Asia.

The chairmanship granted by the OSCE in 2010 was the historic milestone for European recognition of Kazakhstan since independence in 1991. This shows regional and continental importance of Kazakhstan in international relations. It has strategic location between Central Asia and Caspian Basin zone. The following factors determine the strategic significance of Kazakhstan for regional, European and global interests in Central Asia.³²

- a) **Asian Security** – Kazakhstan is crossroad of Russia, China, Iran and extended neighbors of South Asian sub-continent. Therefore, Kazakhstan’s security and stability is in the larger interests of major powers of Asia.
- b) **Afghanistan Challenge and Global Terrorism-** Central Asia and Kazakhstan is neighbour of highly volatile, unstable and failed state (Afghanistan) of international politics. Central Asia and Kazakhstan are the major sources of logistic supply of NATO and US for Afghanistan. So, this region is of vital interests to great powers for containment of global terrorism, Taliban resurgence, Al –Qaeda networks, transnational terrorism and Islamic fundamentalism. U.S and NATO have inked an agreement with Russia and all Central Asian states to allow the non military logistics supply through their territories. Kazakhstan is a frontline state against Global War against Terrorism (GWOT) in Afghanistan since 2001.
- c) **Drugs and Arms Trafficking and Human Security-** Central Asia is transit region for the drugs and narcotics between Afghanistan to European and Asian markets. Kazakhstan can be the prime partner for joint regional and international initiatives to monitor the borders, prevent organised crime, illegal trade and human trafficking.

³² . European Dialogue : Kazakhstan Strategic Significance - <http://www.eurodialogue.eu/Kazakhstan-Strategic-Significance>

- d) **Global Energy Security** – Kazakhstan is hub of energy resources along with Caspian basin countries. This region can be alternate to Middle East, OPEC and Russian energy supply to European and global markets.

- e) **Regional Security Partner for Global Powers and Multilateral Cooperation in Central Asia-** Kazakhstan is an emerging power in Central Asia. Kazakhstan is an active member of various regional and global organisations, such as Commonwealth of Independent Countries (CIS), Shanghai Cooperation Organisation (SCO), the Collective Security Treaty Organisation (CSTO), NATO with Euro - Atlantic Partnership Council (EUPC) and also Partnership for Peace (PfP), the Conference on Interaction and Confidence Building Measures in Asia (CICA), OSCE, Eurasian Union, Eurasian Economic Union (EEU). Recently, Kazakhstan has become one of the non-permanent members of the UN Security Council in July 2016 for a period of two years.

1.4. Kazakhstan: An Independent State in World Politics

Mackinder's theoretical vision of Central Asia did not define the significance of Kazakhstan in the post - Soviet space. We can update his vision by designating Kazakhstan as a 'gateway to the heartland'. Kazakhstan is occupying a vast geographic zone in almost heart of the Eurasian continent, which can be an epicenter of various Asian and global geopolitical interests and their future tendencies. Kazakhstan's former foreign minister, K. Tokayev expressed his view that Kazakhstan is sandwiched between Russia and China. Kazakhstan's geographical condition will ensure the geostrategic competition between the two major heartland powers, Russia and China, and the leading Atlantic Sea power, the U.S.³³

From the very beginning of Kazakhstan's independent statehood, values of a sovereign Kazakhstan and principles of democratic system was the core of the dream of

³³ . Dadabayeva, Gulnara and Aigul Adibayeva (2013), "Mackinder's Legacy Today: New Challenges for Kazakhstan and Central Asia" in Sevara Sharapova and Nick Megoran (eds.), *Central Asia in International Relations: The Legacies of Helford Mackinder*, London: Hurst& Company.

independent state in post USSR. This essence was reflected in the speech delivered by Nurusultan Nazarbayev at the ceremonial session of the Supreme Soviet of Kazakh Soviet Socialist Republic, when he assumed the presidency of the Republic of Kazakhstan on 10 December 1991. He clearly mentioned about possibilities of realising political and economic independence. President Nazarbayev actively focused on the tendency to preserve Kazakhisation of mass consciousness. President stated that “We are the children of the majestic mountains and boundless steppe. Here, hundreds and hundreds of generations of Kazaks were born, gained strength, and reached statehood. These boundless spaces are our cradle, our inheritance, our legacy. The historical names of localities and good names of renowned sons of Kazakhstan have been restored including their anniversaries are commemorated”.³⁴ The legacy of nationalism and motherland has been resurrected on getting independence after demise of the USSR.

In his annual address to the people of Kazakhstan in 1999, President Nurusultan also cited historical legacy of the spiritual essence of Kazakhstan as “One and a half thousand years ago, in the centre of vast Eurasia, there appeared the great empire of the ancient Turkic people”.

³⁴ . Karin, Erlan and Andrei Chebotarev (), “The Policy of the Kazakhisation in State and Government Institutions in Kazakhstan”, in

Political Map of Kazakhstan



Source: Kuchins, Andrew C et al. (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan's Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, URL:https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf

It is situated at the crossroads of the Asian and European continents, lying between the 45th and 87th degrees of longitude east and between the 40th and 55th degrees of latitude north. Kazakhstan occupies the territory of 27, 24, 900 km² and is located to the east of the Caspian Sea and the Volga's plains of to the mountainous Altay, from the foothills of the Tien-Shan in the south and south-east to the west-Siberian lowlands in the North.

Kazakhstan is colossal in size, complicated in history, colorful in its culture and more than a modern nation in world history. It is geographically more than Western Europe. It was not a state until 1991. Kazakhstan's independence started disastrously.³⁵ It is eleven times the size of United Kingdom, more than four times of size of Texas. It has geographical areas almost equal to the Western Europe. It is almost five times the size of France. It encompasses three time zones with different topographies and climate in Central Asia.

Kazakhstan is situated in the heart of the Eurasia, between the Caspian Sea and the Tien Shan Mountain. It has total population -17.4 million in January 2014 with Presidential republic. It covers 2, 724,900 square kilometers of geographical territory.³⁶ It shares border with Russian Federation in north and west, east with China, south with Turkmenistan, Uzbekistan and Kyrgyzstan. It covers area of 2.7 million square kilometers which is almost equal to the Western Europe. Kazakhstan is a modern political entity which came in existence after establishment of Soviet rule in 1920. It acquired status of full union republic, second largest in the context of territory among 15 constituent republics of USSR in 1936.³⁷

Kazakhstan is the 9th largest country of the world by its territory and 62nd by its population. Kazakhstan is the largest territory after Russia in post Soviet space after 1991. Kazakhstan's terrain extends from west to east from Caspian Sea to the Altay Mountains and north to south from plains of western Siberia to oases and desert of Central Asia. Kazakhstan steppe occupies one third of the territory (8,04, 500 kilometers) and is the largest dry steppe³⁸ region of the world geography. Kazakhstan occupies 1.8 % of the total land area of the earth.³⁹

³⁵ . Atkin, Jonathan (2010), *Nazarbayev and the Making of Kazakhstan*, London: Continuum.

³⁶ . TO &GY (2014), *Kazakhstan 2014: The Oil and Gas Year*, retrieved on 24 January 2016, URL: http://www.theoilandgasyear.com/content/uploads/2015/01/TOGY_Kazakhstan_2014.pdf

³⁷ . Atabaki, Touraj (2005), "Transnationalism and diaspora in Central Asia and the Caucasus" in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

³⁸ Steppe is defined as large area of grassland and sandy region.

³⁹ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), *III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change*.

It shares borders with Russia, China, Kyrgyzstan, Uzbekistan and Turkmenistan and a coastline of Caspian Sea.⁴⁰ Kazakhstan shares border with Uzbekistan -2,300 kilometers, China- 1,460 kilometers, Kyrgyzstan -980 kilometers, Turkmenistan- 380 kilometers, and Russian Federation 6,467 kilometers. Total length of the land border is 12,187 kilometers.⁴¹ Kazakhstan is largest landlocked country in the world after Russia, China, USA, Argentina Brazil, Canada, India and Australia. A small part of Kazakhstan's territory lies west of the Ural River⁴² in continental Europe.

Kazakhstan is divided into 14 oblasts in terms of political and administrative views. Taktybinsk, Atyrau, western Kazakhstan and Mangistan oblasts in western Kazakhstan, Kostanai, Northern Kazakhstan oblasts in Northern Kazakhstan, Akmola, Karaganda oblasts in Central Kazakhstan, Almaty, Zhambyl, Kyzylorda and Southern Kazakhstan oblasts in Southern Kazakhstan and Eastern Kazakhstan and Pavlodar oblasts in Eastern Kazakhstan.⁴³

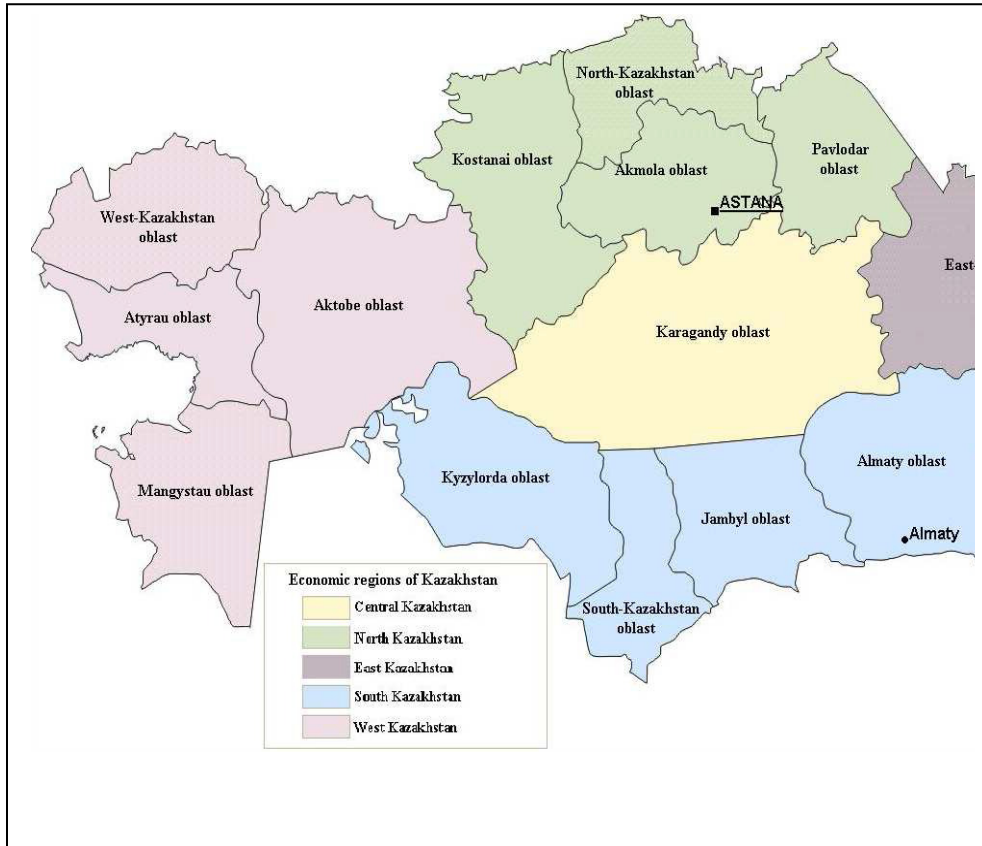
⁴⁰ . CIA World Fact book: Kazakhstan 2009.

⁴¹ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), *III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change*, accessed on 1 January 2016, URL: https://unfccc.int/files/national_reports/annex_i_natcom_/application/pdf/kaz_nc3,4,5,6_eng.pdf.

⁴² The Ural is partially a Kazakhstan river that has a great significance to the country. Together with the Ural Mountains, the river is considered to be the traditional boundary between Europe and Asia.

⁴³ . Consulate of the Republic of Singapore, Country Profile: Kazakhstan, retrieved on 10 Mar 2015, URL: https://www.mfa.gov.sg/content/mfa/overseasmission/kazakhstan/country_profile.html.

Map of Regions of Republic of Kazakhstan

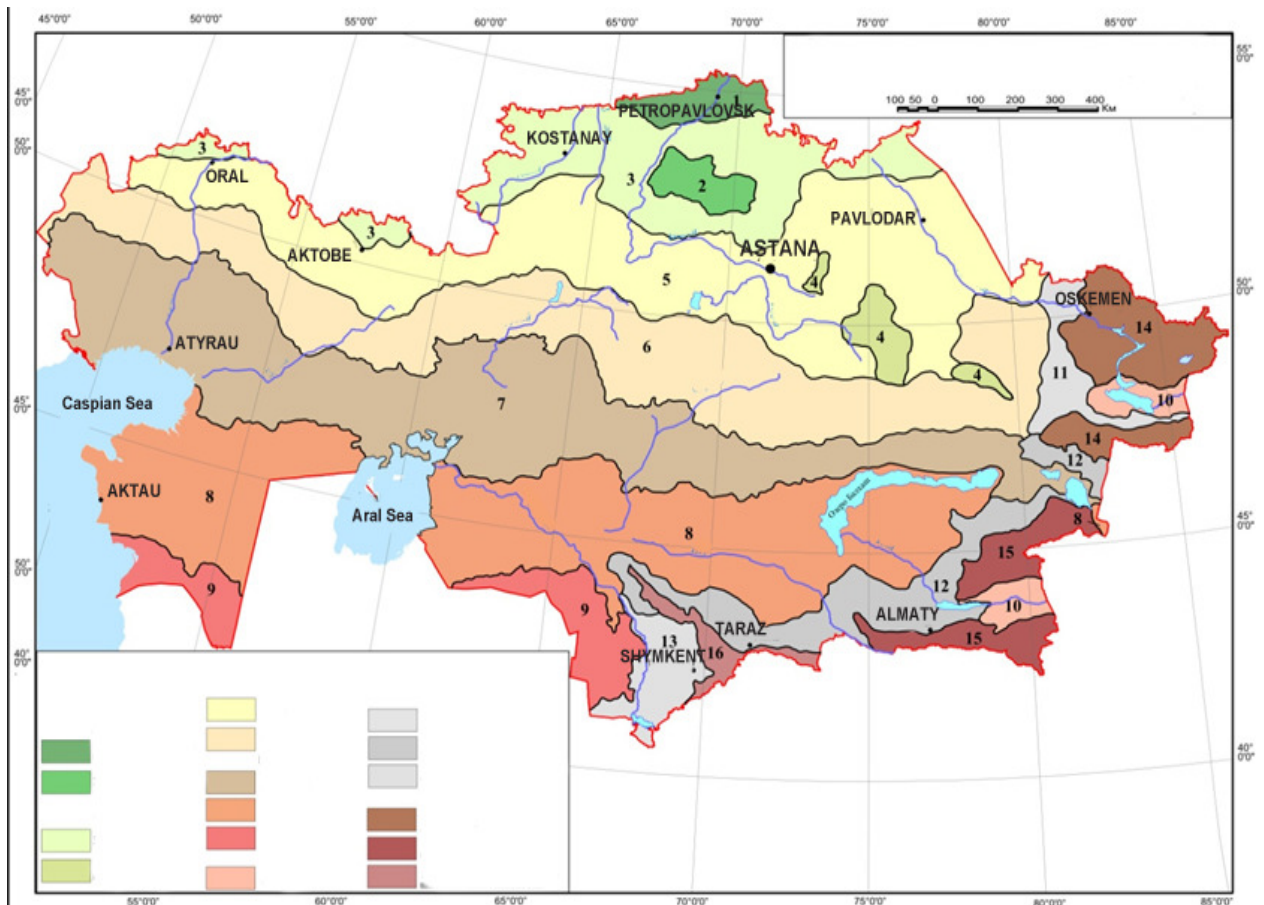


Source: Tolesh, Fariza A. (April 2012), “The Population History of Kazakhstan”, *EPC, Princeton University*, PP-2, URL: <http://epc2012.princeton.edu/papers/120586>.

Kazakhstan and Central Asia divide in four parts: the steppe consisting of northern Kazakhstan or Virgin lands, the semi desert roughly consisting rest of Kazakh SSR, the desert region laying south of the latter and extending up to Persian frontier in the west and Chinese in the east, and mountain region of Pamir and Tien –Shan. Kazakhstan has biggest diversity of types of ecosystem in Central Asia, because of the unique composition of natural complexes of steppes, deserts, mountains, large intercontinental water bodies with river falling into them and well developed deltas. It has unique ecology with diversity of flora and fauna. The Hindu Kush, the Pamirs and the Tian Shan are primary sources of water flowing in this region. Great mountains chain from Kopet -dagh

in south west to the Pamir and Tien -Shan in the east divides Central Asia from rest of the continents. Kazakhstan terrains belong to four natural climate –forest –steppe, steppe, semi –arid and desert.⁴⁴

Map of Natural Zones, Subzones and Altitudes Zones of Kazakhstan



Source- Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), *III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change*

1.5. The Political Structure of Kazakhstan

The Republic of Kazakhstan is a unitary state with Presidential system of government. It is a democratic, secular, legal and social state.⁴⁵

⁴⁴ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), *III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change*.

In theory, Kazakhstan is a constitutional republic.⁴⁶ But, in reality, Kazakhstan is a unitary state with strong Presidential system. Kazakhstan is administratively divided into 14 oblasts with Almaty city having special republican status. The power of the state and its exercise is based on the Constitution of 1995. Constitution has also divided the powers and functions of the legislative, executive and judicial branches as per check and balance of the system of authority. Parliament is the highest representative body of the republic. The Parliament consists of two Chambers acting on permanent basis- the Senate (the term of office for the Senate Deputies is six years) while Mazhilis (the term of office for the Senate Deputies is five years).⁴⁷

According to constitutional law, the Senate is composed of the deputies representing each oblast, city of special republican status and the capital of Kazakhstan. One half of the elected deputies of the Senate are reelected every three years. The President has the right to appoint 15 deputies of the Senate in the context of cultural, social, and national and other essential interests in the Senate.⁴⁸

The Mazhilis has 107 deputies as per the Constitutional law. 98 deputies are elected from party lists of the political parties under a single national constituency through universal, equal and direct suffrage by secret ballot. 9 deputies out of 107 are elected by Assembly of the people of Republic of Kazakhstan. Head of the government is appointed by President after the Prime Minister's candidatures approved by the majority of the Kazakh Parliament. Members of the Government are appointed by the President with candidates being nominated by the Prime Minister.⁴⁹

The seven-member led constitutional body is a collective for the constitutional control of the republic of Kazakhstan. The Chairman and two other members of the Constitutional

⁴⁵ .Official Site of the President of the Republic of Kazakhstan, 4 April 2016, URL: http://www.akorda.kz/en/republic_of_kazakhstan/kazakhstan.

⁴⁶ . Gleason, Gregory (2003), *Markets and Politics in Central Asia: Structural Reform and Political Change*, London: Routledge.

⁴⁷ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change, accessed on 1 January 2016, URL: https://unfccc.int/files/national_reports/annex_i_natcom_/application/pdf/kaz_nc3,4,5,6_eng.pdf.

⁴⁸ . Ibid.

⁴⁹ . Ibid, PP-27.

Council are appointed by the President, two members- by the Senate and Mazhilis for a term of 6 years. Only the President, the Chairman of the Senate, the Chairman of the Mazhilis, at least one fifth of the total number of deputies of the Parliament, the Prime Minister and a court may appeal to the Constitutional Council (only in the case of violation of human and resident's rights and freedom granted by the regulatory legal act).⁵⁰

Akimat is regional executive body which is headed by an Akim. Akims of Oblasts, cities of the special republican status and capital city are appointed by the President after recommendation of the Prime Minister. Akims of other territorial units are appointed or elected to the office according to the procedure provided by the President. President is entitled in his sole discretion to relieve akims from their offices.⁵¹

The Supreme Court is highest judicial authority of Kazakhstan. It has authority for civil, criminal and other cases under the jurisdiction of local and other courts, supervising over their activities in procedural forms provided by the law, and justifying the issues of judicial practice. The Presiding Judge and other judges of the Supreme Court, chairman of the judicial panels are elected by the Senate upon the recommendation of the President of Kazakhstan.⁵²

The President of Kazakhstan is the head of the state, its highest officials determining the main course of the government's domestic and foreign policies and representing Kazakhstan within the country and in international relations. President is the symbol and grantor of the national unity, the state power and protector of the Constitution.⁵³

The former head of Kazakhstan communist party and present president Nursultan Nazarbayev adopted the moderate path to democracy and free market model with dynamic vision in the era of globalisation after independence. President Nursultan

⁵⁰ . Ibid, PP-27.

⁵¹ . Ibid.

⁵² . Ibid.

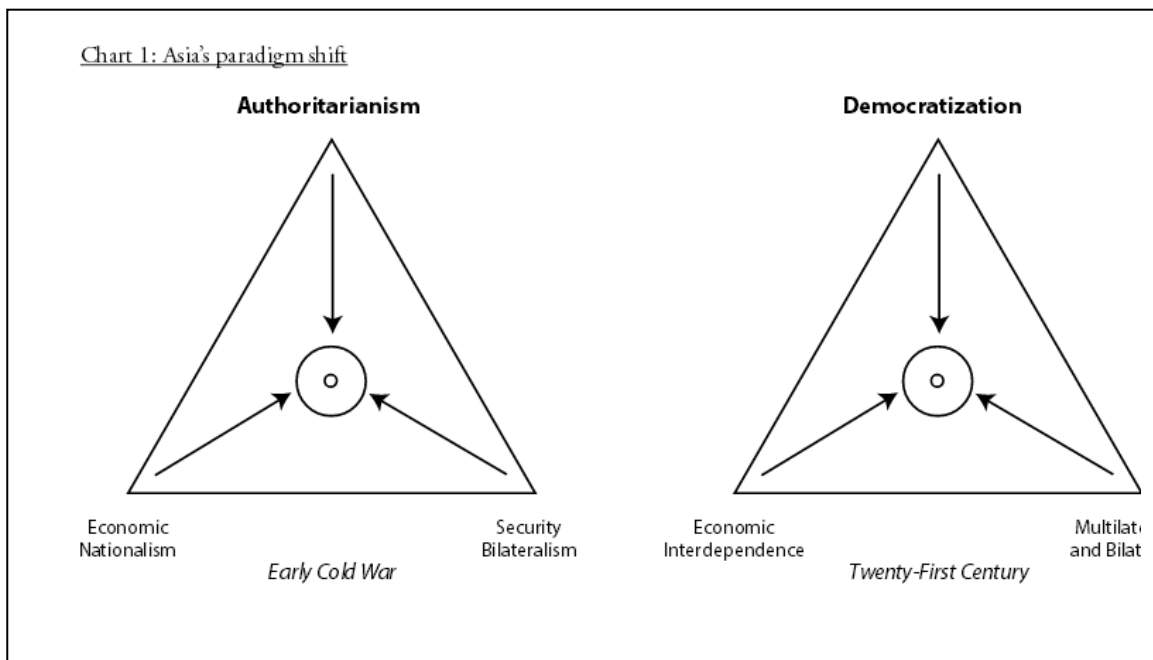
⁵³.Office Site of the President of the Republic of Kazakhstan, 4 April 2016, URL: http://www.akorda.kz/en/republic_of_kazakhstan/kazakhstan.

Nazarbayev announced that Kazakhstan would give up its nuclear weapons and strongly pledges for ‘Nuclear free Zone’ for Central Asia in the 21st century of global politics.⁵⁴

1.6. Democracy and Globalisation in Central Asia

Kazakhstan adopted the model of ‘guided democracy’. Kazakhstan and Uzbekistan follow ‘family oriented’ practices of political power, which has directly affected the political institution and process of controlling political power since their independence.⁵⁵

Adoption of Process of Democracy was the compulsion but necessary choice after the break off from the Soviet model of governance after the demise of USSR. But, transplantation of western model or democratic institutions has been paradoxically strengthening the forces of authoritarian rule, not the liberal democratic model.⁵⁶



(Source: Amitabh Acharya, URL: <http://www.amitavacharya.com/sites/default/files/Acharya-HAQ-Avoiding%20the%20Struggle%20for%20Mastery%20in%20Asia.pdf>).

⁵⁴ . Rosten , Keith (2005), *Once in Kazakhstan: The Snow Leopard Emerges*, New York: iUniverse, Inc.

⁵⁵ . Dadabayeva, Gulnara and Aigul Adibayeva (2013), “Mackinder’s Legacy Today: New Challenges for Kazakhstan and Central Asia” in Sevara Sharapova and Nick Megoran (eds.), *Central Asia in International Relations: The Legacies of Helford Mackinder*, London: Hurst& Company.

⁵⁶ . Blank, Stephen (2005), “For a Transition to Democracy in Central Asia”, in Birgit N. Schlyter (eds.), *Prospects for Democracy in Central Asia*, Istanbul: Swedish research Institute.

The 11 September 2001 events changed the internal and external dynamics of political, social and economic process of Central Asian states. Central Asia has become focal point for bilateral and multilateral engagements with major powers especially U.S, EU and its member states after starting of the Global War against Terrorism in Afghanistan. The EU's introduced the "Strategy for Partnership" with Central Asian states in 2002 and has followed up with developmental cooperation with these states since 2001.⁵⁷

1.7. The EU - Kazakhstan Relations: Political and Diplomatic Perspectives

The transformation of political and diplomatic relations between the European Union and Kazakhstan has more emphasis on the EU's interests in Kazakhstan, Central Asia and its links with neighboring states particularly Afghanistan in the post - 2001. The political and diplomatic relations are reflected in the intensity of bilateral meetings, political agreements, official high level visits and agreements. The most important trends have been outlined through their role in strategic bilateral, regional and multilateral cooperation post - 2001. The foundation of bilateral relations is based on the "Partnership and Cooperation Agreement (PCA)", which has been enhanced through ratification of new PCA in 2015. Kazakhstan has maintained stable political and diplomatic relations with the European Union and its major powers since 1991.

The European Union's relations with Kazakhstan and other Central Asian states are one of the complex architecture designs of relations as a normative global power in the world politics. The EU has long term vision of revival of the "centuries old tradition of bringing Europe and Asia together", because Central Asia is located at strategic intersection between two powerful continents of the world history. The terrorist attacks of 11 September 2001 marked the new beginning of the EU's relations with Kazakhstan and its neighboring regions. The formative events of 9/11 have reinforced the Brussels' perception, vision and reality of the security threats and its implications. Bertie Ahern, the then president of the European Council stated that "terrorism is not just undemocratic, but it is anti - democratic. It is not just inhuman, but also affront to inhumanity. New

⁵⁷ . Blank, Stephen (2005), "For a Transition to Democracy in Central Asia", in Birgit N. Schlyter (eds.), *Prospects for Democracy in Central Asia*, Istanbul: Swedish research Institute.

discourse of debate over ‘Civilised Europe’ versus ‘Uncivilised World’ has changed the views of global normative power of the EU in the context of Central Asia.⁵⁸

The European Union uses the determinants of trade, democracy, human rights, foreign and security policy as global normative actor in international relations. The use of terrorist tactics by religious extremists has considerable impact on the pragmatic approach of European Union policy towards Kazakhstan and Central Asia. The bilateral and multilateral relation has been redefined with new changing scenario of international security threats in Central Asia and its neighboring states. The advancement of communication and information technology has changed the nature of terrorist threats from cyber security to concomitant concern with transnational crimes. The nature and structure of security in European Union shifted from a security based upon territorial defense ,mutual security and military alliances to one which aspires to collective security ,institutionalization of security communities and an active global engagement .The security cooperation dominated the new focus on ‘human security’, human rights and international Justice.

Development of political and diplomatic relations between Kazakhstan and the European Union (EU) has been taking place through mutual visits and diplomatic dialogues and meetings since 1991. European Union’s foreign policy has improved political, diplomatic and economic relations with Kazakhstan. Kazakhstan is the bridge between Europe and Asia in Central Asia. To quote President Nazarbayev “Kazakhstan aims to strengthen the strategic partnership with the United States and the countries of the European Union”.⁵⁹

The EU has been emerging as natural and strategic partner of Kazakhstan in the 21st century. In the view of the EU, Kazakhstan deserves special focus, comprehensive and strategic partnership. Kazakhstan has equally responded by adopting its own ‘Path to Europe’ programme. The European Union offered Kazakhstan the chairmanship of OSCE in 2010. Kazakhstan is the first post-Soviet state which got great responsibility to chair the “Organisation for Security and Cooperation in Europe (OSCE)” in 2010. Its

⁵⁸ . Kavalski, Emilian (2012), *Central Asia and the Rise of Normative Powers: Contextualising of the EU, China and India*, New York: Bloomsbury.

⁵⁹ . Nursultan Nazarbayev, President of the Republic of Kazakhstan stated on April 8, 2011 in Astana,

European orientation as part of a multi-vectored foreign policy presents an important opportunity for political and economic convergence with Europe, including deepening relations with the Council of Europe. The European Union considers Kazakhstan and Central Asia as the “Neighbours of neighbourhood” due to their geographic location and given their strong political, economic and cultural relations with the countries covered by the new EU policies towards Eastern Europe.

The emergence of this relationship was under the framework of TACIS (Technical Assistance to the Commonwealth of independent States) program and it signed Partnership and Cooperation Agreements (PCA)⁶⁰ with each regional state. The EU’s relations with Central Asian states are based on the Partnership and Cooperation Agreements (PCAs). The PCA programme is based on three main pillars: political dialogue, trade and economic relations and cooperation in different sectors. These PCAs provide a common regional framework for the EU’s comprehensive cooperation with all five Central Asian Republics, covering environment, border and migration management, drug-trafficking, education and scientific and people to people activities, reducing poverty, tackling terrorism, non - traditional security threats, water management, fight against organised crime, diversification of energy supply, Millennium Development Goals (MDG) etc. This bilateral cooperation is developing dynamically in all areas, including those of trade and investment, energy, the non-proliferation of Weapons of Mass Destruction (WMD), countering terrorism and international crime (including illicit drugs, money laundering and human trafficking), interactions between the defence agencies and the promotion of democracy. Every effort is made to ensure that their bilateral relations grow into a long-term strategic partnership and cooperation in strengthening of democratic institutions and rule of law, human rights, transport, education, culture and protection of the environment.⁶¹

⁶⁰. These agreements have created a suitable ground for the political, commercial, economic, social, financial, scientific and cultural cooperation between the Central Asian states and the European Union. These have also encouraged the regional leaders on the matters of democratization and free market economy.

⁶¹. European Community (2006), Regional Strategy Paper for Assistance to Central Asia for the period of 2007-2013 Brussels: European Council.

URL: http://www.eeas.europa.eu/central_asia/rsp/07_13_en.pdf.

In the period between 1996 and 2001, the European Union provided technical assistance primarily for economic and commercial reforms, state-building processes, and encouragement of foreign investments. Promotion of democracy and liberal market economy were the key components for the mutual relations during the first decade of independence of Kazakhstan. The massive terrorist attack on 11 September 2011 was the turning point for mutual bilateral relations with the development of political, diplomatic, defence challenges and common threats for regional and international community. NATO, OSCE and the European Council established close relations soon after the independence of Kazakhstan. The European Union and its member states have made significant contributions to the reforms of the state institutions and also economic systems of Kazakhstan since 1991.

The end of the Cold War had great impact on the evolution of the EU in international politics. Bretherton and Vogler argue that economic globalization has encouraged and the development of cooperation in Europe after the end of bipolarity in post - Cold War period. The European Union is a political institution and its creation reflects the combination of external demands and opportunities in world politics. Kazakhstan extended its relations with members of Europe Union for greater partnership in 2000. Nursultan Nazarbayev visited Paris in the summer of 2000 and London in November same year, where he was warm by welcomed.

Queen Elizabeth bestowed on him the country's highest honor-the medal of Saints Michel and George. This honour was not only seen a recognition of his earlier contribution to nuclear disarmament, but also as a reaffirmation of his reputation as a reformer and defender of democratic transformation of Kazakhstan. It was also sign of growing comprehensive partnership between Kazakhstan and Britain in the energy sectors.⁶²

⁶² . The Embassy of the Republic of Kazakhstan, London, URL: <http://www.kazembassy.org.uk/en/pages/page/43>.

EU has been working under various programmes like TACIS, MEDA⁶³, CARDS⁶⁴, PHARE⁶⁵ etc. and the Cotonou-agreements⁶⁶ for “financial incentives and capacity building.” The following factors determine the promotion of EU’S promotion of democracy in Kazakhstan⁶⁷:-

- Normative motivation of the EU;
- Security interests of the EU and its member states;
- Economic interest of EU and its member states.

Promotion of democracy by the European Union in Kazakhstan and Central Asian states take place on a less obliging level than regional democracy promotion. Legally binding measures are found in TACIS decisions from 1991, 1993, 1996 and 1999 as well as the interim agreements of 1997 respectively 1998 and the Partnership and Cooperation Agreements (PCA) of 1999 with Kazakhstan, Kyrgyzstan and Uzbekistan. Normative motives of the EU and its member states are economic and security. The EU as well as the France, the UK, Italy, Belgium and Germany have had continuously strong economic interests in Kazakhstan. But in regard to security interest post- 9/11 terror attacks EU has been increasing the bilateral security and defence cooperation with Central Asia.

Education sector was poor at the time of independence of Kazakhstan. Most of the educated people of the Soviet system were either leaving the country or became incapable to catch up with the requirements of the new education system. Modernisation of education sector was one of the important priorities under ‘Kazakhstan 2030’ and the

⁶³ The MEDA Regulation is the principal instrument of economic and financial cooperation under the Euro-Mediterranean partnership.

⁶⁴ The CARDS programme is intended to provide Community assistance to the countries of South-Eastern Europe with a view to their participation in the stabilisation and association process with the European Union.

⁶⁵ The Programme of Community aid to the countries of Central and Eastern Europe (Phare) is the main financial instrument of the pre-accession strategy for the Central and Eastern European countries (CEECs) which have applied for membership of the European Union.

⁶⁶ The **Cotonou Agreement** is the most comprehensive partnership agreement between developing countries and the EU. Since 2000, it has been the framework for the EU's relations with **79 countries from Africa, the Caribbean and the Pacific (ACP)**.

⁶⁷ . Wilga, Maciej and Ireneusz Pawel Karolewski (2014), *New Approaches to EU Foreign Policy*, London: Routledge

‘Strategic Plan 2010’. Educational initiatives are the one of the human development efforts of the European Union’s engagement with Central Asian countries along with Kazakhstan. The European Education Initiative was launched as part of the EU-Central Asia Strategy in 2007. By 2009, the initiative prioritised higher and vocational education and emphasised links with the Bologna Process. Attempts were made to establish the EU-Central Asia Education Platform as re-branding of Tempus and Erasmus Mundus programmes within a set of specific activities and outline the ways in which internal EU education policy development processes could be extended to Central Asia. It provides new opportunities for scholars, students and leadership to explore the experiences and expertise in the education system in the world. Central Asia’s education and training systems have operated in contexts characterised by a decline in educational and literacy standards, in public health and life expectancy, as well as rising levels of criminality and massive male emigration since the break-up of USSR.⁶⁸

The “2007 EU- Central Asia Strategy” identified education and training as an important area for cooperation, where the European Union (EU) has been willing to share its experience and expertise.⁶⁹ The strategy called for the establishment of a European Education Initiative and the development of an E-silk highway. The E-silk highway is an internet-based communications network, which would link Central Asian students, teachers, academics and scientists both regionally and with the EU e-network. Specific educational purposes include enabling participation in modern forms of life-long and distance learning. Since the launch of the “Lisbon Strategy”⁷⁰ in 2000, the EU has wider cooperation in the development of a wide-ranging education and training policy within the Education and Training 2010 Work Programme (Council of the European Union, 2000; and European Commission, 2003). Despite the constraints, national sensitivities with regard to social policy and the diversity of education and training systems, member states and the European Commission have worked within the Open Method of

⁶⁸ . European Community (2006), *Regional Strategy Paper for Assistance to Central Asia for the period of 2007-2013*, Brussels: European Council

⁶⁹ The EU Strategy for Central Asia proposed three new regional initiatives: education and training (coordinated by the European Commission); rule of law (coordinated by Germany and France); and environment, including water management (coordinated by Italy).

⁷⁰ The Lisbon Strategy, also known as the Lisbon Agenda or Lisbon Process, was an action and development plan devised in 2000, for the economy of the European Union between 2000 and 2010.

Coordination and the seven billion Euro Lifelong Learning Programme to develop agreed policies across the full range of education and training policies within a lifelong learning perspective. EU member states have signed up to a full policy coordination approach based on common objectives, benchmarks, joint Commission and Council of Ministers reports, and peer learning activities involving state and non-state actors. In addition, member states have participated in the dramatic transformations associated with the Bologna Process. One of the proposed dynamics for the development of the EU's external engagement has been the externalisation of internal processes.⁷¹

The Central Asia Research and Education Network (CAREN), in essence, will build on the Virtual Silk Highway; launched by the NATO Science Programme⁷². The NATO project has been satellite-based, whereas CAREN is a high-speed terrestrial broadband network of up to 34 Mbps. With the establishment of the infrastructure for high capacity internet links, one million students and researchers in over 200 universities and research institutes in Central Asia will be able to interact with each other and to have access to the EU and the global research community as a result of connection to the pan-European GÉANT network. The CAREN project is expected to provide support in priority areas such as environmental monitoring, radio astronomy, telemedicine, the digitalisation of cultural heritage, e-learning, palaeontology and mineral extraction. Infrastructure would be provided by the Cambridge-based company DANTE (Delivery of Advanced Network Technology to Europe) in the UK, established in 1993, which builds and operates GEANT with co-funding from the European Commission Research and Development Framework Programme. The basis for participation is consortia of EU higher education institutions and third party institutions. For the period 2007-8, 4.4 million Euros were made available for the Central Asian region, with 1.3 million Euros for Kazakhstan and

⁷¹ Council of the European Union, 'European Neighbourhood and Partnership Instrument, Eastern Regional Programme', Strategy paper 2007-2013, Brussels: European Council, 2006, p.6.

⁷² The CAREN project is another component of a developing set of EU initiatives in network provision. CAREN will link Central Asia with the BSI (Black Sea Initiative), TEIN2 (Eastern Asia), ORIENT (China), EUROMEDCONNECT2 (the Mediterranean), ALICE2 (Latin America) and TEIN3 (Asia-Pacific).

3.1 million Euros for other Central Asian countries.⁷³ The aim of Erasmus Mundus is to facilitate the exchange of persons, knowledge and skills in the higher education sector.

Officially, political and diplomatic relations between Kazakhstan and the EU have been very stable. The EU's long term strategic goals are focused on the maximum integration of the states, including economy, energy, defense and military areas, soft security cooperation, climate change etc. The head of the European Delegation in Kazakhstan, Jack Straw also stated that Europe is one of the biggest political and economic allies of the Kazakhstan. Europe is a source not only of advanced technologies and investment, but it is also the source of the many values, many institutional and political reforms in Kazakhstan.⁷⁴

The new 'Enhanced Partnership and Cooperation Agreement' (EPCA) was signed by EU High Representative for foreign Affairs, Federica Mogherini and Vice President of the European Commission with Foreign Minister of Kazakhstan, Erlan Idrissov in Astana on 21 December 2015, which is provisionally applied since 1 May 2016. It would enhance legal foundation of bilateral cooperation between Kazakhstan and EU and its member states.⁷⁵

1.8. Concluding Remarks

Kazakhstan is emerging as a regional power in the post - Soviet space of Central Asia and surrounding region. Kazakhstan is the 9th largest country in the world, surrounded by ex-super power (Russia), emerging potential power (China) and emerging normative global power (the EU), including other regional powers Iran and India. It has impressive natural resources and economic potential.

⁷³ . Peter Jones (Feb 2010), the EU-Central Asia Education Initiative, working paper, EUCAM.

⁷⁴ . Dyussebekova, Zhazira (25 April, 2016), "Eurasian Media Forum Discusses Global Problems, Future of European Union, Economy" *Astana : Astana Times*, URL: <http://astanatimes.com/2016/04/eurasian-media-forum-discusses-global-problems-future-of-european-union-economy/>.

⁷⁵ . Official Journal of European Union (2016), "Enhanced Partnership and Cooperation Agreement Document", retrieved on 2 July 2016, URL: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22016A0204%2801%29&from=EN>

Sir Mackinder's vision of geopolitical significance of Central Asia is more relevant in the terms of present global engagements in multi - polar world politics.

Kazakhstan is a young, prosperous, dynamic and modern state of Central Asia. Gorbachev's policies of "Glasnost and Perestroika" stimulated a heightened national consciousness and frontline factor for political independence of Kazakhstan after the collapse of Soviet Union in 1991. The transformation of political and diplomatic relations between the European Union and Kazakhstan has more emphasis on the EU's interests in Kazakhstan, Central Asia and its links with neighboring states particularly Afghanistan in the post 2001. Kazakhstan and European Union are the economically and politically strong significant partners in the global politics of Central Asia. The European Union has strong interest in peaceful, democratic and economically prosperous Kazakhstan and is cooperating through implementation of various agreements, EU assistance program and other initiatives taken by the EU to support the reforms in Kazakhstan.

CHAPTER – TWO

Kazakhstan's Multi vector Foreign Policy and its European Vector

2.1. Introduction

The centrality of Kazakhstan – European Union ties is unique in the regional context of Central Asia. The current relationship between the EU and Kazakhstan is marked by cooperation. Both have signed new “Enhanced Partnership and Cooperation Agreement” (EPCA) in December 2015, which replaced the old PCA 1995. Kazakhstan is the first Central Asian state which signed new generation agreement with the European Union.⁷⁶ Kazakhstan is strategically located between the two continents and is a bridge between Europe and Asia. Located in the heart of the Eurasian continent, Kazakhstan has occupied an important place in the system of international relations in the present world order of global politics. The European vector of multi vector foreign policy provides significant degree of autonomy for Kazakhstan and also for the European Union’s bilateral and comprehensive cooperation with Uzbekistan, Russia and China. Convergence of interests in trade, democracy, security, energy security may redefine the pattern of relationship in the era of economic globalization. Kazakhstan is also considered to be the “Snow Leopard” of Central Asia. It is also trying to serve a new model of development for the rest of the developing states in world. National security threat is not about the military invasion but is related to the territorial integrity of the Kazakhstan. Conflict or cooperation with European Union versus Eurasian Union is a new emerging challenge for contemporary leadership of Kazakhstan in the design of multi - vector foreign policy.

2.2. Kazakhstan’s Multi Vector Foreign Policy

Kazakhstan has redefined the concept of multi vector foreign policy under new strategy “Foreign Policy concept for 2014 -2020” in the vision document “Strategy 2050” in April 2014. This was officially announced by the President Nursultan Nazarbayev with new approach of foreign policy vision based on the principles, approaches, aims, priorities and task of future framework of foreign policy.⁷⁷ President Nursultan also

⁷⁶ . The European Union External Action (2015), “EU and Kazakhstan sign Enhanced Partnership and Cooperation Agreement”, retrieved on 25 January 2016, URL: http://eeas.europa.eu/top_stories/2015/211215_eu-kazakhstan_agreement_en.htm.

⁷⁷ . Ministry of Foreign Affairs, Republic of Kazakhstan (2014), *Foreign Policy Concept 2014-2020*, URL: www.mfa.kz/index.php/en/foreign-policy/foreign-policy-concept-for-2014-2020-republic-of-kazakhstan.

hinted at the modernisation of foreign policy in the “Strategy 2050” during his national address in December 2012.

Kazakhstan is crafted a better model of foreign policy along with ensured security and legitimacy of the authoritarian regime in international affairs since its independence in 1991. International relations theories suggest that it adopted the strategies of balancing or bandwagoning – opposite behavior prompted by the desire for security. Reul Hank argues that core of multi vectored foreign policy is based on the state security and economic development in the era of globalization. The logic of ‘multi vectorism’ is seeking enhancement of security cooperation with EU, European powers including U.S, besides different perceptions and historical trends of relations with Russia and China. Recent Ukraine crisis and Russian President Putin’s long-term strategic vision in Central Asia and former Soviet space are challenges for Kazakhstan. President Putin’s remarks on Moscow’s duty to defend ethnic Russians caused concerns in Kazakhstan. President Putin also stated in August 2014 that before 1991 “Kazakhs had never statehood” and that ultimately Kazakhstan is part of the “*Ruskiimir*” (Russian world). Chinese President Xi Jinping’s strategic vision model of “One Belt, One Road” (Silk Road Economic Belt and Maritime Silk Route) strategy for greater economic interconnectivity between Beijing and Central Asian states including other regions have new future challenges of the territorial integrity and sovereignty of Kazakhstan and other surrounding states of the region.⁷⁸

The multi - vector foreign policy and dream of political elite regarding Kazakhstan as great power or rising power of international affairs is fundamentally based on four components- its geostrategic location, natural resources, ethnic demography and regime type.⁷⁹ Kazakhstan succeeded in implementing the positive multi vector foreign policy

⁷⁸ . Clarke, Michael E.(9 April 2015), Kazakhstan’s Multi vector Foreign Policy: Diminishing Return in an Era of Great Powers “Pivots”, The ASAN FORUM. URL: <http://www.theasanforum.org/kazakhstans-multi-vector-foreign-policy-diminishing-returns-in-an-era-of-great-power-pivots/>

⁷⁹ . Ibid.

with major power of the world. It established links in multiple directions, rather than opposing the actors against one another in international affairs.⁸⁰

Kazakhstan is a leading actor of global politics in Central Asia for more than two decades. The new vision is influenced by internal and external factors including current realities of global politics, promotion of national interests on the principles of pragmatism, needs of foreign policy modernization, long term sustainable development until 2050, global economic- financial crisis, economic and energy security in the context of new geopolitical and geo - economic situation.⁸¹

The main objectives and priorities of the new foreign policy vision are:

- Ensure territorial integrity, sovereignty, national security;
- Enhancement of defense capabilities in the context of regional and global security;
- Establishment of free and fair global democratic order under leadership of United Nations Organisations (UN);
- Intensive integration with regional and global trade –economic relations;
- Reinforcing rule of law and democratic institutions;
- Protection of human rights and freedom;
- Protection of the rights of personnel, family, business interest of citizens, and legal entities of Kazakhstan.
- Diversification and promotion of industrial –technological development based on “green” development path that bring Kazakhstan to under 30 top developed countries of the world;
- Promote cultural diversity of Kazakh society, positive global image of Kazakhstan, support Kazakh diaspora and promotion of Kazakh language abroad.

⁸⁰ . Laruelle, Marlene and Sebastien Peyrouse (2013), *Globalizing Central Asia: Geopolitics and the Challenges of Economic Development*, New York: M.E Sharpe.

⁸¹ . Ministry of Foreign Affairs, Republic of Kazakhstan (2014), *Foreign Policy Concept 2014-2020*,

2.2.1. The basic priorities of the new concepts of foreign policy under “Strategy 2050” are⁸²:

- Political stability, sustainable economic development and security against new challenges and threats in Kazakhstan as well as its neighbors;
- Eurasian economic integration as an effective tool for promotion of sustainable position, strengthen Customs Union and Kazakhstan’s effective role in the Customs Union and Common Economic Space in order to build Eurasian Economic Union on its basis;
- Establishment of stable and amiable relations between littoral states and legal status of Caspian Sea;
- Supports global efforts against terrorism and illegal arms trafficking in Central Asia and its neighbors;
- Enhancing bilateral and multilateral cooperation etc.

Kazakhstan President Nursultan considers Kazakhstan as a “Eurasian” nation straddling with East and West as its geostrategic location makes it as bridge between Europe and Asia. This is basic approach of the European vector of multi - vector foreign policy in the era of multi polar world.⁸³ Kazakhstan’s relations with European Union (EU) have been one of the major components of Kazakhstan’s multi-vector foreign policy. This relation is determined by the EU’s international role in world politics and particularly in Central Asia in the new international order of globalization. Kazakhstan and European Union have become extended neighbors following the disintegration of Soviet Union and independence of the Republic of Kazakhstan. The EU has widened the scope of its Common Foreign Security Policy (CFSP) towards the post-Soviet realm and extended its policies towards the Central Asian states: Kazakhstan, Turkmenistan, Kyrgyzstan, Uzbekistan and Tajikistan. EU’s relations with Central Asian states have been developing under bilateral partnership and multilateral framework in the 21st century.

⁸² . Ibid.

⁸³ . Clarke, Michael E.(9 April 2015), Kazakhstan’s Multi vector Foreign Policy: Diminishing Return in an Era of Great Powers “Pivots”, The ASAN FORUM,URL: <http://www.theasanforum.org/kazakhstans-multi-vector-foreign-policy-diminishing-returns-in-an-era-of-great-power-pivots/>

Kazakhstan considers the EU as strategic partner and has been enhancing bilateral comprehensive relations up to strategic level with European great powers of the global politics in the era of globalization. The EU is the largest economic, investment and trading partner of Kazakhstan now. Kazakhstan has developed multifaceted relations with the EU and its member states based on the signed treaties or the treaties under negotiations including European institutions and associations. Kazakhstan – European Union partnership has been governed under the new “Enhanced Partnership and Cooperation Agreement”.⁸⁴

Kazakhstan has actively engaged with European led Organisation OSCE, NATO and participated in Asia –Europe (ASEM) Summit in Milan in 2014. ASEM is intercontinental multilateral platform for informal process of dialogue and cooperation with spirit of mutual respect and equal partnership which is led by 28 members of EU, two other European states, 21 Asian countries including the EU and ASEAN Secretariat.⁸⁵

Kazakhstan is seeking a non - permanent seat at the UN Security Council for 2017. Kazakhstan has already started the lobbying and kicked off an official campaign for its candidacy at UNSC for non- permanent seat. It would increase the credibility, and prestige of Kazakhstan in the world community. It would also be next pillar of successful politics of multi vector foreign policy within the sphere of big powers of world politics.

2.3. Historical Background

Under the Constitution of Republic of Kazakhstan, President is the main architect of the multi vector foreign policy in the international affairs. Parliament is the highest representative body which has legislative authority for ratification and denunciation of international treaty or any international obligations in Kazakhstan.⁸⁶ Kazakhstan’s foreign policy is guided by the principles of “Helsinki Declaration Final Act 1975”⁸⁷ -

⁸⁴ . Ministry of Foreign Affairs, Republic of Kazakhstan (2014), *Foreign Policy Concept 2014-2020*.

⁸⁵ . Asia –Europe Meeting, URL: <http://www.aseminfoboard.org/about>.

⁸⁶ . Ministry of Foreign Affairs, Republic of Kazakhstan (2014), *Foreign Policy Concept 2014-2020*.

⁸⁷ Helsinki final Act was signed as a politically binding agreement by 35 States at the Helsinki Summit in 1975. The final Act covers issue related to security in Europe, second concerns cooperation in the field of

sovereign equality of all states, non use of force or threat by force, inviolability of borders, territorial integrity of the state, peaceful resolution of the disputes, non interference in the domestic affairs of others, respect for human rights, equality and rights of the nations to decide their destiny, cooperation between the states and lastly, the diligent performance of obligation in accordance with international law. On the basis of above principles, Kazakhstan established military, defense, trade and economic relations with other countries.⁸⁸

President Nursultan Abisevich Nazarbayev first time outlined the approach of Kazakhstan foreign policy at a press conference after the result of Presidential election on 2nd December, 1991.⁸⁹ He stated that due to geographical location, Kazakhstan must be bridge between Europe and Asia in the era of globalisation. Finally the president outlined his vision of Kazakhstan's foreign policy on December, 10, 1992. He claimed that "History made a provision for Kazakhstan to find itself in the very epicentre of the world policy during collapse of the bipolar world. President Nazarbayev stated that geographical location and ethnic diversity forced multi -polar orientations of foreign policy towards west and east. Kazakhstan approaches the multi vector foreign policy".⁹⁰

Kazakhstan's multi –vector foreign policy envisages ties not just with Russia and the CIS countries, but also with Europe, the United States, China, India, the Middle East and others. Kazakhstan was accepted as a member of the United Nations Organization in March 1992. Kazakhstan's concern over some strategic challenges and its foreign policy were formulated in its national security concept that is mentioned in various documents such as the law on 'National security' (1998), strategy 'Kazakhstan 2030' (1997), 'strategic plan of development of the Republic of Kazakhstan 2012' (1998). Security dynamics was important component of the multi - vector foreign policy due to geo - political location. Security challenges like unconventional security threats, including religious extremism, global terrorism, drug trafficking, illegal migration were the national

economics, science, technology and environment and third involves cooperation in the humanitarian sector and in other fields such as culture and education.

⁸⁸ . Sultanov, B.K (2010), "Foreign Policy" in *Kazakhstan Today*, Almaty: The Kazakh Institute for Strategic Studies under the President of the Republic of Kazakhstan.

⁸⁹ . Ibid.

⁹⁰ . Ibid.

security threats to newly independent Kazakhstan. Therefore, Kazakhstan justified its multi vector foreign policy based on the situation that emerged after the collapsed of USSR. Kazakhstan was also ensuring bilateral and multi lateral cooperation with Russia and China including EU and its members, US. It actively tried to ensure the membership and bilateral cooperation with regional and global organizations like NATO, OSCE, Conference on Interaction and Confidence Building Measures in Asia (CICA), SCO, Collective Security Treaty Organisation (CSTO) and the Eurasian Economic Community (EAEC).⁹¹

2.4. Dynamics of Kazakhstan's Multi Vector Foreign Policy in the post-9/11 Era

The changing security dynamics after 9/11 terror attacks, and strategic energy resource diplomacy had forced Kazakhstan leadership to forge new alliances with European great powers and European Union after 2001. President Nursultan Nazarbayev is the main architect of reshaping the trajectory of complex and multi-vectored foreign policy and enhancement of ties with members of European Union. EU's proposal to upgrade its relationship with Kazakhstan to a "Strategic Partnership", provides for strengthening dialogue and consultation mechanisms, deepening political dialogue and cooperation, bringing together people and cultures; enhancing economic policy dialogue and cooperation and developing trade and investment post 2000.

September 11 terrorist attacks on the World Trade Centre (WTC), New York and Pentagon changed the dynamics of foreign policy of Kazakhstan and other Central Asian states including major powers U.S, Russia, the EU and its member states- Germany, France, the UK etc. Kazakhstan offered unconditional support to global war against terrorism to US and NATO. It was ready to work together with both Eurasian and Euro-Atlantic security structures such as CSTO and NATO. It stated that Astana will work through its balanced foreign policy and reaffirm the principle of openness in order to achieve its national interests and to promote global security in international affairs.⁹²

⁹¹. Ibid

⁹². Kazakhstan Foreign Policy", September 2015, *UNSC Occasional Paper, Kazakhstan: United for Global Security*,

Multi vector foreign policy has been characterized by constant rebalancing between traditional ties with Russia and China and rising economic and strategic power centre of the global politics including EU, Germany, U.S and others. The geopolitical influence of China and Russia in the Eurasian space has been a factor in Nazarbayev's choices of multi vector foreign policy. Neo classical realism deals the structural factor (neo realism) but domestic variables also reshape the direction of foreign policy. Neo classical realism defined the trajectory of primary domestic variable such as regime type or intra - elite politics being important in decision making or influencing how state elites respond to the constraints and incentives for framework of foreign policy in conditions of international anarchy. It also explains that "scope and ambition of country's foreign policy is driven first and foremost by specifically its relative material capabilities in the international system". Therefore, Russian and Chinese concerns are influential and are refracted through the core domestic concerns of regime survival and legitimacy in the case of Kazakhstan.⁹³

Kazakhstan is emerging as regional leader in Central Asia after 9/11. It has emerged as trusted ally of the EU, U.S and NATO in the context of geopolitics and geo economics including regional and global security. Therefore, European countries preferred to chose Kazakhstan for the OSCE Chair in 2010. Multi vector foreign policy has effectively managed the balance and comprehensive cooperation with EU and its major powers, US and other regional and global institutions since independence. The new foreign policy concept up to 2020 has outlined the blueprint of the future of the multi vector foreign policy of Kazakhstan. Kazakhstan has completed an "Enhanced Partnership and Cooperation Agreement" with EU in October 2014.⁹⁴

2.5. Kazakhstan's Multi Vector Foreign Policy and Theories of International Relations

International relations are outcome of the politics of great powers in the international community. They use all their means of power to achieve their national interests in the

⁹³ . Clarke, Michael E.(9 April 2015), Kazakhstan's Multi vector Foreign Policy: Diminishing Return in an Era of Great Powers "Pivots", The ASAN FORUM

⁹⁴ . "Kazakhstan Foreign Policy", September 2015, *UNSC Occasional Paper, Kazakhstan: United for Global Security*.

global politics. The foreign policy of any state depends upon its geography, human resources, economic resources, domestic determinants, leadership, sovereign power, power of international influence and also ability to pursue independent foreign policy among community of nations in international relations. International relations have dominated by the neo liberalism of great powers in the era of globalization.⁹⁵

Samuel P.Huntington argues that present system is unique hybrid system of unipolar and multi polar influence in world politics. He defines as ‘uni - multi’ polar system of after Cold War era.⁹⁶

In the context of Kazakhstan’s foreign policy, regime has more interested in friendly and predictable relations with all major powers. The new foreign policy ‘concept 2014’ follows the trajectory of the multi vector, balanced, pragmatism, mutually beneficial context of national interests in global affairs.⁹⁷

Kazakhstan follows the principles of international relations theories for pragmatic foreign policy and fostering the comprehensive bilateral and multilateral cooperation with major powers in world politics. Kazakhstan has managed a respectful position as independent actor of the system of the international relations in last two decades. Foreign policy model has based on the two main pillars –openness towards the outside world and assuming the role of responsible and trusted power that contributes to global security.⁹⁸

The Nazarbayev regime has been pursuing multi vector foreign policy with objectives of maximising the benefits of its significant raw material resources and advantageous geographical location in international relations. It has provided the multi dimensional identity of foreign policy. Cumming remarks that Kazakh multi vector foreign policy is driven by heterogeneity at home and privileged landlocked position to multiple pipelines routes and market abroad. Kazakhstan has developed intensive and deep relations with

⁹⁵ . Petric, Ernest (2013), *Foreign Policy: From Conception to Diplomatic Practice*, Boston: Martinus NIJHOFF Publishers.

⁹⁶ . Huntington, Samuel P. (1999), “The Lonely Superpower: US Military and Cultural Hegemony resented by Other Powers”, *Foreign Affairs*, March 1999.

⁹⁷ . Diyarbakırlioğlu, Kaan; Süreyya Yiğit (2014), “Kazakh Multi Vector Foreign Policy in Action”, *Alternatives: Turkish Journal of International Relations*. Winter 2014, Vol. 13 Issue 4, p70-82.

⁹⁸ . “Kazakhstan Foreign Policy”, September 2015, *UNSC Occasional Paper, Kazakhstan: United for Global Security*, URL: <http://media.worldbulletin.net/file/2015/unsc-occasional-paper-kazakhstans-foreign-policy.pdf>

Russia, China, the EU, U.S, Turkey, India, Japan, Pakistan, Israel, Singapore, Malaysia, Middel Eastern countries etc.⁹⁹

One school of foreign policy argues that multilateral mechanism is restricting its ability to pursue a multi vector approach of foreign policy.¹⁰⁰ Another school of thought views that Astana's multi vector framework has been asserting its central role in the dynamics of Central Asia in contemporary international relations.¹⁰¹ Regime security is also the important and essential component of the multi vector foreign policy after the post Cold War era in Kazakhstan as well as other states of Central Asia.

2.6. Determinants of Kazakhstan's Multi - Vector Foreign Policy

Critical geopolitical plurality, strong state leadership and foreign policy bureaucracy are basic pillars of formation of foreign policy choices as independent actor of international relations in world community. Foreign policy is also determined by the rise and strong economic presence of China in Central Asia, geo economic tension over the Caspian region, Islamist extremism and terrorism crises in Afghanistan and Middle East.

Traditionally, we can recognise seven major dimensions of power capability that also define the foreign policy diplomacy of emerging great powers in international relations. They are given in the following¹⁰²:-

- Natural determinants (geography, population and resources); and
- Social determinants (economy, military, diplomacy and culture).

The domestic variables influence the framework of the multi vector foreign policy of Kazakhstan. The factors mainly ideas and ideology, institutional context and above all national interests determine the foreign policy. Domestic institutional factors like policy orientation (pursuit of sovereignty, political stability, economic reforms), and presidency

⁹⁹ . Aris, Stephen (2011), *Eurasian Regionalism: The Shanghai Cooperation Organisation*, Hampshire: Palgrave Macmillan.

¹⁰⁰ . Ibid.

¹⁰¹ . Ibid.

¹⁰² . Renard, Thomas (2012), "A Multipolar World in the Making" in Thomas Renard, and Sven Biscop (eds.) *The European Union and Emerging Powers in 21st Century: How Europe Can Shape a New Global Order*, England: Ashgate Publishing Limited.

and sub - national identity have been also important components of foreign policy of Kazakhstan. President is considered to be most significant factor to design the outline of foreign policy. Schlesinger, Jr. argues that 'imperial presidency' is the absolute authority of decision maker in the domain of foreign and domestic policy in case of Kazakhstan and other Central Asian states.¹⁰³

Geographical location, historical heritage, ethnic and religious composition of Kazakhstan's society, the dynamics of geo-politics and geo-economic interests are the determinants of its foreign policy. Kazakhstan is emerging as dynamic, developing, market oriented, multi-ethnic and secular state in global politics. Kazakhstan's energy resources and position between Europe and Asia make it a key player both in global energy markets and regional power relations in Central Asia and its neighborhood. Regime security, intensive economic integration with major economies and regional balance between great powers in Central Asia are the basic aim of Kazakh's foreign policy. It also aims to counter balance the Russian and Chinese influence through its multi-vector foreign policy. The determinants of multi vector foreign policy are as follows¹⁰⁴:-

Ethnicity especially Russian ethnicity also determined the direction of foreign policy. President Nazarbayev has maintained comprehensive and strategic relations with Moscow. Russian elite networks cross border ties between influence the political and economic system of Kazakhstan.

Ideology - collapse of USSR changed the dynamics of ideological factor in the newly independent state- Kazakhstan. USSR was symbol of communism. Kazakhstan faced severe challenges in the state building and framework of new approach of foreign policy. President tried to de-ideologise the state institutions and structure to make communism

¹⁰³ . Lee, Ji Euan (2010), "Foreign Policy Formation of Authoritarian States in Central Asia since 1991: Non Institutional Domestic Factors in Kazakhstan and Uzbekistan", *The Korean Journal of International Studies*, PP 33- 71, URL: http://kaisnet.or.kr/resource/down/8_1_02.pdf

¹⁰⁴ . Lee, Ji Euan (2010), "Foreign Policy Formation of Authoritarian States in Central Asia since 1991: Non Institutional Domestic Factors in Kazakhstan and Uzbekistan", *The Korean Journal of International Studies*, PP 33- 71.

irreverent in ideological space in the context of establishment of political, economic and diplomatic relations in international affairs.

Political Institutions -Political institutions including political parties have significant impact on foreign policy behavior.

Civic Identity - President Nazarbayev characterized 'Kazakhisation' of new civic identity of the state building programme based on Kazakh people and language. It provides new identity in international politics but he has kept in mind that the ethnic influence of Russian population is essential component of territorial integrity of the Kazakhstan. So, he advocated close and strategic relations with Russia. As Kazakhstan is home of different ethnic groups, so he announced new initiative of Kazakhstani identity based on all citizens of Kazakhstan at the same time President exploited Eurasian identity for enhancement of bilateral cooperation with Germany and similarly Muslim identity in case of formation of comprehensive engagements with Muslim world.¹⁰⁵

Geopolitics is a part of political geography which deals with international relations, international conflicts and foreign policies. Braden and Shelley suggest geopolitics predicts that geographical conditions (distribution of natural and human resources, distance, direction, location) have an influence on international relations. Kazakhstan's foreign policy is the best example of the role of this factor. Kazakhstan is located in Central Asia whose western part is classified as a part of Europe. It stretches Kazakhstan onto the two continents - Asia and Europe. However Kazakhstan's history and culture is more connected with Asia.¹⁰⁶

Two superpowers were influencing the international order during the Cold War, but world has moved towards multi-polarity after the collapse of Soviet Union in 1991. Kazakhstan has emerged as independent sovereign republic, ready to determine its foreign policy agendas with national interests and international relations in the era of

¹⁰⁵ . Lee, Ji Euan (2010), "Foreign Policy Formation of Authoritarian States in Central Asia since 1991: Non Institutional Domestic Factors in Kazakhstan and Uzbekistan", *The Korean Journal of International Studies*, PP 33- 71.

¹⁰⁶ . Peterson, Alexandors (2011), *The World Island: Eurasian Geopolitics and the Fate of the West*, California: Greenwood Publishing Group.

globalisation. Some scholars argue that new Cold War scenario has been emerging over untapped resources in Kazakhstan and Central Asia. Kazakhstan is the state of huge natural and strategic resources specially uranium, oil, gas and minerals. Economic globalisation has greater impact upon Kazakhstan's foreign policy in new international order. Therefore, its geopolitical position, political geography, geo-economics, energy resources are the main factors, determining its foreign policy with due concern of national interests of Kazakhstan in the world.

Pearson lists following factors as important for foreign policy of the state¹⁰⁷;

- System factors with its other components: geography, international relations and structure of international system.
- National attributes along with demography, economy, military and governmental conditions. Role of national representatives on foreign policy of the state is part of idiocentric factors.

According to Mackinder, Kazakh territory belongs to 'pivot region' and first idea of Kazakhstan in connection with Wallenstein's world economy is the presumption that Kazakhstan belongs to economical periphery.

2.7. Role of the Kazakh Media in Foreign Policy

Media has become new pillar providing information about local, national and international politics in the era of globalisation to average citizens. Traditional media outlets include television news networks, newspapers, radio, journals but, new sources of social media and technology based information has revolutionised the political and diplomatic phenomena of foreign policy and its international relations. Media is working as agenda setting function of the foreign policy. Contemporary trends in the media industry may impact coverage of foreign affairs.

Kazakhstan media is relatively more independent as compared to the media of other Central Asian states. Kazakhstan also passed a legislation in 2001 that allows state

¹⁰⁷ . Pearson, Frederic S. and J. Martin Rochester (1998), *International Relations: The Global Condition in the Twenty First Century*, Mac Graw Hill.

authorities to charge crime cases against media. Russian media industries are dominate in Kazakhstan. There are more than 1,431 mass media outlets including 12 television stations and 86 radio channels, foreign and Russian media sources¹⁰⁸. There is also legal restriction, censorship and intimidation of press, journalist and media outlets.

2.8. Role of President and Parliament in Decision Making Processes in Foreign Policy

Kazakhstan is practicing strong Presidential system since its independence in 1991. The President is most influential and powerful personality based institution which has developed imperial presidency in Kazakhstan. It holds tight control over the legislative and judiciary in Kazakhstan. Parliament is also dominated by the pro president party.¹⁰⁹ President Nazarbayev is credited with the success of multi- vector foreign policy in the 21st century. He promoted the Eurasian strategy to enhance relations with Europe as well as Asia after independence and especially after 9/11 era.

Kazakhstan has achieved friendly relations with both regional and global powers such as European Union, Russia, the United States and China. President Nazarbayev believes that Kazakhstan should be the bridge between Europe and Asia due to its geographical location and would like to build mutual beneficial relations with major powers of the world (Nazarbayev 1991). Main objective of Kazakhstan's foreign policy is to create and maintained favourable conditions for steady development of Kazakhstan based on political and economic reforms. The nature of these reforms determines the nation's foreign policy priorities, and a desire to be fully involved in both international and regional events. He has been re-elected President of Kazakhstan several times and was proclaimed the "Leader of the Nation" with lifetime ruling responsibilities and privileges in June 2010. Nazarbayev has been trying to create a 'Eurasian' sense of Kazakhstan.

¹⁰⁸ . Press Reference, Kazakhstan, URL: <http://www.pressreference.com/Gu-Ku/Kazakhstan.html>.

¹⁰⁹ . Lee, Ji Euan (2010), "Foreign Policy Formation of Authoritarian States in Central Asia since 1991: Non Institutional Domestic Factors in Kazakhstan and Uzbekistan", *The Korean Journal of International Studies*, PP 33- 71.

The Constitution of 1995 not only gives details of implementation of foreign policy decisions but also about the institutions and officials responsible for their implementation. Article 40.1 states that President of the Republic of Kazakhstan shall be head of the state, its highest official determining the main directions of the domestic and foreign policy of the state and representing Kazakhstan within the country and in international relations. Article 44.11 states that the President conducts negotiations and signs international treaties, ratification of instrument, receives letters of credentials and recall of diplomatic and others representatives of foreign states accredited to him. The President is assisted by his administrative office in carrying out his foreign policy activities. According to Article 44.20 the President forms the security council of the Republic, which is a consultative advisory organ preparing proposals and conceptual documents regarding national security, defense capability etc. maintenance of state sovereignty, territorial integrity and maintenance of social and political stability in the country and protection of the constitutional rights of its citizens. Role of the government regarding the formulation of foreign policy of the Republic is also mentioned in the Constitution. Article 66.5 of the Constitution states that the government shall develop measures for the conduct of the foreign policy of Republic. The role of the Constitutional Council is also important in the process of formulation of foreign policy concerns. It is the highest judicial organ which examines every matter including those of an international nature. Article 74.1 of the Constitution states that laws and international treaties not in compliance with the Constitution of the Republic may not be signed or, accordingly, ratified and brought into effect. Hence, Constitutional Council examines the constitutional compliance of the acts signed by the President and adopted by Parliament.¹¹⁰

Kazakhstan's parliament has the authority in the decision making process of multi-vector foreign policy. There are several provisions which have given authority to check and balance through the parliament. Article 53 of Kazakhstan Constitution states that parliament can call a joint session of Senate and Majlis, decide issues of war and peace and adopt decisions concerning the use of armed forces of the Republic to full-fill

¹¹⁰ . Constitution of Republic of Kazakhstan, 1995.

international obligations in support of peace and security on behalf of the President of the Republic. Article 54 states that Parliament can address separate sessions of the chambers, through consecutive consideration of issues first in Majlis and then in the Senate. Parliament decides the issues of state loans and rendering of economic and other assistance by the Republic, ratify and announce International treaties of the Republic. Multi-vector foreign policy of Kazakhstan can be categorised into three distinct phases.¹¹¹

- First phase, 1991-95,
- Second phase, 1995-2000,
- Third phase, post- September 2001 (9/11 terror attacks in USA)

President Nursultan Nazarbayev believes that multi-vector foreign policy means “development of friendly and predictable relations with multi-polar world to play a significant role in global politics and represent pragmatic interest of Kazakhstan.” Foreign policy of Kazakhstan aims to maintain balance among great powers and to ensure regime security. Kazakhstan’s Foreign Minister Kasymzhomart Tokayev justified Kazakhstan’s “balanced and multi-dimensional policy” as “an objective necessity.” The first major document of republic of Kazakhstan “the strategic Establishment and development of Kazakhstan as sovereign state”, produced in 1992-stressed the importance of joining the international community by creating a partnership with the three major centres of market system, the United States, Japan, and Western Europe. Kazakhstan’s bilateral relations with members of European Union have been based on the foundation of multilateral political, economic and cultural-humanitarian cooperation.

Kazakhstan has been granted membership in international organizations of International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), the Organization of Islamic Conference (OIC), and the Organization for Economic Cooperation (OEC), which unites Afghanistan, Azerbaijan

¹¹¹ . Sultanov, B.K (2010), “Foreign Policy” in *Kazakhstan Today*, Almaty: The Kazakh Institute for Strategic Studies under the President of the Republic of Kazakhstan.

and Central Asian countries, Iran, Pakistan and Turkey. Kazakhstan concluded an agreement on technical co-operation with the European Union (EU), which posted a representative of its own in Almaty in 1992. Kazakhstan joined the NATO “Partnership for Peace (PfP)” Program in 1995.

2.9. The European Vector of Kazakhstan multi vector Foreign Policy

The European Vector is most important part of the new “Foreign Policy Concept 2014-2020”. It clearly states that “Kazakhstan will continue efforts to develop full scale relations with the EU - the largest economic, trade and investment partner of Kazakhstan. Kazakhstan will also strengthen strategic partnership with European countries”.¹¹² Kazakhstan has already chaired European led OSCE in 2010, and participated in development and security cooperation with EU and its organs, NATO.

Kazakhstan’s relations with European Union (EU) have been one of the major components of Kazakhstan’s multi-vector foreign policy, which is determined by the EU’s international role in the modern world and particularly in Central Asia. Kazakhstan and European Union have become extended neighbors following the disintegration of Soviet Union and independence of the Republic of Kazakhstan. The EU has widened the scope of its Common Foreign Security Policy (CFSP) towards the post-Soviet realm and extended its policies towards the Central Asian states: Kazakhstan, Turkmenistan, Kyrgyzstan, Uzbekistan and Tajikistan. The framework of the EU relations with Central Asia is bilateral partnership and multilateral.

Kazakhstan has already developed State official “Path to Europe programme 2009-2011”. “Path to Europe” was announced by President Nursultan in his Presidential address on February 6, 2008. President clearly mentioned that development of multilateral cooperation with European countries is based on real strategic interests. The basic strategic objectives of the ‘Path to Europe’ were mentioned by president¹¹³:-

¹¹² . Ministry of Foreign Affairs, Republic of Kazakhstan (2014), *Foreign Policy Concept 2014-2020*.

¹¹³ . Embassy of the Republic of Kazakhstan, State Programme Path to Europe-2009-2011, retrieved at 23 December 2015, URL: <http://www.kazakhembassy.in/index.php/Discover-Kazakhstan/state-programme-path-to-europe-2009-2011.html>

- This programme will enhance strategic relations up to new height;
- Kazakhstan's institutional and legal reforms must follow European model;
- Development and intensification of cooperation in mainly technology, power engineering, transport, technical control and metrology, trade and economy etc.;
- Enhancement of energy ties and access of European energy market for Kazakhstan.

Main objectives of this programme are developing a strategic partnership with the EU and the European member countries in order to “promote economic cooperation, attraction of technologies and managerial experience, the development of own agenda and strategic priorities for the OSCE chairmanship”¹¹⁴. This state programme clearly indicates that Kazakhstan wants to follow multilateral strategic cooperation with European Powers and EU.

2.10. The European Union: Emergence of Global Normative Power in International Relations

The collapse of USSR and end of Cold War provided new opportunities for the reintegration of Europe in the context of political, economic and defense cooperation in world system, which also inspired the new hope of “European World Order” in global politics.

The European Union was established as global major power in international politics after signing of the “Treaty of Rome”.¹¹⁵ The UK, France, Belgium, the Netherlands and Luxemburg signed ‘The Treaty of Brussels’ on 17th March 1948 for fifty years, which was later known as “the Western European Union (WEU)”. It had wider design for enhancement of cooperation in economic, social, cultural and collective ‘self defence’. In practice, WEU was largely superseded by creation of NATO in 1949. The representatives of Belgium, France, West Germany, Italy, Luxemburg, and the Netherland signed the “Treaty of Rome” on 25 March 1957. It is also known as the “Bible of European

¹¹⁴ State Programme, Kazakhstan “*The Path to Europe 2009-2011*”, Astana 2008 http://www.eucentralasia.eu/files/path_to_Europe.pdf.

¹¹⁵ . Leonard, Leo (2005), *Guide to the European Union: The definitive guide to all aspects of the EU*, London: Profile Book Ltd.

Community”, which provides the ultimate authority for greater responsibilities and its decision making process.

Relative decline of the “old West” due to emergence of new powers in Asia witnessed the shift towards less transatlantic and less Eurocentric world. Europe was no more a centre of gravity after World War II, but geopolitical shift increased the pressure on the Europeans after the end of the Cold War.¹¹⁶ The European Union is product of the global risks and regional challenges after the end of the Cold War era. Traditional determinants of power are also the favorable conditions for the EU after gap of 1945-1989 in the new global order after Cold War.

The policy makers within the European Community were seeking to enhance the foreign policy capabilities as “European Political Cooperation (EPC)” under framework of the European Community in 1970 in the era of Cold War. The Emergence of the European Community was possible due to the bipolar structure of Cold War which served both to diminish the relevance of the western European “powers” and mitigate the conditions of anarchy in which they operated. The end of bipolar system of Cold War has had significant impacts on the emergence of the European Union.¹¹⁷

Creation of the European Union is the outcome European Community. It came into force after “Treaty of European Union (TFU)” in November 1993. TFU established the Union on following pillars:-

- A political compromise with partial integration of foreign and security policy among the countries who signed the TFU;
- Transformation of the existing European Community;
- Aspects of internal security

The Constitutional Treaty was signed in June 2004 which accorded the legal personality to the EU (Article1-7). In international relations, the classical or realist approach is state

¹¹⁶ . Emmanouilidis, Janis A.(2012), “ Europe’s Role in the Twenty –First Century” in Thomas Renard, and Sven Biscop (eds.) *The European Union and Emerging Powers in 21st Century: How Europe Can Shape a New Global Order*, England: Ashgate Publishing Limited.

¹¹⁷ . Bretherton, Charlotte and John Vogler (2006), *The European Union as a Global Actor*, London: Routledge.

centric, which mainly focuses on inter-national (inter-state) political system. While study of other actors such as inter governmental and transnational business corporations organisation should be admitted as essentially subordinate to those of states. The Pluralist approach of the EU challenges the simplicities of the realism. The relative inclusiveness of the approaches reflects the condition of the global politics; it portrayed an alternative “mixed actor” in international relations. Realist also describes the state centric analysis with “superpower” relations while such complicated approach is described by Nye and Keohane (1977) as ‘complex interdependence’.¹¹⁸ The EU has been exploiting the potential of the West European “powers” and could challenge the hegemony of the U.S. Idea of the single market and competitive advance technology as compared to U.S and Japan could lead to the status of the superpower in contemporary international relations of the 21st century.

Robert Cox argued that economic globalisation has generated considerable pressure on member states for the transfer of economic management of function to the EU levels. The tension between neoliberal and social democratic form of governance could be creating new hurdles.

The political and military dimension of external action of the EU has resulted in an implicit division of global managements in terms of non military matters. The EU’s roles, responsibilities and limitations can change the dynamics of the international structures that provide the “action setting” of global politics. The European Union is as an actor “under construction” envisages a complex set of interacting processes.¹¹⁹ The terrorist attacks of 9/11 and U.S led “war on terror” have been changed the dynamics of the policy framework of the EU external action. It is interesting to see significant differences of opinions and discourse of the “responsibility” has derived from desire to distance the Union from U.S interpretation of the “war on terror”.¹²⁰

¹¹⁸ . Bretherton, Charlotte and John Vogler (2006), *The European Union as a Global Actor*, London: Routledge.

¹¹⁹ .Ibid.

¹²⁰ .Ibid..

The complexity of the EU as “multiperspectival polity” should challenge the traditional theoretical approach of the international relations. The growing presence of the EU in global affairs has been of great significance. Emergence of the EU’s process of regional economic integration, single common market, “Community of security” , “Common Agriculture Policy” (CAP), the impact of the introduction of new currency “Euro” , EU as European value based organization, shared commitment of member states, integrated capabilities and capacities of resources, ‘a democratic stabilising factor’ forced the new model in the ‘new world order’.

The European Union Map



EU countries, BBC, URL: <http://www.bbc.com/news/world-middle-east-24367705>.

2.10.1. The EU Foreign Policy (EUFP)

The European Union is one of the most influential democratic organizations after UN in the current phase of global politics. The “Maastricht Treaty 1993” was the landmark point in the formulation of the foreign policy of the EU, while “Lisbon Treaty 2009” contained important reforms of the EU’s institutionalisation process for foreign policy design and its implementation of objectives in the global affairs.

*“It is because foreign policy is widely associated with nation states that the EU is overlooked as an international political actor by many who study international relations”.*¹²¹

The European Union cannot be regarded simply as association of the democratic countries of the Europe or an international organization, but in many respects it functions as a political entity in global politics. It also qualifies the parameters of Waltz’s argument in 1979; a state must have all components of power, including size of population, territory, resources, economic capabilities, military strength and political stability. If we combine the military personnel and defense resources including advancement of technology of all 28 member states, it is the other superpower after US and other regional and multilateral capacity of the any grouping or any global actor. In economic terms, the EU’s economic influence has been growing and Euro gets international relevance in the global economy.¹²²

The theoretical discourse of power is classified into two categories- ‘hard power’ and ‘soft power’ in international relations. Hard power means the coercive use of military and economic, while soft power works more through persuasion and rests on the

¹²¹ . Bretherton, Charlotte and John Vogler (2006), *The European Union as a Global Actor*, London: Routledge, pp-12.

¹²² . McCormick, John (2012), “The European Union: A different Kind of Beast” in Donette Murry and David Brown (eds.), *Multipolarity in the 21st Century*, London: Routledge.

attractiveness and legitimacy of ideas, political culture and economic and social models.¹²³

Barnett and Duvall also argued that four types of power, and engagement with EU¹²⁴:-

- Compulsory power – where one actor has direct control over another;
- Institutional power- where one actor exercises indirect control over others, for example relationship between European Commission and other governments;
- Structural power – is the constitution of social capacities reflected;
- Productive power – is the production of meaning and signification, which shapes actor perception.

*“According to the existentialist school of philosophy ‘existence precedes essence’. In foreign policy one might say that identity precedes interest.”*¹²⁵

The European Union is defined as normative power, civilian power, while external relations Commissioner Benita Ferrero- Waldner phrased it “soft power and smart power” of the global politics of international relations of 21st century.¹²⁶ Scholar Tocci states that normative can be taken in a neutral sense. In this framework, all major international actors have a normative element in their foreign policy in that they shape and norm. Scholar Ian Manners points out that ‘the EU has been, is and always be a normative power in world politics’. Another scholar Javier Solana argues that EU’s power focuses on system change, not regime change. Concept of structural power developed by Susan Strange designed the framework for analysing the political, economic and social arrangements affecting relations between states. Structural power

¹²³ . Averre, Derek (2011), “Competing Rationalities: Russia, the EU and the ‘Shared Neighborhood’ ” in Jackie Gower & Graham Timmins (eds.), *The European Union, Russia and the Shared Neighborhood*, London: Routledge.

¹²⁴ . Taylor, Andrew, et al. (2013), *The European Union and South East Europe: The Dynamics of Europeanisation and multi level governance*, London: Routledge.

¹²⁵ . Bretherton, Charlotte and John Vogler (2006), *The European Union as a Global Actor*, London: Routledge, pp-37.

¹²⁶ . Averre, Derek (2011), “Competing Rationalities: Russia, the EU and the ‘Shared Neighborhood’ ” in Jackie Gower & Graham Timmins (eds.), *The European Union, Russia and the Shared Neighborhood*, London: Routledge.

denotes the control over four key ‘structures’ of power in the international political economy – a) security, b) credit and finance, c) knowledge ,d) and belief and ideas. Control over four pillars of the system allows an actor to control the rules of the game and shape the pattern of relations. It should be noted that structural power is not a binary opposite of normative power, but provides complementary foundation and effects of power in the globalizing international system.¹²⁷

There are five primary areas of foreign policy objectives in the external policy making process of the EU¹²⁸:

- the encouragement of regional cooperation and integration;
- the promotion of good governance and democracy;
- the protection and promotion of human rights;
- the prevention of violent conflicts and;
- the fight against global crimes.

2.10.2. The Council of Europe Relations with Kazakhstan

The Council of Europe is primarily a human rights monitoring body playing its role in establishing democratic institutions in Kazakhstan. It seeks to develop common and democratic principles based on the “European Convention on Human Rights” and other reference texts on the protection of individuals.

Kazakhstan already enjoys observer status with the ‘European Commission for Democracy through Law’ (Venice Commission). Kazakhstan has shown interest in participating in several Council of Europe conventions. Parliament of Kazakhstan has co-operated with the Assembly on the basis of an agreement concluded in April 2004. Members of the Parliament of Kazakhstan regularly attend the Assembly sessions. The First ‘Euro-Asian Forum on Migration’ was co-organised by the Assembly and the

¹²⁷ . Averre, Derek (2011), “Competing Rationalities: Russia, the EU and the ‘Shared Neighborhood’ ” in Jackie Gower & Graham Timmins (eds.), *The European Union, Russia and the Shared Neighborhood*, London: Routledge.

¹²⁸ . Smith, Karen E. (2014), *European Union Foreign Policy in a Changing World*, Malden: Polity Press.

Parliament in September 2005 in Almaty. Kazakhstan Parliament concluded an agreement on cooperation with the Parliamentary Assembly in 2004. Political Affairs Committee organised a hearing in March 2006 on Kazakhstan in Paris, in which representatives of the Parliament and the opposition participated. Kazakhstan has also agreed to implement certain Council of Europe conventions.¹²⁹

The Council of Europe supports political reforms in Kazakhstan, aimed at strengthening democracy, enhancing the rule of law and guaranteeing respect for human rights and political and civil freedoms, co-operation with the ‘Venice Commission’ and in line with ‘Council of Europe’ standards. Kazakhstan’s bid for observer status in the “Council of Europe (CoE)” was rejected in 2009 on the grounds that it did not meet the organisation’s human rights standards. It was offered instead a ‘Partnership for Democracy’ that offers engagement and assistance to meet specific commitments prior to being offered full observer status.¹³⁰

2.10.3. The European Union’s Neighborhood Policy (ENP)

The EU’s European Neighborhood Policy (ENP) was initially outlined in 2003. The ENP designed a strategy to extend a European zone of peace and stability in eastwards. It was also response to the enlargement of EU’s membership in Central and East Europe in 2004.¹³¹

The concept of the neighbors of the EU’s neighbors can be interpreted according to different parameters. The mechanism of cooperation put in place in its relations with the neighbors of its neighbors in the field of the border management is externalisation mechanism. The ‘border neighborhood’ of the European Union refers to the concept of the ‘neighbors of the EU’s neighbors’, which the European Commission introduced in the

¹²⁹ . Council of Europe (2006), Political Affairs Committee Report.

¹³⁰ . Hug, Adam with Dr. Feng zhang (December 2010), ‘Kazakhstan at crossroads: Kazakhstan and world, URL: <http://fpc.org.uk/fsblob/1310.pdf>.

¹³¹ . Gower, Jackie & Graham Timmins (2011), “Introduction: The European Union, Russia and the Shared Neighborhood” in Jackie Gower & Graham Timmins (eds.), *The European Union, Russia and the Shared Neighborhood*, London: Routledge.

framework of the “European Neighborhood Policy (ENP)”. The idea of ‘the neighbor of the EU’s neighbors’ in Central Asia was introduced by European Commission in 2006.¹³²

2.10.4. The EU Special Representative for Central Asia (EUSR/SRCA)

The European Union joint action created the new position of a “Special Representative for Central Asia (SRCA)” in July 2005. The duty of the SRCA is to promote the EU’s policies and interests including promotion of peace, efforts for stability and rule of law in troubled regions of the post - Soviet space of Central Asia. The EU has eleven special representatives around the world. The European Union also allocated budget for SRCA which cover cost of its diplomatic missions.¹³³ Its principal mission is for enhancing EU visibility and effectiveness and also addressing the basic challenges of the Central Asian countries.¹³⁴

Central Asia has always been in the radar of a European Union’s “Common Foreign and Security Policy (CFSP)” since the post - Cold War era. European Union is formulating common security and defence policy framework for international relations in the global politics. Special representative of EUSP is the process of implantation of effective foreign policy and representation of Union in the third countries for participation in the multilateral framework and crisis managements. EUSR is one of the key messengers who provide information and knowledge from different spectrum of field reports about political developments, cooperation with regional and international organisations, establishing close contacts with local authorities, civil society and media. EUSR plays significant role to in the visibility of Union in the region. EUSR is basically teamwork in the field assisting in the better formulation for EU strategic policy in Central Asia. It also

¹³² . Gstohl, Sieglinde and Erwan Lannon(2015) (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

¹³³ . Warkotsch, Alexander (2011), (eds.) *The European Union and Central Asia*, London: Routledge.

¹³⁴ . International Crisis Group Report (April 2006), *Central Asia: What Role for the European Union*, Asia Report N^o 113, 10 April 2006.

provides inputs to the formulation of energy security aspects of CSFP with respect to the Central Asian countries.¹³⁵

For its political and diplomatic engagement, EU has its full delegation in Astana. Of the 28 member states only Germany, France and UK have full missions in Kazakhstan. EUSR had the significant role in the regional conference of EU heads of mission in Astana 2006. It deployed an extensive diplomatic web, making contacts with wide range of regional and international organisations such as OSCE, SCO, the UNDP and Eurasian Economic Community, travelling to US, China, and Russia. The EUSR has played leading role in the adoption of “EU Strategy 2007” roadmap in Central Asia and particularly Kazakhstan.¹³⁶

2.11. The EU Policy towards Central Asia and Kazakhstan

Russo- Georgian war of August 2008, Ukrainian spring in 2014 and annexation of the Crimean Peninsula by Russia in 2015 and other geopolitical events including Syrian crisis, ‘Arab Spring’ in surrounding of Central Asian states and borders of eastern Europe changed the dynamics of the EU’s neighborhood policy and also strategic vision towards Central Asia and neighbors of the eastern border of EU. The EU might redesign an effective policy towards Central Asia, as the EU’s ‘broader neighborhood’ in contemporary global politics.¹³⁷

Historically, Central Asia was a crossroads between China and the Mediterranean, between East Europe and Persia. For almost fourteen centuries, the region served as a major staging post for the ancient Silk Road. European Union earlier focused on project oriented relationship with CIS states in this region. There were major challenges in politics, economics, security and overlapping interests in the post-Soviet space besides ideological issues for the EU in Central Asia. The European Union is enhancing its

¹³⁵ Giovanni Grevi (2008), *Pioneering foreign policy: EU Special Representatives*, page121-130

¹³⁶ . European Council doc.10113/7, ‘the EU and Central Asia: Strategy of New Partnership,31May2007.

¹³⁷ . Gstohl, Sieglinde and Erwan Lannon(2015) (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge. PP-1-8.

relations with Kazakhstan across a spectrum of issues including energy, security, environment, transport, education etc.

The European Union represents itself as a qualitatively distinct actor in global politics of 21st century.¹³⁸ It is an influential International actor in Central Asia where other major powers also play crucial role. The EU's initial policies followed regional approach with common identity, promoting regionalism towards Central Asia after the collapse of USSR. The EU encouraged political, economic stability and social development through regional cooperation in early years of independent states of Central Asia. EU has adopted a number of new policies and instruments for security and economic concerns after 9/11 terror attacks in this region.

The EU represents a unique international, rational and normative actor, who is global promoter of liberal democracy, human rights, humanitarian aid, and development assistance in Central Asia. The European Union has focused on liberal democratic norms, security and comprehensive economic and trade cooperation with Central Asian states. European Union and its member states have taken efforts to foreign and security policies assumption of universal norms of democracy and human rights for enhanced relations with Central Asia. Central Asian states view the development of their bilateral comprehensive cooperation with the European Union as long term priority based on its national strategic interests in the international arena and maintaining balance of power in the region and pursuit of its priority of multi-vector policy. European Union development and strategic approach can consider as "soft power" approach to promoting common market and free trade. Countries of European Union view Central Asia as an alternate supplier of energy specially oil and gas to Europe.

The European Union is most important normative global actor through policies in the areas of enlargement, the European Union Neighborhood Policy (ENP), development, trade and energy security, environmental issue and climate change and human security etc. These policies have direct greater impact and relevance to the Europe's eastern

¹³⁸ . Fioramonti, Lorenzo (2012), "Is the EU a "Better" Global Player? An Analysis of Emerging Powers' Perceptions" in Thomas Renard, and Sven Biscop (eds.) *The European Union and Emerging Powers in 21st Century: How Europe Can Shape a New Global Order*, England: Ashgate Publishing Limited.

neighborhood – Russia and Central Asia. The EU and its member states have both regional and country specific policies including sectoral policies towards Central Asia. The EU and EC have progressively developed result oriented and integrated policies towards its eastern neighbor –Central Asia.¹³⁹

Central Asia provides a tough test and ample reason for the European Union commitment to liberal democracy and promotion of human rights and human security, judicial system. Uzbekistan and Kazakhstan have been run by former secretaries of Soviet Communist Party since 1991. Turkmenistan and Uzbekistan rank among most repressive societies in the world. Kazakhstan is considered semi authoritarian state, but OSCE has legitimized free and fair elections. Kazakhstan initiated “path to Europe” programme before became Chairmanship of OSCE in 2010. Kazakhstan also set up its first ‘National Human Rights Action Plan’ and also considered EU’s objections regarding justice, political and economic reforms during the Chairmanship of OSCE.¹⁴⁰

The EU has been pursuing economic and developmental cooperation under ‘individual Partnership and Cooperation’ (PCA) since independence of all five Central Asian states. The EU is also assisting on differently treatment of each states under “Regional Strategy Paper, 2002-2006, 2007-2013” (European Community 2006), and Indicative programme.¹⁴¹ The EU and its member states run benign policy compared to the Russia’s historical multiple engagements and China’s encroaching ambitions.¹⁴²

The European Union uses trade, foreign and security policy as global normative actor in international relations. Use of terrorist tactics by religious extremists has had

¹³⁹ . Carano, Alessandro (2015), “Financing Investments Connecting the Neighbors of the EU’s neighbours” in Gstohl, Sieglinde and Erwan Lannon(2015) (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

¹⁴⁰ . Wakotsch, Alexander and Richard Youngs (2015), “The Limits of EU democracy Support: Central Asia and the Gulf Cooperation Council” in Sieglinde Gstohl and Erwan Lannon (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

¹⁴¹ . Bailes, Alyson J.K and Pal Dunay (2015), “The EU and the neighbours of its Neighbours: Security Challenges and Strategic roles” in Sieglinde Gstohl and Erwan Lannon (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

¹⁴² . Ibid.

considerable impact (9/11/2001) on the pragmatic approach of European Union policy towards Kazakhstan and Central Asia. This bilateral and multilateral relation has been redefined with new changing scenario of international security threats in Central Asia and its neighbour states. The advancement of communication and information technology has changed the nature of terrorist threats from cyber security to concomitant concern with transnational crimes. The nature and structure of security in European Union shifted from security based upon territorial defence, mutual security and military alliances to one which aspires to collective security, institutionalisation of security communities and an active global engagement. Security cooperation dominated the new focus on 'human security', claim of human rights and 'International Justice'. The European Union cooperation with Kazakhstan also reflects wider argument surrounding the doctrine of a 'Responsibility to Protect', in which international community itself obliged not only to promote, but actively to defend, human rights and basic freedoms.

Robert Kagan argued that European Union can reinvigorate their strategic partnership, within the context of a broader international league of democracies, offer comprehensive challenges (both by example and action) to authoritarian regimes, providing concrete support to emerging democracies.¹⁴³ Robert Cooper argued that the idea of international security for European Union has been successful in establishing a new and peaceful European order, it must engaged with wider world still enmeshed in the realities of a Westphalian state centric model.¹⁴⁴

European Union foreign policy approach can be considered as 'soft power' approach using 'trade state perspective' and multilateral centric towards Kazakhstan and Central Asia. The foundational objective of EU was to promote common market and free trade for benefits of member states. The most significant pillar of Foreign policy of EU is focused on the task of ESDP i.e. humanitarian and rescue task, peacekeeping task, task for combat forces in crisis management including peacekeeping. This is primary agenda

¹⁴³ . Kagan, Robert (2003), *Of Paradise and Power: America and Europe in the New World Order*, New York: Alfred A. Knopf.

¹⁴⁴ Patrick Keatinge and Ben Tonra (2012), IIEA European security and Defence series: European security in 21st century, Institute of International and European Affairs, Dublin.pp:5-5.

where member states are willing to offer more privileges to EU than individual state policy.¹⁴⁵

Lisbon Treaty has become the milestone in defining and reshaping the dynamics of EU's foreign policy. Main objectives of Lisbon Treaty are promoting the comprehensive cooperation with third states with more dynamic of variable geometry of foreign policy. It has also strategic global interest to address the global common problem like 'Climate Change'. Lisbon Treaty permitted to enhance the defence and security cooperation along with fighting poverty and fulfillment of the objectives of MDG by states including Central Asian states.

Scholar Joseph Nye has remarked in his book *Europe's Soft Power* that soft power of European policies could be strong and "can be used to help or hinder the United States achievements of its preferred outcomes". He refers to "music, internet usage and tourism, political asylum and birth expectancy, broad economic achievements, public diplomacy and cooperation".¹⁴⁶ So, in the international relations, EU represents itself more as an 'International Organisation' (IO) than the union or club of European states.

The European Union is represented by 11 member states embassies in Kazakhstan along with 'Commission Delegation' (UK, Germany, France, Italy, Greece, Lithuania, Netherland, Poland, Spain, Czech Republic, Hungary).¹⁴⁷

Kazakhstan is the reliable, comprehensive, strategic partner for promoting EU objectives and perspectives of regional stability through regional cooperation in Central Asia. Kazakhstan and EU signed "The Partnership and Cooperation Agreement (PCA)" in January 1995. Kazakhstan also received funding from the 'European Neighborhood Policy Instrument' (ENPI) Eastern Regional Programs based on Art. 27 of the ENPI Regulation. Besides from PCA and TACIS, Nuclear Fusion Cooperation was signed in November 2002 and ratified the peaceful use of nuclear energy Cooperation

¹⁴⁵ Assembly Factsheet no. 4, 2009, pp1.

¹⁴⁶ . Nye, Joseph (2004), *Soft Power: The Means To Success in World Politics*, Public Affairs.

¹⁴⁷ DG External EU relations with Kazakhstan 2008.

Agreement.¹⁴⁸ Nuclear Safety Agreement between EURATOM and Kazakhstan became operative in 2003 and Steel Agreements 2002-2004 etc. since 2001.¹⁴⁹

2.12. The European Union Strategy for New Partnership with Central Asia

The EU aims to enhance cooperation with Central Asian countries, based on the specific need and requirements. The European Council (EC) adopted the new strategic vision policy towards Central Asia under “Strategy for a new Partnership” in June 2007. This policy was promoted under EU’s German Presidency. Afghanistan conflict was the important factor behind this EU’s policy towards Central Asia. The primary objectives of this strategy were to improve human rights conditions, good governance, and promotion of democracy and market reforms under design of new wave of globalization.¹⁵⁰

2.12.1. The EU’s Partnership and Cooperation Agreement (PCA) with Kazakhstan

Partnership and Cooperation Agreement (PCA) has provided the legal foundation for bilateral cooperation between the EU and Central Asian states along with other new states of former USSR. The EU had initially signed PCA with Kazakhstan, Kyrgyzstan and Uzbekistan in 1995, which entered into force in 1999 for a period of ten years. Turkmenistan signed PCA in 1998, while due to civil war; Tajikistan started negotiations for PCA in 2003 and ratified it in 2004. PCA provides the main framework for bilateral cooperation across the broad range including political dialogue, trade, legislative approximation to the EU laws and standards, improving the business and investment climate, economic cooperation, constitutional reforms, protection of human rights and other important regional affairs. The EU’s PCA also set pattern for dialogue at ministerial level and parliamentary level through annual Committee and Parliamentary

¹⁴⁸ . DG External, EU Relations with Kazakhstan 2008.

¹⁴⁹ . DG External, EU Relations with Kazakhstan 2008.

¹⁵⁰ . Bailes, Alyson J.K and Pal Dunay (2015), “The EU and the neighbours of its Neighbours: Security Challenges and Strategic roles” in Sieglinde Gstohl and Erwan Lannon (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

Cooperation Committee meeting on specific issue for comprehensive cooperation towards Central Asian states.¹⁵¹

2.12.2. TACIS: The European Assistance Programme for Central Asia

The EU launched the ‘Technical Assistance to the Commonwealth of Independent States’ (TACIS) programme in 1991, which has modelled its assistance program for Central and Eastern Europe. Primary objectives of TACIS were to promote the transition to a market economy and to reinforce democracy and rule of the law in the Central Asian countries. The EU also signed the ‘Trade and Cooperation Agreement’ (TCA) with Central Asian countries. The EU had identified following five sectors for cooperation and assistance under TACIS in 1991¹⁵²:-

- Training;
- Energy (including nuclear safety);
- Transport;
- Support for industrial and commercial enterprises;
- Food production and distribution;

After entry into force of Partnership Cooperation Agreement (PCA), TACIS assistances was revised according to individual state’s priorities and specific needs. The European Commission has adopted new priorities in its “Strategy Paper” (SP) for individual states including ‘Indicative Programme’ (IP), and ‘Annual Action programme’ dealing with specific projects since 2000. Five Central Asian countries received about Euro 366 million in under TACIS assistance from 1991-2002. European Commission has outlined “Regional Strategy Paper” including TACIS for comprehensive bilateral and multilateral cooperation and assistance to these states since 2002. The European Commission granted Euro 50 million for 2002-2004, Euro 66 million for 2005-2006 under TACIS.¹⁵³

¹⁵¹ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N° 113, 10 April 2006.

¹⁵² . Ibid.

¹⁵³ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N° 113, 10 April 2006.

2.13. Kazakhstan –EU Relations: New era of Engagement

The new era of engagement has been started after ratification of “Enhanced PCA” agreement in December 2015. This is a milestone of mutual cooperation between the Kazakhstan and the EU in the history of bilateral, regional and multilateral relations since 1991.

Kazakhstan –European Union bilateral relationship is addressed as “the privileged relationship”, which is based on the sharing of common fundamental values of democracy, freedom and equality. This bilateral relationship also depends upon the positive conditionality. European Union is shaping as strong global actor as “normative” or “soft” power in world politics.

Kazakhstan –European Union Relations entered new phase of Comprehensive and strategic partnership after 2001. Kazakhstan has entered new stage of development and become aware of its roles and responsibility in the contemporary world politics of Central Asia. The European Commission itself defines its partnership with Kazakhstan as a “strong Partnership” based on relations that started as simple dialogue and expanded widely.¹⁵⁴ In the early years after independence, cooperation focused on trade and investment, but since 2001, many important issues were such as energy, counterterrorism, transport and home and justice affairs included. We can also analyse the theoretical-constructive framework for EU enlargement approach and foundation of “EU - Kazakhstan” relations. One can conceptualise EU enlargement as a composite policy. The inclusive approach is the best strategy towards explaining a dependent variable like EU enlargement. There are three driving forces behind the EU enlargement policy:

- Volunteerism (doctrine that regards as fundamental principle to maintain an institution),
- Solidarity (ideologisation for unity for social, political, economical, financial and territorial cohesion),

¹⁵⁴. EU Relations with Kazakhstan, the European Commission’s Delegation to Kazakhstan, Kyrgyzstan and Tajikistan 2006-2007.

- Geopolitics (Realist perspective for national interest formation concerning the coherent policies for a political nexus).

The 'Council of Europe' (CoE) declared that Kazakhstan is a European country and has right to apply for membership in 1999. In sports events Kazakhstan competes with Asian countries; albeit Kazakhstan joined the "European Union Football Association" (UEFA) in 2002. But EU politicians have described 'Kazakhstan as the heart of Asia' (Khabar TV 2004/10/08). Kazakhstan has skillfully utilised its geostrategic location as a corridor between Asia and Europe and the country's rising profile as the leading oil exporter to Europe after Russia to project itself within the European market.

The EU is major trade and economic partner of Kazakhstan and a major investor in its economy. Western European countries' rich experience in legislative and scientific and technical development is also of interest to Kazakhstan. Kazakhstan has a number of bilateral agreements for political, economic and cultural cooperation with France, Germany, Italy, Sweden, Spain and others. New threats, risks and challenges to European and global security have given new opportunities to engage themselves in Kazakhstan as well as in Central Asia. Nuclear deterrence, nuclear stockpiles and potential threats and risk in the neighbouring countries of Kazakhstan have led to greater cooperation with European Union and Western countries and vice versa. The EU has widened the scope of its "Common Foreign Security Policy" (CFSP)¹⁵⁵ towards the post - Soviet republics in Central Asia.

In 1995 the EU and Kazakhstan signed "The Agreement on Partnership and Cooperation". The main thrust of this enhanced engagement has been a steady intensification of political contacts. Under the framework of the Strategy, Kazakhstan and the European Union also initiated a regular human rights dialogue. Kazakhstan has become one of leading oil producing and exporting nations in CIS countries during the last decades. There are also significant prospects for gas exports. Kazakhstan is

¹⁵⁵ . EU Member states have committed themselves to a Common Foreign Security Policy for the European Union.

interested to diversify its exports routes and the EU is anxious to diversify its energy supplies and is looking for energy transit routes across the South Caucasus and Caspian Sea. Germany, which is the largest European manufacturing power, the second-largest exporter in the world in terms of volume and the fourth-largest economic power in the world, is the driving force behind EU relations with Central Asia. The Germany-Kazakhstan partnership is conceived both by Berlin and Astana as long-term. In terms of Germany's trade with CIS countries, Kazakhstan is in the third position after Russia and Ukraine. Kazakhstan is second after Russia for imports and is in fourth position for exports behind Russia, Ukraine and Belarus now. Kazakhstan and Central Asia is the huge source of energy for Europe. Central Asian countries consider EU as an alternative corridor for the export of its energy resources. Kazakhstan considers the EU as responsible and reliable partner in this region. European Union considers Kazakhstan as part of the long-term development of the EU's Eastern Partnership. European Union regards Kazakhstan as a major partner in promoting more constructive and intensive regional co-operation in Central Asia. Bilateral relations between Kazakhstan and the European Union are based on the Partnership and Co-operation Agreement (PCA), which was signed in 1995 and came into effect in 1999. The PCA establishes a general framework for cooperation on economic, political, social and cultural issues. EU assistance to Kazakhstan goes to health care, social welfare, scientific research, market reform and liberalisation of economy. The EU also assisted Kazakhstan in its bid to become member of WTO.

2.14. Kazakhstan's Political and Diplomatic Relations with Major European Powers

European states were the first to establish bilateral political and diplomatic relations with Kazakhstan since 1991.

2.14.1 Kazakhstan - Germany Relations

Kazakhstan has enjoyed historical and diplomatic relation with Germany since the Soviet era. Germany is most active member of the EU, which opened its embassies in all five

Central Asian countries in 1991. Germany also granted the status of “Partner Countries” to under its overseas development cooperation to Central Asian states. Germany has provided more than Euro 11.73 million for development projects and Euro 32.35 million in technical cooperation aid and Euro 79.02 million through German Development Bank to Kazakhstan during 1993-2005. Germany also backed Kazakhstan for OSCE chairmanship 2010 during its EU presidency in 2007.¹⁵⁶

Federal Republic of Germany established political and diplomatic relations with all Central Asian countries after their independence. Germany is closer towards Central Asian history; it is just 5000 kilometers away. Germany is a reliable friend and an important foreign policy and economic partner of Kazakhstan. German diaspora and German –Russian population were the primary concern for Germany in post - Soviet space after the breakup of the USSR, who were deported here during the start of World War-II. German Federal government also pursued this case since the era of Konard Adenauer as Chancellor. There has been a rich history of contacts with Central Asia. German travelers have visited the region in the Middle Ages, in the 18th, 19th and early 20th centuries thereby establishing a link to Central Asia, which is not forgotten. The Federal Republic of Germany actively engaged all Central Asian countries after only six days of speech of the last President of USSR, Mikhail Gorbachev, who made a televised resignation speech on Christmas Day. On the initiative of the then Foreign Secretary Hans-Dietrich Genscher, Bonn sent ambassadors to all countries within a short time.¹⁵⁷ The Federal Foreign Office also considers ‘diasporas’ as a special bridge between Germany and Kazakhstan. It is enhancing ‘enduring partnership’ between the migrants of both countries. It is also important factor for enhancing bilateral trade cooperation between Germany and Central Asian countries.¹⁵⁸ SPD Parliamentary Party deserted

¹⁵⁶ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N^o 113, 10 April 2006.

¹⁵⁷ . Krumm, Reinhard (2007), “Compass 2020: Germany in international Relations Aims, instruments, prospects”, Berlin: Fridrich Ebert Stiftung retrieved on 18 January 2016, URL: <http://library.fes.de/pdf-files/iez/04329.pdf>.

¹⁵⁸ . Warkotsch, Alexander (2011), (eds.) *The European Union and Central Asia*, London: Routledge.

Central Asia specially Kazakhstan as “Region of the Future: Caspian Sea” in 1998 to European energy security.¹⁵⁹

Germany is one of the European Union and NATO ally which has been supporting the global war against terrorism in Afghanistan in post 9/11 era. Germany sent troops to Uzbekistan in order to provide logistics support for ISAF contingent in Afghanistan. The Federal Government of Germany introduced blueprint as ‘Germany policy towards Central Asia concept’ in 2002. It stated the new political priorities of Germany in Central Asia including “war on terror”, “consolidation of the democratic structure”, “struggle against poverty”, socially friendly and environmentally friendly development of the economy” and “non-proliferation of weapons of mass destruction”. The Minister of Defence of Germany stated it in vivid terms: “European security is defended at the Hindu Kush”.¹⁶⁰

German policy received support from the EU in its strategy paper 2002-2006. It listed three areas of concern: security, the reduction of political and social tension and trade and energy supply. It states: “As a large energy consumer, the EU will be interested in the development of the Caspian’s energy resources and in safe transit routes, in order to guarantee a diversification of supply.”¹⁶¹ Germany also gets support for introduction of EU’s strategy paper 2002-2006 from other powers of the EU. Central Asia was also one of the core agenda of Germany during its EU Presidency in 2007. German politicians decided to make Central Asia as core theme of foreign policy during Germany’s presidency of the EU in the first half of 2007. The Federal ministry of Economic cooperation and Development (BMZ) also outlined the “the BMZ – Central Asia concept of 2005” which also included poverty as a “goal and cross sectional task”. Germany also strongly supported Kazakhstan’s bid for “Chairmanship of OSCE” 2010. Regional cooperation, energy security, promotion of democracy and human rights, constitutional

¹⁵⁹ . Zukunftsregion Kaspisches Meer, Position paper presented by the SPD government faction, Bonn 1998.

¹⁶⁰ . Krumm, Reinhard (2007), “Compass 2020: Germany in international Relations Aims, instruments, prospects”, Berlin: Fridrich Ebert Stiftung retrieved on 18 January 2016, URL: <http://library.fes.de/pdf-files/iez/04329.pdf>.

¹⁶¹ . Strategy Paper 2002–2006 & Indicative Program 2002–2004 for Central Asia, Brussels, 10 October 2002.

legality are main framework of German's cooperation and policy towards Kazakhstan and other Central Asian countries.¹⁶²

Within European Union, Germany is the largest bilateral donor in Central Asia. There are a lot of institutions including the "Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)", the "Deutsche Akademische Austauschdienst (DAAD)", the "Deutsche Volkshochschulverband" (DVV), the "Deutsche Entwicklungsdienst (DED)", the "Welthungerhilfe", the "Goethe Institute", the "Konrad-Adenauer-Stiftung" (KAS) and the "Friedrich-Ebert-Stiftung" (FES) active directly in the Central Asia. Minister of State at Foreign Office of Germany, Gernot Erler also pointed out core concept of the German policy towards Central Asia in Berlin in May 2006 as "The goal of stability is at the forefront". It is the European Union's interests to "create a peaceful stable environment" and "Germany and the EU's energy security".¹⁶³

Germany also took the initiative for the Strategy for a New Partnership between the EU and Central Asia during its Presidency of the EU in 2007. Under the German Government's cultural preservation programme; it supported the restoration and preservation of cultural objects in Central Asia spending 1.1 million Euros since 1995. Since 1994, there has been a "Goethe-Institut" in Almaty and one was opened in Tashkent in 1998. There are also reading rooms and language centers in other cities across the region. Throughout the year, the programme "Germany in Kazakhstan 2010"¹⁶⁴ was celebrated and Germany was presented as a centre for education and research, a nation that values culture and as an economic partner. The flagship of German education work in Central Asia is the "German-Kazakh University"¹⁶⁵ in Almaty.

Foreign policy objectives of Germany about Central Asia changed after the start of global war on terror in Afghanistan. The Federal Ministry of Defence is training members of the

¹⁶² . Krumm, Reinhard (2007), "Compass 2020: Germany in international Relations Aims, instruments, prospects", Berlin: Fridrich Ebert Stiftung retrieved on 18 January 2016, URL: <http://library.fes.de/pdf-files/iez/04329.pdf>.

¹⁶³ .Ibid.

¹⁶⁴ Germany and Central Asia(2010) published by Fedral Foreign office Berlin.

¹⁶⁵ The German-Kazakh University was founded in 1999 in Almaty as a private initiative, <http://www.dku.kz>

armed forces of the Central Asian Republics in Germany. With its ‘Silk Highway Project’ which ran from 2007 to 2009, “ InWEnt - Capacity Building International”, Germany set up a regional network for e-learning and exchange of information and knowledge in Central Asia. The new ‘Inter-governmental Agreement’ on strategic partnership in resource, industrial, and technological sectors was signed following a meeting between President Nursultan Nazarbayev and German Chancellor Angela Merkel on February 8, 2012. The agreement, signed by the two countries’ ministers of industry and technology, involves about 50 separate accords involving a total of €3 billion or nearly \$4 billion. Under the Agreement, German companies will carry out exploration and production at Kazakhstan’s deposits and build plants for developing and processing raw materials, as well as producing goods for exports, including in the markets of the “Customs Union” and the “Single Economic Space”. For this, Germany will use its latest technology, which is important for Kazakhstan in view of the implementation of the programme on industrial and innovative development. Nazarbayev attended the opening ceremony of a “Berlin Eurasian Club”, held in the German Council on Foreign Relations on February 2012. The “Berlin Eurasian Club”¹⁶⁶ has been created as a dialogue platform to discuss a wide range of social and political issues between Kazakhstan and Germany, as well as the European Union. In his speech, Nazarbayev stated that the opening of the “Berlin Eurasian Club” meets his idea of Eurasian integration and is aimed at finding effective ways of cooperation between Europe and Central Asia.¹⁶⁷

As part of development policy cooperation, German Foreign Minister launched the “Berlin Water Initiative”. The Federal Ministry for Environment is active with environment and climate protection projects (energy efficiency, renewable energies, adapting to climate change, sustainable forestry, management of nature conservation areas, remediation of contaminated soil) in all Central Asian states (10.5 million euro have been spent since 2008)¹⁶⁸. Germany has also been supporting cross border water management, networking water experts, scientific studies and research network and

¹⁶⁶ . ASTANA CALLING (10 Feb2012), A Bi-weekly online publications of Ministry of foreign affairs of RKZ.

¹⁶⁷ . ASTANA CALLING, February 2012.

¹⁶⁸ Germany and Central Asia(2010) published by Fedral Foreign office Berlin.

university courses in the environmental sphere (energy and water) at the “German-Kazakh University” in Almaty.

Kazakhstan and Germany enjoy high level political and diplomatic exchanges. Kazakh President made a private visit to Berlin and had a meeting with Federal German Chancellor Merkel and Foreign Minister Steinmeier on 9 January 2015. Earlier Foreign Minister Steinmeier had paid a visit to Astana for high level meetings with President, Foreign minister and other important dignitaries of Kazakhstan on 9-10 November 2014.¹⁶⁹ Germany also cooperated under ‘Development Cooperation’ till April 2008 and now actively assists through ‘Regional Development Cooperation’ program in Central Asia. This program mainly focuses in the field of sustainable economic development and disaster prevent. The “Deutsche Gesellschaft fur International Zusammenarbeit” (GIZ) has offices in Astana and Almaty. The “Centre for International Migration and Development” and the Senior Experten Service (SES) are also functioning in Kazakhstan.¹⁷⁰

2.14.2. Kazakhstan –the UK Relations

Kazakhstan and the United Kingdom have enjoyed bilateral relations up to strategic level. UK is one of the most powerful forces in the European Union. Kazakhstan and the UK also have had regular high level visits from both sides since its independence. The UK established political and diplomatic relations in January 1992 and opened its Embassy in October 1992 in Kazakhstan embassy operated in UK since February 1996. Developments of bilateral political ties, cooperation between inter - Parliamentary relations and economic cooperation between two countries are important part of strategic

¹⁶⁹ . Federal Foreign Office, Berlin, 2015.

URL: http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/Kasachstan_node.html.

¹⁷⁰ . Federal Foreign Office, Berlin, 2015.

URL: http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/Kasachstan_node.html.

partnership of Kazakhstan and Great Britain. The All Party Group on cooperation with Kazakhstan has operated in the British Parliament.¹⁷¹

The “Foreign and Commonwealth Office” (FCO) published a white paper that outlined the foreign policy framework towards Central Asia in 2003. The UK is also important donor of the ‘BOMCA/CADAP’ projects. The UK and Central Asian states have been enhancing bilateral cooperation mainly in energy security, combating terrorism, sustainable development, promotion of good governance and human rights. The UK has also supported the ‘Executive Industries Transparency Initiative’ (EITI) in Central Asia. The UK’s bilateral aid has been funding through the ‘Department for International development’ (DfID) to Central Asian states. Main areas of cooperation through ‘DfID’ including, healthcare, HIV/AIDS, poverty reduction, conflict prevention, agrarian reforms.¹⁷²

The British Prime Minister, David Cameron visited Kazakhstan in 2013, who also praised Kazakhstan’s contribution in Afghanistan conflict and considered as a regional ally of the UK in Central Asia. Kazakhstan and the UK also signed the bilateral strategic partnership during this trip.¹⁷³

President of Kazakhstan Nursultan Nazarbayev visited UK eight times between 1991-2014. Kazakh Prime Minister Karim Massimov inked a pact of strengthening mutually beneficial cooperation with UK during his visit to London in February 2015. The Royal Family members visited Kazakhstan several times- the successor of the British throne Prince Charles of Wales (1996), Princess Anna (1993), the Duke of Gloucester (2000), Prince Andrew-the Duke of York, the special representative of Great Britain on trade and investments (2003 and 2006-2007) and also Prince Michael in September 2009. All party groups have been cooperating with Kazakhstan in the Parliament of Great Britain since

¹⁷¹ . The Embassy of Republic of Kazakhstan to the UK of Great Britain and Northern Ireland, retrieved on 19 January 2016, URL: <http://www.kazembassy.org.uk/en/pages/page/43>.

¹⁷² . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N° 113, 10 April 2006.

¹⁷³ . UNSC Global Security Paper (September 2014), Kazakhstan and Global Security : Bridging East and West, retrieved on 23 May 2016, URL: http://www.kazakhstanunsc.com/wp-content/uploads/2014/02/UNSC-Occasional-Paper-Global-Security.pdf?dm_i=25TS,2RRUB,FP1KG9,A31UW,1

2001, which is headed by a member of Chamber of Lords of Viscount Waverley since 2009.¹⁷⁴

The UK is also cooperating with Kazakhstan in the field of military and technical cooperation including peacekeeper training, the training of Kazakh serviceman in military educational institutions in the UK, in the cooperation in the field of language training in the context of military sphere.¹⁷⁵ Memorandum on security assurances in connection with Republic of Kazakhstan's Accession to the “Treaty on the Non-Proliferation of Nuclear Weapons” (between the Republic of Kazakhstan, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, and the USA) was signed in London 1994. Queen Elizabeth II awarded President Nursultan Nazarbayev with the most distinguished “Order of Saint Michael and Saint George” in acknowledgement of his merits for ensuring political and economic stability, setting law and democracy in Kazakhstan, non-proliferation of the nuclear weapons, and also for achievement of considerable progress in mutual relations.¹⁷⁶

Kazakhstan - British relationship has been developing dynamically in other spheres of cooperation in education, culture and science. Agreement between the Government of Kazakhstan and the Government of the United Kingdom of Great Britain and Northern Ireland on Co-operation in the Field of Education, Science and Culture was signed in London in 1994. The UK is the second most popular destination for Kazakhstani students using the successful “Bolashak scholarship” scheme, and the overall number of students studying in Britain was 1,200 in 2008.¹⁷⁷ British universities and companies are engaged in Kazakhstani universities and other technical programs. “Kazakh –British Technical University” was established in Almaty in 2001. It is also assisted by the four leading universities of the UK: Aberdeen, Robert Gordon, Herriot –Watt and Westminster in the Petroleum sector. The University College, London has launched various disciplines

¹⁷⁴ . Ministry of Foreign Affairs Republic of Kazakhstan, “Kazakhstan –Britain Relations”, retrieved on 19 January 2016, URL: <http://www.mfa.kz/index.php/en/foreign-policy/kazakhstan-s-relations/kazakhstan-eu-cooperation/16-materials-english/4711-kazakh-british-relations>.

¹⁷⁵ . The Embassy of Republic of Kazakhstan to the UK of Great Britain and Northern Ireland, retrieved on 19 January 2016, URL: <http://www.kazembassy.org.uk/en/pages/page/43>.

¹⁷⁶ . http://www.kazembassy.org.uk/kazakh_british_relations.html

¹⁷⁷ . Hug, Adam with Dr. Feng zhang (December 2010), Kazakhstan at crossroads: Kazakhstan and world, URL: <http://fpc.org.uk/fsblob/1310.pdf>.

including the School of Engineering and other projects programmes in the “Nazarbayev University”. The BG company has also opened the ‘NU Centre for Energy Research’ and others scholarships assistance and training of staff in “Nazarbayev University” in 2012. The Memorandum of Understanding on the partnership programme under “Newton -Al -Farabi” in the field of joint innovation and scientific research for Kazakhstan was signed in 2014. According to Ministry of Education and Science of Kazakhstan, more than 4,000 students are studying in UK.¹⁷⁸

As home to many of the extractive industry players competing for contracts in Kazakhstan, the UK has an important bridge role to play to Kazakhstan, despite Germany and France being the official leads in the region. Cathy Ashton’s position coordinating the EU’s approach to the region, despite the change of UK government, gives London a greater stake in the future direction of policy. Kazakhstan Centre was officially opened within the Central Asian Forum of Cambridge University. Memorandum of Cooperation between the Ministry of Education and Science of Kazakhstan and the Central Asian Forum was signed in March 2010.¹⁷⁹

2.14.3. Kazakhstan – France Relations

Kazakhstan’s President Nursultan Nazarbayev awarded the state award of the “Order of Dostyk” (Order of Friendship) to the French President Hollande during his visit to Paris in November 2015. It shows the importance of France in the framework of the new foreign policy concept of Kazakhstan 2014. President Nazarbayev also stressed for exploring potential in the context of bilateral and multilateral cooperation. France is a leading European economic partner of Kazakhstan. France also signed agreement for participating in the “EXPO 2017” in Astana. President Nursultan also reassured the French President for Kazakhstan’s global commitment in international initiatives “the 2045 Global Strategic Initiative Plan” (a global strategy to eliminate the root causes of

¹⁷⁸ . The Embassy of Republic of Kazakhstan to the UK of Great Britain and Northern Ireland, retrieved on 19 January 2016, URL: <http://www.kazembassy.org.uk/en/pages/page/43>.

¹⁷⁹ . Ministry of Foreign Affairs Republic of Kazakhstan, “Kazakhstan –Britain Relations”, retrieved on 19 January 2016, URL: <http://www.mfa.kz/index.php/en/foreign-policy/kazakhstan-s-relations/kazakhstan-eu-cooperation/16-materials-english/4711-kazakh-british-relations>.

war and conflicts), “the Universal declaration on the Achievement of a Nuclear Weapon Free World”.¹⁸⁰

France was one of the first Western countries to recognize the independence of Central Asian states including Kazakhstan in 1991 and to establish diplomatic relations. France has been enhancing bilateral relations with Kazakhstan, due to denuclearisation issues since 1991. This bilateral relation moved towards comprehensive cooperation post 9/11 global war efforts in Afghanistan. France, just like the European Union has been increasing its attention to Central Asia with the identification of hydrocarbon resources in the Caspian Basin, making it one of Europe’s future sources of supply. France is also a leading trade partner of Kazakhstan among other Central Asian countries.¹⁸¹

Kazakhstan and France have regular high level mutual exchange visits since 1992. President Nazarbayev visited France in 1992, 1994, 1995, 1997, 2003, 2008, 2010, 2011, 2012 while The President of the French Republic, Francois Hollande came in 2014, and other predecessors including Nicolas Sarkozy, paid a state visit to Kazakhstan on 6 October 2009. Kazakhstan awarded highest State award – “the Altyn Kyran” (Golden Eagle) order to the French President Sarkozy. France attaches great value to the role Kazakhstan plays in ensuring regional security and stability and to the efforts of the country’s leadership to promote political and socio economic reforms.¹⁸²

2.14.4. Sweden - Kazakhstan Relations

Sweden is one of the major contributors of humanitarian aid to Central Asian states through “Swedish International Development Agency” (SIDA) since 1998. Sweden has been contributing mainly in the field of agriculture reforms, gender equality, conflict preventions in Tajikistan and Kyrgyzstan, support for good governance, land reforms,

¹⁸⁰ . Astana Times, Nazarbayev Visits France, 9 November 2015, URL: <http://astanatimes.com/2015/11/nazarbayev-visits-france-improves-business-ties-addresses-38th-unesco-conference/>.

¹⁸¹ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N° 113, 10 April 2006.

¹⁸² . Ministry of Foreign Affairs Republic of Kazakhstan, “Kazakhstan –Britain Relations”, retrieved on 19 January 2016, URL: <http://www.mfa.kz/index.php/en/foreign-policy/kazakhstan-s-relations/kazakhstan-eu-cooperation/16-materials-english/1108-kazakh-france-relations>.

poverty reduction, healthcare and social protection in central Asian states. Sweden is also a major donor of Tajikistan.¹⁸³

Sweden has close cultural, trade and economic relations with Kazakhstan. Sweden is also centre of Kazakh diaspora in Europe. Kazakhstan has developed very dynamically economic and trade relations with Sweden since 1994. There are various agreements on economic relations between the two countries.¹⁸⁴ Kazakhstan conducts successfully bilateral political, diplomatic, economic, security relations and cooperation with other major European powers like Netherland, Spain, Italy, Switzerland, Belgium, Denmark, Norway etc.

2.14.5. The Netherlands and Kazakhstan Relations

The Netherlands also established political and diplomatic relations since 1991, but opened its embassy in Almaty in 1995. The Netherlands has been making efforts to promote agriculture and water management reforms particularly in the Aral Sea region. It has also funded some human rights and media projects in Kyrgyzstan and Tajikistan including contributed through UNDP and OSCE projects in central Asian states. It has been also assisting to fight against Tuberculosis (TB) through “Royal Netherlands Tuberculosis Association” in Central Asia.¹⁸⁵

2.14.6. Poland - Kazakhstan Relations

Poland has maintained the historical diaspora in post - Soviet states including Central Asia. Poland has sponsored projects in journalism training and ethnic minorities

¹⁸³ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N° 113, 10 April 2006.

¹⁸⁴ http://www.kazembassy.org.uk/kazakhswedish_relations.html.

¹⁸⁵ . Ibid.

particularly the 50,000-100,000 Polish community in Kazakhstan. Poland has trade links through Estonia, Latvia and Lithuania to Central Asian states.¹⁸⁶

2.15. The Eurasian Vector of Kazakhstan multi vector Foreign Policy

The concept of the 'Eurasianism' is more than political, historical and philosophical. It is rooted in the classical theories and idea of geo politics in the reference of the 'pivot' and also 'heartland' which was developed and defined by the British Geographer Sir Hartford Mackinder in 1904. The classical and neo classical scholars defined the concept of Eurasia and Eurasianism in the context of the geo - political, strategic and security interests of regional and global actors.¹⁸⁷

Some 10% of Kazakhstan's territory belongs to Europe, but Kazakhstan has projected itself as Eurasian state due to geo-politics, geo-economics and also geo-historical factors. Eurasianism has become part of the state policy of Kazakhstan since its independence. Kazakh top leadership considers Kazakhstan as a bridge between Europe and Asia. The objective is to maintain peace, solidarity and unity among peoples on the basis of cultural and historical linkages of different ethno-linguistic, cultural and religious background. The idea of formation of 'Eurasian Union' is also based on the realities of the Eurasia region. President Nazarbayev remarked that Kazakhstan is located in the 'epicenter of the world' and its new capital is also situated in the 'heart of Eurasia'. These views are widely accepted by the Kazakh intelligentsia.

Kazakhstan President Nazarbayev outlined his vision of Eurasia in an article in the Russian Newspaper *Izvestiya* published on 25 October 2011. He details the framework of the Eurasian Union on following principles¹⁸⁸:-

- Built on economic pragmatism;
- Based on voluntary participation of its member states;

¹⁸⁶ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N^o 113, 10 April 2006

¹⁸⁷ . Mostafa, Gulam (2013), "The Concept of 'Eurasia': Kazakhstan's Eurasian Policy and its implications", *Journal of Eurasian Studies* 4(2013), 160-170.

¹⁸⁸ . Ibid.

- Create on the basis of principles of equality, mutual respect of sovereignty and no interference in internal affairs of any member states;
- Principle of consensus should be essential part of foundation;
- Eurasian Union must be play significant role in global economic competitive market;
- It should be bridge between the dynamic developments in the EU, East, South East and South Asia;
- It should be self sufficient financial body of Eurasian economies;

Therefore, Kazakhstan's Eurasian vision has pragmatic objectives and also aspires to play relevant role in regional and global affair through Eurasianism. Russia and China factor are also important for the future stability and territorial integration of Kazakhstan.

The idea of Eurasianism was first proposed by the Kazakhstan President Nursultan Nazarbayev during his lecture at "Moscow State University" (MSU).¹⁸⁹ The active efforts of Kazakhstani and Russian political elites have been engaged in building up 'Eurasian Economic Community (EurAsEC) in last one decade. Framing of Soviet legacy as 'colonial' past and idea of common historical and cultural origins led the organic framework of concept of the 'Eurasian Union' in post Soviet space. Domestic compulsions including diaspora, language, economic, social, religious extremism and terrorism of post- Soviet states with external sphere of influence of "Putin Doctrine"¹⁹⁰ for strategic integrations led to birth of Eurasian cooperation as 'Eurasian Union'. It is also seen to the contain Chinese's interests in this region.¹⁹¹

Kazakhstan also contributed to European cooperation and Eurasian security during its chairmanship of OSCE in 2010. Kazakhstan was mainly focused to promote the negotiation process over settlement of the frozen conflicts in the South Caucasus and

¹⁸⁹ . Zabortseva, Yelena Nikolayevna (2011), "Transformation of Russia –Kazakhstan post Soviet Political Relations: from Chaos to integration", Department of Government and International Relations, SSPS, University of Sydney, Paper presented at the 10th Biennial Conference of the Australian Association for Communist and Post Communist Studies (AACaPS) in Canberra, Feb 2011.

¹⁹⁰ . Russia's Quest to Rebuild the Soviet State and geostrategic triad which is guided by President Putin.

¹⁹¹ . Dadabayeva, Gulnara and Aigul Adibayeva (2013), "Mackinder's Legacy Today: New Challenges for Kazakhstan and Central Asia" in Sevara Sharapova and Nick Megoran (eds.), *Central Asia in International Relations: The Legacies of Helford Mackinder*, London: Hurst & Company.

reinvigoration of the ‘OSCE Minsk Group’, OSCE participation in Afghan conflict, adoption of new blueprint for OSCE’s ‘Water and Rights’ programme under the international legal framework and embedded environmental security including Aral Sea disaster in new OSCE’s security threats during its chairmanship in 2010.¹⁹²

Kazakhstan also chaired the SCO in 2010-2011, the “Organisation of Islamic Conference” (OIC) in 2011-2012 and it is first state in the Central Asia, which was elected to the “UN Human Rights Council” (UNHRC). Kazakhstan is committed with Russian led CSTO, CICA, and NATO. It has also determination to become a “North – South” axis and get actively engaged between OSCE, CICA and OIC.¹⁹³

The concept of Eurasian Union is new design that is roughly corresponding to the Soviet Union. It is new doctrine supported by Moscow under leadership of the President Putin. Kazakhstan President is promoting only reserved views in the context of the economic and energy cooperation. It could cooperate on the basis of respect of each other’s sovereignty, territorial integrity and equality. Kazakhstan is marketing for good neighborly relations, development and establishing peace through the Eurasian Union. Eurasian Union is a flagship policy of the Putin Doctrine in post - Soviet space. Moscow considers it in three dimensions: political, economic and security along with its pragmatic design of President Putin’s sphere of influence.

Eurasian integration has played significant role in the formation of Eurasian institutional infrastructure and also creating a ‘Single Economic Space’ (SES) especially for Kazakhstan, Russia and Belarus. These three also created the Custom Union earlier. Energy factor is also the crucial factor for integration in Eurasia.¹⁹⁴ Kazakhstan wants successful use of its multi vector foreign policy with multi polar interactions in the current wave of regionalism and multilateralism of world politics.

¹⁹².UNSC Global Security Paper (September 2014), Kazakhstan and Global Security : Bridging East and West, retrieved on 23 May 2016, URL: http://www.kazakhstanunsc.com/wp-content/uploads/2014/02/UNSC-Occasional-Paper-Global-Security.pdf?dm_i=25TS,2RRUB,FP1KG9,A31UW,1

¹⁹³ . Ibid.

¹⁹⁴ . Gaysa, Baurzhan and Diana Ismailova (2015), “Foreign Policy Energy Dimension in the Republic of Kazakhstan,” *Research Journal of Economics, Business and ICT*, Vol.10, Issue 2.

2.16. Kazakhstan and the OSCE

Kazakhstan has become first former Soviet republic in chaired OSCE in 2010. It is actively engaged with OSCE since 1992 committed to practice the principle of the ‘Helsinki Final Act 1975’ and other OSCE documents. Kazakhstan also hosted the first “Summit of Heads of the Participating States of the OSCE” in 2010. The Summit passed the resolution “Astana Commemorative Declaration: a security Community”, which was commitment of the 56 OSCE participating states “ to the vision of a free, democratic, common and indivisible Euro –Atlantic and Eurasian Security Community stretching from Vancouver to Vladivostok. The significant components of the Kazakhstan –OSCE cooperation are based on the:-

- Politico –Military (multi lateral efforts to ensure Euro –Atlantic and Eurasian Security);
- Economic – Environmental;
- And Humanitarian.

These pillars of comprehensive engagement are run with collaboration with the ODHIR, the HCNM, Office of the OSCE Representative on Freedom and Media, Office of the Special Representative of the OSCE to combat trafficking in human beings and the OSCE Office in Astana.¹⁹⁵

2.17. Kazakhstan’s Russian Vector: Strategic Partnership

Kazakhstan enjoys historical and civilisation links with Russia. This bilateral relation is based on national interests and good neighborly engagements. Astana has enhanced old ties up to strategic cooperation with Russia in the last two decades. Russian President Putin signed the military and technical cooperation with Astana on 18 September 2014. Kazakhstan President Nursultan Nazarbayev also signed a law on ratification of the bilateral treaty on ‘Good neighboring and Allied Relations’ in 21st century on 7

¹⁹⁵.“Kazakhstan Foreign Policy”, September 2015, *UNSC Occasional Paper, Kazakhstan: United for Global Security*.

November 2014¹⁹⁶. Kazakhstan has trade and economic relations with 76 of 89 constituents units of the Russian Federation. Kazakhstan and Russia has also cooperated in the area of space and military relations. Russia holds on lease Kazakhstan's Baikonur space launch complex that was extended up to 2050 in January 2004. Kazakh space missile system 'Beiterek' is also constructed on Baikonur space launch complex which is based on intergovernmental agreement in 2004 and 2005. Both sides are cooperating with each other in multilateral fora through CSTO, EurAsEC, SCO, and CISMA etc.¹⁹⁷

The following are top priorities interests of Russia in Central Asia¹⁹⁸:

- Safeguarding Russian territories from destabilising factors from Central Asia;
- Act as Security watchdog of Central Asian region in the context of engagements of other external actors and their influences;
- Maintain the Russian 'sphere of influence' through regional integration projects including CSTO and Eurasian Union in Central Asia ;
- Protection of Russian diasporas, promotion of Russian language and culture in post -Soviet Space of Central Asia.

Ukraine crisis and annexation of Crimea by Russia has created fear for the future of Kazakhstan's territorial integrity.

Kazakhstan was among the countries that did not support Russian step against the UN resolution concerning the annexation of Crimea. Kazakhstan President Nazarbayev threatened to leave Russia led "Eurasian Economic Union" (EEU) that may threaten the sovereignty and independence of Kazakhstan. According to the Kazakh Press agency 'Tengrinews', two third of foreign television channels are Russian in Kazakhstan. Russian – Ukrainian conflict has potential to stress the constructive and harmonious

¹⁹⁶ . Hass, Marcel De (2015), "Kazakhstan Security Policy: Steady as She Goes?" , *The Journal of Slavic Military Studies*, 4November, 28:4, 621-645, retrieved at 17 January 2016, URL: <http://www.tandfonline.com/doi/pdf/10.1080/13518046.2015.1094939>.

¹⁹⁷ . Diyarbakırhoğlu, Kaan; Süreyya Yiğit (2014), "Kazakh Multi Vector Foreign Policy in Action", *Alternatives: Turkish Journal of International Relations*. Winter2014, Vol. 13 Issue 4, p70-82., retrieved at 17 January 2016, URL: <http://eds.a.ebscohost.com/eds/pdfviewer/pdfviewer?sid=f4b6e9a4-38d5-45ec-b9bc-b16c24412633%40sessionmgr4002&vid=0&hid=4211>

¹⁹⁸ . Peyrouse, Sebastien, Jon Boonstra and Marlene Laruelle (2012), *Security and development approaches to Central Asia: The EU compared to China and Russia*, EUCAM Working Paper N0 11, Ministry for Foreign Affairs of Finland.

relations between Astana and Moscow. However, President Nursultan is among the interlocutors in the ceasefire negotiations between Moscow and Kiev. It also proved and enhanced Kazakhstan's global role in international conflicts.¹⁹⁹

2.18. The European Union and Russia Relations: Shared Neighborhood in Central Asia

The EU and Russia is 'shared neighborhood' of Ukraine, Moldova, Belarus, Armenia, Azerbaijan and Georgia. Scholar Lowenhardt said that 'it is an economic and diplomatic battlefield. The EU and Russia have common interests in these strategic areas of common borders. Many global scholars argued that rationale of the EU and Russian's foreign policy in shared neighborhood is deep rooted in compatibility between the European Union's use of post modern, normative power and Russia's use of modern, structural power, which also sets out a range of complex challenges to 'strategic partnership' between two powerful global actors.²⁰⁰

The term 'shared neighborhood' has been focused to denote the Soviet successor states covered by ENP, but now by recently launched Eastern Partnership – Ukraine, Belarus, Moldova and countries of the South Caucasus. Brussels' "Strategy for a New Partnership" with Central Asia in June 2007 redesigned the perceptions of the EU as a political and strategic actor in the region. The appointment of an EU Special representative is an ambitious project to cover political, governance and energy issues in Central Asia and its neighboring region. The divergence of policies of the EU and Russia towards shared neighborhoods reflects the framework of their worldviews. The EU seeks to extend a European 'postmodern' security community across the wider Europe and create a "ring of well governed countries" to the east, without offering them prospects of accession. On the other side, Russia is seeking to maintain or recreate a traditional, realist "sphere of influence" by its hard and soft instrument of diplomacy to exploit its predominant structural power in the post - Soviet space. Moscow conflicts with Georgia,

¹⁹⁹ . Hass, Marcel De (2015), "Kazakhstan Security Policy: Steady as She Goes?" , *The Journal of Slavic Military Studies*, 4 November, 28:4, 621-645, retrieved at 17 January 2016, URL: <http://www.tandfonline.com/doi/pdf/10.1080/13518046.2015.1094939>.

²⁰⁰ . Gower, Jackie & Graham Timmins (2011), "Introduction: The European Union, Russia and the Shared Neighborhood" in Jackie Gower & Graham Timmins (eds.), *The European Union, Russia and the Shared Neighborhood*, London: Routledge.

Russian military presence in South Ossetia and Abkhazia.²⁰¹ Recent Ukraine crisis and intervention by Moscow in Crimea show deep rooted intention of ‘great power’ norms in the modern era.

The EU’s approach to its eastern neighborhood is designed on new framework of extension of the internal ‘European project’ and ‘Black Sea Synergy’ based on the norm of good governance, democracy, human rights and the rule of the law, energy security, as well as an attractive economic model for modernisation. The ENP is new extension of “Strategy for a New Partnership” with Central Asia. It aims at enhancing bilateral and multilateral cooperation with Central Asian states, encompassing a range of trade assistance programmes legally formulated in “Partnership and Cooperation Agreement” (PCA), and operationalised through Actions Plans, programmes under the European Neighborhood and Partnership Instrument, investments and governance facilities.²⁰² The European Union also offers its experiences to new initiatives in regional integration, regional organisations such as “GUAM” (Georgia, Ukraine, Azerbaijan, and Moldova). These lead to the ‘Europeanisation’²⁰³ but differ with Russian’s notion of sovereignty.

Moscow has similar strategic and economic views as Brussels in Central Asia and also in the former Soviet space. It prefers sovereignty, regime stability and non interference in domestic affairs of these states along with local models of governance. Moscow has been making efforts to integrate and promote regional cooperation with its model of global order in international relations. Moscow is fully committed through the CIS, the “Collective Security Treaty Organisation” (CSTO), and the “Eurasian Economic Community” or “Eurasian Union” now and the SCO.²⁰⁴

²⁰¹ . Averde, Derek (2011), “Competing Rationalities: Russia, the EU and the ‘Shared Neighborhood’ ” in Jackie Gower & Graham Timmins (eds.), *The European Union, Russia and the Shared Neighborhood*, London: Routledge.

²⁰² .Ibid.

²⁰³ . ‘Sovereignty’ and ‘Europeanisation’ are two competing bureaucratic strategies of managing globalisation, one aimed at protecting internal order, another aimed at projecting internal order. Russia is reinforcing domestic stateness as a conservative means of minimising the ambiguity of global challenges, while the EU projects its domestic structures as a means to manage ambiguity along its periphery. (S.Medvedev 2008, p225, emphasis in original: : Jackie Gower & Graham Timmins 2011, p12).

²⁰⁴ . Averde, Derek (2011), “Competing Rationalities: Russia, the EU and the ‘Shared Neighborhood’ ” in Jackie Gower & Graham Timmins (eds.), *The European Union, Russia and the Shared Neighborhood*, London: Routledge.

Moscow and Brussels' normative concerns have widened the gap. Both have different notions of basic principles for intergovernmental and security relations in the Euro-Atlantic region, Helsinki process under framework of OSCE in Central Asia. Moscow has deep dissatisfaction with 'double standards' in Europe's normative claims which have arisen over a number of issues in recent years. Recent issues and new emerging challenges in Central Asia and its surrounding region show that Russia remains the main security provider through its military presence. It also provides the military and technical assistance plays key role in energy production and transportation limiting the Europe's influence. Russia's economic model of modernisation in the markets of region, viable source of 'political culture'²⁰⁵ as 'cultural-civilisational bridge' has been strengthening its sphere of influence.²⁰⁶

2.19. Kazakhstan's Chinese Vector: Strategic Partnership

Kazakhstan's relations with Beijing are multifaceted in the regional affairs of Central Asia. Economic, energy and security aspects are dominant in the nature of bilateral cooperation. China is largest trading partner followed by Russia. Beijing has maintained the influence and also balances the Russian influence in Kazakhstan. SCO plays the significant role in the intensive engagements between Kazakhstan and China.

Chinese interests in Central Asia are :-

- Energy resources and Chinese multilateralism is important components in Central Asia;
- Domestic stability concerns of Uyghur problems and Xinjiang and its related links with Central Asian space. More than 300,000 Uyghur diaspora lives in Central Asia;
- Chinese Strategy is more cohesive towards Central Asia;

²⁰⁵ . Due to difference in Political culture, Russians it very difficult to understand the complex post modernist logic which Europe declares.....for Russia, this is the traditional understanding of force, based on economic and military- political levers; where for the European Union, it is soft power used to expand the European legal space and make the European model more attractive to neighboring countries (Lukyanov 2008 p.1114:: Jackie Gower & Graham Timmins2011,p 6).

²⁰⁶ . Averre, Derek (2011), "Competing Rationalities: Russia, the EU and the 'Shared Neighborhood' " in Jackie Gower & Graham Timmins (eds.), *The European Union, Russia and the Shared Neighborhood*, London: Routledge.

- China has already signed border demarcation treaties with Kazakhstan, Kyrgyzstan and Tajikistan in 1994 and 2002, but cross border issues including river managements with Kazakhstan is still pending;
- SCO has become the main facilitator for comprehensive cooperation against so called ‘three evils’ (san gu shili) – secessionism, extremism, and terrorism with Central Asian states .

Kazakhstan received loans and other financial assistance for rescued local banks and financial institutions in 2009 after the global economic crisis. Beijing and Astana signed 22 agreements during the first official visit of Chinese President Xi Jinping to Kazakhstan in September 2013. Both leaders also opened the first phase of natural gas pipeline during this visit. It is also shift to be less dependent on the Russian and Uzbek gas networks. China has recently entered into exploitation of Kazakhstan’s Kashagan oil field and Caspian Sea which shows the Chinese influence in lucrative energy sector of Kazakhstan.²⁰⁷

2.20. Kazakhstan –SCO Relations and its impacts on European Vector

Chinese led regional cooperation through Shanghai Cooperation Organisation (SCO) changed the dynamics of multilateral regionalism in Central Asia. Kazakhstan is playing significant role in the security structure of SCO. It was designed for multifunctional multilateral structure. SCO is product of the Chinese efforts for creation of ‘Shanghai Group’ in 1996, which was established as organization in 2001. Kazakhstan is the founder member of SCO. The main basic objectives of SCO are fight against separatism, extremism, and terrorism since its foundation year. SCO is influenced by the dominance

²⁰⁷ . Hass, Marcel De (2015), “Kazakhstan Security Policy: Steady as She Goes?” , *The Journal of Slavic Military Studies*, 4November, 28:4, 621-645, retrieved at 17 January 2016, URL: <http://www.tandfonline.com/doi/pdf/10.1080/13518046.2015.1094939>.

of China and Russia. SCO has become important tool of diplomacy of dominance as “good neighborhood or periphery diplomacy” by China and Russia in Central Asia.²⁰⁸

It was the Chinese initiatives basic ally to contain Uyghur radicalism in border region of Xinjiang. China used SCO to pressurised Central Asian states for fight against separatism of Uighur problems. China also stressed for use of untapped energy and trade potential of Central Asian region besides security concerns. SCO established its secretariat with budget and a regional anti terrorist centre in Tashkent in 2004.²⁰⁹

Kazakhstan also participated in the joint military exercise of SCO members in August 2007. Energy is also concerned with economic regionalism of SCO by China and Russia. But, some of the global scholar’s argued that SCO is created to counter the American influence in this region. Russia views SCO as complimentary to its long term political, economic and strategic cooperation in the post Soviet space of Central Asia, where all Central Asian countries are members of SCO.

2.21. The EU Strategy Papers for Central Asia 2007 -2013: An Overview

The European Union Strategy for Central Asia was adopted in 2007. It was first political strategic document for Central Asia under new guidelines for the EU’s political goals in this region. This covers wider range of issues including the promotion of economic prosperity and democratisation, good governance, the rule of law and protection of human rights along with mutual energy links. This strategy has not dealt with geopolitical concerns effectively without taking into account the presence of other external actors mainly Russia and China.²¹⁰

The European Union has enhanced its political, trade and development cooperation with each of the Central Asian states. The EU- Central Asia relations have been upgraded

²⁰⁸ . Laruelle, Marlene et al. (2010), (eds.), *China and India in Central Asia: A New Great Game*, UK: Palgrave.

²⁰⁹ . Nichol, Jim (2010), “Central Asia’s Security: Issues and Implications for U.S Interests” in Jmaes C. Tantas (eds.), *Security and Internal Affairs of Central Asia*, NewYork: Nova Science Publishers, Inc.

²¹⁰ . Kassenova, Nargis (October 2009), *The Impacts of the Global Economic crisis on Central Asia and its implications for the EU engagements*, EUCAM Working Paper.

through the EU's "Regional Strategy paper 2007-2013" for a new partnership along with neighborhood policy in Central Asia and its surrounding region.

The Strategy for new partnership aims at enhancing the bilateral and multilateral relations with all Central Asian states. The objectives of this new strategy reflect the roadmap to support social and economic development, good governance, regional security and also bilateral strategic sectors initiatives. The new "Strategy Paper 2007-2013" ensures an overall financing and development assistance in the region. The strategic importance of this region remains high priority after 9/11 terror attacks.

European Union – Central Asia development relations entered into new phase of comprehensive and strategic partnership after 2001. This cooperation and development initiatives started with 'Technical assistance Commonwealth of Independent States' (TACIS), which was later replaced by 'Development Cooperation Instrument' (DCI) in 2007. The DCI has inclusive objectives of 'Millennium Development Goals' (MDGs) with annual indicative programme (2007-10, 2011-2013) in the Central Asian states. The new multi indicative programme (2011-2013) provides Euro 321 million for regional cooperation. This is the new experience of policy capacity building for Central Asian states. The EU and its member states are also supporting the advancement of constitutional, legal and judicial reforms in the region through regional cooperation. Border management, water, environment, education, stability, security, economic and institutional reforms, civil society and people to people contacts are the primary concerns for the regional strategy cooperation (2007-2013) in Central Asia. The frameworks of EU's policy have the strategic vision of engagement process involving a numbers of actors with different interests and preferences in the Central Asia. The European Union makes efforts for inclusive political system and market economy in Central Asia. EU's eastern enlargement policy approach of 2004 brought EU in close geographic proximity to the Central Asian region. It has been designed with particular reference to the political and economic modernisation and extension of regional cooperation. EU-Russia, EU-China, EU – US partnerships have also impact on the EU-Central Asia relations after the collapse of USSR. The EU considers Central Asian states as important and resourceful partners with its own foreign policy and regional interests.

2.22. Concluding Remarks

Multi vector foreign policy has been characterised by constant rebalancing between traditional ties with Russia and China and rising economic and strategic power centre of the global politics including EU, Germany, U.S and others. Emergence of geopolitical influence of China and Russia in Eurasian space has posed risk to the stability of Nazarbayev regime and choices of multi vector foreign policy.

Kazakhstan redefined the concept of multi vector foreign policy under new strategy “Foreign Policy concept for 2014 -2020” in the vision document ‘Strategy 2050’ in April 2014. Kazakhstan shifted to multi vector approach of foreign policy in the discourse of global affairs after 9/11 terror attacks and anti - terror global efforts in Afghanistan. The multi vector foreign policy and dream of political elite perception regarding Kazakhstan as great power or rising power of international affairs is fundamentally based on four components- geostrategic location, natural resources, ethnic demography and regime type.

The EU has ambition to play leading role in international affairs in the post Cold War order of world system. Promotion of ‘Concept of Europeanisation’ of post - soviet space under design of different policy framework is also important aspect of the developmental policy. The European Union uses its normative characters of foreign policy and development policy as tool of structural power to influence the new international order. Interdependence framework of the EU foreign policy shaped ‘policy agenda’ for external affairs.

A greater degree of realism forced the comprehensive engagement with Kazakhstan. Promotion of European model of international development is also part of the ‘Concept of Europeanisation’ in Kazakhstan. Economy and energy interests of the EU have enhanced the political, diplomatic and security engagements with Kazakhstan and other Central Asian states. The EU foreign policy has also important objectives in bilateral and multilateral cooperation with Kazakhstan. EU’s relations with Kazakhstan are based on the promotion of common values of respects of human rights, fundamental freedom,

peace, democracy, good governance, gender equality, the rule of law, and justice and regional stability and development.

The European Union has enhanced the greater political, trade and development cooperation with each of the Central Asian states. The EU- Central Asia relations have been upgraded through the EU's 'Regional Strategy paper 2007-2013' for a new partnership along with neighborhood policy in Central Asia and its surrounding region. The changing dynamics of geopolitics and geo-economics decides the comprehensive partnership between European Union and its member states with Central Asian States.

Kazakhstan aspires to become a new regional power, which does not suit Russia's regional framework and China's future dream of Asian century. The projection of Eurasian Union has competing interests for establishing financial centre in Moscow and Almaty. Russia's stake for new great power under Putin leadership has the strategic goals that are focused on the maximum integration in all spheres in post - Soviet space including Central Asia. Russia's foreign policy especially "Putin Doctrine" has directly affected the discourse of Kazakhstan's multi - vector foreign policy in the era of multi polar world politics.

Kazakhstan is facing many challenges of multi vector foreign policy in contemporary era of international relations of world politics. Recent global economic crisis, euro zone crises and regional dynamics of energy security cooperation have put challenges to economic reforms and cooperation in energy supply.

Emergence of ISIS and Islamic fundamentalism, recent global terror attacks including Paris (2015) and Brussels (2016) have found links with Central Asian and Middle East countries. Recent Ukraine crisis and annexation of Crimea has caused concern in Kazakhstan in the context of presence of influential Russian diaspora. Kazakhstan successfully managed its multi vector foreign policy, but emergence of new regionalism especially by Russia, China and the EU in Central Asia has created difficult situation for managing all great powers with their competing national interests in Central Asia. Politics of environment and climate change has also put significant challenges in the

developmental policy and poses new environmental challenge to the Aral Sea and Caspian Sea Basin.

CHAPTER –THREE

Economic Ties and Energy Cooperation

3.1. Introduction

After the demise of the Soviet command economy in 1991, Kazakhstan as well as the other Central Asian countries faced numerous challenges and opportunities, due to liberalisation, and globalisation. Global financial crisis and Euro zone crisis have had significant impact on the economy of Kazakhstan and its European economic vectors. Resourceful Kazakhstan is also trapped in the geopolitical competition between great

powers for their needs of energy. Kazakhstan is emerging as alternate source of Europe's energy. Kazakhstan is also emerging as a country of great opportunities for European investors. It has offered unique business opportunities for the EU and its investors in the current phase of economic globalisation. Energy resources are crucial factor in the dynamics of development and viability of global economy. Economic and energy interests are historically and geographically connected both to Europe and Asia particularly the EU and Kazakhstan.²¹¹ Kazakhstan and the EU have mutual objective interests, as Kazakhstan is searching new energy markets and the EU is looking for new energy hub to fulfill its needs and face the current challenges of Euro zone crisis and international financial crisis.

Central Asia has been emerging an alternate source of resources. It has been transformed from being Russian resources to becoming an alternative to Middle East. Central Asia is established as an alternate economic and energy corridor both for international commerce and for resource exploitation for major influential economic powers in international economic affairs. Central Asia has become more relevant for the EU and U.S after September 2001 terror attacks, adoption of EU's "New Strategy for Central Asia" in 2007, Chinese pursuance of "New Silk Road Strategy", new approach of Russian President "Putin Doctrine" for Central Asia and India's "Connect Central Asia" Policy in 2012. Central Asia has emerged as buffer zone for global trade as it is bridge between Europe and Asia. These complexities provide ample opportunities in the context of regional economic cooperation for Central Asian States – Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan and Turkmenistan. Establishment of Eurasian Transport corridor from Kazakhstan to Turkey would reduce dependency of the producing countries on Russia.

Transformation from Soviet model of "command economy" to market economy was difficult and challenging for Kazakhstan. However, politics and economy continue to be dominated by personalities in Kazakhstan and other Central Asian countries. It is landlocked state with long inaccessible border for trade and communication. It has

²¹¹ . Gaysa, Baurzhan and Diana Ismailova (2015), "Foreign Policy Energy Dimension in the Republic of Kazakhstan," *Research Journal of Economics, Business and ICT*, Vol.10, Issue 2.

significant reserves of minerals and mining including fossils fuels.²¹² Kazakhstan economy has performed well in last more than one decade. It has maintained average growth rate of 9%. It has also sustained strong macroeconomic performance since 2001.

Kazakhstan is currently upper medium income country of the world economy. The Kazakhstan – the European Union bilateral trade and economic relation has moved towards comprehensive trade cooperation since 2000. The EU has become largest trading partner of Kazakhstan which accounted for around 32% share in Kazakh external trade. Kazakh export to the EU are mainly oil and gas that accounted roughly for more than 80 % of the total export in 2010.²¹³ Kazakhstan and the European Union have been working within strong institutional frameworks. The signing of “Expanded Partnership and Cooperation Agreement 2015” will boost expansion of economic and trade cooperation in the era of economic globalization.²¹⁴

The collapse of totalitarian communism moved towards transition to market oriented economic. The new Central Asian economic model has emerged as result of the commercialisation of governance can be defined as political capitalism – the fusion of ruling elites with new stratum of proprietors. Whole sectors of economy are controlled by members of bureaucratic elites and /or relatives and close associates of the President. Economic policies of Kazakhstan are not connected with economic rationality or genuine national interests.²¹⁵ “Authoritarian modernisation” progress has changed the dynamics of the economic aspects of the model of development in Kazakhstan. The Economy of the nomadic Kazakh society was based on the livestock breeding during the Soviet era. Kazakhstan was agricultural producer of the Soviet economy. It accounted for 55% agriculture of the Soviet Union. Therefore, it was called “Virgin land”.

²¹² . Gleason, Gregory (2003), *Markets and Politics in Central Asia: Structural Reform and Political Change*, London: Routledge.

²¹³ . Bendini, Roberto (October 2013), *Kazakhstan: Selected Trade and Economic Issues*, European Parliament Policy department, retrieved at 30 December 2015, URL: http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP%282013%29522303_EN.pdf.

²¹⁴ . *Astana Times*, 4 May 2015, URL: <http://astanatimes.com/2015/05/kazakh-british-cooperation-priorities-have-expanded-with-recent-election-says-kazakh-ambassador/>

²¹⁵ . Canfield, Robert L. (2011), “Introduction: A region of Strategic Importance” in Robert L. Canfield and Gabriele Rasuly – Paleczek (eds.), *Ethnicity, Authority and Power in Central Asia: New games great and small*, London: Routledge.

Central Asian economies follow the path of market economy for rapid development and are connected with major economies of the world. Energy resources and pipelines are the main components of economic and energy cooperation with major powers in the era of economic globalisation.²¹⁶ Central Asian states' bilateral economic diplomacy and EU's regional economic multilateralism has changed the dynamics of regional economic cooperation.

The Caspian region is emerging as an important potential source of oil and gas for global markets. Kazakhstan lies at the heart of the Eurasian continent. Kazakhstan is an emerging and fast growing economy in the Central Asia. It is a hub of untapped rich natural, mineral wealth and energy resources. It has second largest uranium deposit after Australia in the world. Kazakhstan is leading oil exporter to Europe after Russia (around 80 % imports of fuel).²¹⁷ Kazakhstan was ranked 70th amongst 181 countries in terms of ease to doing business, while Russia placed at the 120th in 2009.²¹⁸ Kazakhstan's rapid economic growth in the past decade has been due to vast energy resources.²¹⁹ It is upper middle income state with per capita GDP is around US \$ 13, 000 in 2013. Its GDP growth slowed from 6 % in 2013 to 3.9 % during the first half of the 2014. Agriculture sector accounts only 4.5 % of GDP.²²⁰

Kazakhstan's economic model is based on the market economy. It is composed of liberalisation, developing of private sectors and state regulation.²²¹ It also faced the period of economic decline and dislocation during early 1990s. It maintains average growth rate around 7 % from 2000. It has relatively high gross domestic product (GDP) as compared to its neighbouring states of Central Asia. Kazakhstan had accounted for

²¹⁶ . Cohen, Ariel (eds.), *Eurasia in Balance: The US and the Regional Power Shift*, England: Ashgate Publishing Limited.

²¹⁷ . Dave, Bhavna (2008), "The EU and Kazakhstan: Is The Pursuit of Energy and Security Cooperation Compatible with Promotion of Human Rights and Democratic Reforms"? Neil J Melvin (eds.), *Engaging Central Asia: The European Union's New Strategy in the Heart of Eurasia*, Brussels: Centre for European Policy Studies.

²¹⁸ . *Ease of Doing Business Report*, World Bank, 2009

²¹⁹ . <http://www.worldbank.org/content/dam/Worldbank/document/Kazakhstan-Snapshot.pdf>

²²⁰ . World Bank, Overview of Kazakhstan's Economy, retrieved on 29th December 2015, URL: <http://www.worldbank.org/en/country/kazakhstan/overview>.

²²¹ . Central Communication Service under President of the Republic of Kazakhstan, retrieved at 29th December 2015, URL: <http://ortcom.kz/en/page/show/overview>.

good GDP at \$12,800 per capita and enjoys the 90th place in world GDP ranks.²²²

3.2. Political Economy of Kazakhstan

The concept of political economy rests upon the notions of wealth, value, commodity, labor, land, capital etc.²²³ It defines developmental work in the framework of either economic perspectives using rational choice based models or from a political scientific perspective through power based models.²²⁴

Kazakhstan's economy is dualistic in nature. Capital incentives employ few high paid workers, while, labor incentive industries oriented towards domestic demands like agriculture that lack investments. Kazakhstan's "shock therapy" model based on privatisation, decentralization and liberalisation allowed firms to establish cluster of industries via market incentives. Two theories of political economy – "resources curse" (RC) and "varieties of capitalism" (VoC) are define the economic model of Kazakhstan and other Central Asian states after the collapse of Soviet economic model. "Resources curse" means the inability of raw material supplier to develop a healthy democratic system. While, second theory traced the historical and institutional peculiarities being the pre - conditions for stable market oriented democratic system in world economy. Economic thinker Michael Foucault redesigned these concepts under new framework of "governmentality". It is an analytical approach that combines both "Resources curse" and "varieties of capitalism". Literature of "resources curse" explains the political outcome of the merger between business and bureaucracies, while "varieties of capitalism" refer to mechanism behind the second outcome of economic incentives operating within political realm.²²⁵

²²² . Kassymova, Didar et al. (eds.) (2012), *Historical Dictionary of Kazakhstan*, Maryland: Scarecrow Press Inc., pp-89.

²²³ . Jevons, W. Stanley (1927), *The Theory of Political Economy*, London:

²²⁴ . World Bank (2007), *Dimensions of Political economy, PEPR Chapter Two*, retrieved on 26 April 2016, URL: http://siteresources.worldbank.org/EXTSOCIALDEV/Resources/PEPR_Chapter2_Dimensions_of_Political_Economy.pdf.

²²⁵ . Rustemova, Assel (2011), "Political Economy of Central Asia: Initial Reflection on the need for new approach", *Journal of Eurasian Studies* 2(2011), pp-30-39.

Relations between economy and politics have been defined by great scholar Seymour Martin Lipset as ‘optimistic equation’ that means economic development can lead to democratisation. It has also examined the links between regimes and economic structure. This equation is suitable for the regimes of Kazakhstan and Uzbekistan in Central Asia, both of which at aim at high hopes for democracy and capitalism, but in practice they established authoritarian regimes with strong patronage networks with more liberal domestic market. But, in theory these models might fail as both Kazakhstan and Uzbekistan have been practicing hybrid regimes with illiberal democracies.²²⁶ Kazakhstan President Nursultan has successfully managed personality based political power and state intervention in economic realm.

The breakup of the former USSR had severe negative economic impact on Kazakhstan economy in 1991. Kazakhstan suffered like other states of Central Asia from disrupted supply chains and higher cost for imports. Demand and supply networks based on free transport collapsed in the early 1990s. Kazakhstan’s macroeconomic performance was highly disappointed during the first decade of independence. It also experienced painful deep recessions till 1995. Economy moved on recovery path slightly in 1995-1997. Kazakhstan also faced serious brain drain due to outmigration of highly skilled Slavic minorities and Germans. In 1990s, around 1.5 million people i.e. over 10 % of its population left Kazakhstan.²²⁷

Central Asian economies experienced economic difficulties after the economic crisis of 1992-93. Kazakhstan inherited an extremely complex economy that had been highly integrated into the markets of Soviet era and plunged into free fall after independence. Kazakhstan President Nursultan Nazarbayev started to search “model of development” for reshaping economy in the first stage of economic reforms. He looked towards the successful model of Japan, South Korea, Malaysia, Singapore and Germany. President stated that these economic model would be model of reference for ‘1997 Strategy of Rapid Development’ for Kazakhstan. South Korea was one of the first overseas visits by

²²⁶ . Rustemova, Assel (2011), “Political Economy of Central Asia: Initial Reflection on the need for new approach”, *Journal of Eurasian Studies* 2(2011), pp-30-39.

²²⁷ . Bendini, Roberto (October 2013), *Kazakhstan: Selected Trade and Economic Issues*, European Parliament Policy department.

Kazakh President in 1990. President appointed Korean –American Professor Chan Yong Bang as Special Advisor to the President and Vice Chairman of the National Committee of Economic Experts. President Nazarbayev also offered the post of his personal advisor to the former Prime Minister of Singapore Lee Kuan Yew.²²⁸

Kazakhstan was one of the first economies that adopted the “Shock Therapy” reform process in its transition to market economy in 1993. Economic reforms were major priority for the President, which were initiated in 1993 and 1994. Kazakhstan also introduced a programme for privatisation to attract the FDI. Kazakhstan started to offer its natural resources to major powers of the world economy. It invited major multinational companies including Chevron, Mobil, BP for investment in energy sector and oil extraction.²²⁹

Kazakhstan is a land of enormous fossil fuel and huge reserves of minerals and metals like Uranium, copper, zinc etc. Kazakhstan enjoys sustained and fast economic growth in last more than one decade. It is the 'hottest' region on the global investment map in the era of new international economic order. Kazakhstan's natural and geographical potential attracts global investment. Kazakhstan's current comparative advantage lays in country's macroeconomic performance and the privatisation process and new opportunities arising in oil and minerals sectors. Kazakhstan suffered severe recession in the first half of the 1990s as its GDP fell by over two-fifths between 1991 and 1995. The decline halted in 1996 and 1997, before GDP suffered a further drop in 1998. Kazakhstan restructured the economic and financial institutions in the early years of the 2000s. Its parliament passed several market based economic reforms law and also a number of legislation passed by a Presidential decree since 1991. There were considerable achievements in privatisation and public private enterprises during 1996-1997.²³⁰

Kazakhstan economic performance has been high since 2000. GDP per capita has dramatically increased in the last more than one decade. Kazakhstan attained the first

²²⁸ . Abazov, Rafiz (1998), “Practice of Foreign Policy Making: Formation of Post –Soviet Politics of Kazakhstan, Kyrgyzstan, and Uzbekistan”, *Final Report*

²²⁹ . Ibid.

²³⁰ .ADB (1999), *Challenges and Opportunities in Energy: Second Workshop on Economic Cooperation in Central Asia*, Manila: ADB publication.

three out of the eight ‘Millennium Development Goals’ (MDGs) in 2010 and rest are on the way of fast progress. Kazakhstan ranked 69th among 187 countries in its progress of the Human Development Index (HDI) which was measured by United Nations Development Program (UNDP) in 2010.²³¹ Kazakhstan GDP account for around two – thirds of combined GDP of rest of Central Asian economy. Kazakh economy had grown from \$18 billion (2000) to \$ 80 billion in mid – 2007.²³² President Nazarbayev Nursultan has credited this successful achievement to his “Strategy 2030” for significant prosperity since 2000. He also compares this achievement to Kuwait’s economic prosperity, social harmony and political stability.²³³

²³¹ . Bendini ,Roberto (October 2013), Kazakhstan: Selected Trade and Economic Issues, European Parliament Policy department.

²³² . Dave, Bhavna (2008), “The EU and Kazakhstan: Is The Pursuit of Energy and Security Cooperation Comitable with Promotion of Human Rights and Democratic Reforms”? Neil J Melvin (eds.), *Engaging Central Asia: The European Union’s New Strategy in the Heart of Eurasia*, Brussels: Centre for European Policy Studies.

²³³ . Dave, Bhavna (2008), “The EU and Kazakhstan: Is The Pursuit of Energy and Security Cooperation Comitable with Promotion of Human Rights and Democratic Reforms”? Neil J Melvin (eds.), *Engaging Central Asia: The European Union’s New Strategy in the Heart of Eurasia*, Brussels: Centre for European Policy Studies.

Kazakhstan GDP “2006 -2014”



Source: [tradingeconomics.com/World](http://www.tradingeconomics.com/World) Bank, URL: Kazakhstan's GDP, URL: <http://www.tradingeconomics.com/kazakhstan/gdp>.

Terror attacks on the WTC and Pentagon (September 11, 2001) and began of GWOT in Afghanistan in 2001 provided new opportunities and challenges for comprehensive cooperation in the sphere of economic and energy security with the EU and its member states mainly Germany, France, Netherland, Britain, Spain. The war on terrorism as well as the Caspian Sea energy resources have become the dominant factors for European and US engagement with Kazakhstan since 2001. Caspian Sea resources become the alternate source of Persian Gulf energy for world community.²³⁴ Oil production, transportation and food processing accounted for 16 % of GDP in 2002. The export of oil and gas product

²³⁴ . Olcott, Martha (2005) *Central Asia's Second Chance*, Carnegie Endowment for International

accounted for 56 % of the total GDP. The export of metals (ferrous and non ferrous) and grain have significant share in GDP.²³⁵

Kazakhstan's economy grew at more than 9% per year. Extractive industries particularly hydrocarbons and mining have been the engines of industrial growth of Kazakh economy. It has second largest uranium, chromium, lead and zinc reserves, the third largest manganese reserves and the fifth largest copper reserve in the world. Kazakhstan is one of the leading exporters of uranium in the world while other major exports of the country include wheat, textile, and livestock. According to IMF, since 2000, Kazakhstan's per capita income has tripled; the unemployment rate has been halved, and close to \$30 billion of foreign exchange reserves have been accumulated by the National Bank (NBK) and the National Fund. Kazakhstan received an investment-grade credit rating from a major international credit rating agency and became the first country in the CIS to achieve that goal in 2007. Kazakhstan becomes centre of "Special Economic Zone" (SEZ) and information technology (IT) in Central Asia.

President Nursultan launched five year plan for industrial diversification in line with his goals for 2030, targeted at developing the transport, pharmaceutical, telecommunication, petrochemicals and food processing sectors of the economy. In May 2012, he said that Kazakhstan would become the central hub of a new regional "Silk Road"²³⁶. The Silk Road extended throughout the whole Kazakhstan. The main transcontinental routes which link the Asia-Pacific Region with the Near and Middle East, and Europe, pass through Kazakhstan. Three of the four "BRICS" countries are close neighbors of Kazakhstan: Russia, China, and India.

²³⁵ . Nathan, Jay (2012), *Kazakhstan's New Economy: Post Soviet, Central Asian Industries in the Global era*, Chicago: University of Scranation Press.

²³⁶ CRS Report (2012), Kazakhstan: Recent Developments and U.S. Interests.

Kazakhstan has developed the “concept of Kazakhstan’s transfer to ‘Green Economy²³⁷’”²³⁸ by Ministry of Environment and Energy resources in the context of Presidential order in 2013. Kazakhstan signed the “Green Bridge Partnership” programme - international cooperation to ensure “green” economic growth through technology transfer, knowledge exchange and provision of the financial support to implement investment projects in Central Asia region.²³⁹

Tourism industry also contributes to modern economy of the country. It also makes substantial contribution to economy and to the livelihood and one of the important financial resources of the local communities.²⁴⁰ Kazakhstan has emerged as one of the favourite destination of international tourism after its independence. Tourism has well established links with other important emerging industries including agriculture, construction, consumer goods, communications and trade of Kazakhstan.

²³⁷ . The term 'green economy' is not consistently defined as it is still an emerging concept. The most widely used and authoritative green economy definition comes from UNEP “ *green economy (is) one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities*”. Green economy can refer to sectors (e.g. energy), topics (e.g. pollution), principles (e.g. polluter pays) or policies (e.g. economic instruments). It can also describe an underpinning strategy, such as the mainstreaming of environmental policies or a supportive economic structure.

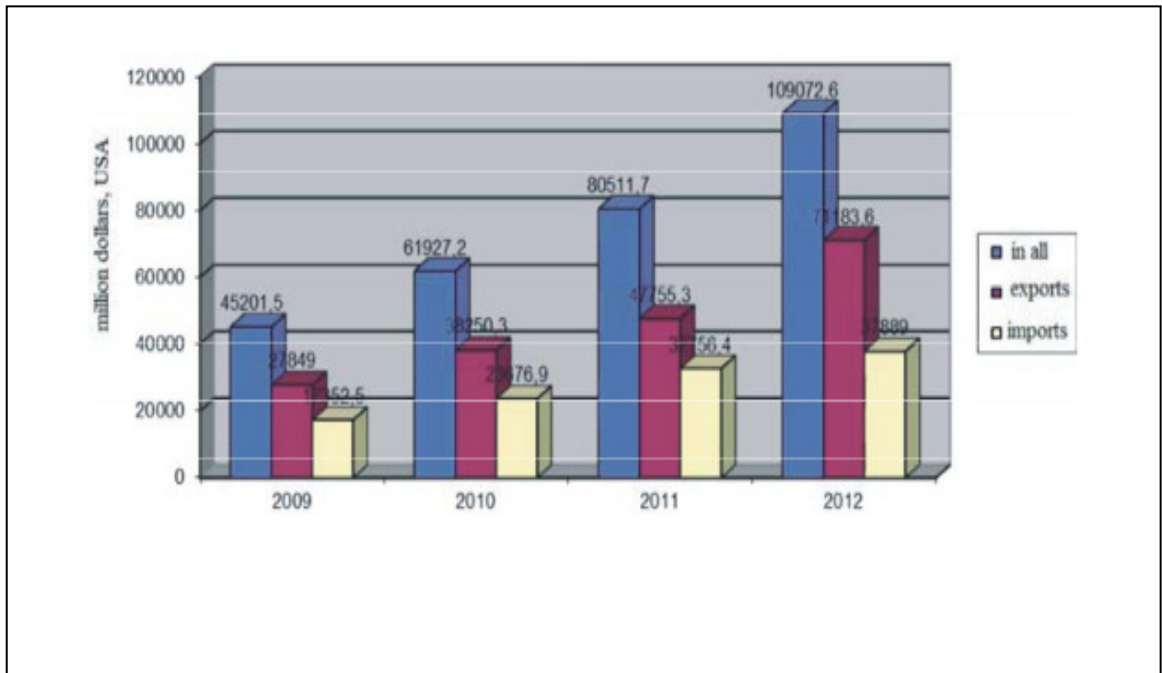
²³⁸ . Kazakhstan’s Green Economy Concept policy, adopted in May 2013, aims to diversify the economy through the careful use of natural resources. “Supporting Kazakhstan’s Transition to a Green Economy, funded by the European Union and implemented by the UNDP and the UN Economic Commission for Europe (UNECE). Kazakhstan’s comprehensive initiative to transform from one of the world’s premier hydrocarbon energy producers to a model ‘Green Economy’”.

²³⁹ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change, accessed on 1 January 2016,

URL: https://unfccc.int/files/national_reports/annex_i_natcom_/application/pdf/kaz_nc3,4,5,6_eng.pdf.

²⁴⁰ . Prideaux, Bruce, Bob McKercher and Elizabeth McNamara (2014) (eds.) *Climate Change and Tourism in the Asia Pacific* London: Routledge.

Dynamics of Changing Foreign Trade turn over in Kazakhstan “2009-2012”



(Source: World Science Journal 18, 2012)

New report “Doing Business 2016” which is part of ‘World Bank Group’ has given positive report regarding the economy of Kazakhstan. This report provided the new benchmark achievement of Kazakhstan with business friendly environment for global investment. Kazakhstan has become new hotspot of global FDI in post - Soviet space in the era of globalisation.

Economic Overview of Kazakhstan in 2016 (according to “Doing Business 2016”)²⁴¹

GNI per Capita (US \$):11,670

DB2016 rank: 41

²⁴¹ . World Bank Group (2016), Economic Profile 2016: Kazakhstan), Doing Business 2016, retrieved on 26 April 2016,
URL:

<http://www.doingbusiness.org/data/exploreeconomies/~//media/giawb/doing%20business/documents/profile/s/country/KAZ.pdf?ver=3> .

DB2015 rank: 53

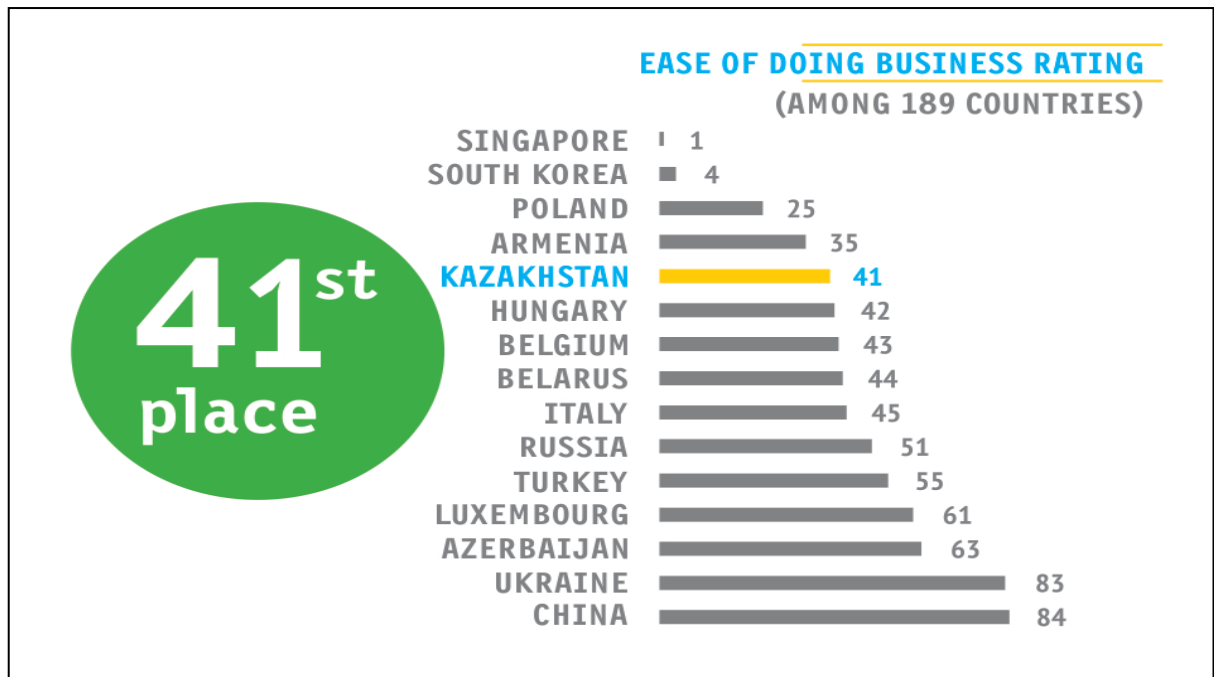
Change in Rank: 12

DB 2016 DTF: 72.68

DB 2015 DTF: 69.34,

Change in DTF: 3.34

Kazakhstan investment 2016 guide



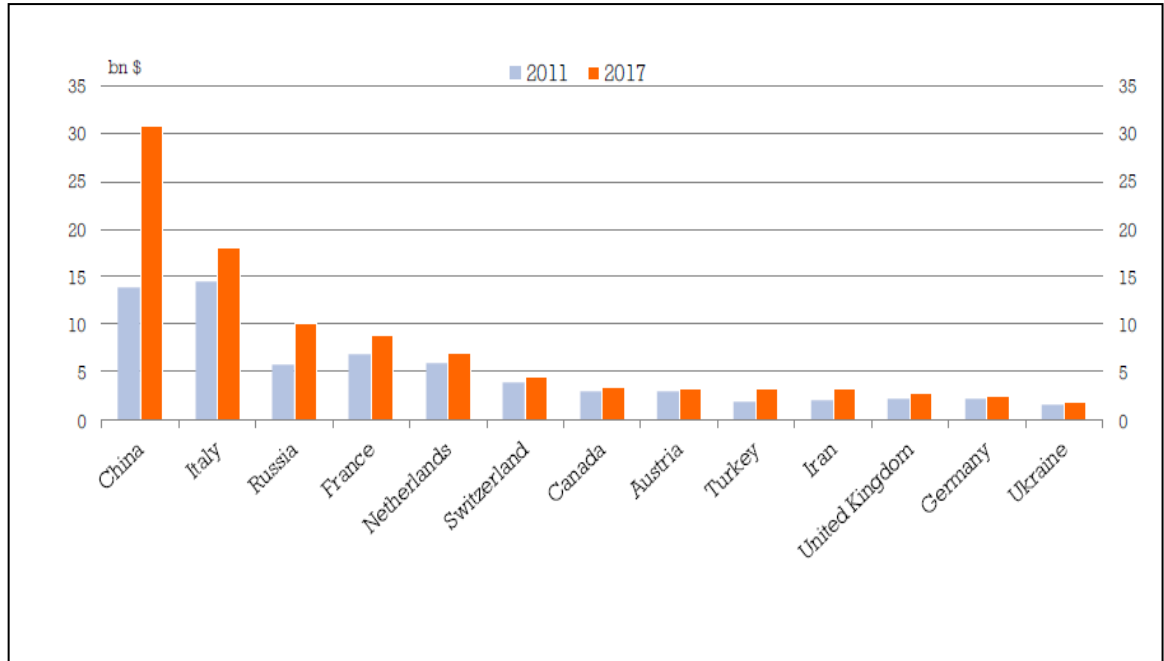
Source: World Bank Group (2016), Economic Profile 2016: Kazakhstan, Doing Business 2016, retrieved on 26 April 2016, URL: <http://www.doingbusiness.org/data/exploreeconomies/~media/giawb/doing%20business/documents/profiles/country/KAZ.pdf?ver=3> .

Kazakhstan has the most favorable investment climate among post - Soviet states now. Kazakhstan is an emerging and fast growing economy in the world. It ranked 42th largest exporter state worldwide now.²⁴² But, according to “Economic Complexity Index” (ECI) Kazakhstan is the 48th largest export economy and 52nd most complex economy of the

²⁴² . ING International Trade Study: developments in global trade from 1995 -2017, retrieved on 12 May 2016, URL: <https://www.ingwb.com/media/233085/kazakhstan.pdf>.

world. Kazakhstan mainly exports crude petroleum (\$39 billion), refined petroleum (\$3,6 billion), petroleum gas (\$3.51billion), radioactive chemicals (\$2.26 billion), refined cooper (\$1.99 billion) in the European, US and China markets.²⁴³

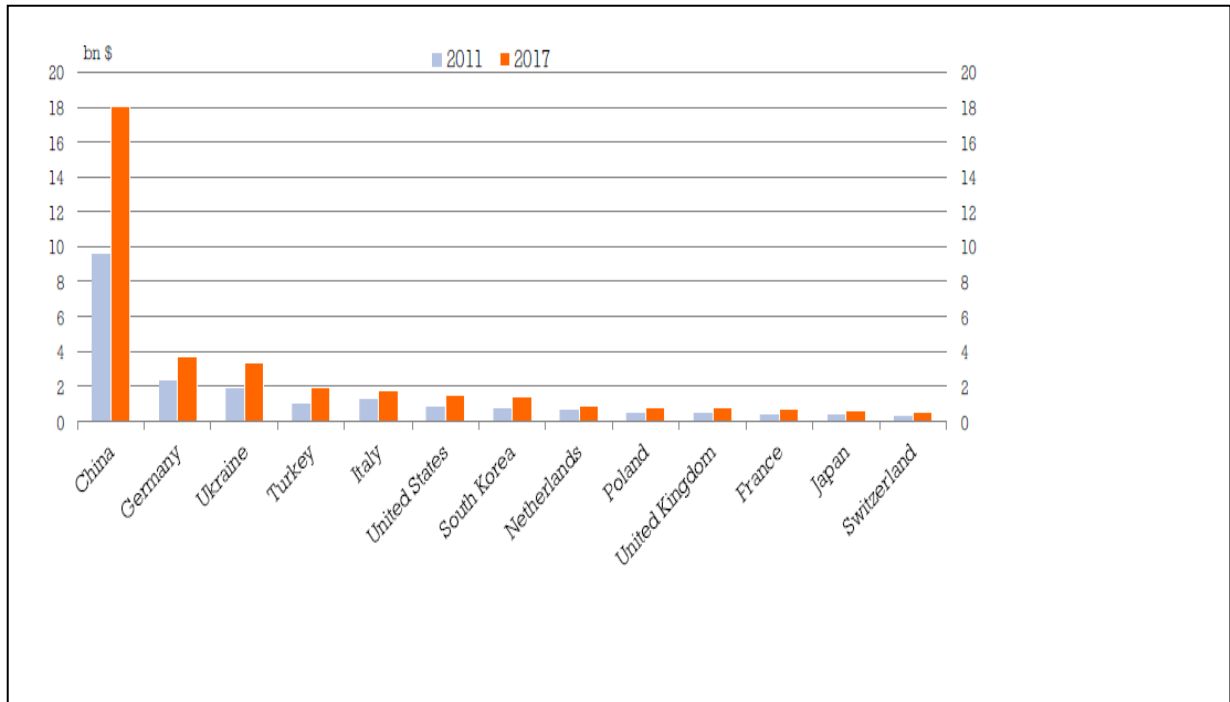
Kazakhstan’s Key Export Destination Market, 2011-2017



Source: Kazakhstan: ING International Trade Study 2015, URL: <https://www.ingwb.com/media/233085/kazakhstan.pdf>.

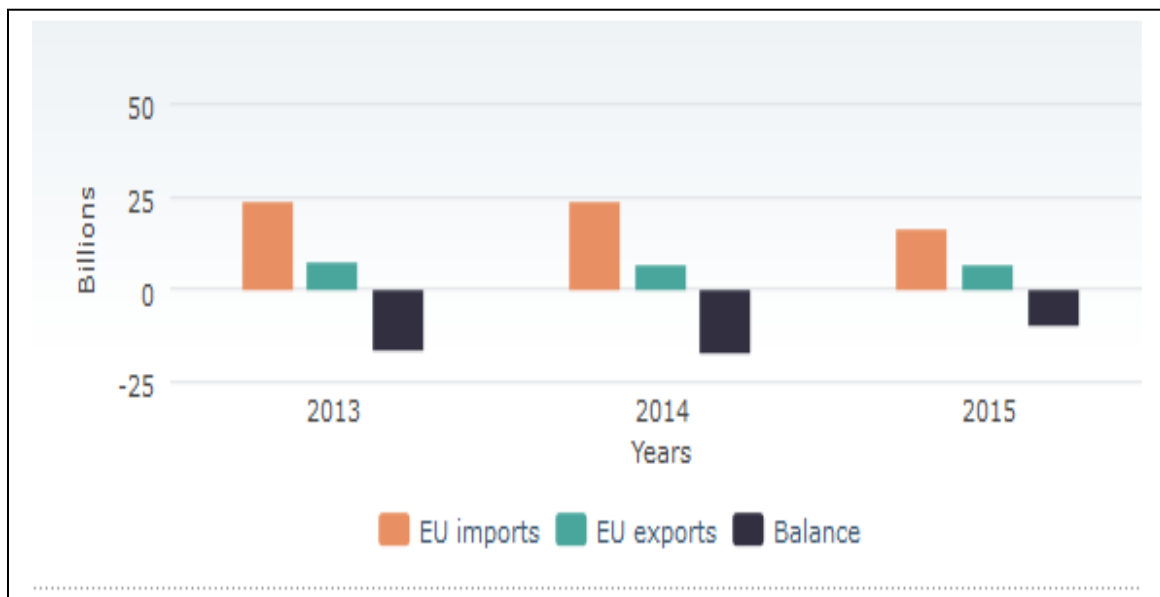
²⁴³ . OEC: Kazakhstan economy data, retrieved on 12 May 2016, URL: <http://atlas.media.mit.edu/en/profile/country/kaz/>

Kazakhstan's Top Importer Nations, 2011-2017



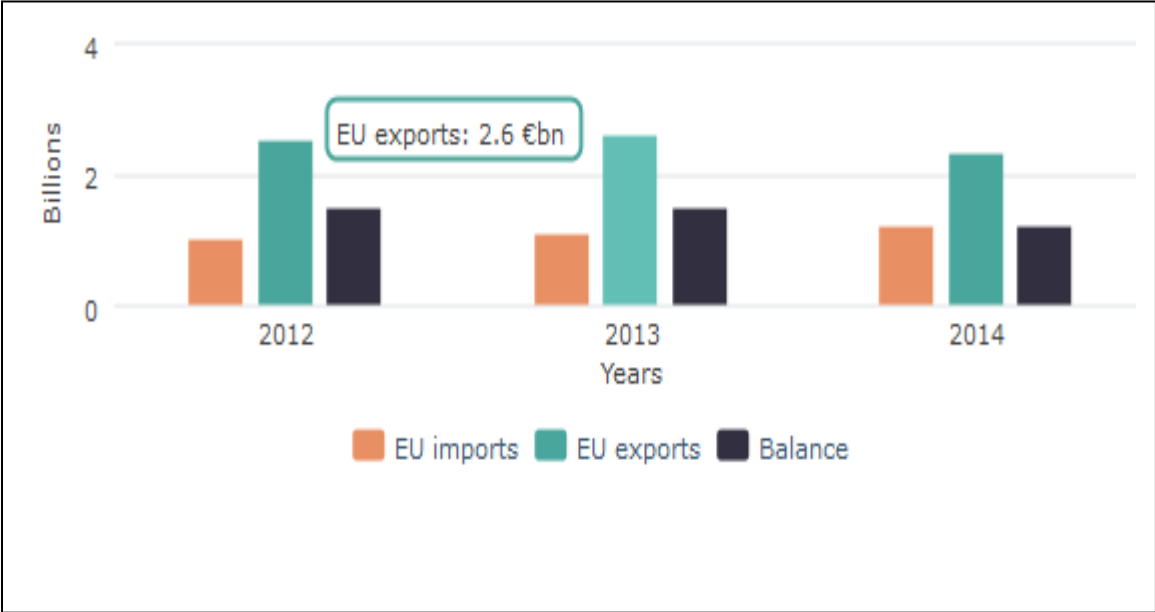
Source: Kazakhstan: ING International Trade Study 2015, URL: <https://www.ingwb.com/media/233085/kazakhstan.pdf>.

EU –Kazakhstan “trade in good” statistics (2012-2014)



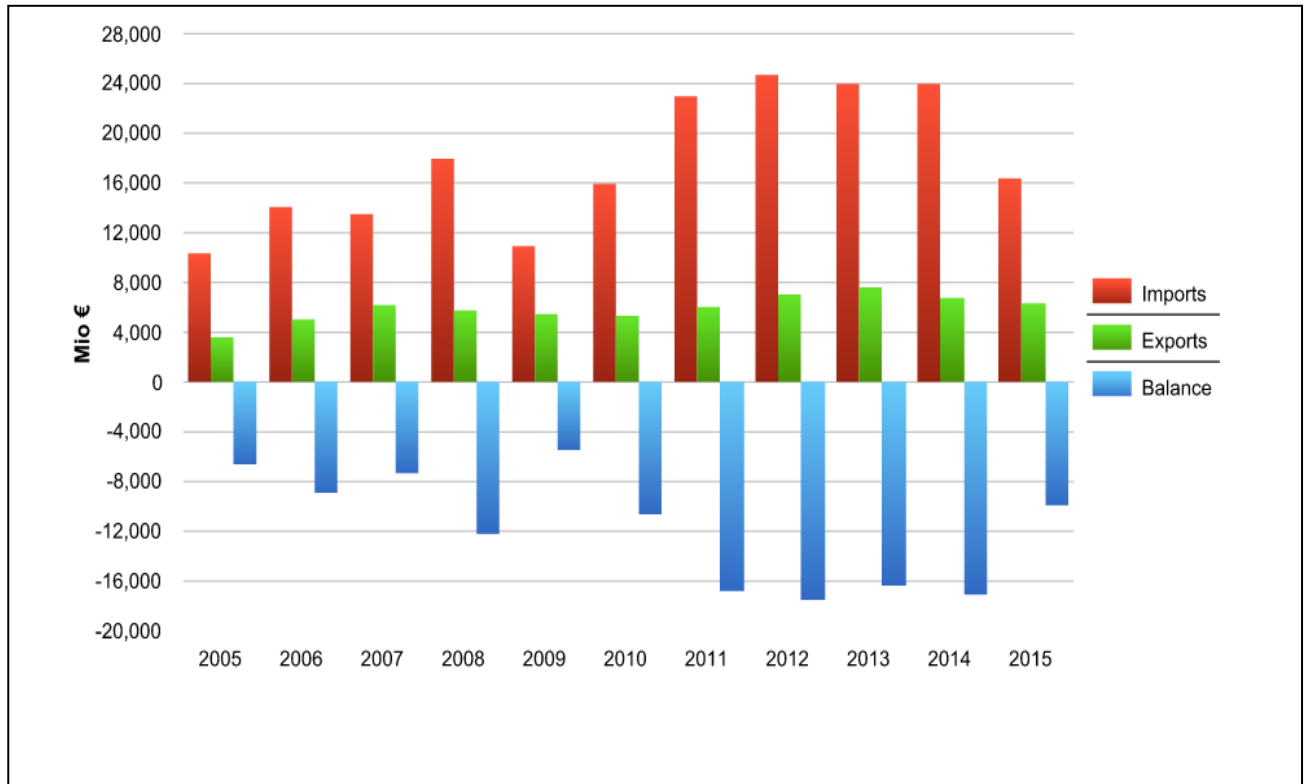
Source: European Commission, Trade with Kazakhstan, retrieved on 12 May 2016, URL: <http://ec.europa.eu/trade/policy/countries-and-regions/countries/kazakhstan/>.

EU –Kazakhstan “trade in services” statistics (2012-2014)



Source: European Commission, Trade with Kazakhstan, retrieved on 12 May 2016, URL: <http://ec.europa.eu/trade/policy/countries-and-regions/countries/kazakhstan/>.

Total goods: EU Trade flows and balance, annual data “2005 -2015”



Source: European Commission, Trade with Kazakhstan, retrieved on 12 May 2016, URL: <http://ec.europa.eu/trade/policy/countries-and-regions/countries/kazakhstan/>.

3.3. Kazakhstan’s Economic Reforms and Market Economic Policy

Kazakhstan is highly dependent on the mainline industries especially oil and gas sectors. Oil sector accounts for more than 60 % of total export which is more than 25 % of the GDP. It is also hub of the strategic resources in the Central Asian economy of 21st century.²⁴⁴ Economic development over the decade (1991-2001) has been dependent on oil and mineral exports, coupled with capital inflows.

Kazakhstan government embarked on an ambitious economic reform program, in which privatization has been the driving force. Transfer of government-owned assets and

²⁴⁴ . Bendini, Roberto (October 2013), *Kazakhstan: Selected Trade and Economic Issues*, European Parliament Policy Department.

services to the private sector was regarded as the key to the success of all these transformation efforts (Rakhmatulina, 2006). The first ‘Privatisation and Denationalisation Act’ was passed in June 1991, but Kazakhstan only started to work seriously on privatisation in 1992. In the first phase, housing was privatised through a coupon scheme. The second stage of privatisation began in 1993 with the issue of vouchers with which citizens could buy shares in Investment Privatisation Funds (IPFs) to buy shares in medium and large state enterprises. The scheme was a mix of Czech and Russian voucher schemes, intended to ensure a fair denationalisation of state assets, and Poland’s IPF scheme, intended to forestall excessive fragmentation of ownership. The vouchers became heavily concentrated in a handful of IPFs. In the third stage of privatisation, companies were sold in part or whole, or contracted to the management of individual investors for a specified period, under an individually negotiated agreement—‘making this the most corrupt stage’.²⁴⁵ Phase III (1997-2000) completed the process of privatisation of economic reform.

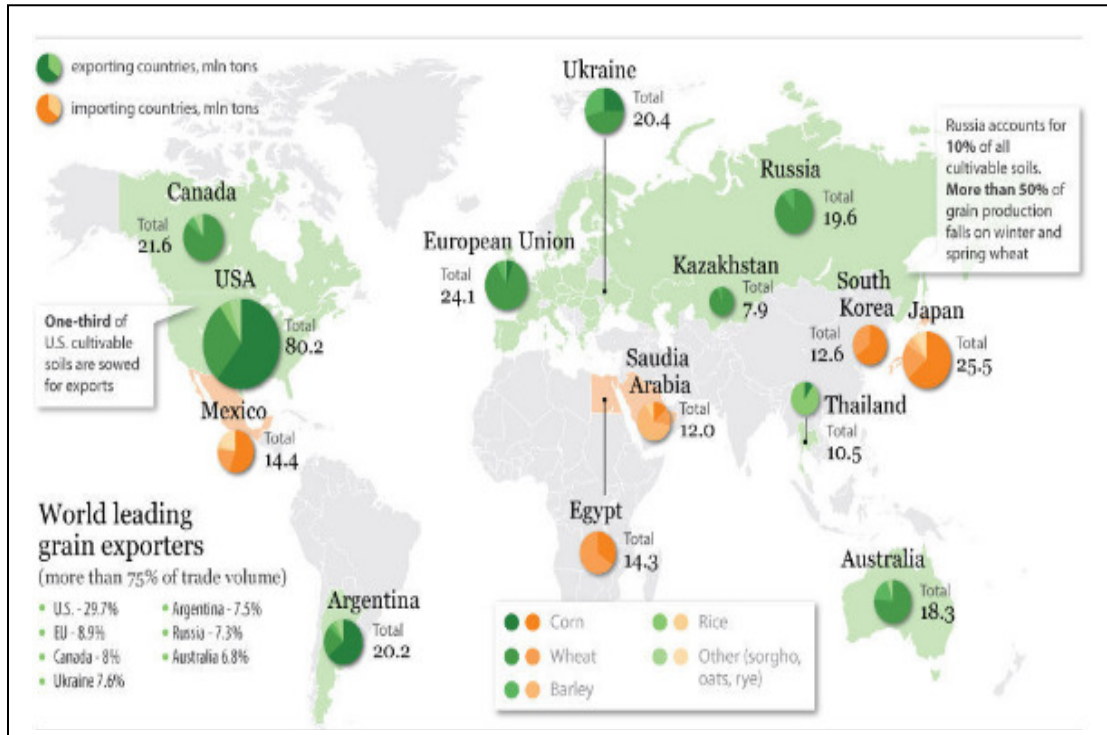
In the mid-1990s, the economic crisis forced the government of Kazakhstan to push for economic reform. Kazakhstan launched strategies such as “Kazakhstan 2030” - prosperity, security and improvement of welfare of the citizens of Kazakhstan. Seven national priorities were identified including privatisation of state-owned corporations. Foreign investment laws were updated and an increase was witnessed in foreign participation, lifting of restrictions on trade and foreign exchange transactions was done, modernization of financial systems, laws were updated on labor practices, corporate governance and transparency, and upgrading of tax and customs administration. Economic performance substantially improved during and after this period and economic recovery and growth began in earnest in 2000. GDP growth of 8-10 % has been sustained in the last seven years with real GDP slightly above the average for other transition countries in the region and GDP per capita more than doubling during that period.

Soviet “Virgin Land” campaign enhanced the agricultural capacity of Kazakhstan which became major grain producer in late 1950s and 1960s. The agriculture sector has

²⁴⁵ . Olcott, Martha Brill (Feb 2002), *Kazakhstan: Unfulfilled Promise?* Washington: Brookings Institution.

contributed less than 5% of current GDP. It is significant producer of grains and major exporter of high quality wheat in the world.²⁴⁶

Map of world grain exporters and importers



Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*,

URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

Kazakhstan government has heavily invested to modernize the industrial base of the economy. Industry including mining is contributing more than 39 % to GDP, while service sector share is roughly 57 % to GDP.

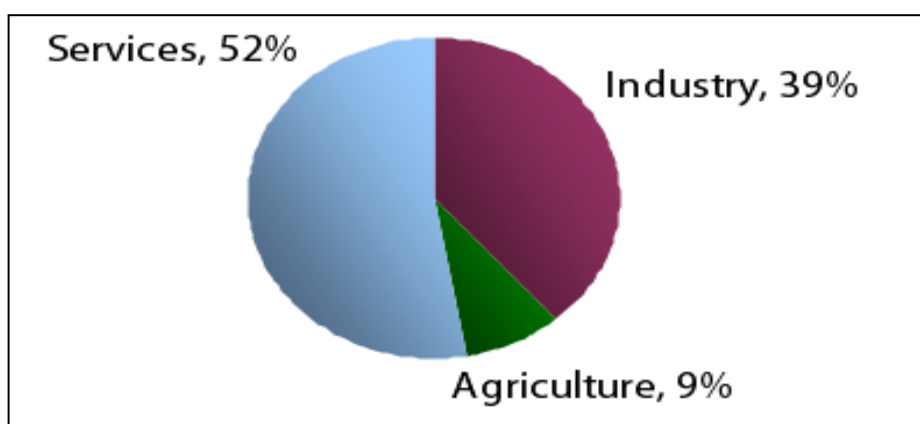
²⁴⁶ . Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*,
 URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

Change in Economic sector, 1992-2012

	1992	2002	2012
Industry	44 %	39 %	39 %
Agriculture	27 %	9 %	4 %
Services	29 %	52 %	57 %

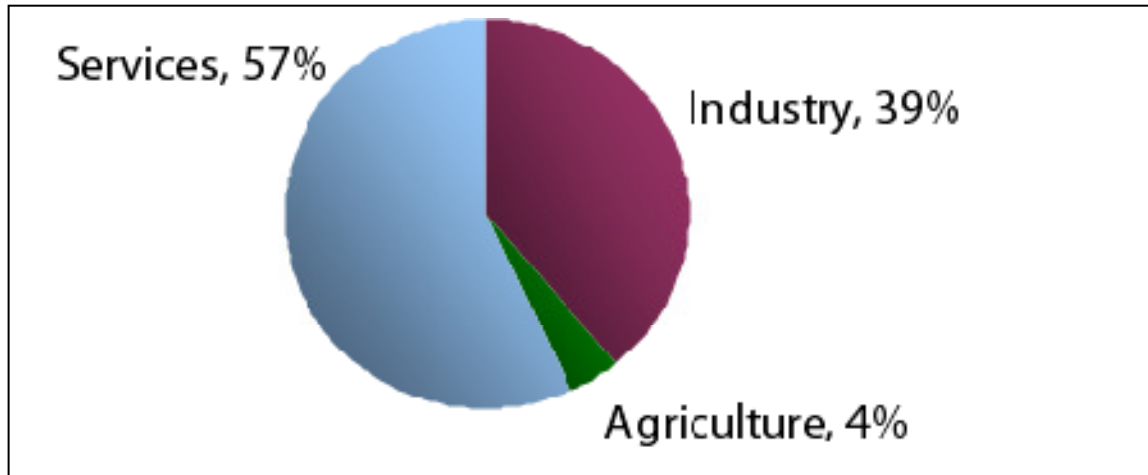
Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*,
 URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

Kazakhstan’s Economic Sectors -- 2012



Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*,
 URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

Kazakhstan's Economic Sector -2012



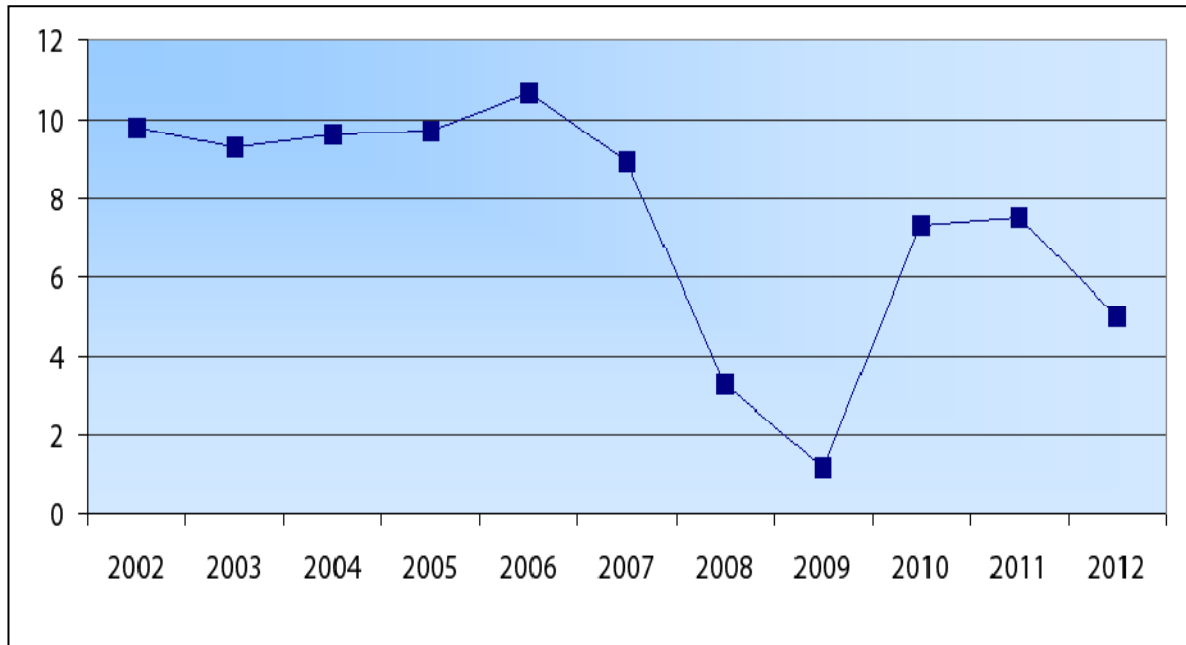
Source: Bendini, Roberto (October 2013), "Kazakhstan: Selected Trade and Economic Issue", European Parliament Policy department, *PP-6*,
URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

3.3.1. Kazakhstan GDP annual growth rate

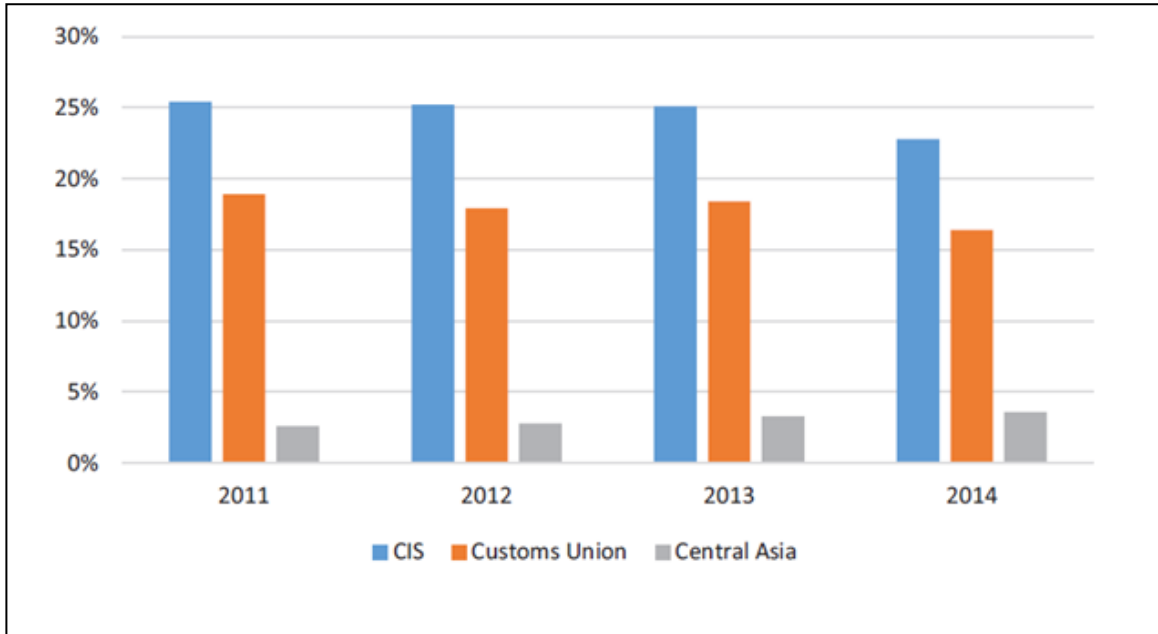
The economy of Kazakhstan is driven and dominated by some dynamic sectors, which are connected to external demand, FDI and domestic cooperation. Kazakhstan has been continuously making efforts for modernisation of economy. Kazakhstan has exceptional benchmark of economic performance with GDP growth rate around 10% annually during 2000-2007. Now, economy has GDP with 7% growth rate in 2010, due to the result of negative impacts of global economic and financial crisis on the availability of external finance and declining commodity prices since 2008. Kazakhstan has recovered its growth rate from the economic recession in 2009.²⁴⁷

²⁴⁷ . Source: Bendini, Roberto (October 2013), "Kazakhstan: Selected Trade and Economic Issue", European Parliament Policy department, *PP-6*,
URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

Kazakhstan GDP Growth Rate (%) “2002-2012”



Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*,
URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)



Source: Kuchins, Andrew C (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan’s Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, URL: http://csis.org/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf.

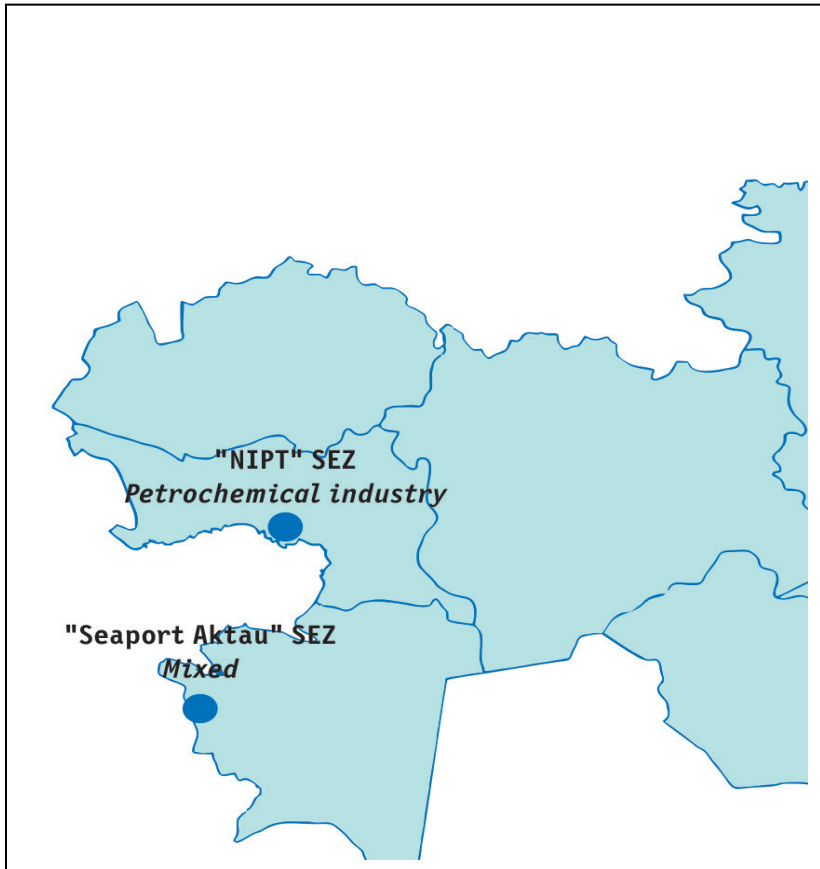
3.3.2. Special Economic Zones (SEZs) in Kazakhstan

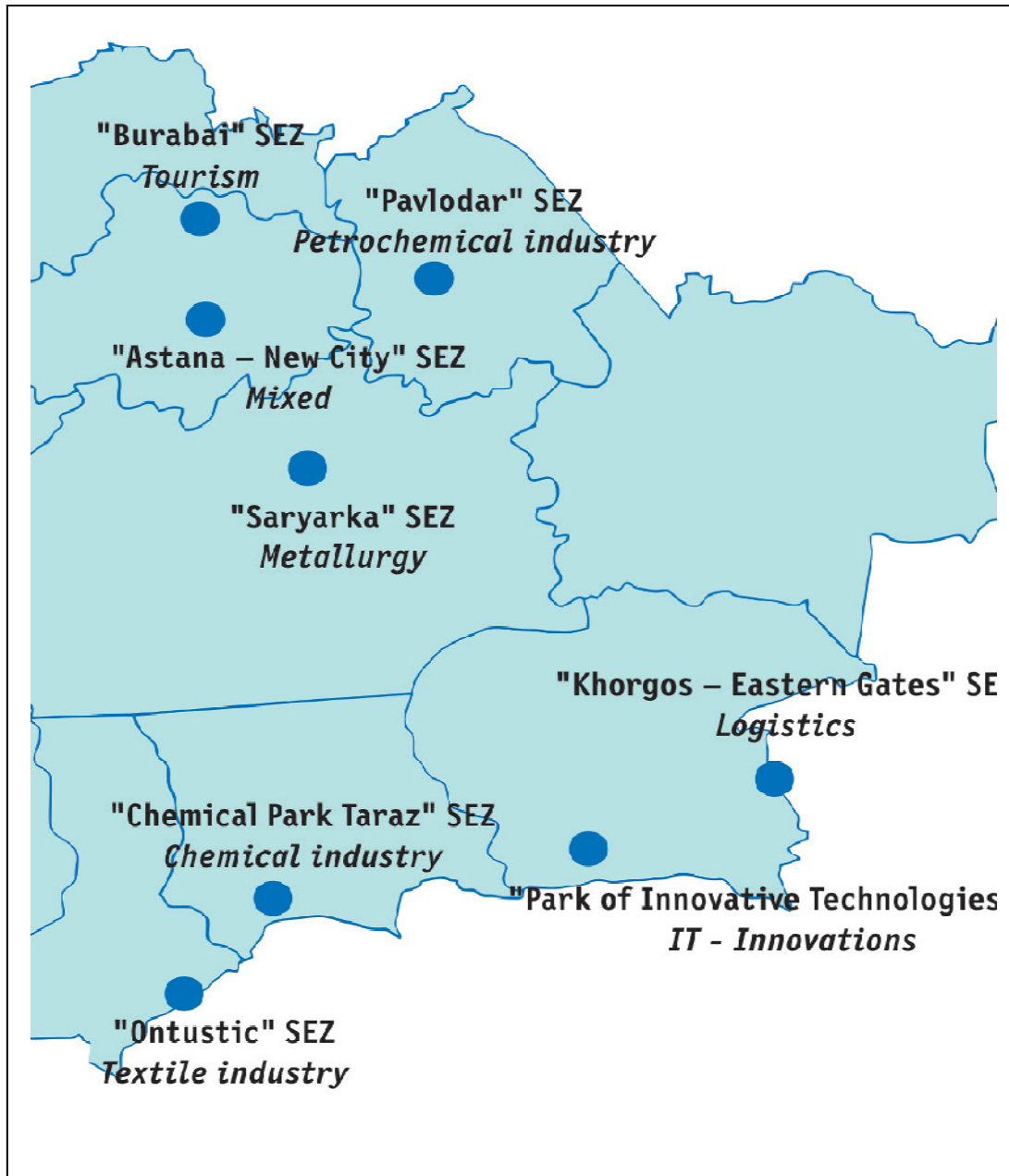
Special Economic Zones (SEZ) is special focus for industrial development in Kazakhstan’s economic and industrial reforms. There are ten SEZs operating in Kazakhstan. President Nursultan announced establishing more SEZs in Kazakhstan. Fundamental purpose of SEZ is stimulation of FDI in Kazakhstan economy, to accelerate development, economy industries, investment and solution of the social problems.

Special economic Zone is part of the territory of Kazakhstan with precisely defined borders, where SEZ special legal regime operates for priority activity.²⁴⁸

²⁴⁸ . World Bank Group (2016), Economic Profile 2016: Kazakhstan), Doing Business 2016.

Special Economic Zones in different parts of Kazakhstan





3.3.3. Industrial Zones (IZ) in Kazakhstan

There are nine Industrial Zones including one private operating in Kazakhstan.²⁴⁹

- In Almaty Region : “Taldykorgan” IZ, the “Boradai” IZ, the “Arna” IZ, the “DAMU” private IZ,
- In East Kazakhstan region: the “ Ondiris” IZ, and the IZ at Mahinostroiteli street
- In South Kazakhstan region: the “Ontustik” IZ, the “Kentaу” IZ, and the “Turkistan” IZ,

3.3.4. The Foreign Investor Council (FIC)

The Foreign Investor Council is an advisory body under the chair of President of Kazakhstan. Main activities are supported by the administration of President and the FIC working body- the Investment Committee of the MID of Kazakhstan.²⁵⁰

3.4. Kazakhstan’s model of Mixed economy

Kazakhstan is practicing a model of mixed economy. It argues that different countries (Germany, Japan, Sweden, China and Anglo- American) have different models of mixed economy, which differ from each other in “national coefficient of mixture” along with different forms of ownership, market and state regulation since second half of the 20th century.²⁵¹

First stage of model of mixed economy began with independence and sovereignty with the introduction of own national currency after breakup of the USSR in the period of 1992-1993. Second stage (1994-1998) started with formation of independent economic policy and priority measures for economic stabilization, which led to tough monetary, credit and budgetary policy of Kazakhstan. The third stage (1999-2003) was relatively dynamic and stable economy under the framework of macroeconomic indicators. But, during 1998-1999 Russian and global financial crisis had severe negative impact on the developmental process of economy of Kazakhstan. The fourth stage of Kazakhstan’s

²⁴⁹ . World Bank Group (2016), Economic Profile 2016: Kazakhstan), Doing Business 2016.

²⁵⁰ . Ibid.

²⁵¹ . E-History of Kazakhstan under office of President of Kazakhstan, *Formation and development of independent Kazakhstan: Socio –humanistic analysis*, retrieved on 27 April 2016, URL: <http://e-history.kz/en/contents/view/784>.

economic model since 2003 is known as stage of “sustainable development”. Industrial and innovative development and radical market reforms marked the new height of economy of Kazakhstan along with global economic integration. The fourth stage allows Kazakhstan to protect its national economic interests more effectively in the world economic system in the era of globalisation.²⁵²

3.5. Economic Diplomacy of Kazakhstan’s Foreign Policy

Economic diplomacy is one of the significant components of the multi vector foreign policy of Kazakhstan in the era of economic globalization of 21st century. Kazakhstan’s government has been taking special efforts to create favorable external condition for the implementation of the new economic policy “Nyrly Zhol”²⁵³. Government is also actively engaged in the promotion of the “soft power” of branding global positive image and favorable conditions of investment in Kazakhstan including creation of the “Kazakhstan Agency for International Development Assistance” (KazAID). Kazakhstan also established “Astana Economic Forum” for better intensive economic engagements with global economy. Multilateral cooperation is also important aspect of the economic diplomacy of Kazakhstan, which is actively engaged in enhancing economic and energy cooperation with international organizations including IMF, World Bank, WTO, OECD, EBRD, ADB and ABII, as well as energy and transport organizations such as Energy Charter, IEA, OPEC, TRACECA and etc.²⁵⁴

3.6. Kazakhstan’s Foreign Trade and Industrial Policy

Geography does not make it easy for Kazakhstan to become a successful trading partner of world trading community. It is a landlocked country distant from key world markets. It was once a stop along the Silk Road but it is today surrounded by developing countries

²⁵² . E-History of Kazakhstan under office of President of Kazakhstan, *Formation and development of independent Kazakhstan: Socio –humanistic analysis*, retrieved on 27 April 2016, URL: <http://e-history.kz/en/contents/view/784>.

²⁵³ . **Nyrly Zhol – ‘The Path to the Future’, announced during** the Address of President of the Republic of Kazakhstan N.Nazarbayev to the people of Kazakhstan on November 11, 2014. He stated that the New Economic Policy “Nurly Zhol” will become a driver of the growth in our economy during the coming years.

²⁵⁴ . Ministry of Foreign Affairs Republic of Kazakhstan, retrieved on 24 December 2015, URL : <http://www.mfa.kz/index.php/en/foreign-policy/foreign-economic-policy/economic-diplomacy/economic-diplomacy-rk>.

with poor transport infrastructure. The trade and foreign direct investments have been due to Kazakhstan's recent prosperity. WTO granted membership to Kazakhstan in 2015. Trade and Industrial policy has been also attracting the EU FDI into energy and other infrastructure sectors of Kazakhstan. Kazakhstan introduced export quota system, licensing requirement and mandated that export of "strategically important commodities" be controlled by state sponsored trading companies in 1994.²⁵⁵

Industrial policy is successful in terms of "Kazakh cure to Dutch disease". Dutch disease is the result of loose fiscal policy and poor functioning of market in Kazakhstan. Kazakhstan has significantly made paradigm shift in trade and industrial policy after the introduction of road map of "Strategy 2030" in 1997.²⁵⁶ Kazakhstan's political and macroeconomic stability, combined with tremendous oil and other natural resource reserves, have provided a basis for ensuring Kazakhstan a place in the global economy and attracting western businesses to promote investment and establish their presence in Kazakhstan. Rapidly growing GDP is another major factor attracting investors to Kazakhstan. Kazakhstan's foreign trade policy follows the path of liberal market economy and suitable conditions for foreign direct investment in its economy. It aims to shape state's trade and economic cooperation with other states. The main economic tools are export and import controls, trade tariffs, sanctions and trade embargoes, control over other barriers of trades and other aspects of free trade cooperation.

Kazakhstan's Trade Policy is within the framework of liberalisation of economy. Main objectives of trade policy have been to reform from transition economy to a market economy. An Economic institutional reform of potential trades and integration with world economy is another objective of the trade policy. Kazakhstan's trade policy also follows the international norms for comprehensive cooperation and flow of FDI in Kazakhstan economy.

²⁵⁵ . Khakimzhanov, Sabit and Ai –Gul S. Seitenova (2013), *In Search of Coherence: Kazakhstan's Trade and Industrial Policy*, Working Paper No 18, University of Central Asia: Institute of Public Policy and Administration.

²⁵⁶ . Ibid.

- Trade policy has lowered tariff and non-tariff barriers that encourage the free flow of foreign commerce.
- As regards the foreign investment, according to Jensen & Tarr (2007), Kazakhstan has done more to lower its tariffs simultaneously liberalizing its barriers to foreign direct investment
- The availability of competent financial institutions plays an important role in increasing the productivity of Kazakh firms and promoting international trade.

The leadership of Kazakhstan has been proactive in establishing a friendly environment for foreign and domestic investors. There are around 8,000 companies with foreign capital operating in Kazakhstan, including 270 companies from the “Fortune-500” ranking, such as Chevron, Siemens, Microsoft, General Electric, Coca-Cola, Danone, Henkel, and many others. Kazakhstan maintained an annual GDP growth rate of about 9% during 2000—2009, with GDP in 2009 reaching US\$115.3 billion (US\$7,257 per capita).²⁵⁷

President Nursultan Nazarbayev signed the “Strategic Development Plan” and “Kazakhstan 2020” in February 2010, which states the country’s five key development priorities: preparation for post-crisis development, diversification of the economy, human capital development, providing society with quality municipal and social services, strengthening inter-ethnic harmony and stability of international relations. Kazakhstan also prepared the roadmap of “Industrial Innovative Development” Programme ‘2010-2014’, which is based on ‘Business Roadmap 2020’. The main focus area of economic development are energy sectors, transportation, telecommunication, biotechnology, oil industry, agriculture sector, chemical and pharmaceutical sector etc.²⁵⁸ “Strategy 2030” and “Strategy 2050” also have the blueprint of wider determination for trade liberalisation and long term development policy for stable and important major emerging economy of the world. Kazakhstan also announced limited role of state intervention in economic affairs in the “strategy 2030”. Creating new special Economic Zones, Industrial

²⁵⁷ Aysen Tanyeri-Abur(2003), Trade policy adjustment in Kazakhstan: A general Equilibrium analysis, Contributed paper at international conference, Capri (Italy).

²⁵⁸ Statistical year book edited by A.A. Smilov, Agency on Statics of the Republic of Kazakhstan, Astana, 2010.

zones and promoting direct foreign investment have been top priorities in industrial development policy 2010-2014. The budget resources allocated for this programme were 19.6 billion tenge, of which 1.4 billion was for attracting FDI, 13.5 billion for building SEZ etc.²⁵⁹

Kazakhstan's Top Five Trading Partners, 2012

Origin of imports				Destination of exports			Trade partners					
#	Origin	€ million	%	#	Destination	€ million	%	#	Partner	€ million	balance	%
1	Russia	11,182	31.4	1	EU27	20,123	39.9	1	EU27	27,193	+13,052	31.6
2	China	9,438	26.5	2	China	10,342	20.5	2	China	19,780	+904	23.0
3	EU27	7,071	19.9	3	Russia	4,883	9.7	3	Russia	16,065	-6,299	18.7
4	Ukraine	1,568	4.4	4	Canada	2,397	4.8	4	Ukraine	3,887	+750	4.5
5	Turkey	917	2.6	5	Ukraine	2,318	4.6	5	Canada	2,484	+2,310	2.9
All imports:		35,604		All exports:		50,428		Balance of trade:		+14,824		

Source: Bendini, Roberto (October 2013), "Kazakhstan: Selected Trade and Economic Issue", European Parliament Policy department, PP-6.,

[URL:http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

3.7. Kazakhstan's Accession to the World Trade organisation (WTO)

WTO membership is matter of Kazakhstan's economic strategy and comprehensive integration with world economy. It is also part of the trade policy to remove the trade barriers and offset reform progress in Kazakh economy. Kazakhstan has already liberalised its foreign trade policy.²⁶⁰ Kazakhstan applied membership in 1996, but it

²⁵⁹ . Khakimzhanov, Sabit and Ai-Gul S. Seitenova (2013), "In Search of Coherence: Kazakhstan's Trade and Industrial Policy", *Working Paper No 18*, Bishkek: University of Central Asia.

²⁶⁰ . Hindley, Brian (March,2008), Kazakhstan and the World Economy: An Assessment of Kazakhstan's trade Policy and pending accession to the WTO, Belgium:ECIPE Working Paper.

finally the WTO welcomed Kazakhstan as 162nd member on 22 November 2015.²⁶¹ WTO membership is more beneficial for Kazakhstan's tariff adjustments in "Eurasian Economic Union" (consisting of Armenia, Belarus, Russia, and Kazakhstan).²⁶² By choosing the WTO, Kazakhstan signalled its desire to belong to a world where the model of a society is based on free market. Kazakhstan can reconcile its economic strategy with its wider geopolitical security considerations and its wish to remain a major partner of Russia. Positions in terms of agricultural support (Russia has similar demands as Kazakhstan) and other matters in the remaining multilateral negotiations are to be streamlined and co-ordinated.

The remaining bilateral accession protocols would need to be signed swiftly, especially the crucial ones with the US and the EU. The main risk is that Kazakhstan could become an involuntary victim of frictions that might arise in the final stages of Russia's WTO accession and conditionality imposed by Ukraine (Kazakhstan has already signed a bilateral protocol with Georgia). EU and the US can play a major role as facilitator and broker. The EU has supported and encourages Kazakhstan's accession to WTO for economic and legislative reforms for formidable ground for business friendly climate and fast integration with international economy.

The EU can commit to open its market further to Kazakhstan's exports. The role of the West would be of particular importance. The EU and US need to actively support Kazakhstan by opening their markets, and provide economic, financial and logistical support. Joint political and economic action towards Russia would be crucial. The issue would become of strategic importance to the US. Kazakhstan has also signed its bilateral accession protocol with China. It could be asked to mediate in the context of Shanghai Cooperation Organization (SCO), to which Russia gives special importance.²⁶³

²⁶¹ .WTO, accessions Kazakhstan, retrieved on 26March 2015,
URL: https://www.wto.org/English/thewto_e/acc_e/a1_kazakhstan_e.htm.

²⁶² . Embassy of Republic of Kazakhstan in US, "Kazakhstan to join WTO after 20 Years of Talks", retrieved on 26 March 2016, URL: <http://www.kazakhembus.com/content/kazakhstan-join-wto-after-20-years-talks>.

²⁶³ . Embassy of Kazakhstan, Washington ,URL: www.kazakhembus.com/index.php?page=wto-accession.date 24th february2012.

3.8. The European Union: A Global Economic Power and Trade Actor in World Economy

The EU has emerged as global leader in international political economy framework of global trade and investment negotiations.²⁶⁴

The economic structure of world economy has rapidly changed in the post - Cold War era. It is known as “New International Economic order” (NIEO). The EU has emerging as new global centre of economy. It has actively engaged major economic powers of world economy as a great economic and commercial power in the era of globalisation.²⁶⁵ The EU has prime position in global trade and has deeply integrated into global markets. It has emerged as largest economy and trading block of world and a leader of 28 democratic states of Europe.²⁶⁶

3.9. The EU – Central Asia Economic and Trade Relations

The EU is emerging as important trading actor and influential trading partner in the presence of China and Russia in the markets of Central Asia. Central Asia has geostrategic significance for the European Union, which is also bridge to China, Afghanistan, Mongolia and Middle East. Commercial and trade relations have increased and trade volume also grown continuously since 2001. Central Asia is emerging an important source of energy exports to the European Union.

Partnership and Cooperation Agreement (PCA) is the foundation of bilateral trade cooperation between the EU and Central Asia. New PCA agreement was ratified in 2015. These agreements also provide for non preferential trade agreements that granted “Most

²⁶⁴ . Gartner, Heinz, Adrian Hyde-Price and Enrich Reiter (2001), (eds.) *Europe’s New Security Challenges*, London: Lynne Rienner Publishers.

²⁶⁵ . Donici, Andrei Gabriel, et al. (2010), *European Union: World Economic Power*, CES Working Paper, II (1).

²⁶⁶ . European Commission (2016), EU position in world trade, retrieved on 27 April 2016, URL: <http://ec.europa.eu/trade/policy/eu-position-in-world-trade/>.

Favored Nation” (MFN) treatment to each other and also privileged for tariffs whilst quantitative restrictions are prohibited in bilateral trade.²⁶⁷

European Union Countries see Central Asia as an alternative supplier of oil and gas. The EU lunched strategy papers for assistance for “2002-2006” and follow on for “2007-2013”. The EU has already implemented ‘Partnership and Cooperation Agreement’ (PCA) for political, economic and trade relations with Kazakhstan ,Uzbekistan and Kyrgyzstan .An existing Oil and Gas Transport to Europe (INOGATE) programme was supplemented in 2004 and 2006 by “Baku Energy Initiatives” and “Astana Energy Ministerial Declaration” to diversify energy supplies. Nabucco is the pipeline to transport Caspian region gas to Austria. This is the pipeline supported by EU and US to foster building pipeline from Turkey through Greece, Bulgaria, Romania, and Hungary to Austria. The Council of European Union approved opening talks with Azerbaijan and Turkmenistan to facilitate an accord on building a trans-Caspian gas pipeline in September 2011, which would provide added gas to ensure adequate supplies for planned Nabucco pipeline. EU Energy Commissioner Gunther Oettinger²⁶⁸ described the trans-Caspian pipeline as a major source project in the southern Corridor to bring new source of gas to Europe.

Kazakhstan has emerged as the largest trading partner of the EU among Central Asian states, which accounts for almost 85% of the EU’s overall trade with this region. All Central Asian states are beneficiaries of EU’s GSP. The EU’s ‘Generalised System of Preferences’ (GSP), provides preferential tariff rate in exports to the EU market.²⁶⁹ The EU’s commercial involvement in Central Asia is part of long term strategic goals in the region.

Foundation of Kazakhstan – the European Union economic relation is based on the “Partnership and Cooperation Agreement” (PCA), which was also ratified in the

²⁶⁷ . European Commission External Relations, European Union and Central Asia, Factsheet, retrieved on 28 April 2016, URL: http://eeas.europa.eu/central_asia/docs/factsheet_trade_en.pdf

²⁶⁸ European Commission, Press release: EU starts negotiations on Caspian pipeline to bring gas to Europe, September 2011.

²⁶⁹ . European Commission External Relations, European Union and Central Asia, Factsheet, retrieved on 28 April 2016, URL: http://eeas.europa.eu/central_asia/docs/factsheet_trade_en.pdf .

upgraded agreement in 2015. Kazakhstan is the 39th partner of the EU. The European Union's trade has enhanced rapidly with Kazakhstan since 2001. The EU has dominated more than 75% of the total energy products exports in Kazakhstan. The EU exports chemicals, vehicles and machineries etc. The European Union established significant presence through its economic and trade policy and development aid policies in Kazakhstan and Central Asia. EU has significant effect on the Kazakhstan economy. Caspian region is emerging as vast source of oil and gas in world markets. EU is the largest trading partner behind Russia and China. Kazakhstan's export accounts for 39.4% of total export to European markets and European products made up around 25.5% of overall imports in 2009.²⁷⁰

European Union is the major trade partner of Kazakhstan. Kazakhstan-EU partnership is focused on respect for democracy and rule of law, protections of human rights and market economy principles. "Partnership and Cooperation Agreement" (PCA) offers Kazakhstan comprehensive cooperation in all non- military spheres, mainly trade, investment and economic relations and cultural interactions. Kazakhstan is emerging as the important supplier of energy to European states. The EU's relation with Kazakhstan revolves mainly around Germany, France, and United Kingdom. EU has been extending assistance in various pipeline projects for energy supply to Europe. The major importance of Kazakhstan for international political economy lies in the country's principal wealth – oil and gas. The European Union, China and Russia are the main three largest trading partner of Kazakhstan. Kazakhstan imports generally machinery, chemical products and manufactured goods. Bilateral trade between the EU and Kazakhstan has increased four times during 2000-2010, which ranked Kazakhstan as second largest after Azerbaijan among the EU's Central Asian partners since 2005.²⁷¹

²⁷⁰European Directorate General Trade
http://tade.ec.europa.eu/doclib/docs/2006/september/trade.doc_113406.pdf (accessed on 23rd December 2012).

²⁷¹ . Bendini, Roberto (October 2013), *Kazakhstan: Selected Trade and Economic Issues*, European Parliament Policy department, PP15-20.

Kazakhstan's trade in good with EU, 2012

	Exports to EU:	Imports from EU:
Value 2012:	EUR 20,123 million	EUR 7,071 million
EU's rank (for Kazakhstan), 2012:	1	3
Kazakhstan 's rank (for EU), 2012:	37	16
% total, 2012:	39.9 %	19.9 %
% EU total, 2012:	0.4 %	1.4 %

Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*,
[URL: http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

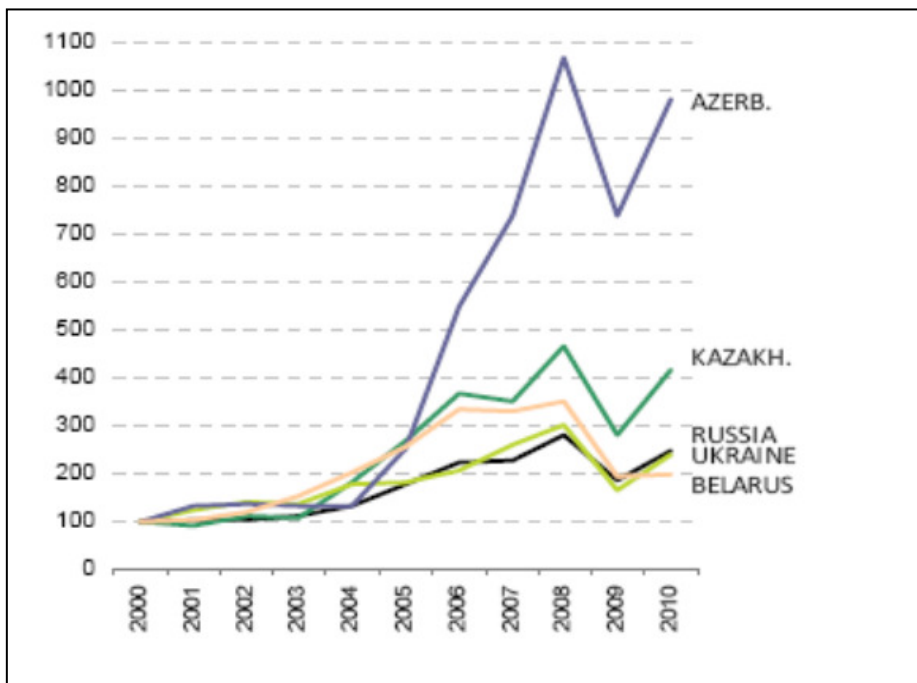
The European Union is the main trading partner of the Central Asian states, which accounts for approximately a third of its total foreign trade (29.1% in 2007), amounting to Euro 22.9 billion (2007). Germany has emerged as main European trading partner of Central Asia which accounts for less than Euro 7 billion in 2007. Russia and China dominated foreign economic relations of Central Asia, with \$ 21 billion with Moscow and \$14 billion with Beijing in 2007.²⁷²

The energy trade between the European Union – Central Asia maintained paramount position. About 80 % of the EU's of oil products imports from Kazakhstan, while

²⁷² . Peyrouse, Sebastien (June 2009), “Business and Trade Relationships between the EU and Central Asia”, *Working Paper 01, EUCAM*.

Turkmenistan has figured up to 90%, Uzbekistan is about 30 %. The Trade between Kazakhstan and the EU has risen exponentially, from \$ 6.2 billion in 2003 to close to \$ 14 billion in 2005 and \$ 19.4 billion in 2007. Kazakhstan ranks placed 29th position of EU’s trading partner in 2007

Bilateral EU –Kazakhstan Trade, 2000-2010



Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*,
[URL:http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

3.10. The European Union Development Policy towards Kazakhstan

The European Union development policy has framework of sustainable development, eradicating poverty and addressing other social, economic and political challenges around the world. The EU development policy is based on the “Lisbon Treaty” and also “European consensus” of the EU Council, European Parliament, and Commission. The EU has planned to redesign the integrated goals of the “Millennium Development Goals”

(MDGs) that expired in 2015. The European Union also follows up from the “Rio+20” conference on sustainable development along with other global development in the context of sustainable development. The European Commission has also set agenda of “Global Partnership for effective Development Cooperation”.²⁷³

The European Union offers aid through different geographical and regional instruments and programmes to Kazakhstan and other Central Asian states. The Technical Assistance to the Commonwealth of Independent States (TACIS) was the main aid delivery system, but it was replaced by a broader regional instrument, the “Development Cooperation Instrument” (DCI) in 2007. DCI has main responsibility to deliver aid to developing states with wide range of objectives including poverty eradication, governance, and assistance in post crisis situation to fragile states. The EU funds through DCI multi annual indicative programming in Central Asia, accounted Euro for 314 million in 2007-2010 and 321million Euro in 2011-13.²⁷⁴ The EU has three flagship regional programmes for Central Asia:

- Rule of Law initiatives (Including rule of law platform);
- The education Initiatives;
- The Environment and Water Initiatives.

3.11. EU’s Regional Funding to Central Asia

Table : Regional cooperation 2007-2010 (all numbers in million EURO)

Sectors	Amount in million €
Education	25
Energy	22

²⁷³ . The European Commission (2016), *International Cooperation and Development: Building Partnership for change in developing countries* (Online Web), Accessed on 27 April 2016.

URL: https://ec.europa.eu/europeaid/policies/european-development-policy_en.

²⁷⁴ . Tsertsvadze, Tika and Jos Boonstra (2013), *Mapping EU development aid to Central Asia*, Open Society Foundation: EUCAM Factsheet, July 2013, retrieved on 27 April 2016, URL: http://www.eucentralasia.eu/uploads/tx_icticontent/EUCAM-FS-1-EN.pdf.

Transport	15
Environment	16.2
Border Management	16
Total	94.2

Source: Tsertsvadze, Tika and Jos Boonstra (2013), *Mapping EU development aid to Central Asia*, Open Society Foundation: EUCAM Factsheet, July 2013.

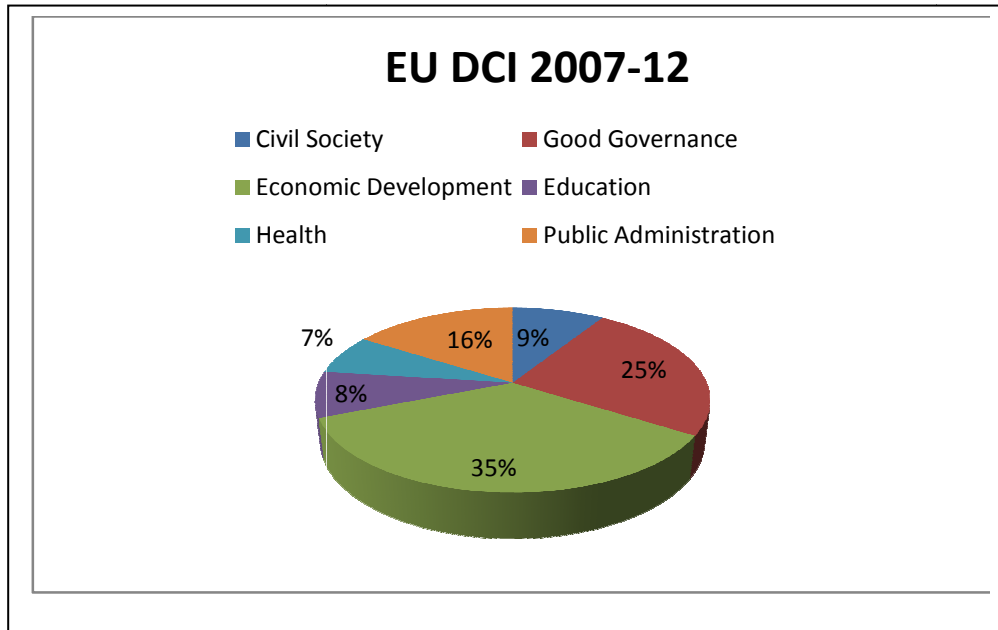
Table: Regional cooperation 2011-2013 (all numbers in million EURO)

Sectors	Amount in million €
Sustainable regional development	50
Education, science and People to People activities	45
Rule of Law, border management, custom and the fight against organized crime	10
Nuclear Safety	7
Total	112

Source: Tsertsvadze, Tika and Jos Boonstra (2013), *Mapping EU development aid to Central Asia*, Open Society Foundation: EUCAM Factsheet, July 2013

The EU allocation to Kazakhstan in 2007-2013

The European Union committed to Kazakhstan an estimated € 56.70 million for 2007-2012.



Source: Tsertsvadze, Tika and Jos Boonstra (2013), *Mapping EU development aid to Central Asia*, Open Society Foundation: EUCAM Factsheet, July 2013 .

3.12. Energy Diplomacy and Geo-economics of Energy resources in Central Asia

Energy resources and its security and supply are fundamental factors for the economic growth and developmental process of any power since the industrial revolution in the world economy. Geopolitical interests and construction of different pipelines routes have determined the political autonomy of the Central Asian states in the age of globalisation

in 21st century.²⁷⁵ Energy is also the most influential factor that determines the structure of the economy, socio-economic development of Kazakhstan and integration with global economy.²⁷⁶

Central Asia and Caspian Sea are significant sources of the untapped reserves of energy resources. It is also hub of precious and non precious minerals: gold, uranium, copper, zinc, iron, tungsten, and molybdenum. Kazakhstan possessed around 8 % of the world's iron ore in 'Eldorado mine'. It has also second largest reserves of manganese and nearly one-third of world's chrome deposits. Kazakhstan has also second largest reserves of uranium after Australia in the world. Kazakhstan and CIS countries have also largest stock of lead, chromium, ahead of Russia, second in manganese, nickel, silver, zinc, and third in gold, tin and coal.²⁷⁷

The energy security is driven by the strategic and comprehensive economic cooperation of global powers with Central Asian states in 21st century. The developments in Ukraine, Georgia crisis, Russian energy supply to European market and China, sanctions by EU and USA on Russia, Putin's conflicts with Western powers, Afghan crisis after 9/11 etc. have been shifting the intensive focus on Central Asian energy resources.

Energy and strategic resources have become the prime factor for the global economic foreign trade relations and other aspects of bilateral cooperation. After 9/11, the war on global terrorism provided additional opportunities for the EU and its major powers including US to reassert its quest for energy resources in Central Asia and Caspian Sea basin. The issue of energy supply security has become a concept closely associated with the foreign policy, national security and global security. There is growing interdependence in the energy fields and this phenomenon boosts the importance of

²⁷⁵ . Kalicki, Jan H. and David L. Goldwyn (eds.) (2005), *Energy and Security: Toward a New Foreign Policy Strategy*, Washington: Woodrow Wilson Center Press.

²⁷⁶ . Dulambayeva, Raushan Tlegenovna et. al. (2013), "Energy Sector of Kazakhstan: Current State and Prospects of Development", *World Applied Sciences Journal* 21(7), IDOSI Publications, retrieved at 26 December 2015, URL: http://www.almau.edu.kz/upload/pdf/%D0%91%D0%BE%D0%BB%D1%83%D1%81%D0%BF%D0%B0%D0%B5%D0%B2_%D0%A8.%D0%90._1.pdf

²⁷⁷ . Peyrouse, Sebastien (2010), "Comparing the Economic Involvement of China and India in Post Soviet Central Asia", in Marlene, Laruelle, et al. (2010), (eds.), *China and India in Central Asia: A New Great Game*, UK: Palgrave.

energy relations among the regions and countries. Energy factor began to play significant role in world politics leading to the pursuit of the energy diplomacy by great powers of the world. The energy rich region of Central Asia has become the magnet for geo-strategic ambitions of the major powers, which many observers now call the “Great Game”.²⁷⁸ The control of the strategic commodities of oil and gas and their supply are not only important for Central Asians but also for all those who depend on these natural resources.

Kazakhstan has opened more than 208 hydrocarbon fields, in which half of them are oil, a third oil and gas and rest are gas and gas condensate related fields. A survey forecast that Kazakhstan and the Caspian self have around 13 billion tones of oil and condensate and 7.1 trillion cubic meters of natural gas. Kazakhstan has coal production 1.8 times more than consumption and production of oil is 8 times more than consumption. According to the British Petroleum report of 2011, total volume of energy production was 2169.4 million tonnes(oil equivalent) , including coal production 58.8 million tonnes (oil equivalent), in compare with 1991 coal production declined by 12 %, production of oil risen by 209% to 84.2 million tonnes, natural gas production increased by 169.5% to 17.3 million tonnes (oil equivalent).²⁷⁹

3.13. Energy Diplomacy of Kazakhstan and its European Vector

Energy diplomacy is also strategic factor of the multi -vector foreign economic and trade policy of the Kazakhstan. Geopolitical impacts also influence the energy diplomacy of the Kazakhstan. Energy has become important source of export revenues.

Kazakhstan is emerging a major Caspian oil supplier and other natural resources in Eurasia. Kazakhstan has established the “Ministry of Energy and Mineral Resources” (MEMR) for the better implementation of its energy diplomacy. Kazakhstan has turned its energy assets into geopolitical tool of international relations. Kazakhstan seeks energy

²⁷⁸ A new "Great Game" is being played out in Central Asia, one in which powers on the periphery compete for influence, but also one in which the Central Asian states themselves are active players. Their own struggle for power can influence immediate neighbours Russia, China and Great powers of world politics.

²⁷⁹ . Dulambayeva, Raushan Tlegenovna et. al. (2013), “Energy Sector of Kazakhstan: Current State and Prospects of Development”, *World Applied Sciences Journal* 21(7), IDOSI Publications, retrieved at 26 December 2015.

partnership with major global economic powers including the EU and member states, Russia, US, China. It has opted balanced approach in its energy policy in the era of economic globalization. Kazakhstan restricted transfer of subsoil use rights and interests in mining companies in 2005. Article 71 of the “Subsoil law” gives the state as “the right of first refusal” for the acquisition of energy assets, and prevent investors from transferring their mining rights for two years after signing a contract. Kazakh government also established a special department to work with major subsoil users to maintain balance of interests between state and subsoil users in late 2006. Kazakh parliament adopted legislative amendments to enhance the state’s role in the economy and effective state control over industrial assets in the context of national interests and other interests in July 2007. President Nazarbayev approved the new “Kazakhstan’s law on Subsoil Resources in favor of state to revise and review contracts with subsoil users in unilateral manner in October 2007.²⁸⁰ Geographical location and technical constraints are two core variables to determine the energy diplomacy. President Nursultan Nazarbayev and his kingship exploited ‘energy power’ of Kazakhstan in multi directional engagements with major powers in the 21st century.²⁸¹

Kazakhstan has followed the “Russian model” before moving towards the global FDI in energy sector in the first phase ‘1992-1996’. Kazakhstan’s energy strategy is market oriented transforming its ownership structure “from that of a Communist state to an oil boom economy” in the second wave in 1996. Kazakhstan configured itself as the next economic tiger of Asia after 2000 onwards. Energy sectors especially oil sector has shared more than one third of export and one fifth of the budget revenues, which made the Kazakhstan’s ranking as the recipient of the largest source of FDI per capita among the former Soviet states.²⁸²

²⁸⁰ . Cohen, Ariel (2008), *Kazakhstan: Road to Independence: Energy Policy and Birth of Nation*, Washington: Central Asia – Caucasus Institute Silk Road Studies Program with John Hopkins University, URL: mercury.ethz.ch/serviceengine/Files/.../kazakhstanindependence.pdf.

²⁸¹ . Sorbello, Paolo (February 2015), *The Role of Energy in Russian Foreign Policy towards Kazakhstan*, Moscow: Energy Brains, Scientific Library.

²⁸² . Ibid.

Kazakhstan also followed successful “Norwegian Model²⁸³” for stabilization fund since mid 2000, which established the “National oil Fund” for the management of wealth from natural resource exploitation and expansion of this sector. This fund assets amounted to around 22 billion in mid 2009s, out of which government pledge some 5 billion for the anti crisis investment programme in Kazakhstan. Government also announced to merge many state run companies such as Kazakhoil, Kaztranoil, Kazakgaz, and Kaztrangaz into a new vertically integrated ‘Joint Stock Companies’ (JSCs) ‘Kazmunaigaz’ (KMG) in 2002. Kazakhstan has officially adopted the new strategy as “New Industrial Development Strategy 2003” for diversifying economy and also switching from heavy dependence on the extractive sector to a service and technology based economy.²⁸⁴ The ‘Strategy of Industrial and Innovation Development of Kazakhstan 2003-2015’ has facilitated the sustainable background for growth oriented economy since 2003.

The Eurasian Economic Community (EurAsEC) is considered to be an innovative idea of President Nursultan Nazarbayev. Russian President Putin acknowledged it as an engine for cooperation in energy matters in 2003.

President Putin termed ‘EurAsEC’ as “locomotive” for economic integration at the Minsk Summit in 2006. President Nazarbayev reused the word “locomotive” referring to the joint cooperation especially in energy sector between Kazakhstan and Russia in the realm of the post Soviet Space during the official visit of President Putin to Astana in May 2007.²⁸⁵

Kazakhstan is the most suitable and relevant state under the EU’s regional strategy and energy security in Central Asia and Caspian region. Kazakhstan and the EU have expanded effective energy cooperation under PCA in 2004. The EU and its Commission

²⁸³ . Since 1972, Norway has separated policy, regulatory, and commercial functions in the government’s administration of petroleum development. This approach, particularly its requirement that the national oil company (NOC) only carry out commercial activities has inspired admiration and imitation as the canonical model of good bureaucratic design for the hydrocarbons sector. In new petroleum frontiers across Asia and Africa, governments are examining the Norwegian Model as a means of promoting dynamism and good governance amidst heavy exploration and nascent production.

²⁸⁴ . Sorbello, Paolo (February 2015), *The Role of Energy in Russian Foreign Policy towards Kazakhstan*, Moscow: Energy Brains, Scientific Library.

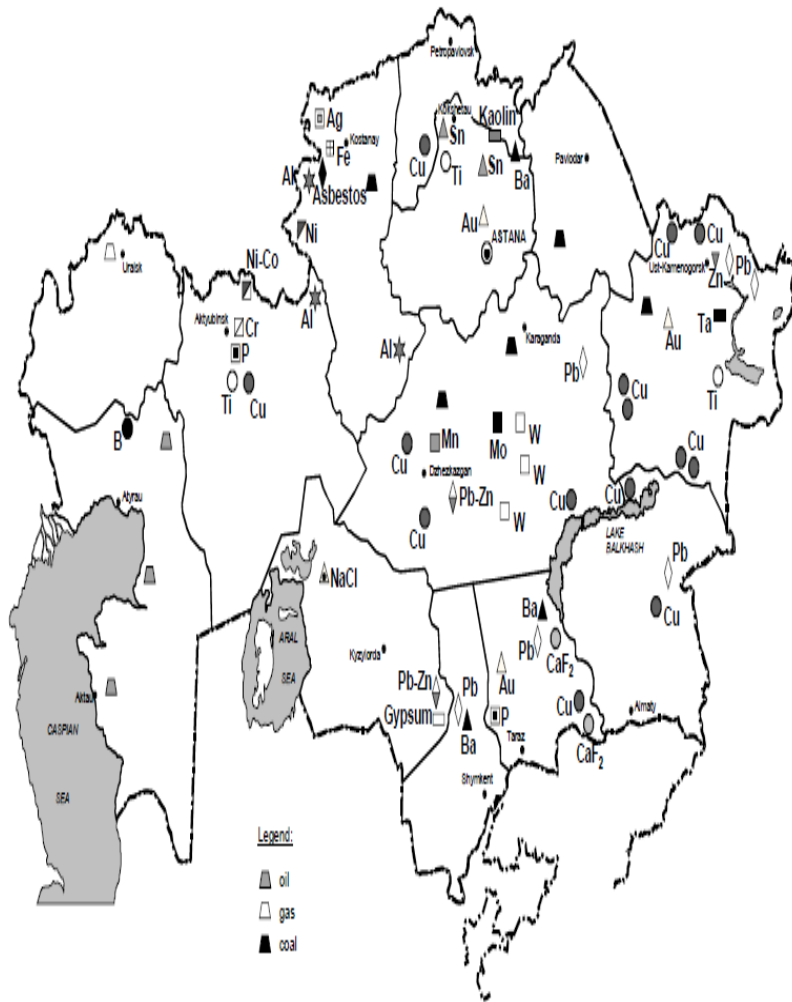
²⁸⁵ . *Ibid*, *PP-80-85*.

initiated additional intraregional energy dialogue for future cooperation under the EU-Central Asia troika format in 2004. Kazakh president Nursultan convinced the European Commission to hold a ministerial level meeting in March 2007 during his trip to Brussels in December 2006. This was the first meeting of Astana and Brussels in the history of bilateral relations. The European Union remarked on this bilateral energy cooperation as²⁸⁶:-

“The EU has a vital role to play from Astana’s perspective as balancer between the rival energy and geopolitical interests that Russia, China, the U.S have in Kazakhstan and the surrounding sub region...from the European Union’s perspective, Kazakhstan represents not only an important source of energy outside the Middle East, but equally a guarantor of stability in Central Asia, and a potentially long term strategic partner in the region.”

²⁸⁶ . Ariel (2008), *Kazakhstan: Road to Independence: Energy Policy and Birth of Nation*, Washington: Central Asia – Caucasus Institute Silk Road Studies Program with John Hopkins University, pp-80-105.

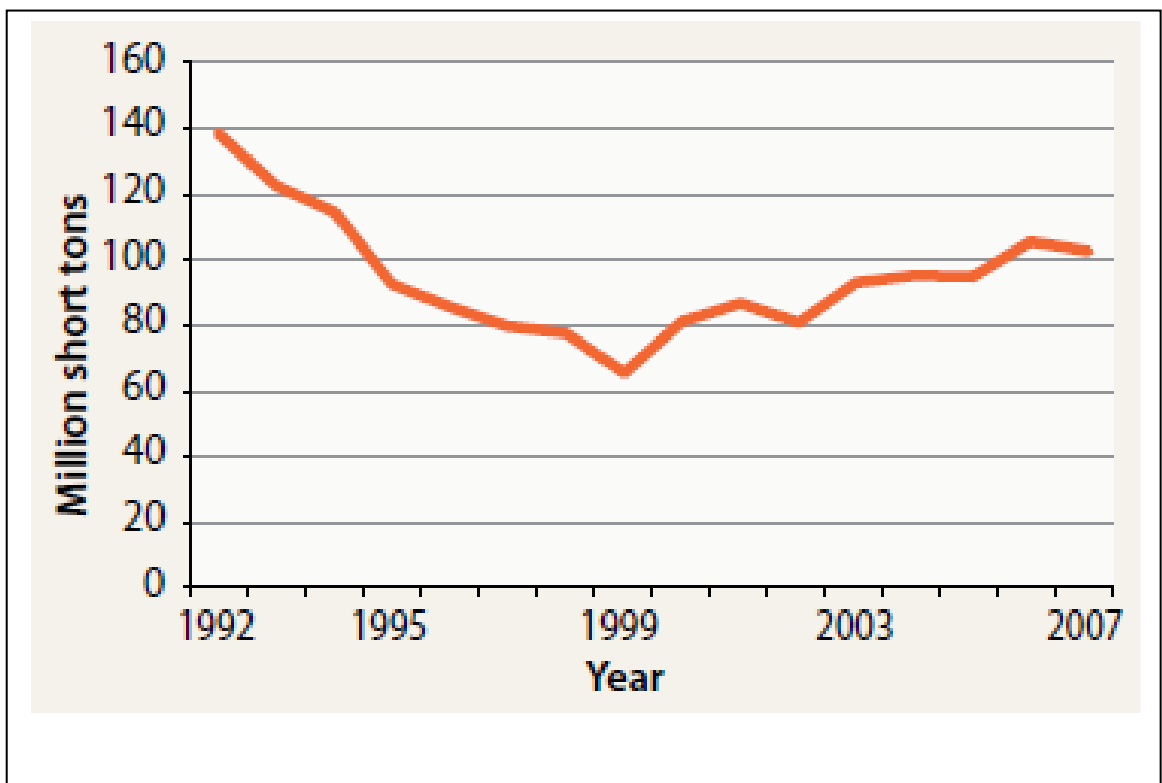
PRINCIPAL DEPOSITS OF THE REPUBLIC OF KAZAKHSTAN



Part II: Management of Pollution and of Natural Resources

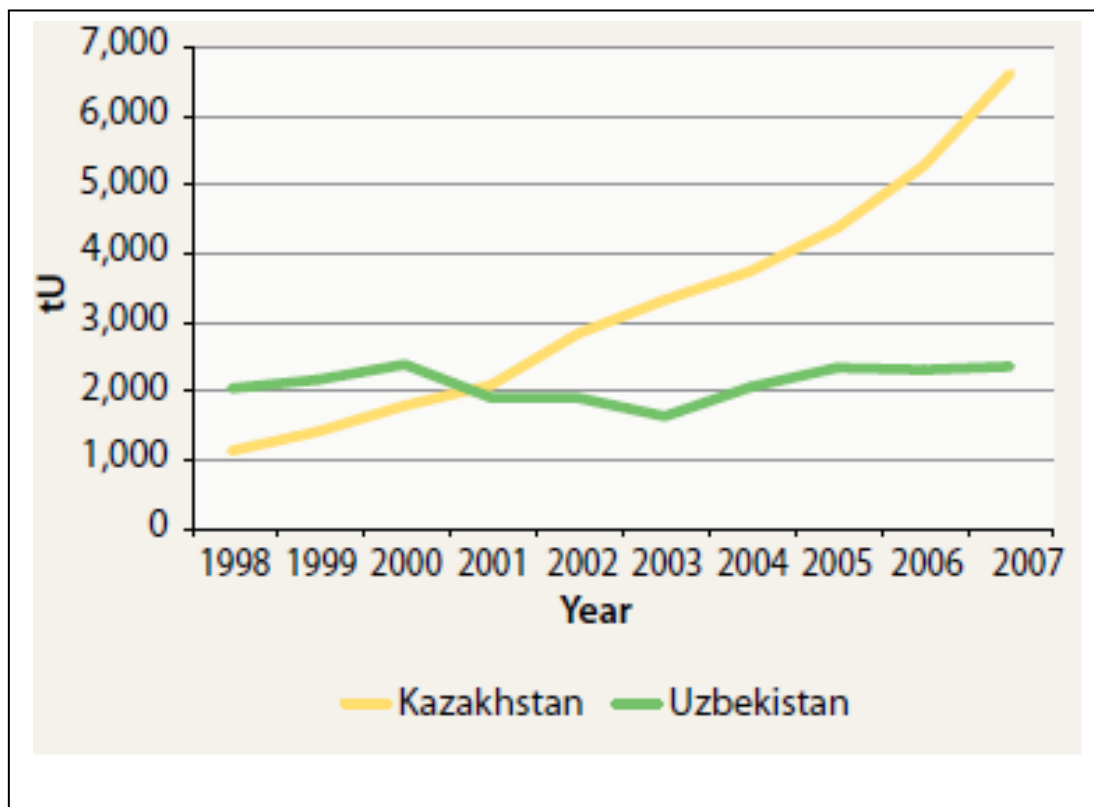
Source: UN Report (2000), Kazakhstan: Environment Performance Review, retrieved on 10 May 2016, URL: http://www.unece.org/fileadmin/DAM/env/epr/epr_studies/kazakhstan.pdf.

Coal Production in Kazakhstan (Million short tons, 1992-2007)



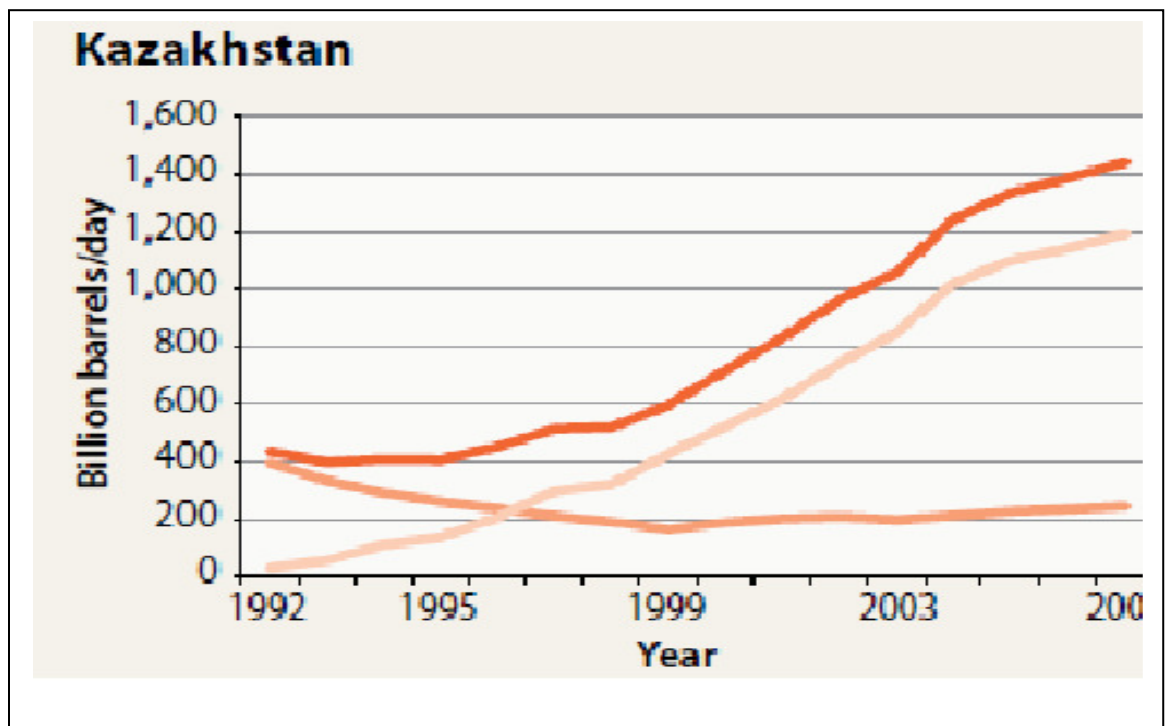
Source: Source: ADB (2010), *Central Asia Atlas of Natural Resources*, Manila: Central Asian Countries Initiatives for Land Management.

Uranium Production in Kazakhstan and Uzbekistan, (tons, 1998-2007)



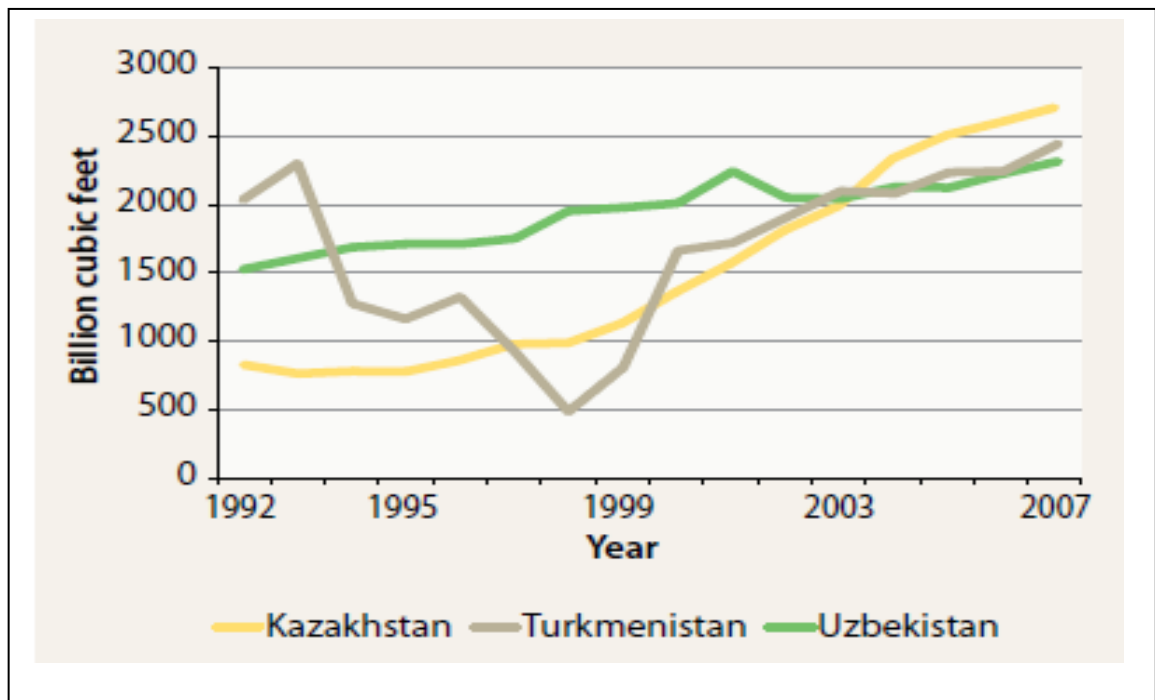
Source: Source: ADB (2010), *Central Asia Atlas of Natural Resources*, Manila: Central Asian Countries Initiatives for Land Management.

Oil Production, Consumption, and Exports/Imports (Billion barrels/ day, 1992-2007)



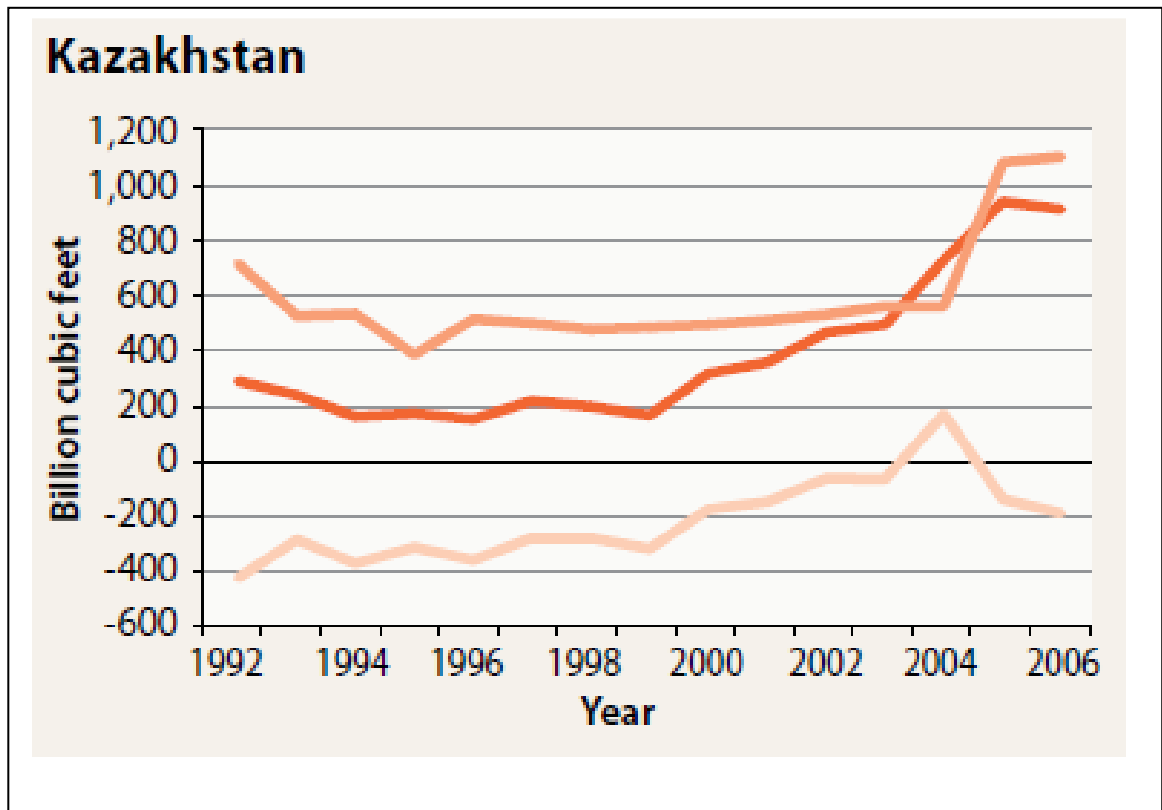
Source: ADB (2010), *Central Asia Atlas of Natural Resources*, Manila: Central Asian Countries Initiatives for Land Management.

Natural Gas Production in Kazakhstan, Turkmenistan, and Uzbekistan (Billion cubic feet, 1992-2007)



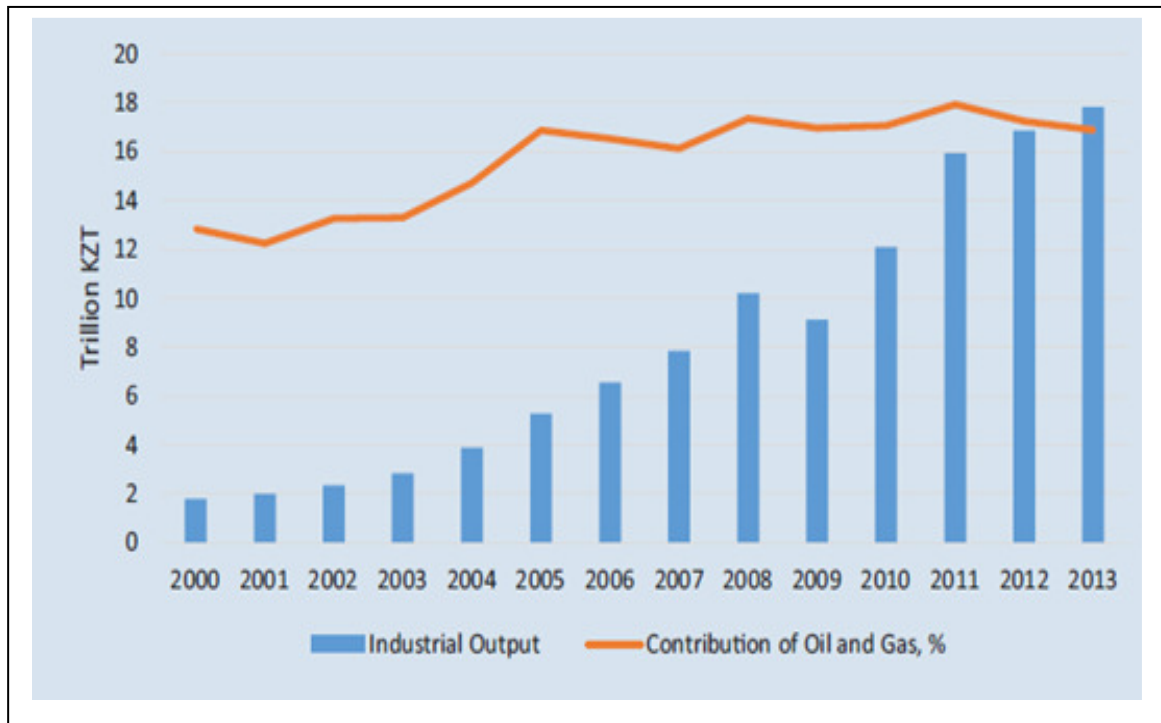
Source: ADB (2010), *Central Asia Atlas of Natural Resources*, Manila: Central Asian Countries Initiatives for Land Management.

Natural Gas Production, Consumption and Export /Imports ((Billion cubic feet, 1992-2007)



Source: Source: ADB (2010), *Central Asia Atlas of Natural Resources*, Manila: Central Asian Countries Initiatives for Land Management.

Kazakhstan's Industrial output and the Contribution of Oil and Gas



Source: Kuchins, Andrew C et al. (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan's Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, URL:https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf

3.14. The EU's Energy Policy towards Kazakhstan

The EU outlined the “Europe 2020 Strategy” mainly for energy and climate change targets for the European Union which is referred as “20-20-20” in 2010. The European Commission also revealed the “The New 2030 Energy Policy” in early 2014.²⁸⁷

Energy is one of the important components of strategic policy of the European Union and its associated agencies. The European Commission intensified its efforts for reorientation and reformulation of energy policy after the entry into force of the “Treaty of Maastricht” in 1993. The European Commission launched the ‘Green and White papers’,²⁸⁸ on a European Energy policy in 1995.²⁸⁹ In this new ‘energy game’,²⁹⁰ the European Union is usually considered to be one of the most disadvantageous players regarding Russia’s usage of energy card to manipulate politics. The EU is one of the world’s largest importers of oil, gas and coal, and hence it is a major player on the international energy market. Its most member states prefer national policies over a common energy policy. There is growing concern among the European officials about the increasing dependency on Kazakhstan-Russian natural gas supplies.

Following steep drop in crude oil prices in global energy markets after the end Cold War, the European Union and its member states have closely followed the foreign policy approaches for untapped potential energy resources of post- Soviet space of Central Asia, CIS and Baltic states. Central Asia and the Caspian Basin are important sources of untapped oil, gas and other natural resources deposits. Azerbaijan’s off shore Shah Deniz

²⁸⁷ . Saz- Carranza, Angel and Marie Vandendriessche (2015), Routes to Energy Security: The Geopolitics of Gas Pipelines between the EU and its Southern Neighbors in David Steven et al (eds.), *The New Politics of Strategic Resources: Energy and Food Security Challenges in the 21st Century*, Washington: Brooking Institution Press.

²⁸⁸ . Green Papers are documents published by the European Commission to stimulate discussion on given topics at European level. They invite the relevant parties (bodies or individuals) to participate in a consultation process and debate on the basis of the proposals they put forward. Green Papers may give rise to legislative developments that are then outlined in [White Papers](#).

²⁸⁹ . Jong, Sijbren De and Prof. Dr. Jan Wouters (June 2011), Central Asia and the EU’s Drive towards Energy Diversification, Working Paper No. 64, Leuven Centre for Global Governance Studies.

²⁹⁰ This ‘game’ is a fierce struggle for control over the world’s greatest oil and gas reserves in Kazakhstan and Central Asia.

gas field is one of the largest gas fields in the world which is available for field supply to Nabucco pipeline.²⁹¹

With the beginning of new millennium, the European Union recognized Central Asia as potential region of opportunity for diversification. The European Commission's "Green Paper on Energy Security"²⁹² highlighted the importance of Caspian Basin for Europe in November 2000. But, 9/11 terror events changed the dynamics of the EU and its major powers' interests in terms of security and other engagements in Central Asia and its neighboring region. Energy security in Central Asia and neighboring region was focused in the Commission's aid priorities over the period 2002-2006. Energy became essential component of the "European Neighborhood Policy" (ENP) launched in 2003. The European Union also launched the "Baku Initiatives" during the Energy Ministerial Conference held in Baku in 2004. This initiative brought together the European Commission, the littoral States of the Caspian and Black Sea in this new framework. The main objective of this framework is to promote European investment in Caspian Sea and Central Asian states in return of energy supply to the European Union. The EU's "Green Paper" of March 2006 clearly indicated independent gas pipeline supplies from the Caspian region due to the Russian –Ukrainian dispute.

Kazakhstan's natural gas fields are located in the west of the country. Kazakhstan's location is suitable for supplying oil via the Caspian Pipeline Consortium (CPC) to the Russian Black Sea port of Novorossiysk, to the Georgian port of Supsa, to the Baku – Tbilisi –Ceyhan (BTC) pipeline, that are connected to the European market. Turkmenistan is also potential source of supplier to Nabucco as well as Trans Caspian pipeline.²⁹³ The European Union (European Community (EC)) started its energy cooperation with Kazakhstan and other Central Asian states through Technical Aid to the Commonwealth Independent States (TACIS) programme. TACIS was launched with

²⁹¹ . Jong, Sijbren De and Prof. Dr. Jan Wouters (June 2011), Central Asia and the EU's Drive towards Energy Diversification, Working Paper No. 64, Leuven Centre for Global Governance Studies.

²⁹² . Green Paper for Energy : A European Strategy for Sustainable, Competitive and Secure Energy. Green paper has set out the new energy realities facing Europe, Outlined questions for debate. Each Member state will make choices based on its own national preferences. However, in a world of global interdependence, energy policy necessarily has a European dimension.

²⁹³ . Jong, Sijbren De and Prof. Dr. Jan Wouters (June 2011), Central Asia and the EU's Drive towards Energy Diversification, Working Paper No. 64, Leuven Centre for Global Governance Studies.

concerns of energy and nuclear safety in 1991. TACIS addresses the challenges of remoteness of resources, lack of investment, inefficiency of power generation and environmental security. The basic operating framework was established in 1993, but modernization and reforms of institutions were initiated in 1995. The TACIS had established Interstate Oil and Gas Transport to Europe Project for technical assistance to the Central Asian states in early 1995. Regional oil and gas rehabilitation project began with INOGATE in late 1996.²⁹⁴

The dream of a unified and peaceful Europe led to the creation of the three main bodies of today's European Union: 'European Coal and Steel Community', 'European Economic Community (EEC)', and 'European Atomic Energy Community' (Euratom²⁹⁵). Hence, energy was a major issue for the EU from the beginning. The importance of energy, i.e. securing supply, became increasingly important as the European Union reached 28 member states and nearly 500 million people with the last enlargement wave.

The European Union, with its 28 member states, is among the largest markets for natural gas and is geographically in close vicinity to the world's biggest energy producers, Russia and Kazakhstan. European Union's economic presence in Kazakhstan and its involvement in raw materials, transport routes, opening of markets and free economic zones, and small and medium-scale projects is visible. Foreign policy is also seen as a tool for constructing a pluralistic Eurasia through developing cooperative relations with the EU. The first major action was the "Energy Charter Treaty" (ECT)²⁹⁶, which was

²⁹⁴ . Jong, Sijbren De and Prof. Dr. Jan Wouters (June 2011), Central Asia and the EU's Drive towards Energy Diversification, Working Paper No. 64, Leuven Centre for Global Governance Studies.

²⁹⁵ . Euratom is a complementary research programme for nuclear research and training. Euratom aims to pursue nuclear research and training activities with an emphasis on continually improving nuclear safety, security and radiation protection, notably to contribute to the long-term decarbonisation of the energy system in a safe, efficient and secure way. By contributing to these objectives, the Euratom Programme will reinforce outcomes under the three priorities of Horizon 2020: Excellent science, Industrial leadership and Societal challenges.

²⁹⁶ The Energy Charter Treaty provides a multilateral framework for energy cooperation that is unique under international law. It is designed to promote energy security through the operation of more open and competitive energy markets, while respecting the principles of sustainable development and sovereignty over energy resources. The Energy Charter Treaty was signed in December 1994 and entered into legal force in April 1998.

formed on the basis of the non-binding 1991 European Energy Charter²⁹⁷. It entered into force in 1998 as a binding treaty under public international law. Kazakhstan is gradually becoming one of the pillars of energy security in Asia and Europe. Kazakhstan annually provides up to 20% for all imports of gas and oil supply by the European Countries. The Republic of Kazakhstan possesses the proved extractable reserves of oil at the rate of 4.8 billion tons that correspond to 3% of the world oil reserves this being one of the top ten countries of potential hydrocarbons.

Ukraine crisis is also causing trouble for the EU's exploration of energy resources in the post - Soviet space. The geopolitics of Gas Pipelines between the EU and its Southeastern neighbors forced the search of alternative to relying on Russian pipelines. Europe is also working towards low carbon economy. The European Commission has identified following policy tracks to improve its security of supply²⁹⁸:

- Exploiting and increasing indigenous energy resources like renewable energy resources, conventional and unconventional fossils fuels and nuclear energy;
- Improving energy efficiency;
- Diversifying supply countries and routes for imported fossil fuels;
- Focus on the construction of fourth energy corridor of Southern Gas Corridor (SGC).

3.15. The European Commission Energy Flagship Programme in Central Asia: TRACECA and INOGATE

TRACECA: The Transport Corridor Europe –Caucasus –Asia (TRACECA) was conceived at a conference in Brussels in 1993. It aimed to construct east - west corridor

²⁹⁷ The European Energy Charter Treaty establishes a framework for international cooperation between European countries and other industrialised counties with the aim of developing the energy potential of central and Eastern European countries and of ensuring security of energy supply for the European Union. The Protocol on energy efficiency and related environmental aspects aims to promote energy efficiency policies that are compatible with sustainable development, to encourage more efficient and sound use of energy and to promote cooperation in the field of energy efficiency.

²⁹⁸ . Jones, Bruce and David Steven (2015), "Introduction: Energy Policy on the Edge" in David Steven et al (eds.), *The New Politics of Strategic Resources: Energy and Food Security Challenges in the 21st Century*, Washington: Brooking Institution Press.

linking the European Union to the three South Caucasus and all Central Asian states via the Black and Caspian Sea. It funded both technical aid and infrastructure rehabilitation projects with Euro 110 million from 1993-2002. Its secretariat was established in Baku, Azerbaijan in 2001.²⁹⁹

TRACECA was funded by the EU and its member states. It is joined by 13 states from Eastern Europe, the Caucasus and Central Asia, initially it was initiated by five Central countries along with Moldova, Ukraine, Turkey, Romania, and Bulgaria. Iran, Pakistan, Afghanistan have expressed interests to joining TRACECA. It has planned to link from China's borders to the Black Sea region through transport and communication including rail, road, and commercial navigation. It is now connected with pan-European road projects planned in the framework of the EU's Neighborhood Policy. It includes five working groups –maritime transport, aviation, road, rail and transport security and infrastructure. It has also regional office in Odessa.³⁰⁰

INOGATE: The Interstate Oil and Gas Transport to Europe (INOGATE) programme is part of the European Union's initiative to enhance energy security. Its technical secretariat was established in Kiev, Ukraine. More than 21 countries were party to this "umbrella agreement" for the integration of oil and gas transport system. The budget was allocated around Euro 53 million for 1996-2003 and was Euro 18 million for 2004-2006, including a technical audit of oil and gas pipelines, rehabilitation of gas transport system (specifically the Bukhara –Tashkent –Bishkek- Almaty pipeline) with coordination of energy policies in the post - Soviet space.³⁰¹

3.16. Kazakhstan – the European Union Energy Partnership

The energy partnership is aimed at reshaping all the questions of common interest relating to this sector, including the introduction of co-operation on energy saving, rationalization of production and transport infrastructures, European investment

²⁹⁹ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N° 113, 10 April 2006.

³⁰⁰ . Ibid.

³⁰¹ . Ibid.

possibilities, and relations between producer and consumer countries.³⁰² Kazakhstan's marketing strategy is based on the effective utilisation of its strategic location in the centre of Eurasian continent. Network of the export pipelines connecting the largest oil deposits of Kazakhstan with consumers in the West and East has been constructed in the country. The basic directions of transportation of Kazakhstan hydrocarbons to the European market are- a route through Russia, further in the countries of Baltic to Europe, through the Caspian and Black sea transport hub to Europe. Kazakhstan being a part of Caspian region plays a growing role in the international energy market. Chevron and Mobil were involved in the construction of the Caspian Pipeline Consortium that completed in 2001.³⁰³ The Vice Minister of Oil and Gas , Magzum Mirzagaliev stated during 18th anniversary of energy cooperation between Kazakhstan and EU in 2014 that Kazakhstan has been producing oil and gas condensate more than three times over, from 25 million tons in 1991 to 82 million tons in 2013. He mentioned that European companies have been playing significant role in the energy sector of Kazakhstan, which is primary source of economic growth of country.³⁰⁴ The objectives of the energy dialogue can be summed as follows: the diplomatic aim of facilitating the energy flow by sustaining a political and institutional framework for enhancing Kazakhstan- EU energy trade, adjusting the divergent positions of EU member states regarding energy trade with Kazakhstan and for Kazakhstan provide opportunity for attracting investments so as to maintain energy exports, modernize its energy infrastructure and establish better conditions for its economy. Oil transportation is also provided by Kazakhstan Caspian system of transportation (KKCT), which includes the terminals in the territory of Kazakhstan and Azerbaijan and connecting to the system "Baku-Tbilisi-Ceyhan" with a capacity of five million tons per year. The operating scheme of gas pipelines of Kazakhstan, basically, serves to maintain transit indigenous gas from Central Asia to the European part of Russia. Kazakhstan is part of the Caspian Basin which is estimated to hold the largest oil and gas reserves in the world outside the Persian Gulf.

³⁰² The Tenth Energy Dialogue Progress Report by European Commission and Ministry of Energy of the Russian Federation, 2009.

³⁰³ . Sultanov, B.K (2010), "Foreign Policy" in *Kazakhstan Today*, Almaty: The Kazakh Institute for Strategic Studies under the President of the Republic of Kazakhstan.

³⁰⁴ . <http://en.mgm.gov.kz/index.php?id=1408>

3.17. Kazakhstan and Central Asian Oil Pipeline Routes to the EU

Pipelines are the means of transportation for oil and natural gas include shipments via maritime tankers and via railroad freight cars. The pipelines are also decided by the capacity, diameters, direction and routes. Pipeline politics naturally becomes the political instrument of energy diplomacy, because the choice of the routes and transit countries has to be agreed upon among the states through which the pipes run. Political dynamics of pipeline politics means for fostering national interests abroad.³⁰⁵ Pipelines are projects with long lives, but politics and geopolitics will determine whether they operate or shut down.³⁰⁶

European Union has progressively become frontline trading partner of Kazakhstan. EU dominates around 40% share of its external trade. Kazakhstan exports to the European Union are heavily dominated by oil and gas which were approximately 80% of its total exports in 2007.

Kazakhstan's major oil pipeline system were built in the '1970s (more than 60% of oil pipeline of the western branch), and rest in '1980s (75% of the Eastern Branch). Mangistau and Atyrau oblasts (provinces) account for more than 70 % of total oil production in Kazakhstan. Aktyubinsk, Kyzlorda, and Zapadno- Kzakhstanskaya are also important areas of oil extraction in Kazakhstan.³⁰⁷

³⁰⁵ . Sorbello, Paolo (February 2015), *The Role of Energy in Russian Foreign Policy towards Kazakhstan*, Moscow: Energy Brains, Scientific Library.

³⁰⁶ . Nancy, Julia (2005), "Russia and the Caspian Sea Region" in Jan H Kalicki and David L. Goldwyn (eds.), *Energy and Security: Toward a New Foreign Policy Strategy*, Washington: Woodrow Wilson Center Press.

³⁰⁷ . Nathan, Jay (2012), *Kazakhstan's New Economy: Post Soviet, Central Asian Industries in the Global era*, Chicago: University of Scranation Press.

Map of Kazakhstan's Oil fields and Supply Routes



Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issues”, European Parliament Policy department, URL: [http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

The oil industry’s upstream cost, i.e., the cost of exploration, development, and production of crude oil, its downstream cost, i.e., transportation of crude oil to the refinery, refining and transportation to global market. The oil industry revenues directly depend upon the price for oil and oil products in international market.³⁰⁸

The first successful step of trade link was taken by EU towards Central Asia by creating corridors across Central Asia. Transport Corridor Europe-Caucasus-Central Asia

³⁰⁸ . Nathan, Jay (2012), *Kazakhstan’s New Economy: Post Soviet, Central Asian Industries in the Global era*, Chicago: University of Scranation Press.

(TRACECA)³⁰⁹ programme was established in 1993 to develop an efficient and integrated transit transport system between Europe, the Caucasus and Central Asia. The TRACECA route carries specially oil, plus some cotton and grains, but operates well below projected capacity. Cooperation among the Central Asian governments and focus on transport from Central Asia to Europe via Baku and Poti, involving ferry crossings of the Caspian Sea and the Black Sea, ran into problems of competitiveness. Freight costs from Tashkent to Europe via Baku are almost double the rail freight costs via Russia.

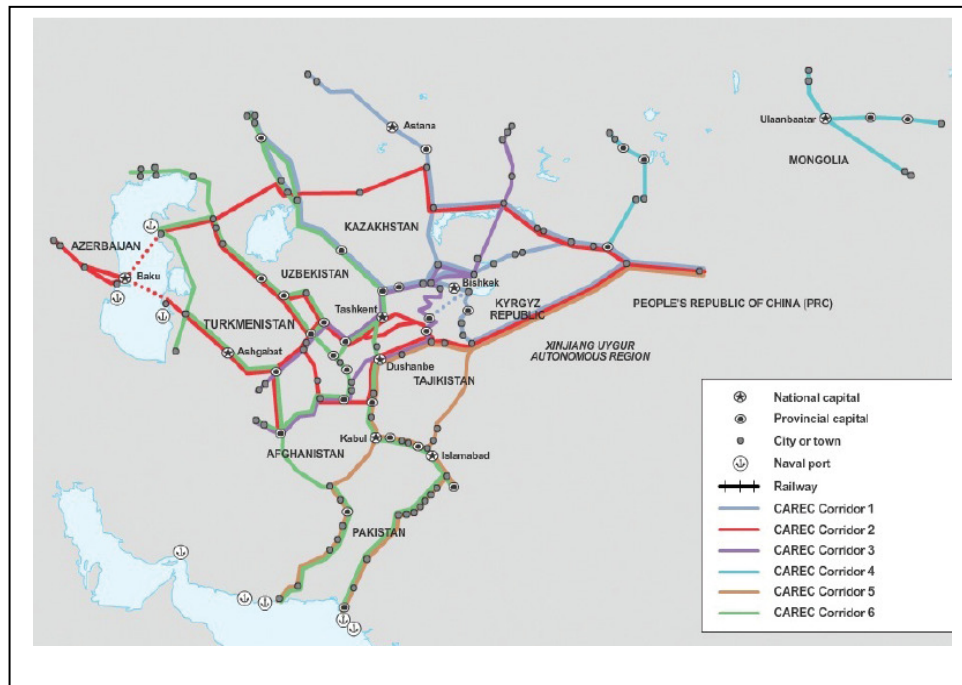
CAREC³¹⁰ has been the most successful multilateral initiative. It started on a low-key and established itself through a long period of confidence-building. CAREC's "Transport and Trade Facilitation Strategy"³¹¹ coalesced around identification of a number of corridors, along which donor activity would be coordinated, in which "Asian Development Bank" (ADB) played as honest broker for balancing and monitoring of trade and investment. The EU has tried successfully to reorient its main trade programme and policy in Central Asia (BOMCA-CADAP) from border management to control the drug trade towards a more balanced risk assessment to facilitate legal trade as well as prevent illicit trade since 2007. The CAREC- sponsored investment along Corridor 1 from China to Europe via Russia is effectively for improving the Kazakhstan road system. The Almaty- Shymkent road connects the major cities of southern Kazakhstan.

³⁰⁹ The Multilateral Agreement on International Transport for Development of the Europe - the Caucasus - Asia Corridor was signed in Baku on 8 September 1998 by twelve countries, including four from Central Asia and Azerbaijan; Turkmenistan was subsequently included in TRACECA.

³¹⁰ CAREC members are Afghanistan, Azerbaijan, China (represented by the national government, for projects in Xinjiang and Inner Mongolia), Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, Uzbekistan and six multilateral institution partners: the ADB, which hosts the Secretariat, the European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF), the Islamic Development Bank (IsDB), the United Nations Development Programme (UNDP) and the World Bank

³¹¹ The CAREC Transport and Trade Facilitation Strategy approved at the 6th Ministerial Conference in Dushanbe in November 2007 identified six priority transport corridors, potentially linking Central Asian countries with each other and with their neighbours from China to Europe, and from the Indian Subcontinent to Russia (CAREC, 2007). The Action Plan identified a set of priority investment projects and technical assistance initiatives to be implemented over the next decade to improve the multi-modal transport network and border crossing, transit and logistics management along the priority corridors, and also envisaged monitoring of transport cost and time along the corridors in order to ensure that the investments actually secured the intended benefits. Financing, estimated at \$21 billion for investments and \$69 million for technical assistance, was to come from countries' own resources, from loans and grants by the multilateral institutions, and from other external financing (Linn, 2008).

The CAREC Corridors



Source: Kuchins, Andrew C et al. (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan's Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, [URL:https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf](https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf)

Kazakhstan Ministry of Power, Industry, and Trade of Kazakhstan has identified following export routes for oil in the following order.³¹²

- **Atrau –Samara Pipeline**
- **Tengiz –Novorossiysk Oil Pipeline**
- **Trans – Caspian Pipeline**
- **Kazakhstan – China Pipeline**
- **Persian Gulf –Iranian Oil Pipeline**
- **Arabian Sea – Trans –Asian Oil Pipeline**

CASPIAN PIPELINE CONSORTIUM (CPC) – It is one major pipeline for the development link of Caspian and Black Sea, connecting the Tengizchevroil (TCO) project in western Kazakhstan with port of Yuzhnaya Ozerevka, just north of Novorossiysk.³¹³ It was earlier considered framework to bypass Russian dominated pipeline system. The route runs for around 1500 kilometers (940 miles) from eastern field of Tengiz to the western port of Novorossiisk. The consortium was divided into two jurisdictions. The Company ‘CPC-K’ and ‘CPC-R’ have administrative control of the Kazakh as well as Russian territory. Both companies were owned by consortium, in which equity was shared between states and private sectors. The share configured as one half is owned by government of Russia (24 %), Kazakhstan (19 %), and Oman (7 %). The other half controlled by Chevron CPC (15 %), LukArco (12.5 %), Rosneft –Shell (7.5 %), MobilCPC (7.5 %), British Gas(2 %), Agip(2 %), Kazakhstan Pipeline Ventures

³¹² . Nathan, Jay (2012), *Kazakhstan’s New Economy: Post Soviet, Central Asian Industries in the Global era*, Chicago: University of Scranation Press.

³¹³ . Kalicki, Jan H. and Jonathan Elkind (2005), “Eurasian Transportation Futures” in Jan H Kalicki and David L. Goldwyn (eds.), *Energy and Security: Toward a New Foreign Policy Strategy*, Washington: Woodrow Wilson Center Press.

(1.75 %), and Oryx(1.75 %). Russian government has owned share in Rosneft while British Petroleum owned minority share in both LukArco (46%), and Kazakhstan Pipeline Ventures (49%).³¹⁴

This oil export route from Kazakhstan has been a 930 mile pipeline completed in 2001, owned by Caspian Pipeline Consortium. Russian shareholders have controlling interests – that carries 265 million barrels per year of oil from Kazakhstan to Russia’s Black Sea port of Novorossiisk. Kazakhstan President Nazarbayev has signed a treaty with Azerbaijani President Ilkham Aliyev in June 2006 to barge Kazakh oil across the Caspian Sea to Baku to the BTC pipeline. Another important accord was signed by Kazakhstan President for Kazakh oil barges across the Caspian Sea to enter the BTC or the Baku-Supsa pipeline during his visit to Azerbaijan in September 2009. Kazakh legislature ratified ‘the 2006 treaty’ in May 2008 to upgrade its Caspian Sea port facilities. Kazakhstan has started barge some oil to Baku to ship by rail to Georgia’s Black Sea oil terminal at Batumi, of which Kazakhstan became the sole owner in early 2008. Kazakhstan has been also barging oil from Batumi to the Romanian port of Constanta for processing at its two purchased refineries in late 2008. These oil export routes to Europe are not controlled by Russia.³¹⁵

- **Atrau –Samara Pipeline :-** Atrau –Samara Pipeline is under restricted influence of Russia. Russia has been deciding the capacity and quota for crude oil production and supplies.
- **Tengiz –Novorossiysk Oil Pipeline :-** This pipeline project ensures an independent outlet for Kazakhstan’s oil exports to Black Sea and opens up for FDI in oil and gas sectors. This is Caspian Pipeline Consortium’s (CPC) oil export pipeline for short term priority in westward.
- **Trans – Caspian Pipeline:-** This pipeline is considered to be priority pipeline through the Black Sea to Turkey. (This pipeline links Western Kazakhstan to an

³¹⁴ . Sultanov, B.K (2010), “Foreign Policy” in *Kazakhstan Today*, Almaty: The Kazakh Institute for Strategic Studies under the President of the Republic of Kazakhstan.

³¹⁵ . Nichol, Jim (2010), “Central Asia’s Security: Issues and Implications for U.S Interests” in Jmaes C. Tantas (eds.), *Security and Internal Affairs of Central Asia*, NewYork: Nova Science Publishers, Inc.PP-28-30.

outlet on the Mediterranean (the Turkish port to Ceyhan) via the Caspian Sea. The pipeline will be passing through conflict-prone zones under territories of Azerbaijan, Georgia, and Turkey's mountainous terrain and water barriers.

- **Persian Gulf –Iranian Oil Pipeline:-** The Persian Gulf – Iranian pipeline is another important future pipeline route to the south.
- **Arabian Sea – Trans –Asian Oil Pipeline:-** The Trans –Asian oil pipeline via Kazakhstan –Turkmenistan –Afghanistan –Pakistan to an outlet in the Arabian Sea is politically prone to high risk.

3.18. Water Economy, Security and its Management: The EU –Kazakhstan in Central Asia

Water is strategic resource in the Central Asia. The European Union plays constructive and positive cooperation in water management of Kazakhstan and Central Asian states. The EU Water Initiative and its Eastern Europe, Caucasus and Central Asia (EECCA) program seeks to improve the management of water resources in the EECCA region. The partnership was established between EU and the EECCA countries at the World Summit for Sustainable Development in 2002.

The water resources in Central Asia are mainly –the Syr Darya and the Amu Darya rivers that mostly fed by snow and glacier melt from the Pamir, Hindu Kush, and Tien Shan mountain ranges. Both rivers- the Syr Darya and the Amu Darya - account for almost 90 % of river water and 75 % of water need of irrigated agriculture of Central Asia. The 2,200 km Syr Darya originates in the Tien Shan and Amu Darya flows through Kyrgyzstan as the Naryn Rivers and combines with the Kara Darya to become Syr Darya, which finally moves towards Aral Sea through Ferghana Valley. The 2,540 km Amu Darya starts in the Pamirs at the confluence of Vakhsh and Punj Rivers and flows west, and moved through Tajikistan –Afghanistan border, Uzbekistan and Turkmenistan before entering in Aral Sea.³¹⁶ Central Asia region is historically part of the geopolitics and

³¹⁶ . International Crisis Group (2014), Water Pressures in Central Asia, Crisis Group Europe and Central Asia Report N° 233, 11 September 2014, Belgium, retrieved on 29 April 2016, URL: <http://www.crisisgroup.org/~media/Files/europe/central-asia/233-water-pressures-in-central-asia.pdf>.

conflict of resources. Bilateral, regional and global treaties for water resources have become part of the dispute between Central Asian countries after the collapse of the Soviet management of the water resources in Central Asia. The EU is playing significant role in cooperation, management and conflict resolution of water resources in Central Asia. Hydro diplomacy becomes the critical instrument to ensure the shared water resources across the borders among all Central Asian states. Cooperative governance and formulation of long term sustainable strategy for water management would be new model of resource sharing and management in the Central Asia. Water management is associated with resources management and security concern of national interests. But, cooperation is derived by the perceptions of the all Central Asian states in the context of zero sum game of the water resources. The Soviet system of management of resources including water brokedown after the collapse of the USSR.³¹⁷

³¹⁷ . Mosello, Beatrice (2008), Water in Central Asia: A Prospect of Conflict or Cooperation, Institute of International and Development Studies, Geneva, pp-151-175.

The Syr Darya Watershed



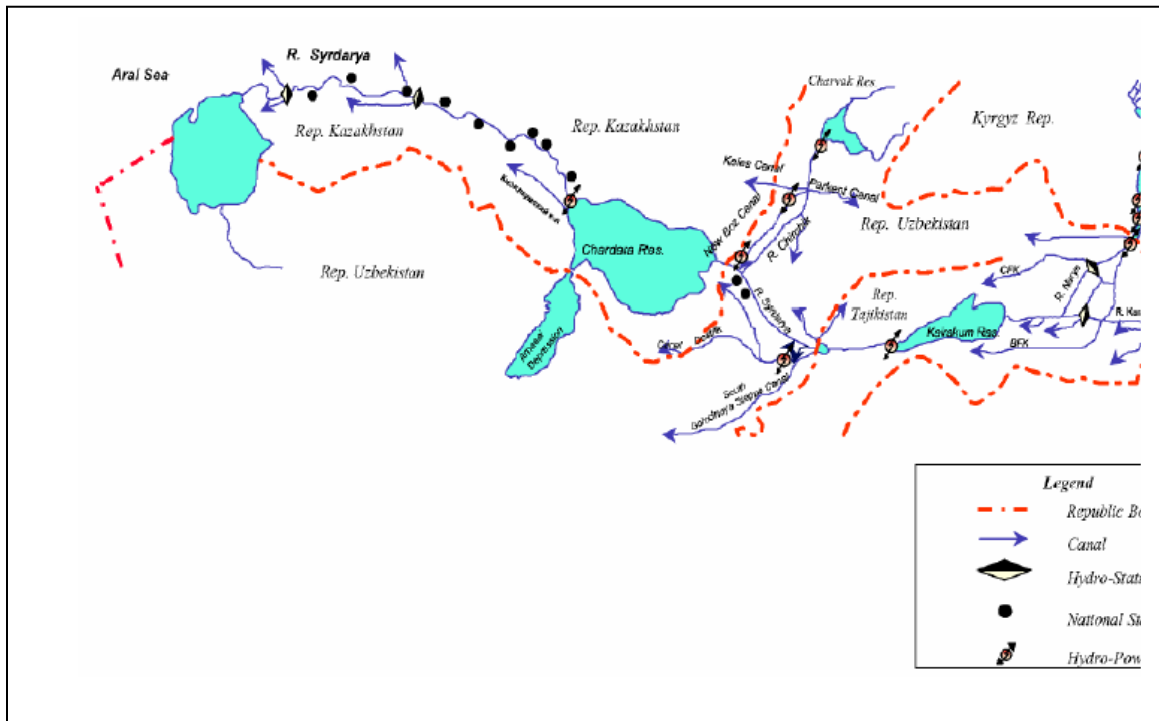
Source: Kuchins, Andrew C (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan's Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, URL: http://csis.org/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf.

The Amu Darya Watershed



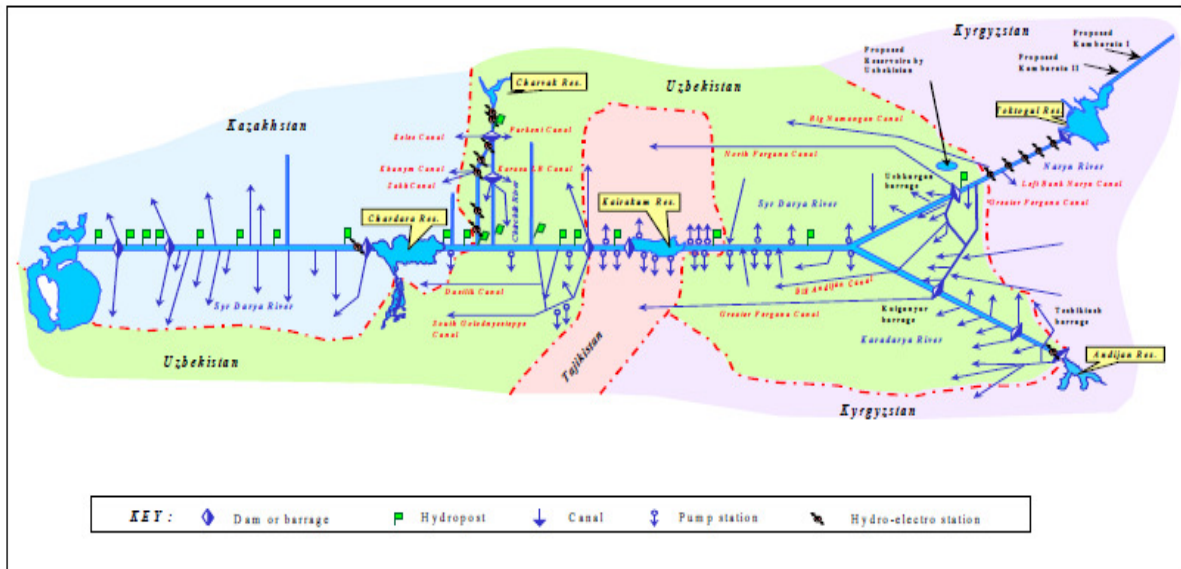
Source: Kuchins, Andrew C et al. (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan's Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program,

Main reservoirs and Hydropower Facilities of the Syr Darya Basin



Source: World Bank (January 2004), Water Energy Nexus in Central Asia: Improving Regional Cooperation in Syr Darya Basin.

Detailed schematic diagram of the main reservoirs and hydropower in SDB (Map)



Source: World Bank (January 2004), Water Energy Nexus in Central Asia: Improving Regional Cooperation in Syr Darya Basin.

3.20.2. Water Economy and its Management and Cooperation by the EU in Central Asia

Water is fugitive resource, which cross the political boundaries without a passport in the form of rivers, lakes and aquifers. It is also treated as ‘national concern’ in Central Asia. Water resources conflict and management is also dependent on bilateral cooperation and domestic factors including political power structure and their social-political reform of each Central Asian states.³¹⁸

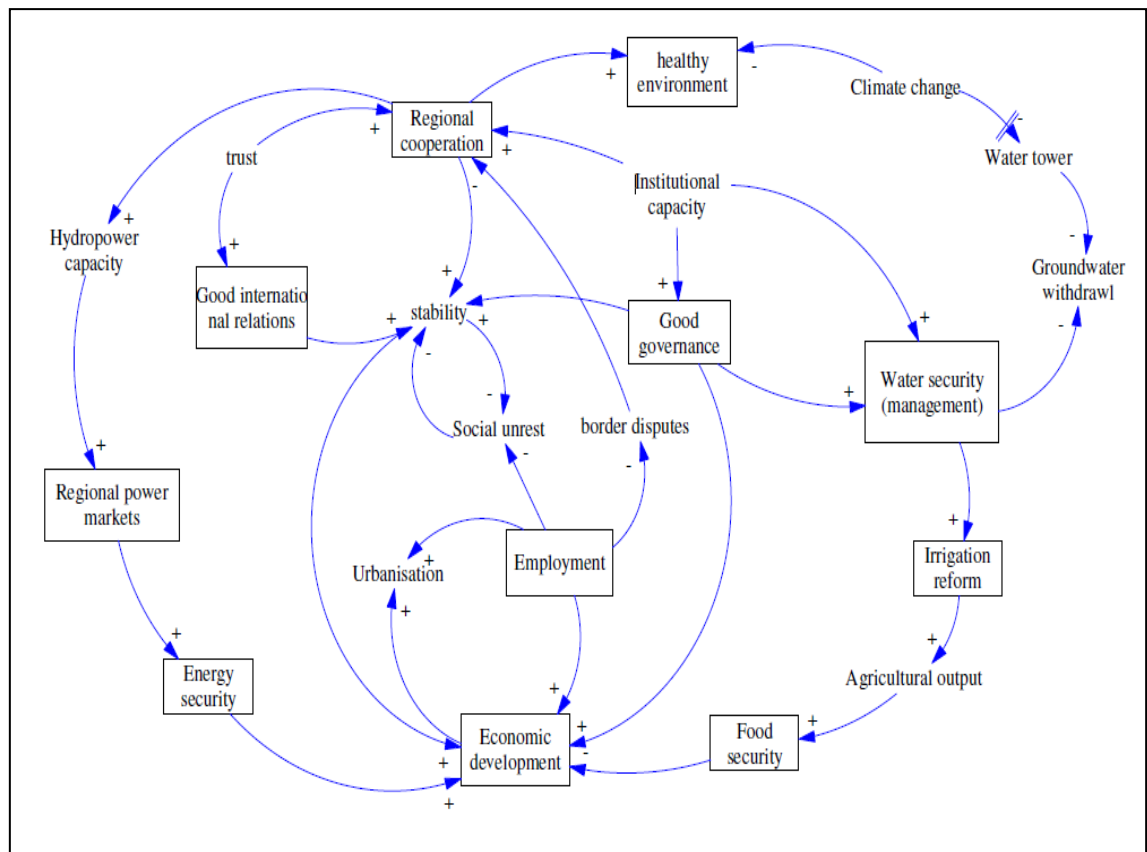
³¹⁸ . Mosello, Beatrice (2008), Water in Central Asia: A Prospect of Conflict or Cooperation, Institute of International and Development Studies, Geneva, pp-151-175.

Water security and its management in Central Asia are like as trying to solve a “Rubik’s cube³¹⁹ ”.³²⁰ The main contention of water issue is about the use of water between upstream hydropower production and downstream cotton production. Dynamics of water security depends upon the engagements of different global actors of political economy in the context of the investment and mediation in the water –energy disputes and assistance in Central Asia. Russia is close ally of all Central Asian countries, so it is careful not to take any position in bilateral disputes, but, is involved in both upstream and downstream hydrocarbon developments projects. China is mainly interested in hydrocarbon resources of Kazakhstan, Uzbekistan and Turkmenistan. Iran joined the water consortia with Turkmenistan and investments in Tajikistan. The EU and other related agencies of UN have been actively engaged in several initiatives of water and energy security cooperation with Central Asian countries.³²¹ All the Central Asian states need to undertake irrigation reforms to increase food security, strengthen power generation through good hydropower development coupled with a focus on regional power markets to ensure energy security, and manage water collectively to tackle climate change and achieve water security. These measures would in turn contribute towards improvement of the Aral Sea ecosystem. Economic development enhances growth of human capital, good water and energy resources, steps towards regional economic cooperation and market economies, and emerging reforms in the agriculture sector.

³¹⁹ . Examining the water and security linkages in Central Asia can feel bit like trying to solve Rubik’s cube. As with cube has six faces , each covered by nine stickers of six different colours, the mosaic formed by the components of water and security in Central Asia can seem difficult to solve at first glance.

³²⁰ . Stucki, Virpi et al. (2014), “Introduction: Water and Security in Central Asia-Solving a Rubik’s Cube” in Virpi Stucki et. al (eds.),*Water and Security in Central Asia: Solving a Rubik’s Cube*, London: Routledge.

³²¹ . Ibid..



(Source-Regional water intelligence Report, UNDP 2010)

Most of Kazakhstan’s major rivers have their headwaters in neighbouring countries. Originating in the Altai Mountains of North Western China, the Irtysh (Ertis) river enters Kazakhstan in the northeast, where it flows through Lake Zaysan and then north westward into Russia. In the south, the three major rivers are the Syr Darya, the Chu, and

the Ili. Vital to several Central Asian countries, the Syr Darya has its headwaters in Tajikistan and Uzbekistan. After entering southern Kazakhstan, it flows generally northwest ward, ultimately emptying into the Aral Sea. Water plays significant role in the industrialisation and economy growth for Kazakhstan. The first intergovernmental agreement (1992) was devoted to the establishment of the Interstate Commission for Water Coordination (ICWC). In 1993, with the development of the Aral Sea Basin Program, two new organizations emerged: the Interstate Council for the Aral Sea (ICAS) to coordinate implementation of the Program, and the International Fund for Saving the Aral Sea (IFAS) to raise and manage its funds. In 1997, the two organizations merged to create IFAS.

The European Union Water Initiative and the European Commission are engaged along with UNECE in developing integrated water resources management in the Central Asian States. The experts from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan produced a regional water and energy strategy (UNECE, UNESCAP , 2004) within the framework of the United Nations Special Programme or the Economies of Central Asia, SPECA in 2004. The EU also helps in the integrated water resources management, including Trans - boundary river basin management and regional seas issues. Under the Kyrgyz European Union Water Initiative (EUWI) National Policy Dialogue process, a lot of organisations and partners have been working together and coordinate actions regarding complementary water sector programmes in Central Asia since 2008. These strategies aim at developing synergies and avoid duplicate actions in the region. UNCE is working for the implementation of EU Strategy for Central Asia in the water and energy sectors along with Germany and EU.

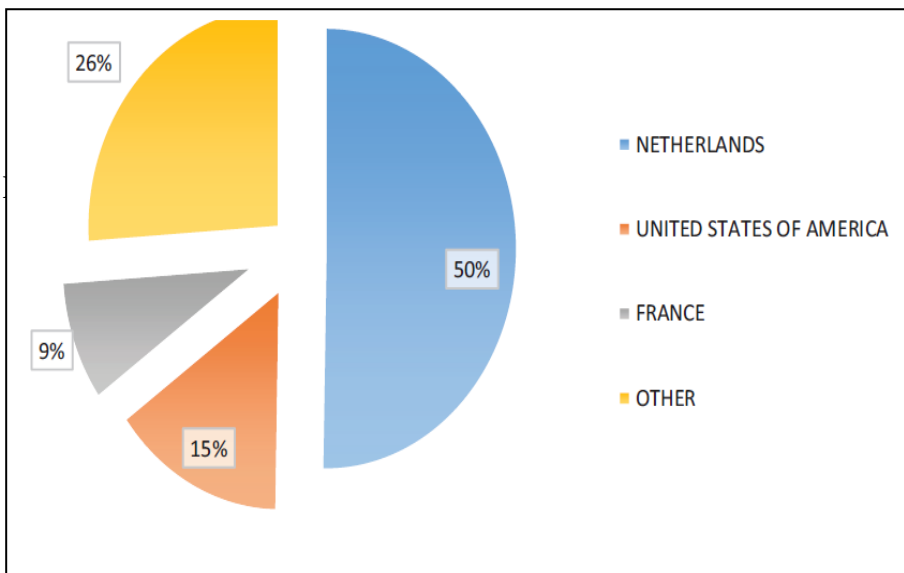
3.19. European FDI in Kazakhstan Economy

The European Union is largest investment partner of Kazakhstan. More than 60 % of FDI has been coming from European companies. These European investments have mainly concentrated in the oil and mining sector.³²² The favorable business climate and political stability have contributed to a significant inflow of foreign direct investments (FDI) into

³²² . Bendini, Roberto (October 2013), *Kazakhstan: Selected Trade and Economic Issues*, European Parliament Policy department, PP15-20.

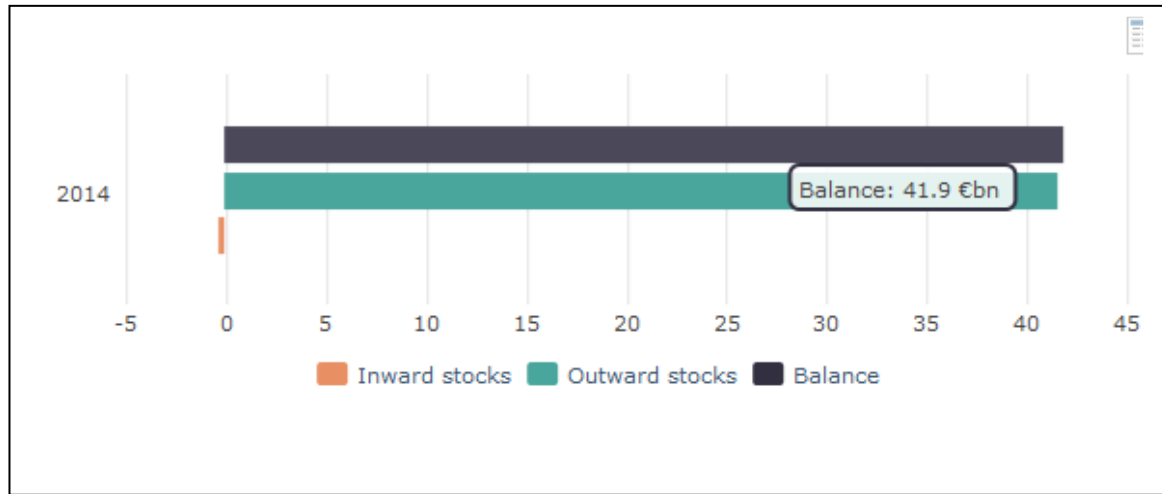
Kazakhstan. Kazakhstan has attracted FDI of over 136 billion dollars since 1993. Hydrocarbon sector has emerged primary sector of the FDI. Foreign direct investment (FDI) is an important catalyst for economic growth in the developing countries like Kazakhstan. It affects host counties' economic growth by transferring technology, increasing human capital formulation and by stimulating domestic investment, and access to global markets.

Net Position on FDI in Kazakhstan by Partner Countries, September 2014 (USD Million)



Source: Kuchins, Andrew C et al. (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan's Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, [URL:https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf](https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf)

EU FDI in Kazakhstan 2014



(Source: European Commission, Trade with Kazakhstan)

Within Central Asia and CIS countries, Kazakhstan is one of the rapidly growing and one of the most FDI attractive countries. Since independence in 1991, Kazakhstan has made considerable progress towards the building of a market economy and an attractive climate for foreign investment. Huge reserves in the natural and mineral resources sector and incentives for investors in priority sectors opened the door for foreign direct investment, primarily in oil and mineral resources. Foreign Direct Investment plays significant role in the pattern of growth and development with the rapid influence of economic liberalisation and market globalisation in Kazakhstan economy. Global FDI became the largest single source of external funds for development in Kazakhstan economy in the mid 1990s. The petroleum industry in Kazakhstan plays an important role in the county's economy and continues to develop rapidly since the economic reform.³²³

Oil and Gas industries are the major sources of attraction of FDI in Kazakhstan. Kazakhstan received US \$ 7.9 billion in the field of oil and gas, electrical utilities, and minerals during 1993-1998. It was over US \$ 2.751 billion FDI in 2000. The major companies from Russia, U.S, British, Italy, Netherland and Canada are source of FDI.³²⁴

³²³ . The Agency of Statistic of the RK, 2007

³²⁴ . Nathan, Jay (2012), *Kazakhstan's New Economy: Post Soviet, Central Asian Industries in the Global era*, Chicago: University of Scranation Press, pp-23-53.

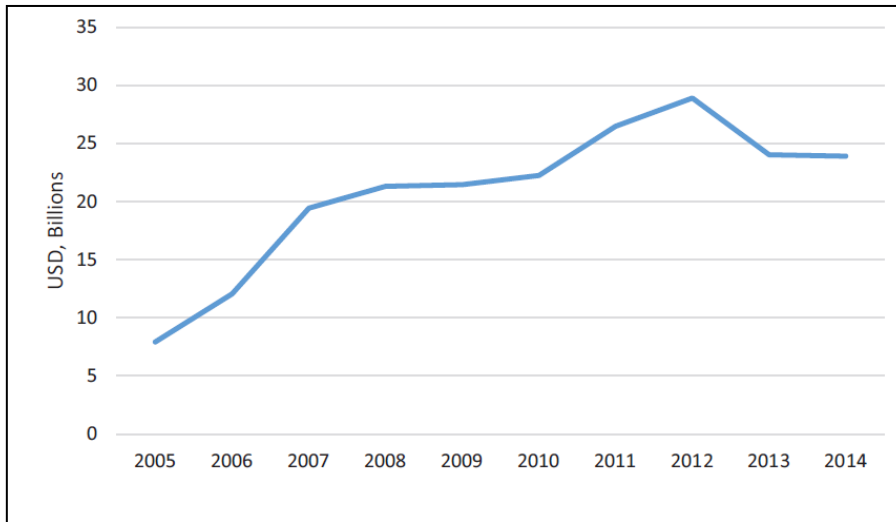
Chevron, ExxonMobil, Texaco, Agip including British Gas, LUKOIL, CNPC has significant stake in gas industry of Kazakhstan.

The petroleum sector is most attractive field for most foreign investment. According to Olcott (2002) from the time of its independence, Kazakhstan received huge amount of money in foreign investment processes with about 50 % being in oil and gas sector. Although a significant %age of this was for development of new oil fields, like Kashagan under the Caspian Sea and new pipelines like the CPC's pipeline from the city Atiray to Russia's Novosibirsk, substantial amount has been invested in the existing production fields. Today there are four main enterprises in Kazakhstan where foreign investors have their own shares: Aktobemunaigaz, Mangistaumunaigaz, Tengizchevroil and Hurricane Kumkol Munai. Dosmukhamedov, (2003) describes that In Kazakhstan, fewer than 17 million people populate are four times the size of Texas and larger than Great Britain, France, Germany, Spain, Austria, Holland, and Denmark combined.

The foreign direct investment in Kazakhstan has been coming mainly from developed countries. The US, UK, Netherlands and Italy have been the main investors (with an even more prominent role for the Netherlands in the last years). Since independence, Kazakhstan has emerged on the international stage as a rising petroleum powerhouse and as the leader in market reforms among the five Central Asian Republics (Fergus and Jandosova, 2003). Between 1993 and 2002, the total value of foreign direct investment in the Kazakhstan economy was \$21.2 billion, with the largest investment coming from the United States (24.7%), the UK (15.3 %), Switzerland (12.8 %), Italy (11.5 %) and the Netherlands (9.9 %). Oil and gas extraction leads the list of industries attracting foreign investment (Kazakhstan National Bank, 2002). The EU, U.K, Germany and U.S. FDI played the dominant role in the development of oil and gas resources. Russia is major purchaser of Kazakh gas through the Central Asia-Centre gas pipeline network. According to British Petroleum (BP) data, Kazakhstan possesses 30 billion barrels of proven oil reserves (2% of world reserves) and 64.4 trillion cubic feet of proven gas reserves (about 1% of world gas reserves). There are five major onshore oil fields – Tengiz, Karachagnak, Aktobe, Mangistau ,and Uzen-which account for half of proven

reserves. There are two major off shore oil fields in Kazakhstan’s sector of the Caspian sea-Kashgan and Kurmangazy - which are estimated to contain at least 14 billion barrels of recoverable reserves. FDI has largely invested in the resource based sectors of economy since 2000. Main areas of investment of FDI are the geological exploration and Research (33% of gross FDI), the oil and gas industries (28%), Metallurgy (5.5%), trade and financial activities (5%). Frontline states of the FDI investment in Kazakhstan economy are the Netherland (23.2% of gross FDI), UK (7.8%), France (6.3%), Virgin Islands (5.6%), Italy (4.5%), US (15.7%), Germany.³²⁵

FDI flows in Kazakhstan (2005 -2014)



Source: Kuchins, Andrew C et al. (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan’s Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, [URL:https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf](https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf)

³²⁵ . UN Commission for Europe Report (2012): Innovation Performance Reviews of Kazakhstan.

3.20. Baltic Markets: Axis between Kazakhstan and Central Asian Countries to European Markets

Baltic states -- Latvia, Lithuania and Estonia are also members of the EU. Lithuania has special political, economic and military relations with Poland, Germany has historical relations with Russia. Latvia was one of the most industrialized areas under USSR. Estonia has been regarded as one of the most successful transition states of the former USSR.³²⁶ Baltic states are one of the important gateways for export of Central Asian products particularly –cotton and metallurgical products to European markets since the Soviet era. Latvia, Lithuania and Estonia are important trade partners of Kazakhstan. Kazakhstan’s bilateral trade with Latvia increased up to \$196 million, with Lithuania up to \$ 118 million, and with Estonia up to \$ 46 million in 2007.³²⁷

Kazakhstan’s ambitious state programme “Path to Europe” is basically focused on intensive engagement with Europe besides becoming communication hub between Asia and Europe. Baltic States can play role of transit and freight to connect Kazakhstan to Europe. Three Baltic states - Latvia, Lithuania and Estonia joined the EU in 2004. ‘Baltica – Transit’ project for goods trains was launched on the initiative of Railway administration of Baltic states- Latvia, Lithuania, Estonia, and also Kazakhstan and Russia in 2003. So, these are part of new strategic approach for uses of ports of Riga, Liepaia and Ventspils by Central Asian states around Baltic States. Kazakhstan has offered to Estonia to engage in two ports for joint ventures in the free trade zone between the port of Muuga and that of Tallin. Kazakhstan opened a terminal for cereals in Ventspils in 2005; which is first in its kind in Europe. The port-Klaipeda is underway to become new centre of export of Uzbek agricultural products and also for Lithuanian

³²⁶ . Jacobsson, Bengt (2010), *The European Union and Baltic States : Changing forms of Governance*, London: Routledge.

³²⁷ . Peyrouse, Sebastien (June 2009), “Business and Trade Relationships between the EU and Central Asia”, *Working Paper 01, EUCAM*.

textile industry. However, all the proposals will depend on the stand of common neighbor –Russian views and its tariff policy.³²⁸

3.21. Kazakhstan's Economic Relations with BENELUX and other Important European Union's member states

Spain is also emerging important partner of Central Asian economy. Kazakhstan mainly exports to Spain minerals and chemical products, while imports include electronic and mechanical equipments, rubber and resin derived products, foodstuffs, alcoholic and non alcoholic beverages, and transport materials. Spain- Kazakhstan trade volume doubled to \$ 906 million from 2005 to 2007.

Sweden and Finland are the well established economic actors in Central Asia especially in Kazakhstan. Sweden – Kazakhstan trade volume was up to \$ 534 million, whilst Finland – Kazakhstan trade volume was \$ 732 million in 2007, which doubled since 2004/2005. Important goods and services exported from Kazakhstan to Finland include metals, chemical products, transport equipments, telecommunications materials, and also many wood derived and agriculture products. Austria – Kazakhstan trade volume was \$ 232 million in 2007, Greek, Denmark, Portugal, Ireland, Malta, Cyprus and other European states are trying to enhance their bilateral trade and commercial cooperation with Kazakhstan and other Central Asian countries. Poland – important power of Central Europe is enhancing cooperation due to significant presence of its diaspora in Kazakhstan. Regional agreements have been signed between Mazovia (Poland) and Almaty region of Kazakhstan in 2007. Poles have shown interest for investment mainly in construction sectors, agriculture and chemical sectors of Kazakhstan. Slovakia and Slovenia are trying to be present in the Central Asian market. Bulgaria and Romania are mainly interested in energy sectors related to the Caspian – Black Sea axis. Czech Republic and Kazakhstan has enhanced total trade volume up to \$ 350 million in 2007.

³²⁸ . Ibid.

Bilateral trade between Hungary and Kazakhstan increased up to \$ 350 million, which multiplied six fold from 2003 to 2007.³²⁹

3.22. Kazakhstan's Economic Relations with Major European Economic Powers

The European Union is major trading partner of Kazakhstan. The European Union is seeking to establish a place for itself in Central Asia in the face of a Chinese presence that is growing exponentially and a Russian influence that continues to be strong.

3.22.1. Kazakhstan and Germany

Germany is most developed and number one manufacturing power of Europe. It is second largest exporter in terms of volume and fourth largest global economic power. Germany considers Kazakhstan as gateway to expand economic relations into Asia.

Kazakhstan – Germany relations are based on historical, cultural and economic links and are also influenced by German diaspora in Kazakhstan. Kazakhstan ranked third position after Russia and Ukraine in terms of German of trade relations with CIS. Kazakhstan is second behind Russia for imports and is in fourth position for exports, behind Russia, Ukraine and Belarus. German- Kazakhstan bilateral trade increased from Euro 2.9 billion in 2004 to Euro 5.6 billion in 2007. Uzbekistan is second largest partner of Germany which accounted for \$ 329 million in 2007.³³⁰

Germany considers Kazakhstan as important and main energy partner in Central Asia. Germany has invested in medium sized infrastructure with high value added projects including industrial production, car and electronics industry, agriculture and training of qualified specialists etc. Kazakhstan's strategic framework for industrial and technological development aims to attract Germans for investment in industrial sectors not related to hydrocarbons that is the transformation technologies and six pilot industries

³²⁹ . Peyrouse, Sebastien (June 2009), "Business and Trade Relationships between the EU and Central Asia", *Working Paper 01, EUCAM*.

³³⁰ . Peyrouse, Sebastien (June 2009), "Business and Trade Relationships between the EU and Central Asia", *Working Paper 01, EUCAM*.

(construction, tourism, agriculture, transport infrastructure, agro-business and the textile industry).³³¹

Economic and energy interests are the primary factors of Germany in Kazakhstan as well as other Central Asian countries. Kazakhstan is also considers Germany a principal European economic ally of the EU. The bilateral trade was valued at EUR (€) 5.7 billion in 2008.³³² Kazakhstan is fifth supplier of oil to Germany. Germany mainly exports to Kazakhstan machinery, electrical equipments, chemical products, motor vehicles, and pharmaceutical products. According to Federal Statistical Office, bilateral trade was worth EUR 6.2 billion in 2014 which was 8.7 % less than the previous year.³³³ According to the Kazakhstan's Agency of Statics, German FDI in around EUR 1 billion. German – Kazakh Intergovernmental Working Group on Business and Trade (RAG) meets annually under the auspices of the Federal Ministry of Economic Affairs and Energy and Kazakhstan's Ministry of Investment and Development. It addresses the challenges of German companies operating in Kazakhstan as well as Kazakh companies in Germany. It is also exploring new areas of cooperation in funding, raw materials, industry, energy, agriculture, health care, and the environmental and tourisms industries. The eighth meeting of RAG was held in Berlin on June 20, 2014 while ninth was held in Karaganda in June 2015. The German Business Association has around 100 members (company offices and branches) and more than 200 German companies are operating in Kazakhstan.³³⁴

3.22.2. Kazakhstan and the UK

The United Kingdom has become Kazakhstan's third-largest European economic partner. The UK is also one of the largest sources of FDI in Kazakhstan especially in oil and gas sectors. The UK FDI is about \$ 11 billion in the period of 2005 -2014. The UK has

³³¹ . Ibid.

³³² . Warkotsch, Alexander (2011), (eds.) *The European Union and Central Asia*, London: Routledge.

³³³ . Federal Foreign Office, Berlin,2015.

URL:http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/Kasachstan_node.html.

³³⁴ . Federal Foreign Office, Berlin,2015.

URL:http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/Kasachstan_node.html.

designated Kazakhstan for enhancement of bilateral trade and investment list of 14 priorities in November 2012, Kazakhstan is also included in the list of six FDI priorities list for attraction of investment in October 2013. Kazakhstan initiated new legislation for that purpose in June 2014. It launched a pilot project for visa free travel of 10 countries including the UK for the period of 15 July 2014 to 15 July 2015. Bilateral trade between both countries was around \$ 1.05 billion (Export \$ 0.55 billion, Import -\$ 0.5 billion) in 2014, while the volume for same period was \$ 1.9 billion (Export \$ 1.9 billion, Import \$ 0.5 billion) in 2015.³³⁵ UK is assisting to develop Astana as main regional financial centre in Central Asia. The UK is also helping under town development partnership with towns of Kazakhstan, for example the Scottish town of Aberdeen has developed partnerships with Atyrau, Mangistau and western Kazakhstan.³³⁶

Kazakhstan exports mainly includes cooper, ferrochrome, steel, wool, fertilizer, precious and semi precious materials, while imports are essentially related to the transformation industry, foodstuff, (alcohol, and tobacco), textiles and also scientific components including transport equipments, high technology devices, optics, and chemical products etc.. The UK is also diversifying its investment other than hydrocarbon sectors such as technology and science parks and agriculture production. The United Kingdom was the largest investor after U.S from 1993 to 2003. The volume of the UK investments rose to \$3.65 billion which was 13.8 % of total FDI received by Kazakhstan.³³⁷

The leading British companies in Kazakhstan markets are BG, Shell, AMEC, BAE System, Invensys, RioTinto, Petrofac, Sun Group, Roll Royce, HSBC, RBS, Ernst&Young, Pwc, Deloitte, KPMG, SNR Denton, GlaxoSmithKline, and AstraZeneca. Most of the above companies are also listed in London Stock Exchange (LSE) and included Kazakh companies such as JSC Kazmunaigas E.P, JSC, Kazkommertsbank, JSC Halyk Bank, JSC Kcell (market of fund), Orsu Metals Corp., W Resources, Steppe Cement,

³³⁵ . The Embassy of Republic of Kazakhstan to the UK of Great Britain and Northern Ireland, retrieved on 19 January 2016, URL: <http://www.kazembassy.org.uk/en/pages/page/43>.

³³⁶ . Peyrouse, Sebastien (June 2009), "Business and Trade Relationships between the EU and Central Asia", *Working Paper 01, EUCAM*.

³³⁷ . Peyrouse, Sebastien (June 2009), "Business and Trade Relationships between the EU and Central Asia", *Working Paper 01, EUCAM*.

Max Petroleum, Tau Capital, Roxi Petroleum, Central Asia Metals, Frontier Mining, Jupiter Energy, Kemin Resources (alternative market).³³⁸

Several British companies have their significant presence in the development of Kazakhstan's economy. There are 453 joint Kazakh-British companies registered in Kazakhstan, 162 enterprises of which are with equity participation of foreign investors. London remains an attractive centre for the public offering of securities and investment for Kazakh issuers. Eight companies from Kazakhstan made a listing on the main market and four companies joined the "Alternative Investment Market" (AIM). More than a dozen Kazakh companies have placed their shares on the London Stock Exchange (LSE), while two of them are listed in the 100 largest companies "FTSE 100": a copper giant Kazakhmys and the "Eurasian Group" ENRC. Kazakh-British Trade and Industry Council (KBTIC) is an effective mechanism for the development of economic cooperation.³³⁹

The Intergovernmental Commission (IGC) on trade, economic, scientific and technical cooperation was established in 30 October 2013. Kazakhstan and the UK have engaged intensively for the enhancement of commercial cooperation with a lot of economic initiatives including establishment of the Business Council of JSC Samruk-kazyna and UKTI, and the British Chamber of Commerce representative Office in Kazakhstan which launched in London on February 2015.³⁴⁰ The UK is also cooperating in other important fields including technology and innovation in time with "Kazakhstan Strategy 2050" and "Nurly Zhol" economic programme of Kazakhstan. The 8th Kazakh – British Forum on Logistics was focal point in the UK's most historic industrial centre- Manchester in 2014. The UK is one of the important participatory states in the upcoming EXPO2017 in Astana.³⁴¹

3.22.3. Kazakhstan and France

³³⁸ . The Embassy of Republic of Kazakhstan to the UK of Great Britain and Northern Ireland, retrieved on 19 January 2016, URL: <http://www.kazembassy.org.uk/en/pages/page/43>.

³³⁹ . http://www.kazembassy.org.uk/kazakh_british_relations.html

³⁴⁰ . Ibid.

³⁴¹ . Astana Times, 4 May 2015, URL: <http://astanatimes.com/2015/05/kazakh-british-cooperation-priorities-have-expanded-with-recent-election-says-kazakh-ambassador/>

France is Kazakhstan's fifth largest trade partner after Russia, China, Italy, and Switzerland. The bilateral trade between both was around U.S \$ 8066 million (export- U.S \$ 6798 million, import- U.S \$ 1268 million) in first quarter of 2015. The Intergovernmental Commission on Economic Cooperation has been functioning since 1992.³⁴²

Kazakhstan's exports to France consist essentially of oil, metals and metallurgical, chemical and agricultural products; while Kazakhstan buys electrical, electronic and manufacturing equipment, basic consumer goods, medicines and cosmetics, cars, foodstuffs and construction materials from France. France is well known European exporter of wine, cheese, perfumes, cosmetics, cloth and accessories, seafood. France is fourth largest investor in terms of volume after the Netherlands, the United States and Great Britain. Total volume of French investments in the Kazakhstan's economy was \$ 3.76 billion including \$ 2.82 billion FDI. Bilateral economic and trade relations increased to \$4 billion in 2007, in which export dominates \$ 3.3 billion and imports about \$ 603.8 million.³⁴³

3.22.4. Kazakhstan's Economic Relations with other European Powers

The Netherlands is also important power of the EU, which now holds the Presidency of the Council of the European Union in first half of the 2016. This is a significant step for the enhancement of the EU's cooperation with Central Asian states including Kazakhstan.

The Netherlands' economy has been dependent on foreign trade in global economy. It is one of the world's largest exporters of agriculture and garden produce. The Netherlands is the tenth-largest economy of the world economy and is also one of the significant investors Kazakhstan economy.³⁴⁴ Commercial and trade relations between the

³⁴² . Ministry of Foreign Affairs Republic of Kazakhstan, "Kazakhstan –Britain Relations", retrieved on 19 January 2016, URL: <http://www.mfa.kz/index.php/en/foreign-policy/kazakhstan-s-relations/kazakhstan-eu-cooperation/16-materials-english/1108-kazakh-france-relations>.

³⁴³ . Peyrouse, Sebastien (June 2009), "Business and Trade Relationships between the EU and Central Asia", *Working Paper 01, EUCAM*.

³⁴⁴ . Peyrouse, Sebastien (June 2009), "Business and Trade Relationships between the EU and Central Asia", *Working Paper 01, EUCAM*.

Netherlands and Kazakhstan have been extended to comprehensive partnership. The Netherlands invested around \$ 39 billion including over \$ 7 billion FDI between 1993 to 2008. Main areas of investment are in energy sectors, transformation industries, the financial sectors, transport and communications. Luxembourg has been cooperating with Astana in banking sector including training of financiers and bankers, glass manufacturing, air freight transportation through Cargolux Company. Bilateral trade was around \$ 2.8 billion, including Kazakhstan's export around \$ 2 billion.³⁴⁵

Belgium is ranked 13th Kazakhstan's European trade partner. The main areas of commercial relations dominate including Kazakhstan's export to Belgium are machinery, textiles, agribusiness and chemical products, industrial and electronic equipments. Trade volume between Brussels and Astana increased from \$ 69.9 million in 2003 to \$ 297 million in 2007.

Italy is also important European partner of Kazakhstan. AGIP Leadership in the North Caspian Sea Consortium in Kashgan played important role to strengthen bilateral ties between Astana and Rome. Bilateral trades includes agriculture and agriculture equipments, industry resources, light industry, foodstuffs etc. Bilateral economic and trade relations increased considerably to \$ 8.9 billion in 2007, in which Kazakhstan's export was \$ 7.7 billion and imports about \$ 1.2 billion.³⁴⁶

3.23. Global Economic Crisis, Euro zone Crisis and its Impact on Kazakh Economy

In 2008-2009, the world experienced by far the severest global recession since the Great Depression.³⁴⁷ Following the demise of the "Lehman Brother" in U.S in August, later episode of enduring Euro sovereign debt crisis led to the first global economic crisis of the 21st century.³⁴⁸ The economic recession and financial crisis of 2008/09 was a heavy blow to the global leading economies and also it impacted on Kazakhstan's economy.

³⁴⁵ . Ibid.

³⁴⁶ . Ibid.

³⁴⁷ . IMF, 2009

³⁴⁸ . Pilkington, Marc (2014) Global Financial Crisis and the New Monetary Consensus, London: Routledge.

Neo - liberal policy has greater impact on market based economy of Kazakhstan because it follows the microeconomic policies of “Washington Consensus” – including trade liberalization and openness to FDI. Economic crisis has weakened Central Asian states that made them more anxious to seek foreign assistance. These challenges forced new opportunities for external actors mainly Russia, China and the EU for enhanced cooperation in Central Asia.

Economic growth has become important source of legitimacy for the authoritarian political system in all Central Asian states since 1991. A stronger economy provides base for ambitious political action and programmes. At the opposite end, an economic downturn and recession breed social tension and threat to the political order. Kazakhstan has become the largest economy in the region. It enjoyed 8 to 9 % growth rate due to high prices of oil and metals. The ‘fat years’ ended in 2007 with US subprime crisis especially in banking sectors. It hit the construction sector of Kazakhstan, which is important pillar of the booming Kazakh economy. Low prices of oil and metals hit the export sector of Kazakhstan³⁴⁹. Government of Kazakhstan opened up the national oil fund to pump money into the economy. The Kazakh government invested around \$19 billion mainly in construction, banking, agriculture and other important sectors.³⁵⁰

The EU has been making number of positive efforts in Central Asia. The European Parliament approved the ‘Interim Trade Agreement’ with Turkmenistan, while Ashgabat promised for the Nabucco pipelines. The European Commission signed Memorandum of Understanding (MoU) with European Investment Bank (EIB) and the European Bank for reconstruction and comprehensive cooperation with Russia and Central Asian States in December 2006. The European Union has also made all Central Asian states eligible for investment through European Investment Bank despites poor human rights records

³⁴⁹ . Kassenova, Nargis (October 2009), *The Impacts of the Global Economic crisis on Central Asia and its implications for the EU engagements*, EUCAM Working Paper.

³⁵⁰ . See, President Nurusultan Nazarbayev’s speech at the 21st Foreign Investors Council Plenary Session, 12 June 2009.

especially in Turkmenistan and Uzbekistan. The European Council set guidelines for investments in November 2008.³⁵¹

The EU New Strategy provides new technical and financial assistance to Central Asian states. The EU has allocated doubled assistance to the region to Euro 79 million for 2007-2013. This assistance allocated for regional cooperation mainly in following fields³⁵²:-

- Environment;
- Networks;
- Border and migration management;
- Fight against international crimes and customs;
- Education, scientific and people to people connectivity.

The European Union has provided additional aid to the most impoverished state – Tajikistan. The EU also supported Central Asian states including Kazakhstan’s entry into the WTO under EU’s new strategy.

3.24. Kazakhstan’s Economic Diplomacy towards Eurasian Economic Union (EEU)

Kazakhstan is founder member of the Eurasian Economic Union (EEU) along with Russia and Belarus. It was established in 2007, which came into force on January 1, 2015. Russia has geopolitical prospects of the creation of the EEU. It would be also next pillar in the pan European security architecture. It is mainly focused to extend its membership to the countries of the post - Soviet space including Central Asian states, Armenia etc. It has also future plan to accommodate Vietnam and Turkey. Article 42.6 of EEU that was signed in May 2014 permits acceded states to use lower import duty rates after their accession. The views of Astana, Moscow and Minsk do not tally on the issues of Ukraine and recognition of Crimea.³⁵³

³⁵¹ . Kassenova, Nargis (October 2009), *The Impacts of the Global Economic crisis on Central Asia and its implications for the EU engagements*, EUCAM Working Paper.

³⁵² . Ibid.

³⁵³ . Hett, Felix and Sussanne Szkola (Feb 2015)(eds.) *The Eurasian Economic Union: Analyses and Perspectives from Belarus, Kazakhstan and Russia*, Working Paper, Friedrich Ebert Stiftung, retrieved on 2 June 2016, URL: <http://library.fes.de/pdf-files/id-moe/11181.pdf>.

President Nursultan fully supported the agenda and objectives of the EEU during his press conference on 21 December 2014. He remarked that creation of EEU is the most important historical event of the year (2015). President Nazarbayev is also founding father of this integration project. He projected this idea since 1994, who wanted to create legacy as the “great integrationist” of the post - Soviet space. But, Astana wants EEU to be purely economic dimension of the process of integration. Kazakhstan seeks have to access commercial market and cross border trade without any economic and political hurdles through EEU. Kazakhstan also seeks the land transport link to connect to Europe and Asia market through its land connectivity, which will lower the transport cost and reduce dependence on Russian and Belarusian rail networks. But, there is also strong anti - Eurasian sentiments in the society of Kazakhstan. They see that EEU is serious threat to the national sovereignty and territorial integrity of Kazakhstan. In 2012, opposition also proposed referendum on Kazakhstan’s membership of the EEU, the Customs Union and single economic space.³⁵⁴

The EEU is focusing on the creation of common market, a Customs Union, standardized currency exchange. EEU would be creating a single space of free market, flow of capital, services and labour. It could also be a single financial market and market for oil and gas. But, in reality, it is impossible that Russia will provide equal treatment to Kazakhstan. EEU member states’ trade with China especially Kazakhstan will need consent of Russia for further agreements. The future of EEU will be determined by the economic and geopolitical factors. The economic tension between Moscow, Minsk and Astana, bilateral relations of Astana and Minsk with Western world will also be affected by Russia’s geo - strategy in the post Soviet - space.

Comparison of EU, European Economic Union and Eurasian Economic Union



Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*,
URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

3.25. Concluding Remarks

Economy, trade and energy are key areas of bilateral relations, having big potential for future of Kazakhstan –the EU economic relations.

Kazakhstan inherited an extremely complex economy that had been highly integrated into the markets of Soviet era, which plunged into free fall after independence. Kazakhstan experienced severe economic crisis. Kazakhstan President Nursultan Nazarbayev also started search for a “model of development” to reshape the economy in the first stage of economic reforms. He looked the successful model of Japan, South Korea, Malaysia, Singapore and Germany.

Kazakhstan pursued radical economic reforms including price liberalisation, privatisation, financial and industrial reforms, independent currency (Tenge), labor reforms, and currency convertibility. Macroeconomic reforms were successful in accelerating the capacity of GDP in last two decade. Presence of fossil fuels and other hydrocarbon resources in post - Soviet space particularly in Kazakhstan and Central Asia provided the

new dynamics of cooperation after the collapse of the Soviet system in the era of economic globalisation. The EU is highly reliant on the export of energy and its security of supply from Kazakhstan. European energy security strategy towards Central Asia also depends on the Russia's energy pipelines.

Kazakhstan enjoys the use of European experiences in designing policies. Structural changes in its economy required enhancing the national absorption capacity with advanced application of technology. The European Union and its member states are important investors in Kazakhstan economy. The EU is accounting for 40.8% of the total Kazakhstan Foreign Direct Investment in 2004. The EU has invested hugely in agriculture, food processing, engineering, construction, banking, transport services, education, and energy sectors, besides oil and gas sectors in Kazakhstan.

One can say that Kazakhstan is one of the fast emerging economies of Central Asia, with huge natural resources of oil and gas. It occupies a strategic location in the Central Asian region, and has key role for EU in terms of energy and economic security. The European Union is the major trading partner of Kazakhstan. Kazakhstan-EU partnership has been focused on basic elements such as respect for democracy and rule of law, protection of human rights and market economy principles. Partnership and Cooperation Agreement (PCA) offers Kazakhstan comprehensive cooperation in all non- military spheres, mainly trade, investment and economic relations and cultural interaction. Kazakhstan has been slowly becoming an important supplier of energy to European nations. EU and its member states are major sources of the flow of FDI in Kazakhstan's economy, thereby becoming an important catalyst for economic and industrial growth of Kazakhstan. Energy is among the key priorities of the European Union policy towards Kazakhstan. European Union provides constructive and positive cooperation in the economic growth of Kazakhstan.

The Strategy for new partnership aims at enhancing bilateral and multilateral relations with all Central Asian states. These initiatives started with "Technical assistance Commonwealth of Independent States" (TACIS), which was later replaced by "Development Cooperation Instrument" (DCI) in 2007. The DCI has inclusive objectives of Millennium Development Goals (MDGs) with multi annual indicative programme

(2007-10, 2011-2013) in the Central Asian states. The new multi - indicative programme (2011-2013) provides for Euro 321 million. It allocates Euro 216 million and Euro 105 million for regional cooperation. This is the new experience of policy capacity building for Central Asian states. The EU and its member states are also supporting the advancement of constitutional, legal and judicial reforms in the region through regional cooperation. Border management, water, environment, education, stability, security, economic and institutional reforms, civil society and people to people contacts are the primary concerns for the regional strategy cooperation (2007-2013) in Central Asia.

The EU actively plays the role of power of balancer for the Central Asian states taking into account Russian and China's influences. The EU has been engaging through joint efforts for development cooperation and phase wise implementation of governance model. The EU, OSCE and European Council have been a crucial factor in the domestic, political, social and economic changes in Kazakhstan and other Central Asian states. Kazakhstan has shown interest in strengthening bilateral and multilateral economic and energy cooperation with the EU and its member states. The European Union is struggling with the euro zone crisis and the other impact of the global financial crisis. It is trying hard to find out the solution of present economic and financial crises including Greece crisis, which damaged the global image of the EU. Baltic States are one of the important gateways of export of Central Asian products particularly cotton and metallurgical products to European markets. Latvia, Lithuania and Estonia are important trade partners of Kazakhstan.

Ukraine –Russia gas dispute in January 2006, energy security, recent unrest in Ukraine crisis and its regional and global impact has also changed the dynamics of energy politics and cooperation. The EU realises the importance of energy potential of Central Asia and also geo-economics views of Russia and China.

CHAPTER –FOUR

DEFENCE AND SECURITY RELATIONS

4.1. Introduction

The concept of defence and security cooperation has changed after the end of Cold War and also after the September 2001 terrorist attacks. The innovative approach for enhancing defence and security relations is characterised by new dynamics of traditional and non-traditional threats in the context of national, regional and global security design of hard and soft power security perspective of international relations. New challenges of security including political, societal, economic and ecological risks provide the new opportunities for bilateral, multilateral framework of security and defence cooperation in the global politics.

Security was defined primarily in the context of military with the national security of the territorial states before the end of Cold War in the international relations. Traditional security thinking dominated the world order before the emergence of 'New World Order' in post-Cold War era. While, liberal institutionalist approach of security thinking is influenced by distinction between hard power and soft power. Critical theories of studies of security has included the broader perspectives including post-Marxism, feminism, peace studies, and post modernism in the international relations.³⁵⁵ The design of security frame cannot only be political, military; it is also economic, ecological and social. It must ensure the fulfillment of aspirations of humanity as a whole.³⁵⁶ Many international scholars assume that Cold War was based on the concept of balance of power. Realist Hans Morgenthau points out that "alliances are the most important manifestation of the balance of power", while Stephen Walt views alliances as the result of a "balance of threat".³⁵⁷

Strategic location of Kazakhstan in the heartland of Eurasia has historical privilege being at the crossroad of two continents. Geographic location by itself is an enviable military

³⁵⁵ . Gartner, Heinz, Adrian Hyde-Price and Enrich Reiter (2001), (eds.) *Europe's New Security Challenges*, London: Lynne Rienner Publishers.

³⁵⁶ . Das, Onita (2013), *Environmental Protection, Security and Armed Conflict: A Sustainable Development Perspective*, Massachusetts: Edward Elgar Publishing Ltd.

³⁵⁷ . Gartner, Heinz (2001), "European Security, the Transatlantic Link, and Crisis Management" in Heinz Gartner, Heinz, Adrian Hyde-Price and Enrich Reiter (eds.) *Europe's New Security Challenges*, London: Lynne Rienner Publishers.

asset, which provides opportunity to act either as a bridge or barrier in strategic global politics. Military power and related balance of power equations continue to be as relevant in the emerging era of “multi- polar world order” and in the age of globalisation as it was earlier in history of military and defence relations in the international security. Strategic dilemma of choice between economic integration and military ties are still primary factor of strategic autonomy of bilateral and multilateral cooperation in the international affairs of 21st century. Economic and security multilateralism are essential components of the European Union’s policy towards Central Asia. Greater involvement of major powers including the EU, Russia, China, US, Turkey, Iran, India and Pakistan in terms of geopolitical influence and struggle for energy resources designs the new ‘Great Game’ in Central Asia after 2001. The European Union has been engaged through wide variety of interest from energy security to soft security activities in Central Asia.

The terrorist attacks on 11 September 2001 and the subsequent global anti - terror war in Afghanistan, which is neighboring state of Central Asian countries changed dynamics of security and defence of Central Asia. It compelled global major powers for intensive security cooperation with Kazakhstan and other Central Asian countries in the post 9/11 era of bilateral and multilateral security concerns. Rise of China, Russian President Putin’s new model of security - diaspora diplomacy in the context of annexation of Crimea and also in Ukraine Crisis in 2015, interventions in Syrian crisis, and the EU response to Ukraine and current Syrian crisis, recently terror attacks in Paris (November 2015), and Brussels (March 2016) set foreign policy in international relations through a security lens. Regional and global security remains a continuous priority of the European Unions’ foreign and defence policy under “Strategy for New Partnership with Central Asia”.

The end of the Cold War created major paradox for the European’s liberal democracy. Central Asia has become focal centre of the “European Security Strategy” and “Neighborhood Policy” and especially Germany’s security interests in Central Asia in post 9/11 era. It created tensions among the principles of foreign and security policy of

major powers and the EU. The War on terror set the new frame of collective security among the European powers and US towards Afghanistan and Central Asia.³⁵⁸

Kazakhstan's multi vector foreign security policy has changed the dynamics of pattern of comprehensive engagements with the EU and its member states. The EU's different security strategies and regional security interests are part of intensive engagements in all spheres of cooperation with Kazakhstan and other Central Asian republics in the context of the emergence of new global order. The collapse of the USSR has changed the dynamics of Eurasian security with different priorities and concerns across the post - Soviet Space. Kazakhstan has been playing significant role in the stability, peace and regional security cooperation in Central Asia after the post 9/11 terror events in 2001.

The demise of the USSR provided a new set of security challenges in the Central Asia. Traditionally, military and security aspects have dominated Russian's relations with Central Asian countries. Russia, U.S, China and the EU have strategic rivalries among them in the context of geo - economics and geo - politics. The contours of new multi - vector foreign policies of Kazakhstan for regional multi - lateral cooperation determines the influence of major powers of international relations. Fall of the Taliban regime in November 2001 improved the general security situation in Central Asia. Central Asia has been emerged as region of Great Game that predicated by the theorist and scholars of geopolitics. Idea of the Sir Mackinder in terms of 'heartland' has reshaped new geopolitics of Central Asia in the 21st century.³⁵⁹

The Complexity of regional security, ethno –political conflicts, regional - political character, and transnational crimes is the main sphere of security cooperation. This chapter examines Kazakhstan's security situation and threat perceptions and implications for the EU, NATO, and OSCE. This chapter analyses the development of Kazakhstan's security policy since independence, and to determine how the EU and its member states supported Kazakhstan's security building efforts for mutual benefit. EU policy towards

³⁵⁸ . Longhurst, Kerry and Marcin Zaborowski (2005) (eds.), *Old Europe, New Europe and the Transatlantic Security Agenda*, London: Routledge.

³⁵⁹ . Laruelle, Marlene etc. (2010), *China and India in Central Asia: A New Great Game*, New York: Palgrave Macmillan.

Kazakhstan has been a key factor in addressing domestic, regional, and international security challenges in Central Asia. Role of Russia is still a significant factor in influencing Kazakhstan's security development and China wants to play its own card in determining regional security policy. Kazakhstan's bilateral security cooperation with EU, NATO, OSCE, and USA counter balances the influence of Russia and China. Kazakhstan is emerging as a natural and indispensable ally of EU, NATO and OSCE in Central Asia.

4.2. Geo - Strategic Significance of Central Asia for the European Union

International scholar Sir Mackinder refers Central Asia and the Caspian Sea region as the heart of his heartland theory of geopolitics. Geostrategic location of Central Asia with enormous energy and natural resources, Caspian region's untapped gas and oil reserves have provided the fertile ground of the 'new round of Great Game' in the post - Soviet space in post Cold war era especially after 9/11 terror events.³⁶⁰ Sir Mackinder argued that power, which dominates the Eurasian heartland (including Central Asia and Caspian Sea region), would be greatest land power on the globe. This prediction become true after Moscow victory in World War-II changed the dynamics of the European influence around the world. The USSR emerged as superpower with US in post World War-II order of global politics. Sir Mackinder also mentioned that whoever controls Eastern Europe rules the heartland and whoever rules the heart land rules the World Island. The U.S security planner after World War-II, which strategy was based on the Sir Mackinder's theories saw the USSR- the heartland power –as fundamental threat to the U.S security interests, this was formulated the containment policy against the Soviet geographical and ideological expansion in the Cold war era.³⁶¹

Britishers realized the Indian historical links with Central Asia and Caspian region. Therefore, they exploited this link as per their geopolitical objectives during the World

³⁶⁰ . Kaushik, Devendra (2011), "New Geo politics of Hydrocarban Resources : An Eurasian Perspectives" in K. Warikoo (eds.), *Central Asia and South Asia : Energy Cooperation and Transport Linkeges*, New Delhi : Pentagon Press .

³⁶¹ . Reiter, Erich (2011), *New Global Politics: Reflection on the Return of Geopolitics to Central Asia and its effect on European Security*, in Heinz Gartner, Adrian Hyde-Price and Enrich Reiter (eds.) *Europe's New Security Challenges*, London: Lynne Rienner Publishers.

War –I. The British Indian authority sent Indian soldiers under General Malson based in Meshed in Iran to prevent the Baku oilfields from falling into German hands. The British Indian authority also used Central Asia and Transcaucasia region for military strike against other powers before the Russian revolution in 1921.³⁶²

Central Asia is at the crossroad of geographical proximity of Russia, China, Middle East, South Asia and Europe. The old Silk Route connectivity provided the transcontinental bridge to facilitate multilateral exchanges. It was zone of triangular geopolitical rivalries between Russia, Britain and China, known as ‘Great Game’ of Nineteenth and early twentieth Century of global history.³⁶³

The end of Cold War and demise of USSR led to independence of Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, and Kyrgyzstan. The political transition has been marked by significant turmoil, including the “1992-1997 Civil War” in Tajikistan, the 2005 severe violence in Andijon, Uzbekistan, and called “Tulip Revolution” in Kyrgyzstan in 2005.³⁶⁴ September 2001 terror attack and Afghanistan crisis in post - 2001 have been relevant for analysis of Central Asian and European security in the dynamics of regional and global security including European security.

Important scholars like Roy Allison and Lena Jonson point out that Afghanistan should be considered within ‘wider’ Central Asian security complex including unrest and violent struggles in the cross border instabilities in the northern and eastern part of China, security relevant interaction across the Kazakh – Russian border, and also Central Asian Caucasus regional security links due to new transport and ongoing pipeline projects.³⁶⁵ Central Asia is also zone of the complex emergencies including ethnic conflict, border and territorial disputes, junction of illegal drugs and arms. U.S and European Union (EU)

³⁶² . . Kaushik , Devendra (2011), “New Geo politics of Hydrocarban Resources : An Eurasian Perspectives” in K. Warikoo (eds.), *Central Asia and South Asia : Energy Cooperation and Transport Linkages*, New Delhi : Pentagon Press .

³⁶³ . Warikoo, K. (2012), “India and Central Asia :Potential Implications for Power Rivalries in Eurasia in P.L.Dash (eds.) , *India and Central Asia : Two Decade of Transition*, Oxford University Press.

³⁶⁴ . Ambassador Karl F. Inderfurth, (2007), *Instability and Security in Central Asia: Foreign Policy Implications*, Discussion Paper, 2nd Berlin Conference on Asian Security (Berlin Group) with SWAP, Accessed on 29 April 2016, URL: http://www.swp-berlin.org/fileadmin/contents/products/projekt_papiere/Inderfurth_ks.pdf.

³⁶⁵ . Ibid.

have enhanced its influence through economic engagements and security cooperation (via NATO's Partnership for Peace Program) after 9/11. Central Asian states are facing weak national security system. Stability of these states depends upon the major powers cooperation. Nontraditional security threats are severe challenges in the Central Asia. Ukrainian crisis, Crimea annexation by Russia in 2014 and the Syrian crisis now have significant effects on the EU's geostrategic perception of regional security cooperation in Central Asia and its surrounding post -Soviet Space. The EU's new geostrategic vision under "New Strategy for Central Asia" seeks to intensify cooperation based on the pro active, political, economic and people to people interactions either individually or collectively with Central Asian states.

4.3. The Concept of Security in the context of the Central Asia

The priorities of security in Central Asia are to establish political regime security, deals with non - traditional security threats like Islamist extremism, civil war, human security, drug trafficking, Afghanistan crisis and its threats and influences of great powers including powerful neighbors Russia and China. Security in Central Asia is enhanced by maintaining geopolitical balance of great powers and reinforcement of national sovereignty through economic development.³⁶⁶

Contemporary uneasy relations between the European Union - Russia and Russia - NATO have impact on Kazakhstan's security relations with EU and other important institutions of Europe after the Cold War.³⁶⁷ Russia's action in South Ossetia, Georgia War of summer 2008, recent EU and Russian's interferences in Ukraine Crisis 2014, NATO's defence and Security cooperation under 'Partnership for Peace' (PfP) with Central Asian states including Kazakhstan, EU's perspective of security cooperation with Central Asian states after September 11, 2001 have changed the dynamics of global security and defence cooperation and also Russia – Atlantic relations in international relations in the context of Central Asia and its surrounding region.

³⁶⁶ . Peyrouse, Sebastien (2012), "Power Differential and Security issues in Central Asia", in Robert E. Bedeski (eds.), *Eurasia's Ascent in Energy and Geopolitics: Rivalry or Partnership for China, Russia and Central Asia?*, London :Rutledge.

³⁶⁷ . Pouliot, Vincent (2010), *International Security in Practice: The Politics of NATO –Russia Diplomacy*, Cambridge: Cambridge University Press.

NATO led 'Operation Enduring Freedom' in Afghanistan post 9/11 affected the security scenario in Central Asia. China and Russia led Shanghai Cooperation Organization (SCO) with four Central Asian states has larger framework for regional security cooperation in Central Asia.³⁶⁸ The security dynamics of Central Asian states has been dominated by mainly the security diplomacy between Brussels, Moscow, Beijing and Washington in international politics in the post of 9/11 era. The threat perception of China and common strategic objectives of China and Russia through their different political, economic and security organisations formations for regional integration in Central Asia have led the Central Asian countries to enhance their relations with other great powers especially EU and USA.

The main geopolitical uncertainty that comes from Chinese proximity has amplified threat perceptions marked by cultural and human security issues in Central Asian states. Xinjiang is the basic concern of Chinese diplomacy in terms of cultural and economic cooperation. Central Asia has strategic value in Beijing's hegemonic views.³⁶⁹ Political interests of People Republic of China to control Uyghur activists and their activities living in Kazakhstan, Kyrgyzstan and Uzbekistan. The Central Asian counties have bent to Chinese pressure by not allowing Uyghur groups to operate and conduct their anti China activities in Central Asia.³⁷⁰

4.4. Strategic Culture and Regional Security in Central Asia

In the realm of military and security affairs, security and defence policy of Kazakhstan and other Central Asian states has been influenced by the external powerful actors including US, Russia, China, NATO, OSCE and the EU after 9/11 era.

The foundation of modern strategic culture lies in diplomatic and military history, sociology and political culture. Critical context including geography, climate, and

³⁶⁸ . Pouliot, Vincent (2010), *International Security in Practice: The Politics of NATO –Russia Diplomacy*, Cambridge: Cambridge University Press.

³⁶⁹ . Peyrouse, Sebastien (2012), "Power Differential and Security issues in Central Asia", in Robert E. Bedeski (eds.), *Eurasia's Ascent in Energy and Geopolitics: Rivalry or Partnership for China, Russia and Central Asia?*, London :Rutledge.

³⁷⁰ . Spechler, Martin C. and Dina R. Spechler (2005), "Conflicts and Cooperation in Central Asia after 9/11" in Ariel Cohen (eds.), *Eurasia in Balance: The US and the Regional Power Shift*, England: Ashgate Publishing Limited.

resources may impact security policy development. Political culture and defence organisations of any state are also important source of strategic culture.³⁷¹ Strategic culture sometimes challenges and always enriches prevailing neo realist presumptions about Central Asia. It provides a bridge between material and ideational explanations of state behavior and helps capture the tension between neoclassical realist and constructive approaches. The strategic culture in the behaviors of Kazakhstan and other Central Asian states, the EU and its member states especially Germany, Russia, China, US, Islamic world etc. shows the contrast between structural expectations and cultural predispositions, as realist geopolitical security threats, opportunities to interact with domestic elites, disputes over territory and resources and distinctive political military culture to influence security policies. Rise of Chinese influence, Russian military interventions in post -Soviet space, US and NATO led global anti terror campaign in Afghanistan, emerging crisis in surrounding region of Central Asia including Middle East region, Syria, Turkey, Iran have significant impact on the strategic culture and regional security cooperation in Central Asia.

The military capabilities, border and other security forces' capacity of Central Asian states are limited as compared to those of neighboring states such as Russia, China, Iran, Germany etc. Therefore, these five states forged comprehensive and strategic security and defence ties with the EU and its member states, Russia, China, US, along with the European global military organization NATO, and also OCSE, SCO. Kazakhstan also actively participated in the annual ongoing military exercise "Steppe Eagle" with U.S, UK.

4.5. Kazakhstan's Defence and Security Diplomacy

Kazakhstan has the largest territory geographically connecting Europe, Russia and China. Security is the cornerstone of the Kazakhstan and EU relations. It is located at heartland of Eurasia. Kazakhstan is a middle weight power in global politics. It faces new strategic challenges in the geopolitics of Central Asia in the post 9/11 era. Kazakhstan also suffered a deadly terrorist attack on 12 November 2012 by radical Islamic terror

³⁷¹ . Lantis, Jeffrey S (2015), "Strategic Cultures and Security Policies in Asia –Pacific" in Jeffrey S Lantis (eds.), *Strategic Cultures and security Policies in the Asia Pacific*, London: Routledge.

organisation in the southern city, Taraz. This terror attack changed the internal security dynamics of Kazakhstan.³⁷² The geographical location of Kazakhstan, sandwiched between the two nuclear states in the world, the Russian Federation and China determine the complexity of Kazakhstan's security policy. It has been practicing trajectory of multi vector security diplomacy to maintain strategic partnership with major global actors, both states and institutions.³⁷³

The idea of 'multi vectored' approach of Kazakhstan's foreign defence policy provides the opportunities of multilateral security and defence cooperation with EU and other important major powers.

President Nazarbayev pursued closed relations with Russia and Commonwealth of Independent States (CIS) for security and economic reasons. Kazakhstan declared a new military doctrine for internal security threats including terrorism, separatism and intra - regional security threats in 2011.

The concept of security policy of Kazakhstan is based on the following five documents³⁷⁴:-

- The Constitution, 1995/2007
- The Military Doctrine 2011
- The Law on National Security, 2012
- Kazakhstan 2050 Strategy, 2012
- The Foreign Policy Concept, 2014

Kazakhstan Law on National Security also included the "National Security Strategy" (NSS). It is de facto 'NSS' of Kazakhstan. It covers all aspects of NSS including priorities of national interests, security types, policy objectives, threats and responsibilities for securing national interests in regional and global scenario. The

³⁷² . Voloshin, Georgiy (2012), "Kazakhstan and Central Asian Security", *The Fletcher Forum of World Affairs*, winter 2012, Vol. 36:1

³⁷³ . Hass, Marcel De (2015), "Kazakhstan Security Policy: Steady as She Goes?" , *The Journal of Slavic Military Studies*, 4 November, 28:4, 621-645, retrieved at 17 January 2016, URL: <http://www.tandfonline.com/doi/pdf/10.1080/13518046.2015.1094939>.

³⁷⁴ . Ibid.

Kazakh new security diplomacy also covers economic, social, financial security, environmental security. Kazakhstan was the first in the world to close the nuclear testing sites (Semipalatinsk), abandon nuclear weapons, its efforts to establish a “Nuclear Free Zone” in Central Asia and support the global efforts against terrorism.³⁷⁵ Kazakhstan voiced general support for global war against international terrorism in Afghanistan and Iraq. Kazakhstan and Uzbekistan were the only frontline states that joined the “Coalition of willing” in 2003 that endorsed U.S led coalition military operation in Iraq. Kazakhstan legislature approved sending military engineers to Iraq in response to the US appeal for support in 2003.

European Union offered the chairmanship of OSCE to Kazakhstan in 2010, which was a milestone of paradigm shift of security policy orientation towards Europe. But, at the same time Kazakhstan new military doctrine intensified multi lateral ties within the frameworks of CSTO and SCO.³⁷⁶ Kazakhstan is enhancing military relations with NATO and its members through Partnership for Peace. President Nursultan Nazarbayev described its “multi vector model beacon of ambitious strategy in international relations.”³⁷⁷

The collapse of the Soviet Union in 1991 completely changed the security environment of the world and also of Central Asia. Kazakhstan’s defence -military relations have been based on the pragmatic approach, national interest, security and strategic concerns over Kazakhstan and Central Asia. Kazakhstan has common borders with China (in the East) and Russia (in the North). It is located near Afghanistan, India and Pakistan (in the south) and also shares the Caspian Sea with Iran (in the west). Central Asia and its neighboring countries in the south, west and east cover half of the world’s territory, half of the world’s population and half of the world’s nuclear power. Kazakhstan with its growing economy and natural resources is situated right in the middle of the region, in the centre of this circle of instability. The importance of supporting security development in Kazakhstan and Central Asia has been underlined in much of the recent literature.

³⁷⁵ . Ibid, URL: <http://www.tandfonline.com/doi/pdf/10.1080/13518046.2015.1094939>.

³⁷⁶ . McDermott, Roger N. (February 2009), Kazakhstan’s Defense Policy: An Assessment of the trends, retrieved from <http://www.StrategicStudiesInstitute.army.mil/>

³⁷⁷ . Ibid..

Kazakhstan prepared its military doctrine, which was adopted in 1993 and 2000. The main objectives of this doctrine are reforms in defence to strengthen the military power of the country, comprehensive military and defence cooperation with great powers and develop reliable and professional armed forces. Since 1991, Kazakhstan has been restructuring its forces into three branches, i.e.: ground, air and naval.³⁷⁸

The military doctrine was written in 2000 and restructured its armed forces. The organization of armed forces is divided into four military Districts: Southern, western, Eastern, and Central. Kazakhstan held its first largest military exercises in three southern oblasts (regions) in July 2001. U.S has been ready to assisting with International Military Education and Training (IMET) programe. At the same time, Germany and Turkey were agreed to train Kazakhstani officers in their countries.³⁷⁹

Kazakhstani President Nazarbayev's controversial step to send 'Kazakhstan's embryonic peacekeeping battalion (KAZABAT) under Polish command in Iraq in 2003, was taken under the influence of 'Kazakhstan – U.S strategic cooperation'. "KAZABAT" was withdrawal from Iraq at the request of Iraqi government in October 2008.³⁸⁰

Several scholars opined that Russia factor plays and will continue to play an important role in Kazakhstan's security developments. After the September 2001 events Kazakhstan started building better-equipped, mobile armed forces and conducting military reform with the support of EU and USA. The increased levels of U.S. military aid and cooperation have added to these factors. Astana wishes to benefit from these developments, enhancing its anti-terrorist capabilities and securing new military hardware, regardless of its source. Allison Roy and Lena Johnson argue that the growing role of the United States and China in the region reduced the traditional role of Russia in this sphere. This will reduce the influence of Russia on Kazakhstan's foreign policy.

Bilateral treaties and coordination efforts between Kazakhstan and Uzbekistan in 1992 were enlarged with the formation of a trilateral grouping (Kazakhstan, Uzbekistan and

³⁷⁸ . Olcott, Martha Brill. (1995), *The Kazakhs*, California: Hoover Institution Press.

³⁷⁹ . McDermott, Roger N. (February 2009), Kazakhstan's Defense Policy: An Assessment of the trends.

³⁸⁰ . Ibid, retrieved from <http://www.StrategicStudiesInstitute.army.mil/>

Kyrgyzstan) by including Kyrgyzstan in February 1994, which resolved to address, among other matters, water sharing, combating drug trafficking and military cooperation. The three states formally created a “Central Asian Economic Community” (CAEC), and started working on mutual security formations. As a result, a Central Asian Peacekeeping Battalion (CENTRASBAT) was formed, which is viewed as the success of U.S. policy in the region being focused on strengthening cooperation between Central Asian countries. Oliver Roy argues that “Russia and the United States are the only powers that wish or are able to develop policy towards Central Asia from a broad strategic perspective, which carries the risk of generating alternative regional alignments”.³⁸¹ Kazakhstan is taking advantage of its multi vector defence diplomacy to pursue defence and military cooperation with Russia led CSTO, China led SCO, and European led OSCE, NATO. Kazakhstan got observers status in the NATO executrices within the Partnership for Peace programme in 1995. Kazakhstan also participated annually in “Steppe Eagle” exercise for peacekeeping forces and in the US International Military Education and Training (IMET) and Foreign Military Financing program (FMF).³⁸²

9/11 terror attacks was turning point of shift of military and security policy of Kazakhstan. Kazakhstan emphasized several serious challenges to its security, Central Asia and Russia for bolstering nuclear disarmament, continuing the “Corfu Process” dialogue on the future of European Security (including discussion of Russia’s draft European security Treaty), appointment a Special Representative of the OSCE Chairman to promote dialogue on protected conflicts in the former Soviet Union and cooperation initiatives regarding Afghanistan in 2010.

The ‘Military Doctrine 2011’ has outlined the ‘National Security Strategy’ and the ‘Law on the National Security 2012’. These are primary pillars of the national defence and security policy. Astana also planned the broader security framework of Central Asia as well as post - 2014 Afghanistan’s situation and security concerns for Kazakhstan. One of

³⁸¹ . Allison, Roy and Leena Jonson (2001), *Central Asian Security: The New International Context*, Washington: Brooking Institutes.

³⁸² . Sharip, Farkhad (2011), *Eurasia Daily Monitor*, 9/28/2011, Vol. 8 Issue 178, p6-8, retrieved on 17 January 2016, URL: <http://eds.a.ebscohost.com/eds/pdfviewer/pdfviewer?sid=eed5bafb-e698-4283-ab5a-245cc3dc12f9%40sessionmgr4004&vid=0&hid=4211>.

the important members of draft of “Military Doctrine 2011” and other security documents, Colonel (Retired) Georgiy Dubotsev stated that “The greatest threat to Kazakhstan’s security and regional stability over the midterm are an unstable domestic, economic and social climate; growth of the ethnic and demographic tension in some neighbouring countries, which could push much of the population towards extremist fighting methods, transnational terrorism and religious extremism; organised crime; arms and drug trafficking; shortage of natural resources, especially water; and deterioration of the environment”.³⁸³

Kazakhstan has issued four military doctrines since 1993. The ‘Military Doctrine 2011’ has outlined following external and internal threats in “section 3.1” to the national security of Kazakhstan. Internal threats are following³⁸⁴:-

- Extremist, nationalist and separatist movements, organization and structures seeking to destabilized the domestic situation and change the constitutional order through armed method ;
- Illegal armed groups;
- Illegal proliferations of weapon, munitions, explosive and other devices that could be used for the sabotage, terrorist acts, or illegal actions.

External threats are following³⁸⁵:-

- Military conflict flashpoints close to the Kazakh border;
- Increasing influence of the military –politico organisations and unions to the detriment of Kazakhstan’s military security;
- Socio - political instability in the region and likelihood of the armed provocations;
- Activity of the international terrorist and radical organisations and groups including cyber terrorism and growing religious extremism in neighboring states;

³⁸³ . McDermott, Roger N. (2013), “Central Asian Security POST 2014: Perspectives in Kazakhstan and Uzbekistan”, *DIIS Report 2013:12*.

³⁸⁴ . McDermott, Roger N. (2013), “Central Asian Security POST 2014: Perspectives in Kazakhstan and Uzbekistan”, *DIIS Report 2013:12, PP-10-16*, retrieved at 17 January 2016, URL: http://subweb.diis.dk/graphics/Publications/Reports2013/RP2013-12-McDermott-Kazakhstan_web.jpg.pdf.

³⁸⁵ . Ibid”, *PP-10-16*.

- Production by some countries of weapon of mass destruction and their delivery vehicles and illegal proliferation of technologies, equipments, and components used to manufacture them, as well dual purpose technologies.

The ‘Military Doctrine 2011’ also clearly indicated the instability in Afghanistan in post - 2014 potential threats to the national security of Kazakhstan. Kazakhstan’s “Strategy 2050” is the new blueprint of the President Nursultan Nazarbayev’s vision of Kazakhstan in 21st century. It was revealed on the eve of the annual state of nation address in December 2012. It is a new framework of Astana’s commitment and approach for promoting national, regional and global security in international affairs.

4.5.1. Kazakhstan’s Military Structure, Reforms and Modernisation

Kazakhstan changed the structure of its armed forces after independence. Four ministers of defence served between 1992 and 2000. The military budget was 25 billion Tenge (\$ 172 million) in 2001. It was increased due to improved conditions of economy, but this doubled in 2004 as compared to 2001. It was the highest military budget among Central Asian states.³⁸⁶ The Decree on the Reforms of the Armed Forces was signed by the President Nursultan Nazarbayev on 7th May 2003. The following changes were legalized³⁸⁷:-

- The Commandant of Chiefs of Staff was established whose functions were divided;
- Three branches of the Armed Forces were created. Air Defence Forces including Air Forces, Ground Forces and Navy. In addition, The Airmobile Forces is considered as separate branch of the armed forces;
- Conversion of military districts into regional commands –East, West, South, North and Astana;
- Military Educational Institutions were reorganised.

Kazakhstan appointed a civilian for the first time as Defence Minister, Daniyal Akhmetov (former Prime Minister) as part of reform process on 10 January 2007.

³⁸⁶ . McDermott, Roger N. (February 2009), Kazakhstan’s Defense Policy: An Assessment of the trends.

³⁸⁷ . Ibid.

4.5.2. Kazakhstan National Security Committee (NSC)

National Security Committee's functions directly accountable to the President of the Kazakhstan. It is a special body, which has also jurisdictional authority with objectives to secure human security, constitutional system, state sovereignty, territorial integrity, economic and scientific –technical and exploring the defence capabilities of the state. The NSC and its constituent departments and other structural units are also accountable in different regions, cities, capital, and organs of military counter intelligence, frontier guards, educational and research institutions and other important organisations are integrated system of the national security bodies of Kazakhstan. The head of the NSC is appointed by the President with consent of the Senate of the Parliament and is dismissed by the President.³⁸⁸

The NSC Structure

- The National Security Committee – Territorial bodies (regional departments);
- Military Counter intelligence – Frontier Guard;
- Anti Terrorist Centre of NSC – Special sub units, Educational institutions, research institutions, other organisations.

4.6. Kazakhstan's Path towards Non Proliferation and Disarmament

Kazakhstan is emerging as champion of the cause of non- proliferation in the community of newly independent states after the Cold War. It is the core issue in the Kazakhstan's security policy. In 2011, President Nursultan stated in his address to sixty sixth United Nations General Assembly (UNGA 66) session:-³⁸⁹

This year (2011) , our country celebrates the twentieth anniversary of its independence...we have shut down the Semipalatinsk nuclear test site andbecome one of the world's first new independent non nuclear states.....an important contribution by my country to the global peace and stability.

³⁸⁸ . National Security Committee, Republic of Kazakhstan, retrieved on 30 April 2016, URL: <http://knb.kz/en/structure.htm>.

³⁸⁹ . Donald, Douglas (2011), *The Path towards Kazakhstan's Nuclear Non Proliferation Policy: Convergence of US-Kazakhstan interests, Report*, Washington: Atlantic Council of the United States.

Kazakhstan is signatory member of the Nuclear Non Proliferation Treaty (NPT) and Comprehensive Ban Treaty (CTBT). U.S President Barack Obama also commended in his message to the “Astana international Conference for a Nuclear Weapon free World on October 12, 2011 as “ that helped set the stage for future nuclear reduction and non proliferation efforts” on the historic decision regarding non proliferation under leadership of President Nursultan.

Central Asia’s nuclear fuel cycle facilities, nuclear power and research reactors, uranium mines, milling facilities were minimally guarded. It was serious concerns for International community after the collapse of USSR in 1991. Kazakhstan and Uzbekistan are among the world’s top producers of yellow cake (low enriched uranium). Kazakhstan has one fourth uranium reserves. Kazakhstan has fast breeder reactor at its Caspian port of Aktau, the world’s only nuclear desalinization facility. Kazakhstan’s Ulba metallurgical factory in Ust Kamenogorsk provides nuclear fuel pellets to Russia and other countries with Soviet type reactors. Kazakhstan and Uzbekistan hosted major chemical and biological warfare (CBW) facilities during Soviet era. Kyrgyzstan’s Kara Balta milling facility ships low enriched uranium to Ulba and to Russia.³⁹⁰

After the collapse of the erstwhile USSR, Kazakhstan became a major nuclear power. It was a first non- Slavic state which possessed the nuclear weapons and unconventional arms of Soviet Union. But Kazakhstan followed the path of nuclear non-proliferation and disarmament for its security and safer world. Semipalatinsk, located at eastern part of Kazakhstan was the main centre of nuclear test site for the USSR in the period of 1949-1989. It hosted more than 450 underground and atmospheric tests. It was shut down by then “Chairman of the Council of Ministers” (later became First Secretary of the Kazakhstan Communist Party), due to mass protests movements ‘Naveda Semipalatinsk’ on 18 June 1989. The Semipalatinsk nuclear infrastructure was removed through the series of programs under the ‘Cooperative Threat Reduction’ (CTR) and agreement between Kazakhstan and Russia with US in 1991-1996.³⁹¹ In its stock were

³⁹⁰ . Nichol, Jim (2010), “Central Asia’s Security: Issues and Implications for U.S Interests” in Jmaes C. Tantas (eds.), *Security and Internal Affairs of Central Asia*, NewYork: Nova Science Publishers, Inc.

³⁹¹ . Donald, Douglas (2011), *The Path towards Kazakhstan’s Nuclear Non Proliferation Policy: Convergence of US-Kazakhstan interests, Report*, Washington: Atlantic Council of the United States.

major Russian controlled nuclear weapons including air launched cruise missiles, nuclear bombs, 1,040 nuclear warheads, 104 SS-18 ICBM missiles, 40 nuclear capable long range missiles, 650 tactical nuclear weapon, chemical and biological warfare facilities etc. But, all nuclear related weapons and materials were transferred to Russia in later 1994. Then Kazakhstan announced that it is now “Nuclear Free State” in Central Asia. U.S and European powers assisted Kazakhstan under “Comprehensive Threat Reduction” (CTR) for subsequent control and elimination of nuclear materials. Kazakhstan signed the “Conventional Armed Force in Europe Treaty” in 1992, the “START Treaty” (1992), NPT (1993), “Chemical Weapon Convention” and CTBT in 2001. Kazakhstan renounced its nuclear weapons in 1993 and closed the nuclear testing site ‘Semipalatinsk’. Kazakhstan cooperated with U.S for removal of nuclear warheads, weapon grade materials and supporting infrastructure from its territory. Kazakhstan transferred more than half ton of the weapon grade uranium to U.S in 1995. With the support of U.S, Kazakhstan sealed more than 181 nuclear test tunnels at the STS in 2000.³⁹²

Kazakhstan was the first former Soviet Republic to reject its nuclear arsenal. It closed the largest nuclear weapons test site at Semipalatinsk and spearheaded regional denuclearization. Kazakh leaders made major progress in downgrading nearly all of country’s highly enriched uranium, thus lessening the opportunities for such material to fall into the hands of hostile governments or terrorist groups. Astana’s non-proliferation initiatives have earned praise from a number of international leaders. With impetus from Kazakhstan, Central Asian states have agreed to coordinate their non-proliferation and export control policies, especially to prevent the smuggling of WMDs and related materials from the former Soviet Union. Despite differences in other areas, Russia and the United States have cooperated with Kazakhstan and other former Soviet republics and OSCE members to promote the non-proliferation goals.³⁹³

³⁹² . Diyarbakırhoğlu, Kaan; Süreyya Yiğit (2014), “Kazakh Multi Vector Foreign Policy in Action”, *Alternatives: Turkish Journal of International Relations*. Winter2014, Vol. 13 Issue 4, p70-82., retrieved at 17 January 2016, URL: <http://eds.a.ebscohost.com/eds/pdfviewer/pdfviewer?sid=f4b6e9a4-38d5-45ec-b9bc-b16c24412633%40sessionmgr4002&vid=0&hid=4211>.

³⁹³ . Laumulin, Murat (1994), “Nuclear Politics and the Future Security of Kazakhstan”, *The Non Proliferation Review*, winter 1994

Kazakhstan is a natural ally of EU and United States on non-proliferation. Through the “Nunn-Lugar Cooperative Threat Reduction” program (CTR)³⁹⁴, U.S-Kazakhstan cooperation has ensured that WMD-related materials and technical knowledge would not fall into terrorist hands. President Nursultan Nazarbayev signed the law on 2 June 2009 extending the “U.S.-Kazakhstan” bilateral Cooperative Threat Reduction agreement for an additional seven years, allowing these programs and projects to continue uninterrupted. Kazakhstan plans to establish fuel bank, as it is a major player in the international uranium market. The country has enormous stocks of natural uranium (approximately one-fifth of the world’s proven reserves) and is set to become the largest national producer of uranium, and exporter of uranium to many countries. The Kazakh government’s longstanding “multi-vector” policy of maintaining good relations with all countries means that other capitals may feel comfortable depending on nuclear fuel provided by Astana. Kazakh officials support the right of other countries to pursue nuclear energy for peaceful purposes. Finally, Kazakhstan has established a strong non-proliferation record by eliminating or transferring to Russia all the nuclear weapons it inherited from the former Soviet Union. Kazakhstan has joined the Nuclear Non-Proliferation Treaty (NPT)³⁹⁵ and the Nuclear Suppliers Group, which requires adherence to export guidelines designed to minimize proliferation risks. However, certain domestic and international concerns about Kazakhstan hosting a multinational nuclear fuel bank persist. Public opposition to nuclear activities remains high in Kazakhstan given the horrific legacy the country inherited from the former Soviet Union. During the Cold War, the Soviet government used the Semipalatinsk facility in eastern Kazakhstan to test hundreds of nuclear bombs, which polluted much of the surrounding environment and left thousands of people suffering from adverse medical consequences. Ensuring ecological and environmental security is the government’s principal concern in deciding the location and construction program for a possible nuclear fuel bank.

³⁹⁴ The Cooperative Threat Reduction (CTR) Program (known as Nunn-Lugar based on a 1992 U.S law sponsored by Senators Sam Nunn and Richard Lugar) is an initiative housed within the Defence Threat Reduction Agency (DTRA). U.S Congress passed the Nunn-Lugar amendment, authorizing U.S. threat reduction assistance to the Kazakhstan and others for safety and security of Soviet nuclear weapons.

³⁹⁵ The NPT is a landmark international treaty whose objective is to prevent the spread of nuclear weapons and weapons technology, to promote co-operation in the peaceful uses of nuclear energy and to further the goal of achieving nuclear disarmament and general and complete disarmament. The NPT represents the only binding commitment in a multilateral treaty to the goal of disarmament by the nuclear-weapon States.

The most convincing proof of the changing nature of Kazakhstan's nuclear policy towards a more pro-active direction was Operation Sapphire. White House Press Secretary, Dee Meyers announced on 23 December 1994 that the United States and Kazakhstan had successfully completed the transfer of nuclear materials for safe storage in the United States. But the history of "Operation Sapphire" was already at least a year old. Kazakhstan's accession to the NPT and introduction of the criteria of the International Atomic Energy Agency (IAEA) in December 1993 made the presence of these materials in the Republic inappropriate.

In early 1994 the government of Kazakhstan asked the United States to help solve the problem of about 600 kilograms of highly enriched uranium that had been stored at the enrichment facility of the Ulbinsk metallurgical plant in East Kazakhstan Oblast since the Soviet period. Deputy Prime Minister of Kazakhstan Vitaly Mette and Foreign Minister Kasymzhomart Tokayev confirmed this information in a press conference on 24 November 1994. Kazakhstan also noted that the existence of the deal with the United States was not a secret from Russia and that Moscow had refused to purchase the material, using the excuse that it was "Nuclear waste" (Murat Laumulin 1994). One of the high-ranking Kazakh officials admitted that the specific details on "Operation Sapphire" conceived and executed in an atmosphere of high secrecy. In spite of the fact that the operation was accompanied by multiple negotiations, expert exchanges and trips that involved many ministries, most of the participants knowing only about their part of the operation. All information was held in secret until the plane carrying the cargo landed in the United States. Kazakhstan rose its voice for nuclear disarmament and declaration of nuclear free zone in Central Asia. President Nursultan attended the "Nuclear Security Summit" in Washington in 2010. He also met President Obama on sideline of this summit for enhanced cooperation for Kazakhstan efforts to promote nuclear safety, non proliferation, disarmament, universal values, economic prosperity and regional stability in Central Asia. Kazakhstan's President also met President Obama at the Nuclear

Security Summit in Seoul in March 2012. President Obama hailed Kazakhstan efforts to secure nuclear materials inherited from the former Soviet Union.³⁹⁶

Kazakhstan is trying to build a positive image for efforts towards non proliferation and its related issues in the nuclear world politics in last 26 years. Kazakhstan is always trying to address these concerns on the global platforms such as ‘Global Nuclear Summit’. Kazakhstan President recently addressed the fourth “Global Nuclear Summit” on first April 2016. President draw attention towards nuclear risks and its related terror threats to the global community, called for adopting new model of security, path towards nuclear security is not unrealistic during “Nuclear Summit 2016”. He also mentioned that UN declared ‘August 29’ as the “International Day against Nuclear Testing” which is the date of the closure of the Semipalatinsk test site.³⁹⁷

4.7. Kazakhstan –EU Security and Defence Relations: Historical Perspectives

The 9/11 terror attacks in USA turned Central Asia into frontline states for the Bush Administration, which gave priority to enhanced security cooperation with Central Asian republics. European and American expert opined that security risk of these countries was associated with Taliban and Al-Qaeda networks. The EU is mainly concerned about security and good governance in Central Asia. One of the key aspects of the “European Security Strategy” (ESS)³⁹⁸ is the need to “promote a ring of well governed countries to the East of the European Union”.³⁹⁹

The European security architecture, power relations and structure of international relations have changed due to the demise of bipolar system of international relations in the post- Cold War era in Central Asia. Weak statehood emerged as new challenges in Central Asian Republics. The EU, OSCE and NATO have been in favour of stable, prosperous and democratic states in Central Asia. NATO and the EU have also been

³⁹⁶ The White House , office of the Press secretary , Joint statement on the meeting between President Obama and President Nurusultan Nazarbayev, 11 April 2011.

³⁹⁷ . Nazarbayev, Nurusultan (2016), “The Path forward from the Nuclear Security Summit”, *The Hill*, 4 April 2016, URL: <http://thehill.com/blogs/congress-blog/energy-environment/274969-the-path-forward-from-the-nuclear-security-summit>.

³⁹⁸ European Council adopted ESS in December 2003. One of the objective is providing security in changing world of Central Asia.

³⁹⁹ . European Security strategy paper, 2003

faced with the difficulty of finding a suitable balance between, on the one hand, the strategic and economic interests of their member states and, on the other, the long-term objective of promoting fundamental political reform in Central Asia.

European Security Strategy (ESS) has primary concern about improving good governance, dealing with corruption and the abuse of power, establishing the rule of law and protecting human rights. Another objective of ESS is to promote an international order based on effective multilateralism in Central Asia.

The EU has some security concerns about energy supply through diversification of sources, and linkages with Afghanistan (supply logistics, political spill over risks, drug trafficking) in Central Asia. The Central Asian countries are situated between the world's largest illegal opium producer and the developed markets of Western Europe. They are located in close proximity to the countries of the "Golden Crescent"⁴⁰⁰ (Afghanistan, Pakistan and Iran) and via China, have access to the countries of the "Golden Triangle"⁴⁰¹ (Burma, Laos and Thailand), which are the world's largest producers of illegal opium. Central Asia has emerged as a major international drug trafficking centre and is also linked to trans-border criminality and terrorism. According to some estimates, some 100 tonnes of heroin is smuggled from Afghanistan through Tajikistan and other Central Asia states annually which reaches the Russian and European markets.⁴⁰²

4.8. The European Union: New European Guard of Regional and Global security

Emergence of security community in Europe especially Central and Western Europe and its new security framework of institutionalisation under the leadership of the EU has been the result of a complex, multidimensional process in post Cold War era. The main objective of the EU's security framework is to establish the condition for a stable and enduring peace order rather than preventing war in Europe as well surrounding region including post Soviet space.⁴⁰³ The following components of security are under new framework of the European Union' regional and global security:

⁴⁰⁰ . One of two main regions of illicit opium production of Asia.

⁴⁰¹ . Another main region (south east Asia) of illicit opium production of Asia.

⁴⁰² . European Community Regional Strategy Paper, 2007-2013.

⁴⁰³ . Gartner, Heinz, Adrian Hyde-Price and Enrich Reiter (2001), (eds.) *Europe's New Security Challenges*, London: Lynne Rienner Publishers.

- Military Security;
- Economic Security;
- Cultural Security;
- Multiple Conflicting priorities including ethnic conflict, rights, rule of law, welfare and environmental etc.

The EU has developed into a “hard” regional power with considerable political and economic influence on the rest of the old continent and expands towards the surrounding post - Soviet space including Central Asia. Crisis management is one of the top priorities for new model of security design of the EU’s regional and global security.⁴⁰⁴

4.8.1. The EU’s Common Foreign and Security Policy (CFSP/CSDP) and Europe’s Changing Security Role

The EU is not state, but it has some element of the state power. It is a practical actor of world politics. It has become prime mover in formulation of the laws and regulation in both internal and external affairs. In many areas, the EU is more federal than some of the major powers of world. The member states of the EU initiated European security and Defence Policy in December 2009.⁴⁰⁵

The EU documents acknowledge that it has capability to conduct the full spectrum of military operations within the parameters of the ‘Strategic Planning Assumption’. The EU is using five military scenario ‘families’ based on different “Strategic Planning Assumptions”⁴⁰⁶:-

- Requirement Catalogue (capabilities would be necessary to conduct certain operation);
- Force Catalogue (EU member states are invited to pledge their contribution);
- Progress Catalogue (list of capability gaps and their implications for potential CSDP operation);
- Preparation of the military field;

⁴⁰⁴ . Ibid.

⁴⁰⁵ . Giegerich, Bastian (2010), (eds.), *Europe and Global Security*, London: IISS.

⁴⁰⁶ . Giegerich, Bastian (2010), “Military and Civilian Capabilities for EU –led Crisis –Management Operation” in Bastian Giegerich (eds.), *Europe and Global Security*, London: IISS.

- Corresponding Scenario on Civilian side.

The EU's security policy has special focus on Central Asia and neighboring states after Russia's direct interference in the internal affairs of Georgia and Ukraine.

4.9. Conflict and Cooperation in the context of Security in Central Asia

The terror attacks of 11 September 2001 changed the regional and global security perception and strategy of major powers. Afghanistan has become flash point due to terror links of 9/11 and Al-Qaeda and Taliban networks. Central Asia has again become the strategic point in global anti - terror efforts in Afghanistan. Central Asian states – Kazakhstan, Uzbekistan, and Kyrgyzstan have been ready to cooperate with US and NATO led global war against Al-Qaeda and Taliban networks. Central Asian states have derived material benefits from their proximity to sensitive zone post 9/11 era.⁴⁰⁷

The realist paradigms explain the behavior of the great powers in Central Asia. The threats of political Islam, Islamic terrorism and other traditional or nontraditional security threats determining the degree of cooperation with major powers. Central Asian states also used their energy resources as diplomatic tools for enhancement of the cooperation with influential powers of Central Asia. Central Asian approach of 'balancing act' seeks objective to maintain diplomatic independence and comprehensive engagements with major powers to attract military and economic assistance for domestic defence modernization and economic growth especially in Kazakhstan.⁴⁰⁸

4.10. Islamic Fundamentalism in Central Asia and Implications for the EU

Central Asia is a historic centre of classical Islam. Islamic revivalism and rise of radical groups are becoming serious threats to regional security in Central Asia and Caucasus. Ferghana Valley is emerging as main centre of radicalism along with other localities in Central Asia.

⁴⁰⁷ . Spechler, Martin C. and Dina R. Spechler (2005), "Conflicts and Cooperation in Central Asia after 9/11" in Ariel Cohen (eds.), *Eurasia in Balance: The US and the Regional Power Shift*, England: Ashgate Publishing Limited.

⁴⁰⁸ . Spechler, Martin C. and Dina R. Spechler (2005), "Conflicts and Cooperation in Central Asia after 9/11" in Ariel Cohen (eds.), *Eurasia in Balance: The US and the Regional Power Shift*, England: Ashgate Publishing Limited.

Recent trends indicate that increasing number of Central Asian citizens travelling to the Middle East to fight along with or support the Islamic State (IS, formerly ISIL or ISIS), which poses new radical threats to internal, regional as well as global security in the context of ongoing Syrian crisis. The Mosques and “Namazkhanaa” (prayer rooms) are emerging as recruitment centers of extremism and jihadism for ISIS led terror war against world community across the Central Asia. Jihadism is also rooted in an unfulfilled desire in terms of political and social concerns of Central Asia. ISIS framework of command structures and Jihadi networks in Central Asian states including Afghanistan, Xinjiang, and other post - Soviet space has been increasing after Russia’s intervention in Syrian crisis. The extremist and terror groups including “Hizb ut –Tahrir, Tablighi Jamaat and Islamic Movement of Uzbekistan” (IMU) are playing a role in the recruitment process of ISIS and links with Taliban⁴⁰⁹. Islamic States (ISIS) is fostering a network of links within the region and nearby areas for terrorism, extremism and Jihadism against the governments of Central Asian states, Russia, the EU, U.S and India etc.

Most of the Central Asian Muslims appear to support the concept of secular government, but the influence of fundamentalist Salafist and extremist Islamic groups is growing day by day.⁴¹⁰

Anger at repression, corruption and poor governance is one of the causes that led some support for radical Islamist groups in Central Asian states.⁴¹¹ Global Jihadi movement from Taliban, Al-Qaeda in Afghanistan to radical Islamic movement in Uzbekistan and other Central Asian republics was unnoticed by Western powers before the events of 9/11 terror events. It has turned into new global battleground against terrorism in post 9/11 era. After independence, Central Asian states not only reestablished their own ethnic and

⁴⁰⁹ . Policy Briefing, International Crisis Group (ICG) , Syria Calling: Radicalisation in Central Asia, Bishkek: Europe and Central Asia Briefing N^o72, 20 January 2015.

⁴¹⁰ Most Central Asian Muslim traditionally have belong to the Sunni branch the Hanafi school of interpretation ,Islamic Sufiism has been significant , as have pre –Islamic customs such as ancestor veneration and visits to shrine (CRS Reoprt:Central Asia Security,2010).

⁴¹¹ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union.

cultural identity but reconnected with their Muslim neighbors in the south including Turkey, Pakistan, Saudi Arabia, which was absent during the Soviet era.⁴¹²

Rise of fundamentalist Salafist and extremist Islamist groups is the major threats Central Asia. Islamic terrorism is generated by poverty and discontent, but it is facilitated, and funded by groups in Afghanistan, Pakistan, Saudi Arabia etc. The Central Asian states impose several restrictions on religious freedom. Public expression of religiosity is discouraged in Uzbekistan and Kazakhstan.⁴¹³ This is dangers of conversion of 'folk Islam' into 'political Islam' despite the transition to democratic and market economic model in Central Asian states.

The EU has become strategically interested in Central Asia as region of security threats, transit zone of drugs, weapons of mass destruction, refugees and also for human trafficking. Russia cut off the gas supplies to Ukraine in 2006 and 2009 became the headache for Europeans. The changing security environment of Central Asia regions forced Kazakhstan leadership to forge new alliances with European countries and the European Union after 2001. President Nursultan Nazarbayev was the main architecture of reshaping the trajectory of complex and multi-vectored foreign policy and enhancement ties with members of European Union. EU's proposal to upgrade its relationship with Kazakhstan to a 'Strategic Partnership, provides for Strengthening Dialogue and Consultation mechanisms; Deepening political dialogue and cooperation; Bringing together People and Cultures; Enhancing Economic Policy Dialogue and Cooperation; and Developing Trade and Investment post 2001.

Several suicide bombing and other alleged terrorist attacks have occurred in Kazakhstan since 2001. The establishment of an 'Anti Terrorist Centre' was part of the "National Security Committee" in 2003. Several Islamic Jihadi Groups of Uzbekistan and Kazakhstan like IMU (Islamic Movement of Uzbekistan), Salafi Jihadi Jamat and Hizb ut-Tahrir with links to Al-Qaeda and Taliban network., operate in Kazakhstan. Kazakh National Security Committee reported that there were four terrorist attacks in 2008 and

⁴¹² . Rashid, Ahmad (2002), *Jihad: The Rise of Militant Islam in Central Asia*, Yale University Press.

⁴¹³ . Nichol, Jim (2010), "Central Asia's Security: Issues and Implications for U.S Interests" in Jmaes C. Tantas (eds.), *Security and Internal Affairs of Central Asia*, NewYork: Nova Science Publishers, Inc.

three in 2009. There were several terrorist attacks in different cities like Aktoke (17 May 2011), Astana (24 May ,2011), Atyrau (31 October 2011) and many similar terrorist challenges faced later. Kazakhstan has increased its participation in international cooperation for joint defence exercise, training, disarmament and liquidation of terrorist groups in region. Kazakhstan court banned a number of religious organisations .Kazakhstan also enhanced its anti-terror cooperation with Central Asian republics along with majors powers like Russia, China, USA, India ,EU and member states.

4.11. EU's Strategic Engagements and Regional Security Integration with Kazakhstan and Central Asia

Recent terrorist attacks in Paris (2015), Brussels (2016) and its terror links with Islamic fundamentalism in Europe, and also leading Islamic terrorist organization including 'ISIS' have reshaped the European Union's security interests and its regional security integration with post -Soviet space including Central Asian.

European Union is involved in regional security through NATO, OSCE with bilateral and multilateral efforts of its member states. On the Caspian Sea, an international naval operations group called "CASFOR"⁴¹⁴ was launched in 2005 to deal with the dangers posed by terrorism, WMD proliferation, and arms and drug trafficking in the area. The American government has allocated about \$100 million to Azerbaijan and Kazakhstan through "Operation Caspian Guard" to help them enhance their capabilities for monitoring and surveillance in the Caspian Sea, to defend their energy platforms and to conduct counter proliferation activities. All the five Central Asian states participate in NATO's Partnership for Peace Programme, whilst many of them have also made significant contribution to the fight against international terrorism after 11 September 2001.⁴¹⁵

Brussels seems to monitor main developments affecting human security in Central Asian states. The EU also facilitates the dialogue process and prefers to finance specific projects

⁴¹⁴ . An international naval task force or operations group called CASFOR in the Caspian.

⁴¹⁵ . Council of EU, 2007/09 Report

including border and energy or water management.⁴¹⁶ The EU has financed initiatives for cooperation with the neighbors of its neighbors via development cooperation programme. The European Community is actively engaged in the border management in Central Asia. BOMCA is the modern border management programme in Central Asia with the support of the EU, which was initiated in 2002.⁴¹⁷

4.12. Kazakhstan's Security and Defence Relations with European Global Organisations

Kazakhstan is receiving military technical aid from many major powers of the EU including Germany, France, and the U.K. and NATO also.

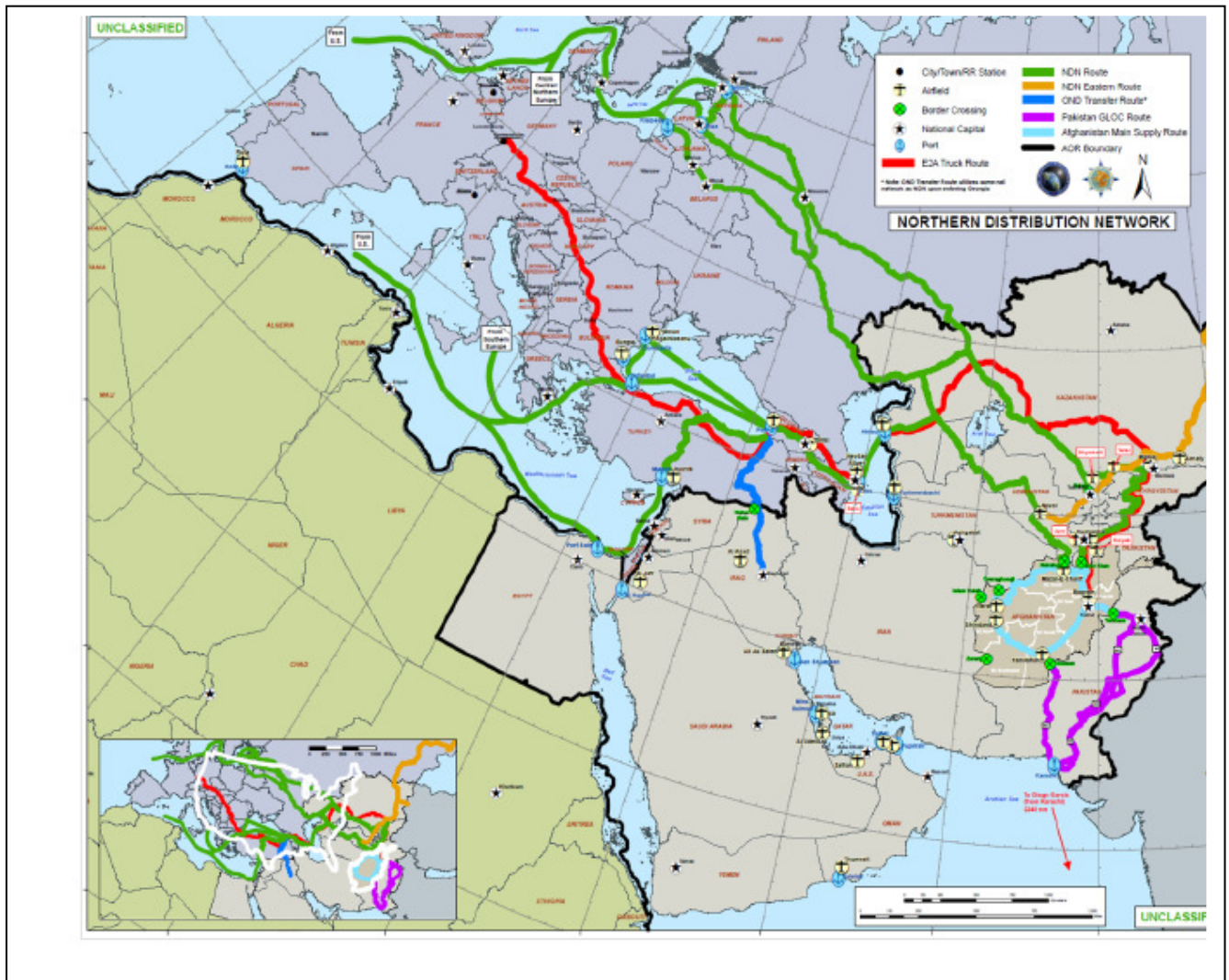
4.12.1. Kazakhstan Relations with NATO: Partnership for Peace (PfP)

Kazakhstan –NATO security relations is based on the long term security interests in the context of regional and global security. Kazakhstan has been developing close defence and security cooperation with NATO and supporting the ISAF and in NDN logistics assistance since 2001.

⁴¹⁶ . Bailes, Alyson J.K and Pal Dunay (2015), “The EU and the neighbours of its Neighbours: Security Challenges and Strategic roles” in Sieglinde Gstohl and Erwan Lannon (eds.), *The European Union's Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

⁴¹⁷ . Gstohl, Sieglinde and Erwan Lannon(2015) (eds.), *The European Union's Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

The Northern Distribution Network



(Source: U.S Transportation Command)

NATO has changed its old fashioned traditional role as territorial defence, which is now structurally transformed into a crisis management alliance along with cooperation of Partnership for Peace (PfP), peacekeeping exercise, military to military interactions etc. The Euro- Atlantic Partnership Council (EAPC) provides a new mechanism for productive consultation and fruitful communication among PfP partners. NATO Parliamentary Assembly is another new mechanism of engagement of with the countries

in the post - Soviet space.⁴¹⁸ NATO has been providing bilateral assistance under ‘Euro – Atlantic’ partnership with all Central Asian states including defence sector reforms, governance, non proliferation, terrorism , partnership for peace.⁴¹⁹

NATO has publicly announced that Central Asia is part of long term security interests as an “arc of stability” extending from Euro – Atlantic to Central Asia and Caucasus and the Middle East. Kazakhstan is also in favor of promoting regional security cooperation including multi - lateral security with European powers. However, the complexity of Central Asian politics, multi vector foreign policy, dynamics of regional security cooperation and Astana’s strategic ties with Moscow may limit the degree of military and security relation with NATO.

Kazakhstan has been emerging as a region’s security leader. NATO has officially referred to Kazakhstan as NATO’s “anchor” in Central Asia. But, after Andijan event of May 2005, NATO is trying to maintain a balance its relations with Uzbekistan and Kazakhstan not stimulate regional rivalries. But, NATO officials accepted that Kazakhstan is reliable and stable partner including U.S in the post Soviet space. Astana has been making efforts to deepen defence ties with NATO under framework of long term “five year plans”.⁴²⁰

Kazakhstan – NATO partnership begins with the NATO’s Partnership for Peace in 1995. Kazakhstan’s objectives to join are to enhance the security cooperation in Central Asia, to NATO gives opportunities to foster greater integration of Central Asian countries with European -western political and military institutions. Kazakhstan is the first Central Asian state, which joined NATO’s ‘Planning and Reviews Process Programme (PARP)

⁴¹⁸ . Gartner, Heinz (2001), “European Security, the Transatlantic Link, and Crisis Management” in Heinz Gartner, Heinz, Adrian Hyde-Price and Enrich Reiter (eds.) *Europe’s New Security Challenges*, London: Lynne Rienner Publishers.

⁴¹⁹ . Bailes, Alyson J.K and pal Dunay (2015), “The EU and the neighbours of its Neighbours: Security Challenges and Strategic roles” in Sieglinde Gstohl and Erwan Lannon (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

⁴²⁰ . McDermott, Roger N. (February 2009), Kazakhstan’s Defense Policy: An Assessment of the trends, retrieved from <http://www.StrategicStudiesInstitute.army.mil/>

in June 2002. The 'PRAP' programme is a process of enhancement of degree of relations with NATO.⁴²¹

9/11 terror attacks on WTC, New York, and Pentagon (Washington) changed the security environment of Central Asia. Because, Afghanistan is a neighbor of Central Asia, which is known for harbouring global Islamist terrorist networks of Al-Qaeda and Taliban. Kazakhstan has shown its solidarity with global coalition against terrorism. NATO Secretary General, Lord Robertson visited Kazakhstan in July 2003. President Nazarbayev Nurusultan and Parliament offered to send troops in post-war reconstruction in Iraq during this visit of NATO Secretary General. This shows Astana's commitment to greater engagements with NATO for regional and global peace and also pro-Western approach of its foreign and defence policy. Kazakhstan also agreed to implement the practical aspects of Individual Partnership Action Plan (IPAP) of NATO in January 2006. IPAP is a NATO initiative to address concerns among partners to meet their needs. Kazakhstan is best IPAP among alliances countries of the NATO. IPAP is also promoting cooperation between both sides to combat terrorism, exchange information on legislative initiatives, initiatives for good neighborliness and strengthen links with other European global organizations. NATO officials accepted that Kazakhstan, Sweden, and Finland are strongest partners. NATO also realized that Kazakhstan is important ally among Central Asian states. Kazakhstan also allocates the peacekeeping battalion (KAZABAT) to participate in future NATO's global operations. Kazakhstan shown greater engagement with European institutions and countries after 9/11, it confirmed as number of military and diplomatic mission increase three times than the figures in 2001.⁴²² NATO's member states also seek more reliable assistance from Kazakhstan for NDN network to Afghanistan in the post 2014. They wanted to use NDN for reverse transit as part of

⁴²¹ . Dermott, Roger, N. (2007), "Kazakhstan's Partnership with NATO: Strength, Limits and Prognosis", *China Eurasia Forum Quarterly*, Volume 5, No-1, PP-7-20 @ Central Asia – Caucasus Institute & Silk Road Studies Program.

⁴²² . Dermott, Roger, N. (2007), "Kazakhstan's Partnership with NATO: Strength, Limits and Prognosis", *China Eurasia Forum Quarterly*, Volume 5, No-1, PP-7-20 @ Central Asia – Caucasus Institute & Silk Road Studies Program.

withdrawal from Afghanistan and also withdrawal of military hardware through Central Asia and Russia using this Ground Line of Communication (GLOC).⁴²³

4.12.2. Russia Factor in Kazakhstan – the EU and NATO Security Relations

The European Union welcomes Russia's return to its rightful place in the European family in the spirit of friendship, cooperation, based on the common heritage of European civilisation and fair accommodation of interests in early 2000. But, President Putin has explained Russian differences over the strategic interests of Russia and the EU in the context of geopolitics, great power interests and cooperation in the post - Soviet space.⁴²⁴ The 'Color Revolutions', Russia- Georgia war, Ukraine's 'Orange Revolution', differences over the Eurasian's 'managed democracy' over promotion of European model of 'electoral modern democracy', conflicts over trade and uses of energy resources in Central Asia, conflict over recent Ukraine crisis that led to Crimean annexation by Russia in 2015, containment of NATO's influence in Central Asian states, other regional and global security threats increase the gap between Russia and the EU.

President Putin believed that Kazakhstan and Russia are 'locomotive' of many integration processes in the post - Soviet space after 1991. Russia is still the largest provider of military security umbrella to all Central Asian states. For Russia, Central Asia situated at its southern flank, which can be part of transmission of security threats such as radical Islamism, drug trafficking and illegal migration. Russia shares its border with Kazakhstan. All Central Asian states except Turkmenistan are member of Russian led the Collective Security Treaty Organisation (CSTO). These hydrocarbon rich states are also crucial to Russia's energy export design to European market. Russia also considers this region having as 'privileged interests'.⁴²⁵

Russian President Vladimir Putin paid a state visit to Kazakhstan on 3 October 2006 to promote integration including reform of the 'Commonwealth of Independent states' and

⁴²³ . McDermott, Roger N. (2013), "Central Asian Security POST 2014: Perspectives in Kazakhstan and Uzbekistan", *DIIS Report 2013:12*.

⁴²⁴ . Engelbrekt, Kjell and Bertil Nygren (2010) (eds.) *Russia and Europe: Building bridges, digging trenches*, London: Routledge.

⁴²⁵ . Kassenova, Nargis (October 2009), *The Impacts of the Global Economic crisis on Central Asia and its implications for the EU engagements*, EUCAM Working Paper.

development of cooperation within Eurasian Economic Community and create single Economic Space. Russia offered 4.4 million Rubles (approximately US \$160 million) to Kazakhstan for development of infrastructures at Russia –Kazakhstan border on 4th October 2007. But, Moscow seeks to ensure dependence of Kazakhstan on its assistance for security structures.⁴²⁶

Energy and economy will continue to underpin Astana – Moscow security cooperation. This strategic engagement between Kazakhstan – Russia may be affected by comprehensive strategic and military cooperation between Kazakhstan – NATO including the EU. Russia and China have been trying to put pressure on Kazakhstan not to evolving comprehensive engagements with NATO. U.S is also supporting bilateral security assistance under strategic cooperation with Kazakhstan. European and NATO’s major powers like United Kingdom, Turkey and Germany have developed strong military assistance ties with Kazakhstan.⁴²⁷

Russia’s relations with NATO have critical importance for the NATO’s cooperation with Kazakhstan and other Central Asian states. Russia –NATO cooperation is still dominated by some issues like mission in Afghanistan, the nuclear non proliferation, energy security, missile defence, the implementation of the Conventional force in Europe Treaty (CEF), Alliance enlargements etc. The principal mechanism of Russia –NATO cooperation is based on the “NATO –Russia Council” (NRC), which was founded in 2002.⁴²⁸

The EU and NATO relations with Russia have many high and low points after Russia’s military confrontation with Georgia (August 2008), Russia –Ukraine confrontation in 2014 etc. Former Russian President Dmitry Medvedev strongly objected to the EU lunch of an “Eastern Partnership” of enhanced trade, aid and other cooperation with Armenia,

⁴²⁶ . Dermott, Roger, N. (2007), “Kazakhstan’s Partnership with NATO: Strength, Limits and Prognosis”, *China Eurasia Forum Quarterly*, Volume 5, No-1, PP-7-20 @ Central Asia – Caucasus Institute & Silk Road Studies Program.

⁴²⁷ . Dermott, Roger, N. (2007), “Kazakhstan’s Partnership with NATO: Strength, Limits and Prognosis”, *China Eurasia Forum Quarterly*, Volume 5, No-1, PP-7-20 @ Central Asia – Caucasus Institute & Silk Road Studies Program.

⁴²⁸ . Nichol, Jim et al. (2010), “Russian Political, Economic and Security Issues and U.S interests”, in Daniel J. McKinley (eds.), *Russian Security: Strategy and Issues*. New York: Nova Science Publishers, Inc.

Azerbaijan, Belarus, Ukraine, Georgia, Moldova and other countries of the post Soviet space. Russia considered it as a “Partnership against Russia”.⁴²⁹ The EU - NATO cooperation with post - Soviet states has been leading to new rivalries and confrontations over Russia’s interests in Central Asia.

4.12.3. China factor in Kazakhstan – NATO Security Relations

China shares border with Central Asian states. China is worried about its Xinjiang province, which is directly interconnected with Central Asia. Chinese authorities fear that new developments in Central Asian states could spur the separatist movements in Xinjiang. Therefore, China has been trying to resolve all security concerns through Shanghai Cooperation Organisation (SCO) with Central Asian states. SCO has also been promoting economic and energy interests of China in Central Asia.⁴³⁰

4.13. Kazakhstan’s Relations with Organisation for Security and Cooperation in Europe (OSCE)

By assuming the OSCE chairmanship in 2010, Kazakhstan signaled the period of consolidating the country’s independence and that the country is well prepared to participate more fully as a major player in both the Euro-Atlantic and Euro-Asian spheres of security and cooperation. By choosing to chair a democratic pan-European security organization, Kazakhstan made a clear statement that it pursues good relations with the West and is committed to European values, including democracy. Kazakhstan’s chairmanship presented important opportunities and significant challenges to both Astana and the OSCE. For 34 years, the OSCE has operated as the largest regional security organization with three specific areas of concern: security, the economy, and the human dimension. In addition to promoting cooperation in politico-military security and a healthy economic environment, the OSCE has a mandate to enhance human rights protection and democratic reforms throughout the OSCE region.

⁴²⁹ . Ibid.

⁴³⁰ . Kassenova, Nargis (October 2009), *The Impacts of the Global Economic crisis on Central Asia and its implications for the EU engagements*, EUCAM Working Paper.

Kazakhstan's priorities for its Chairman in Office (CiO) included reinforcing the OSCE's commitment to developing transportation and transit corridors linking the Central Asian countries with one another and with other OSCE states. Kazakhstan's role included better integration of OSCE efforts in this area with those of other international actors, such as CAREC, the ADB, EBRD, and the World Bank, which are actively engaged in improving these transport and trade corridors. Kazakhstan was the first non-European states which chaired OSCE. Kazakhstan successfully chaired as "Chairman-in-Office (CiO) of OSCE under leadership of President Nursultan Nazarbayev in 2010. In OSCE Astana summit 2010, President of Kazakhstan outlined the inclusive framework of the regional security from Vancouver to Vladivostok. This forum also adopted the "Astana Commemorative Declaration: A Security Community" which indicated a new direction in the construction of the Euro-Atlantic and Eurasian security community. This summit's agenda remains the main priority for Kazakhstan's participation in the OSCE in future.⁴³¹

The main agenda of this prestigious chairmanship was to enhance relations with Europe based on following pillars of "Three Ts"⁴³²:

- 'Trust';
- 'Tradition', that is based on Kazakhstan's commitment to the fundamental principles and values of OSCE;
- 'Transparency', that refers to the maximum openness and transparency in international relations, free from 'double standards' and 'dividing lines' as well as focus on constructive cooperation to address the challenges and threats of regional and global security.

Kazakhstan also followed the "Ministerial Troika" of 2009-2011 and newly developed "Quintet" format. The main commitment of Kazakhstan during its chairmanship of OSCE was for promoting democracy, human rights and deal with unresolved conflict.⁴³³

⁴³¹ .Ministry of Foreign Affairs, Republic of Kazakhstan, Foreign Policy- OSCE, URL: <http://www.mfa.kz/index.php/en/foreign-policy/international-organizations/osce>

⁴³² . Foreign Policy, Embassy of Kazakhstan, Washington, retrieved on 11 January 2016, URL: <http://www.kazakhembus.com/content/foreign-policy-overview-2>

Kazakhstan also introduced the following agenda in the context of national interests and security design of Kazakhstan and Central Asia during its Chairman ship⁴³⁴:

- Security – Kazakhstan and Central Asian Security was on top agenda for its OSCE tenure. Kazakhstan also serious efforts to end unresolved conflict in Transcaucasia (Nagorno- Karabakh, Abkhazia), and other European regions (Crimea, Moldova).
- Energy Security – Kazakhstan supported the European Union’s energy security agenda and ensured to strengthen alternative energy.
- Inter - religious tolerance – Kazakhstan ensured the implementation of international laws that strengthen inter - religious and ethnic tolerance within the zone of responsibility of OSCE.

The Organisation of Security Cooperation in Europe (OSCE) has played significant role in conflict resolutions and other security related management in Central Asia. OSCE offers relatively congenial (consensus –based) diplomacy in the internal affairs of all Central Asian states including border management, crisis resolution and promotion of democracy and governance.⁴³⁵

OSCE has 56 member states from Europe, Central Asia and North America concerned with value of democracy, security, economic, environmental and human aspects. It is the predecessor of the Conference on Security and Cooperation in Europe (CSCE). It played significant role in the state building and democratization process in countries of former Soviet Union. It is also working sincerely on a spectrum of security issues including arms control, confidence and security building measures, human rights, national minorities, promotion of democracy, policing strategies, counter terrorism, economic and

⁴³³ . Embassy of Kazakhstan, Washington, retrieved on 11 January 2016, URL:<http://www.kazakhembus.com/content/organization-security-and-co%E2%80%91operation-europe-osce>.

⁴³⁴ . Embassy of Kazakhstan, Washington, retrieved on 11 January 2016, URL:<http://www.kazakhembus.com/content/organization-security-and-co%E2%80%91operation-europe-osce>

⁴³⁵ .Bailes, Alyson J.K and Pal Dunay (2015), “The EU and the neighbours of its Neighbours: Security Challenges and Strategic roles” in Sieglinde Gstohl and Erwan Lannon (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge

environment. All 56 member states enjoy equal status with decisions based on political consensus being not legally binding. OSCE also provides the framework for cooperation with international actors in order to address threats security threats with member states. The other important issues include economic development, infrastructure improvements, commercial exchanges, scientific and technical collaboration, tourism and migration, and ecological threats such as air and water pollution.⁴³⁶ OSCE framework is based on the process of ‘Helsinki + 40’, designed to adopt the new realities after signing of the Helsinki Final Act in 1975. This process also reflected in the “Astana Declaration 2010” and its vision for comprehensive engagement in the context of the Euro –Atlantic and Eurasian security Community.⁴³⁷

Kazakhstan was admitted as participatory state to the OSCE on 30 January 1992. It opened the permanent mission to OSCE (Vienna) and regional office in Tashkent (Uzbekistan) in 1995. The OSCE Centre in Kazakhstan was established in 1999. The Centre monitors political, legal and economic developments with a view to maintaining stability in the country and the region. It promotes OSCE’s standards and commitments within Kazakhstan. Kazakhstan was the first post Soviet state, and Muslim dominant country to hold the chairmanship of OSCE in 2010.⁴³⁸ This is viewed as international recognition for Kazakhstan’s global role.

Kazakhstan has actively participated in the structure of OSCE. Kazakhstan continues to support the multilateral efforts to ensure the Euro –Atlantic and Eurasian security in the dynamics of politico –military efforts with OSCE. It is also working towards confidence building measures, settlement of the “frozen conflicts” in the South Caucasus, as well as post conflict rehabilitation in Afghanistan after withdrawal of international troops post - 2014. OSCE and Kazakhstan has also focused on the Ukraine crisis and monitoring mission in Ukraine.⁴³⁹

⁴³⁶ .OSCE, URL: www.osce.org/whatistheosce.

⁴³⁷ . Ministry of Foreign Affairs, Republic of Kazakhstan, Foreign Policy- OSCE, URL: <http://www.mfa.kz/index.php/en/foreign-policy/international-organizations/osce>

⁴³⁸ . Ministry of Foreign Affairs, Republic of Kazakhstan, Foreign Policy- OSCE, URL: <http://www.mfa.kz/index.php/en/foreign-policy/international-organizations/osce>

⁴³⁹ . Ibid..

Present OSCE Chairperson in office and Swiss Foreign Minister Didier Burkhalter remarked that Central Asia can play the role as a bridge between Asia and the Europe after he concluded his four day visit to all Central Asian states, from 19 to 22 November 2014. He also reaffirmed the OSCE commitment in the terms of politico- military, economic, and environmental and human dimension during his visits to Central Asian countries. OSCE is also involved in strengthening co-operative security in economic and environmental issues in Central Asia.⁴⁴⁰ These are wider areas of bilateral and multilateral cooperation between Kazakhstan and OSCE in Central Asia.

- OSCE Parliamentary Diplomacy with Kazakhstan;
- OSCE –Kazakhstan Relations: Forum for Security Co-operation (FSC);
- OSCE –Kazakhstan Relations: Economic and Ecological dimension (OSEEA);
- OSCE –Kazakhstan: Human Dimension (ODIHR);
- OSCE –Kazakhstan: Election Monitoring;
- OSCE Representative on Freedom of the Media cooperation with Kazakhstan;
- OSCE –Kazakhstan: Role of Field dimension;
- OSCE –Kazakhstan: Energy Security Dialogue;
- OSCE Cooperating with UN, EU, Council of Europe, NATO in Central Asia.

4.13.1. OSCE Parliamentary Diplomacy with Kazakhstan

Kazakhstan is also member of the OSCE Parliamentary Assembly (OSCE –PA). The OSCE Parliamentary Assembly was created as the process of institutionalisation of the CSCE at Paris Summit in 1990. The Assembly is addressing the conflicts and its specific

⁴⁴⁰ . OSCE (November 2014), OSCE Chairperson in office and Swiss Foreign Minister Didier Burkhalter visited to Central Asia, URL: <http://www.osce.org/cio/127082>.

challenges through its number of the ‘ad –hoc’ committees and Special Representatives and also close cooperation with field operations in OSCE areas including Central Asia.⁴⁴¹

4.13. 2. OSCE –Kazakhstan Relations: Forum for Security Co-operation (FSC)

The OSCE Chairmanship has been the high point for the country in terms of diplomatic prestige, and has been supported by a major public relations push with feature articles showcasing the transformation of Astana and the great strides taken in recent decades. Kazakhstan strives to maintain a degree of choice in its foreign policy. Astana is seeking to strike a balance between sustaining good relations with neighbors- Russia and China while expanding its access to Western countries through the Caspian Sea and Turkey. As a Muslim country with a significant Russian minority of about 30 % and over 130 nationalities on its territory, Kazakhstan can serve as a valuable example of tolerance and inter-ethnic coexistence. Its role will be particularly important to counter negative perceptions of Muslims in Europe in the post-9/11 world. Kazakhstan can also expand the OSCE’s Mediterranean Partners for Cooperation initiative that includes Algeria, Egypt, Israel, Jordan, Morocco, and Tunisia. Kazakhstan can promote nuclear non-proliferation as a country that abandoned its nuclear arsenal and closed a large nuclear weapons test site at Semipalatinsk in 1991.

The FSC is an autonomous decision making body in which representatives of participating states meet weekly to discuss the development of military security and stability in OSCE area.⁴⁴² This Forum is working towards enhancement of military and security stability in Europe and with some participatory states covered under fundamental politico –military agreements with OSCE. It is actively engaged with participatory states in areas of confidence building measures to regulate the exchange of military information, code of conduct, a key document ensuring democratic control of the security forces. The main objective of OSCE is the multi-dimensional response to various

⁴⁴¹ . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna*, retrieved on 14 January 2016, URL: <http://www.osce.org/files/documents/b/3/22624.pdf>.

⁴⁴² . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna*, retrieved on 14 January 2016, URL: <http://www.osce.org/files/documents/b/3/22624.pdf>

security related challenges concern including arms control, confidence- and security-building measures, human rights, national minorities, democratization, policing strategies, counter-terrorism, illegal trade of small arms and light weapons, non proliferation of weapons of mass destruction, environmental security with participatory states.⁴⁴³

OSCE offers a forum for political negotiations and decision-making in the fields of early warning, conflict prevention, crisis management and post-conflict rehabilitation, and puts the political will of its participating States into practice through its network of field missions. Global interests of EU member states along with USA have provided new responsibility to OSCE for security concerns in Central Asia along with Kazakhstan. The massive terrorist attacks of 11 September 2001 have changed the global agenda in the area of international security and also the security agenda of OSCE area. At the Budapest Summit in December 1994, the institutionalization process the CSCE (Conference on Security and Co-operation in Europe) was renamed as OSCE (Organisation for Security Cooperation in Europe), marking its transition from a Conference to a full-fledged international organization. Throughout the 1990s, the CSCE/OSCE continued to set up numerous institutions and field operations with the aim of helping to prevent such conflicts, as well as to resolve them and to assist in post-conflict rehabilitation.⁴⁴⁴ EU and the member states attached the great value to the unique range of activities and missions undertaken by OSCE.⁴⁴⁵

A major challenge facing the OSCE, as the sole pan-European security organization, is its diminishing role in broader European security affairs. The last 20 years witnessed the growing importance and enlargement of Western-led organizations such as NATO and Russia's development of the "Collective Security Treaty Organization" (CSTO), whose operational capacities remain to be tested. Meanwhile, the OSCE has experienced protracted internal feuds concerning its role and mandate, which has undermined its role as an agent of confidence building, security, and democratization. During the next few

⁴⁴³ . OSCE/ Forum for Security Co-operation, URL: <http://www.osce.org/fsc>.

⁴⁴⁴ www.osce.org/who/timeline/1990

⁴⁴⁵ . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna*, retrieved on 14 January 2016, URL: <http://www.osce.org/files/documents/b/3/22624.pdf>

years, the OSCE will be involved in addressing major security questions such as the future of the Treaty on Conventional Armed Forces in Europe (CFE), continuing challenges to stability throughout the Caucasus and in Central Asia, and the call by Russia's authorities for a new European or Eurasian security architecture. The most important work that the OSCE chair can accomplish is to foster consensus among OSCE participating states on the common sources of instability and insecurity and propose a platform to address them.⁴⁴⁶

4.13.3. OSCE –Kazakhstan Relations: Economic and Ecological dimension (OSEEA)

The office of the Co-coordinator helps the OSCE address economic, social and environment aspects of security respond to emergent crisis. The position of the Co-coordinator of OSCE 'Economic and Environment Activities' (OCEEA) was established on 5 November 1997. It also promotes the environmental cooperation and sustainable development in Central Asia and other regions through "Environment and Security Initiatives" (ENVSEC) with relevant regional and international partnership. The OCEEA is also actively engaged in Central Asian states in the field of transport security and energy security.⁴⁴⁷

Kazakhstan is playing a significant role in reinvigorating the organization's contribution toward addressing the economic and environmental challenges confronting the former Soviet republics as well as other OSCE members. Kazakhstan is the first post-Soviet country, the first predominantly Muslim country, and the first Central Asian country to be entrusted with such a responsibility. So, Kazakhstan regarded its chairmanship at the OSCE as a project that can enhance its national stature and reaffirm its independence as a young country. Main priorities of "Chairmanship of OSCE" in 2010 about 'Economic-Environmental' dimension were to create a comprehensive system for monitoring and responding to environmental threats ,cooperation between OSCE and International Fund

⁴⁴⁶ . OSCE Secretariat, URL: www.osce.org/secretariat/22624.

⁴⁴⁷ . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna*, retrieved on 14 January 2016, URL: <http://www.osce.org/files/documents/b/3/22624.pdf>

for Salvation of Aral Sea (IFAS, established by five Central Asian states.), work on migration and energy security and develop secure and efficient land transportation etc.

Kazakhstan would benefit from greater Eurasian economic integration and the reduction of regional environmental threats. Kazakhstan's vast energy resources have already empowered the Kazakh government to promote economic cooperation in Eurasia. The OSCE chairmanship created additional opportunities for the Kazakh government to pursue its cooperative economic and environmental agenda, which also benefits other OSCE members. Specifically, Kazakhstan became the partner of OSCE-wide interests by supporting Central Asia's deeper economic integration in trans-European networks, encouraging improved commercial practices throughout Eurasia, using OSCE energy information mechanisms to encourage consideration of diverse Eurasian energy options, strengthening cooperation among OSCE governments and with other institutions in managing the migration crisis caused by the global economic crisis, and working towards amelioration of environmental hazards affecting Central Asia's water supply. The most important issues within the OSCE's economic and environmental basket include economic development, infrastructure improvement, commercial exchanges, scientific and technical collaboration, tourism and migration, and ecological threats such as air and water pollution. After joining the OSCE, newly independent countries like Kazakhstan and other Central Asian countries found it difficult to cooperate in the economic and environmental arenas. They have experienced recurring conflicts related to borders, trade, visas, transportation, illegal migration, and natural resources such as water and gas. Kazakh leaders have sought to diminish these confrontations and recognize the inherent regional linkages between security and economic development. Economic, political, and security problems in one country can negatively affect Kazakhstan and other neighbors by discouraging foreign investors, disrupting region-wide trade and tourism, and generating refugees and other migrants.

4.13.4. OSCE –Kazakhstan: Human Dimension (ODIHR)

The "Office of Democratic Institutions and Human Rights" (ODIHR) is the largest among the OSCE institutions. It is actively engaged in the promotion of democratic values and human rights in the Central Asian countries. The Office of ODIHR has been

facilitating dialogue among government, states and civil society in the Central Asian countries and other participatory states of OSCE. It hosts annually a two-week long Human Dimension Implementation Meeting of government and non government representatives to review the human rights record of all 56 members of OSCE in Warsaw.⁴⁴⁸

The human dimension is another aspect of OSCE –Kazakhstan cooperation. According to OSCE handbook about human dimension, commitment is made to ensure full respect for human rights and fundamental freedoms, to abide by the rule of law, to promote the principles of democracy and in this regard, to build, strengthen and protect democratic institutions, as well as to promote tolerance throughout the OSCE area.⁴⁴⁹ Kazakhstan has committed to defend the mission and mandate of ODIHR. There will be challenges to the principles of ODIHR where Kazakhstan will be tested, but it is important to stress that the core mandate of ODIHR can only be changed with the consensus of all 56 participating states. Domestically, Kazakhstan has committed itself to making progress in systemic reforms by democratizing its political system. Civil society is maturing in Kazakhstan, and political debate is becoming increasingly evident in political life, albeit in what is still essentially a one-party system or a weak multiparty state. Kazakhstan needs to concentrate its efforts on further developing its legal system to support the development of a multiparty polity (Jeff Goldstein, 2010).⁴⁵⁰ The country has adopted an ambitious human rights program and a long-term legal concept that is to be implemented in the time frame envisioned in these documents. Kazakhstan is an example of multi-ethnic societies and is committed to inter-ethnic and inter- confessional coexistence and dialogue. It is a country that successfully completed the transition to independence at a time in which other multi-ethnic societies were fragmenting or even confronting civil war. Main priorities of Chairmanship of OSCE 2010 about human dimension were improve the mechanism to combat trafficking in human beings particularly focus on trafficking of

⁴⁴⁸ . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna, PP-36.*

⁴⁴⁹ . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna, PP-101.*

⁴⁵⁰ . See.http://www.osce.org/document/pc/2010/01/4233_en.pdf.

children, promotion of gender balance and participation of women in public and political life and coordination between ODIHR and OSCE Parliamentary assembly.⁴⁵¹

⁴⁵¹ . REP Seminar: Kazakhstan chairmanship of OSCE and Prospects for Democracy and Human Rights, 17th December 2010. www.chathamhouse.org.uk.

4.13.5. OSCE –Kazakhstan: Election Monitoring

The observation of elections is an integral component of the OSCE democratization agenda. Several countries view it as a controversial activity, especially since some governments experienced mass popular protests after holding of elections that ODIHR and other observers deemed neither free nor fair. Election monitoring efforts also come under criticism for inconsistency when large missions are deployed to observe a highly charged election in one country, while elections in another country, often equally undemocratic, are neglected. ODIHR does not observe all elections in the OSCE region for various reasons—including instances where a country has made insufficient progress toward democratizing its electoral process to warrant an election observation mission. A growing division has emerged between governments that actively advocate the spread of liberal democracy and those that fear that it will destabilize their country or their neighborhoods. The “Copenhagen Document” on Human Dimension adopted in 1990 established that humanitarian issues ceased to be simply domestic and established a mechanism to monitor them and guarantee human rights. But, “Moscow Document 1991” redefined human dimensions as being not exclusively internal affairs of the state. It also supports the new commitments regarding elected democratic governments in the situation of attempt or actual overthrow of elected government or during the state of public emergency in OSCE regions.⁴⁵²

Although Russia generally recognizes that OSCE standards should be implemented, it also claims that their observance should not be tailored to the interests of any individual group of states and that cultural, national, and other differences should be taken into account. This, together with subsequent issues raised in relation to election monitoring, have created the impression in many capitals that Russia and some CIS countries would prefer to take the OSCE position back to where it stood before the “Copenhagen Document.” As a result of these differing positions on whether the mandate of the OSCE grants the right to engage in what was traditionally the territory of domestic jurisdiction on human rights issues, ODIHR has suffered from numerous problems, including

⁴⁵² . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna*.

disagreement between Western democracies and CIS countries over election monitoring and on ODIHR's budget.

Western governments are encouraging the OSCE to redouble its efforts to promote democracy and human rights in the former Soviet sphere, where, in their view, these values are threatened. In fact, preserving and strengthening the mandate and autonomy of ODIHR is viewed as a critical task by a number of participating states that have expressed opposition to any effort to diminish OSCE's credibility, dilute the commitments of signatory states, divert OSCE's attention from tough human dimension issues, or undermine the OSCE's effectiveness on the ground. Since Russia's proposal was initially endorsed by Kazakhstan, along with five other CIS countries, observers have raised concerns that under Kazakhstan's chairmanship the focus of OSCE might move from the human dimension to other OSCE baskets. The commitment that Kazakhstan made in Madrid to preserve and strengthen ODIHR allayed these fears and made possible its OSCE chairmanship in 2010. Only a unanimous vote of all OSCE participating states can modify ODIHR's mandate regarding any of its established activities. It is clear that such consensus cannot be achieved given the widely diverging positions of Western democracies and Russia.⁴⁵³

4.13.6. OSCE Representative on Freedom of the Media cooperation with Kazakhstan

The office of the OSCE Representative of Media (RFOM) is an emerging specialized institution of OSCE which was established in 1997. The main task is to monitor the implementation of OSCE principles and commitment regarding freedom of expression and free media in OSCE's participatory states including Central Asia. The Representatives of RFOM collect and receive information on the situation of media from all bonafide sources.⁴⁵⁴

⁴⁵³ . OSCE/ODHIR Mission Report, 2005/2010

⁴⁵⁴ . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna, PP-42.*

4. 13.7. OSCE –Kazakhstan: Role of Field Missions

Field missions have been one of the major assets of the OSCE since 1992. The extensive field presence makes a difference and has helped the organisation carry out its functions effectively. The 18 OSCE missions currently operating in the OSCE region are valuable sources of information on existing conflicts within the OSCE and allow the organization to react during conflicts and assist in post-conflict recovery. The missions also cooperate with the host country according to their mandates. The field missions provide consultations on draft legislation, assist in preparations for elections and conduct training on a range of issues from policing and border management to judicial reform and human rights. The decision on setting up a field mission is adopted by the Permanent Council in agreement with the host state. The mandate period is usually six to twelve months with the possibility of extension. Members of the missions are seconded by OSCE participating states, while the head of the mission is appointed by the chairman-in-office. Presently, the OSCE field missions are located in the West Balkans and the CIS: Ten in Europe (Seven in the Balkans and three in Eastern Europe), three in the South Caucasus and five in Central Asia.

Some participating states (Russia, Belarus, Kazakhstan, and Kyrgyzstan) have raised concerns in relation to:

- The geographical asymmetry of the field missions;
- Their excessive concentration on the human dimension; and
- The intrusiveness of the missions—alleging that they encroach on the internal affairs of participating states.

They are concerned that the missions overemphasize the human dimension and the OSCE has become a human rights watchdog. The missions have been involved in projects on water management, cross-border cooperation, police training, as well as in traditional OSCE initiatives such as arms control and conflict monitoring and rehabilitation. However, they can only operate in cooperation with the host government, which sometimes limits their mandate and scope of activities. In some cases, OSCE field mission mandates have been suspended or obstructed by the host country. The OSCE's

role as standard setter in the field of human rights has diminished somewhat over the past years, as reaching consensus among participating states over new commitments has become increasingly difficult. Nevertheless, the OSCE has broadened the scope of its human dimension standards by adopting new commitments aimed to combat hate crimes, intolerance, and discrimination, to counter terrorism, and to combat trafficking in human beings.⁴⁵⁵

4.15.8. OSCE –Kazakhstan: Energy Security Dialogue

As a major producer of oil and gas and a major transit provider, Kazakhstan can make a unique contribution to the energy security dialogue. Kazakhstan is situated at the heart of the emerging network of energy pipelines traversing Eurasia. While desiring to retain strong economic and security ties with Russia, Kazakh leaders also want to diversify their energy purchasers by increasing their energy export options. The Kazakh government’s “tous azimuts”⁴⁵⁶ approach envisages Kazakh energy flowing westward to Europe through the Caucasus, eastward to China through its Central Asian neighbours, and southward through Iran to South Asian markets. Kazakhstan is now becoming a leading player in global efforts to establish a “nuclear fuel bank” by which countries that do not develop their own fuel manufacturing capabilities can “borrow” uranium fuel for their power reactors from an international repository.

The OSCE’s commitment to improving international trade and transport as a means of promoting economic development and commercial cooperation is rooted in the Helsinki Final Act (1975), the Bonn Document (1990), and the Maastricht Strategy Document for the OSCE Economic and Environmental Dimension (2003). Kazakhstan has sought to realize its potential as a land-based transportation hub through participation in regional economic integration initiatives. An important element in this strategy is to make Kazakhstan more internationally competitive in non - energy sectors. The Kazakhstan sought to promote reliable transport and transit corridors through landlocked Central Asia during its OSCE’s chairmanship. This requires facilitation of agreements between

⁴⁵⁵ . Report, US-Kazakhstan OSCE Task force, 2010

⁴⁵⁶ . Multi - vector

neighboring countries, improvements in transportation security, reliable and transparent customs, and enhanced training for officials at border crossings. Kazakhstan has begun consultations with other participating states on the theme of the 18th annual OSCE Economic and Ecological Forum: “Promoting good governance at border crossings, improving security of land transportation and facilitation of international transport by road and rail in the OSCE region.”

Kazakhstan could also use its affiliation with Eurasia’s multinational institutions to help integrate OSCE efforts to improve regional trade and transportation networks with those of the CIS, Eurasec, SCO, TIFA, CAREC, and financial institutions such as the World Bank and the Asian Development Bank. However, the conflict in Afghanistan continues to present a major impediment to regional economic activities.

4.13.9. OSCE Cooperating with UN, EU, Council of Europe, NATO in Central Asia

The EU, UN and NATO are one of the closest partners of OSCE. CSCE agreed upon the “Framework for Co-operation and Co-ordination between the UN secretariat and the CSCE” in 1993. OSCE Chairmanship, secretariat, institutions have maintained mutual cooperation with different specialized agencies of the UN across the range of regional and global fields including illicit trades of drugs and weapons, conflict prevention, fight against terrorism to trafficking. OSCE cooperation with the European Union and its member states cover the spectrum of various regional and thematic issues including civilian crisis management, police training, border managements and security to trafficking, terrorism, institutional building and elections⁴⁵⁷. The EU, European Commission and European major powers of EU are the main partners in funding and implementing projects in the OSCE areas. The EU is also represented through delegations in various important bodies of OSCE. The bilateral and multilateral institutional cooperation between OSCE and Council of Europe is governed by “Common Catalogue of Co –operation Modalities”, which signed by respective Secretariat General in 2000. OSCE has engaged the NATO includes political dialogue

⁴⁵⁷ . OSCE Handbook (2007), Published by *OSCE Press Information section, Vienna*, PP100-102.

and operation interactions in the field, based on the pragmatic scenario of international affairs of 21st century. OSCE Chairman in Office has been addressing annually the NATO's political bodies and as well as NATO officials are regularly invited to address the Permanent Council of OSCE. The OSCE and NATO are both participant of 'ENVSEC'.⁴⁵⁸

4.14. Border Security and its Management - Cooperation between the EU –Central Asian Countries

Central Asia is facing a wide range of security challenges due to its position at the crossroads between Russia, China, Afghanistan, Pakistan, Iran and the Caspian Sea. It is confronted with a range of trans-national threats such as drug trafficking, human trafficking, organized crime and terrorism. Central Asia also encounters specific regional threats including scarcity of water resources for generating power and irrigation purposes. Central Asian Republics face the threat of instability due to a combination of bad governance and adverse impact of the economic crisis.

4.14.1. EU's Flagship Project: BOMCA

The EU's main operational activity in the security field has consisted of two substantial projects concerning border management- BOMCA (Border Management in Central Asia) and drugs- CADAP (Central Asia Drug Action Programme).

BOMCA: BOMCA is an important the EU assistance programme in Central Asia. It was launched in 2003 with the aims of strengthening border management and facilitating legal trade and transit. BOMCA has focused on "demonstration approach" with pilot projects earlier. BOMCA has also been providing policy, legal advice and institutional capacity building to Central Asian countries. It was started with merger of two projects in February 2004, which had combined budget of around Euro 38.5 million for 2002-2005.

⁴⁵⁸ . Ibid.

The EU is funding agency while “United Nation Development Programme” (UNDP) is the implementing organisation of the BOMCA.⁴⁵⁹

The BOMCA is the one of the EU’s strategic instrument in supporting the security and stability of the region by the supporting the legitimate trade and transit in Central Asia through the integrated border management (IBM). This is implemented for the EU by the ‘United Nations Development Programme’ (UNDP) with the ‘International Centre for Migration Policy Development Programme’ (ICMPD) as an implementing partner. The programme is under the direct leadership of the UNDP Country office in Kyrgyzstan. BOMCA was allotted a budget of over Euro 36 million for the period 2003-2014, of which 95 % was financed by the European Commission (Gavrilis 2009:2). BOMCA is providing infrastructure, equipments and on the job training at the border in Central Asia. The EU has contributed nearly Euro 8 million for the period (2011-14), to facilitate legitimate trade and transit and reduce the illicit movement of goods and people.⁴⁶⁰

These programmes started before the launch of the EU Strategy for Central Asia and implemented by the UNDP offices in the region. BOMCA has been described as a Sisyphean task (EUCAM Policy Brief December, 2009). This programme aims at upgrading the capacity of border services, with their customs and immigration services, and mobile command and control centers, with a view to combating cross-border crime and trafficking in drugs, arms and human beings, and at the same time to facilitate trade and transit. BOMCA’s achievements have included supplying modern equipment to border posts, the building of some large infrastructure projects at border points, revising obsolete laws governing border controls, and engaging usefully with the region’s most closed states. There have been training courses for hundreds of officials but, BOMCA’s capacity and budget for training are limited, and can provide classes and workshops for only a small portion of eligible border officers. BOMCA is more coordinated and

⁴⁵⁹ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N° 113, 10 April 2006.

⁴⁶⁰ . Bonavita, Valeria (2015), “The externalization of border controls towards the EU’s broader neighborhood: Challenges of consistency” in Sieglinde Gstohl and Erwan Lannon (eds.), *The European Union’s Border Neighborhood: Challenges and Opportunities for Cooperation beyond the European Neighborhood Policy*, London: Routledge.

comprehensive than other border management assistance initiatives in the broader Eurasian region. U.S. assistance to the region, for example, tends to be more piecemeal and is focused on paramilitary training. BOMCA is relatively inexpensive taking into account its geographic span and thematic scope, covering the Central Asian region for over half a decade in less than 50 million Euros. EU is enhancing BOMCA's coordination work with other border management assistance sponsors such as the OSCE and SCO. BOMCA creates synergy with members of the international community that are currently reforming and expanding training efforts for the Afghan border police and border authorities. The EU's funded BOMCA is linking border control support in Afghanistan and Central Asia. This programme has focused on building three border crossing points on the Tajik-Afghan border and also training Afghan border guards and providing equipment.

These border management activities necessarily intersect with counter-narcotic programmes. Drug trafficking networks ferry Afghan opiates across the region to markets in Russia and Europe, a trade whose export value across the region approximates several billion Euros. Counter narcotics assistance is under the purview of "Central Asia Drug Assistance Programme" (CADAP), which is run by the same five in-country teams which run BOMCA and officials of the two programmes share the same offices and often work on both programme action plans. CADAP has provided airports and border crossings with drug detection equipment, legal assistance and training to Central Asian drug enforcement agencies, and training of dogs to detect narcotics. BOMCA and CADAP have used UNDP⁴⁶¹ as executive agency for the Commission.⁴⁶² The OSCE is also active in these fields with funding support from some EU member states. Besides, border control the EU has so far been barely engaged in Security Sector Reform (SSR) in Central Asia. The EU is working for applying the integrated border management approach to less politically sensitive sectors such as the handling of emergency situations,

⁴⁶¹ United Nations Development Programme (UNDP) has been partnering with people at all levels of society to help build nations that can withstand crisis and drive and sustain the kind of growth that improves the quality of live for everyone. UNDP Kazakhstan and Government of the Republic of Kazakhstan signed Memorandum of Understanding (2010-2014) on cooperation in the new stage of national development. Strong fifteen-years-cooperation between the Republic of Kazakhstan and UNDP based on Standard Basic Assistance Agreement (SBAA) as of 4 October 1994.

⁴⁶² . Report of EUCAM Project, 2010

which also demands the involvement of a host of security services and ministries.⁴⁶³ However, BOMCA has lost its original framework of objectives and has been ‘politicised’ with geopolitical interests and influences of external actors in Central Asia.⁴⁶⁴

4.14.2. Drug Trafficking in Central Asia

Central Asia is suffering due to its strategic location of being the centre of global narcotics flows. Central Asia is the transit route for Afghanistan’s heroin to European and Russian markets. Some illegal drugs are sent through Pakistan, Iran to Turkey.⁴⁶⁵ Afghanistan also produces nearly 90 % of the world’s opium. Therefore, Central Asia is suffering from trafficking related organized crime and corruption along with addiction, associated health and social problem.⁴⁶⁶

EU’s Central Asia Drug Action Programme (CADAP) : It is EU’s initiative to support the anti - trafficking efforts in Central Asia, launched in January 2001. Central Asia is important transit route for 30 % of Afghan drug exports, which may reach about 100 tones.

4.15. Kazakhstan’s Environmental, Ecological Security and Climate Change Policy and Cooperation with EU

The former USSR conducted about 70 % of all its nuclear testing in the north east part, near city of Semipalatinsk (also known as Semey) in Kazakhstan during the period from 1949 to 1991. Kazakhstan is facing severe environmental challenges now including land deterioration, desertification and water scarcity due to its past military nuclear testing programmes, and industrial and mining activities. Soviet Union conducted 500 nuclear explosions occurred above and below the ground and more than 40 nuclear detonations occurred on other testing ground in western part and in the Qyzylqum desert in Kazakhstan. More than one million Kazakhs have been suffering due to exposure to

⁴⁶³ . EUCAM , 2009

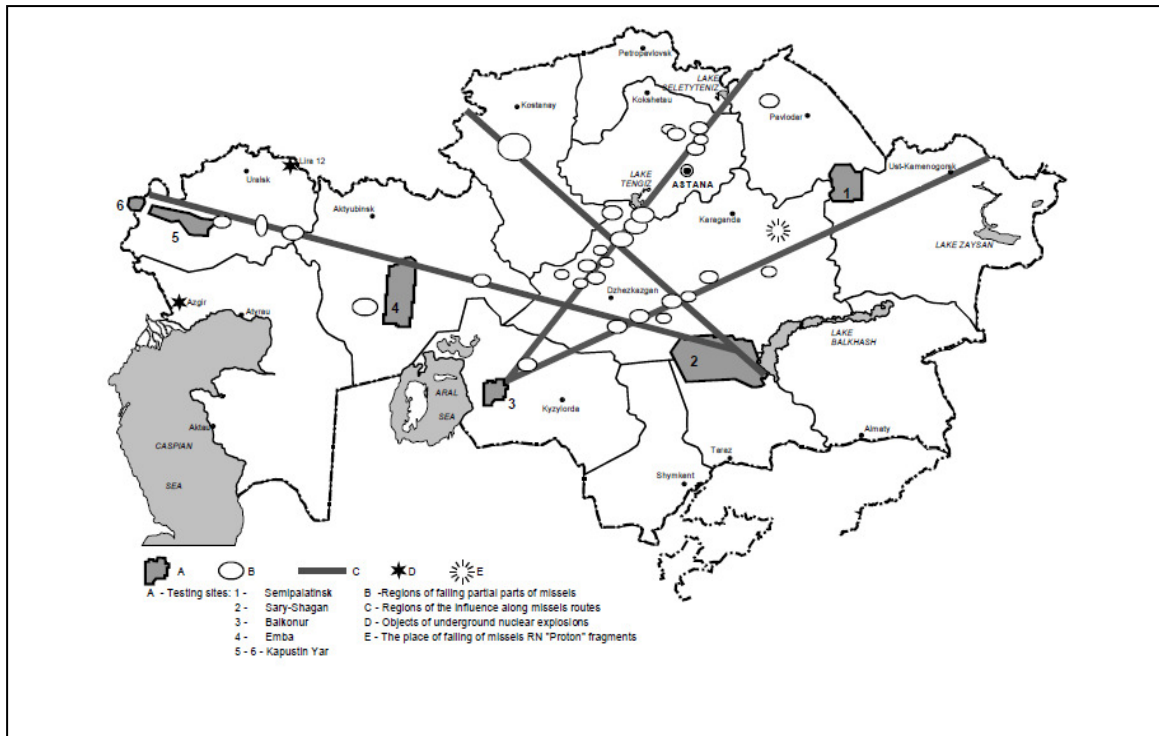
⁴⁶⁴ . International Crisis Group Report (April 2006), Central Asia: What Role for the European Union, Asia Report N^o 113, 10 April 2006.

⁴⁶⁵ . “The Afghanistan Opium Survey 2005”, United Nations Office of Drugs and Crime, November 2005.

⁴⁶⁶ . International Crisis Group Report (2006), Central Asia: What Role for the European Union, Asia Report N^o 113, 10 April 2006.

dangerous level of radiation, due to the Soviet nuclear programme and no alert alarmed near the testing site.⁴⁶⁷

Testing Sites of Military and Cosmic Complex and Objects of Nuclear Explosion



(Source: Kazakhstan: Environment Performance Review, UN, 2000)

⁴⁶⁷ . Bendini, Roberto (October 2013), *Kazakhstan: Selected Trade and Economic Issues*, European Parliament Policy department, retrieved at 30 December 2015, URL: http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP%282013%29522303_EN.pdf.

Map of Radioactive, Chemical and Biological Hazards in Central Asia

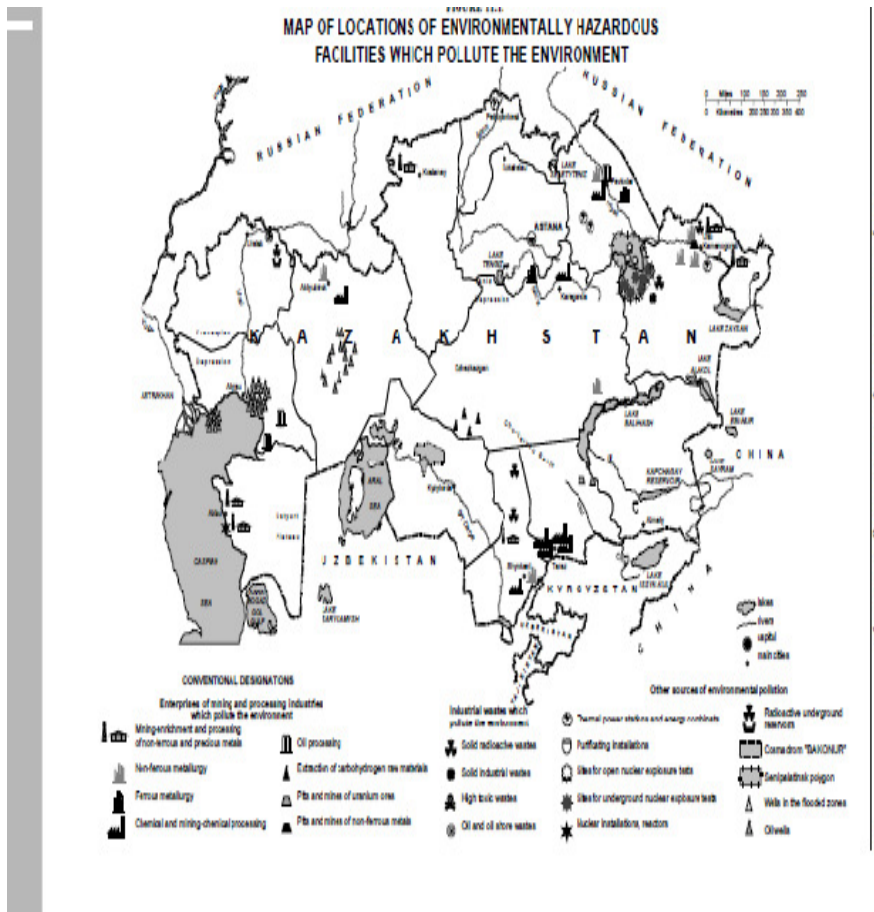


Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, PP-6.,

[URL: http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

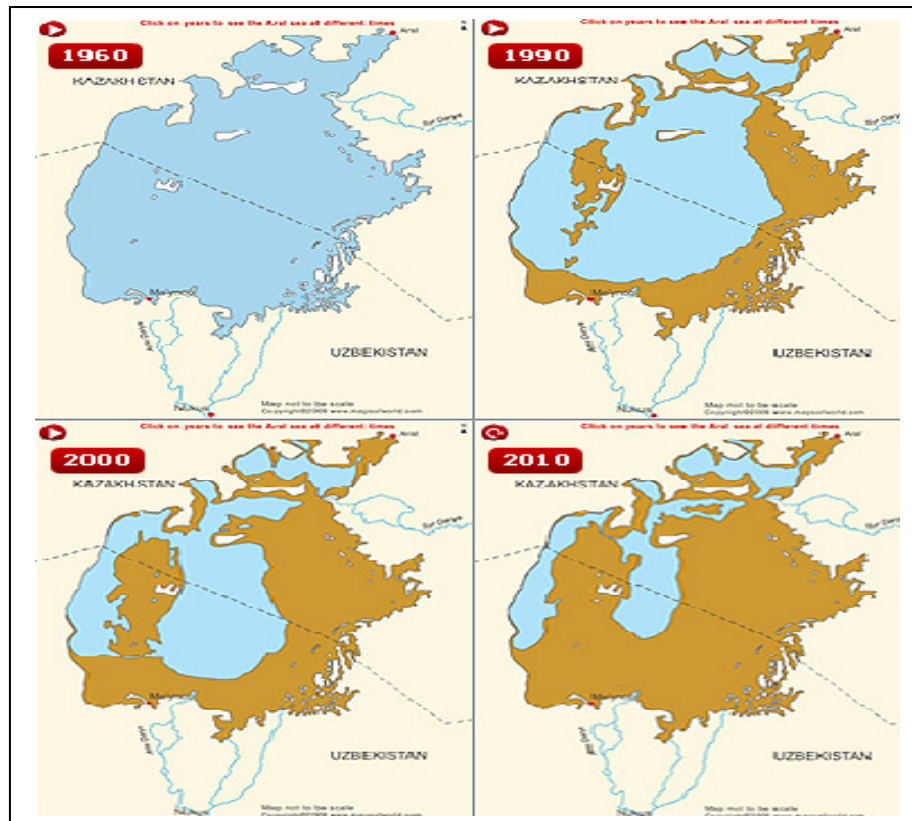
Kazakhstan is also facing major ecological challenges in the Aral Sea, retreating water basin along with Uzbekistan. Due to the excessive irrigation and high evaporation rates the flow of water to the Aral Sea decreased. It also destroyed the wildlife habitat and caused severe health issues including respiratory infections and parasitic diseases in surrounding areas. There are several environmental issues being faced by Kazakhstan such as exposure to the harmful emission from lead and zinc smelters, uranium

processing mill, other heavy industries in urban area, while soil erosion is also important cause of water pollution in Caspian Sea.⁴⁶⁸



⁴⁶⁸ . . Source: Bendini, Roberto (October 2013), “Kazakhstan: Selected Trade and Economic Issue”, European Parliament Policy department, *PP-6*, URL:[http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP\(2013\)522303_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/briefing_note/join/2013/522303/EXPO-INTA_SP(2013)522303_EN.pdf)

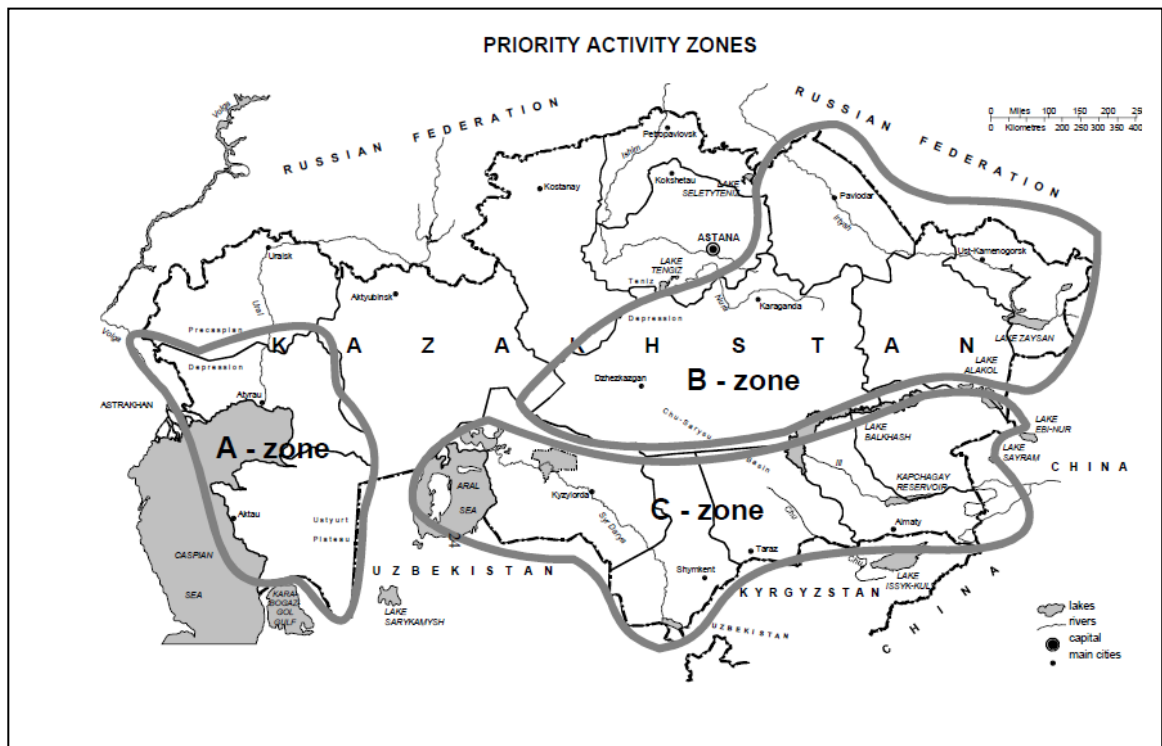
Map Showing the Disappearance of the Aral Sea



4.16. Kazakhstan's Climate Change Policy and its Regional and Global efforts

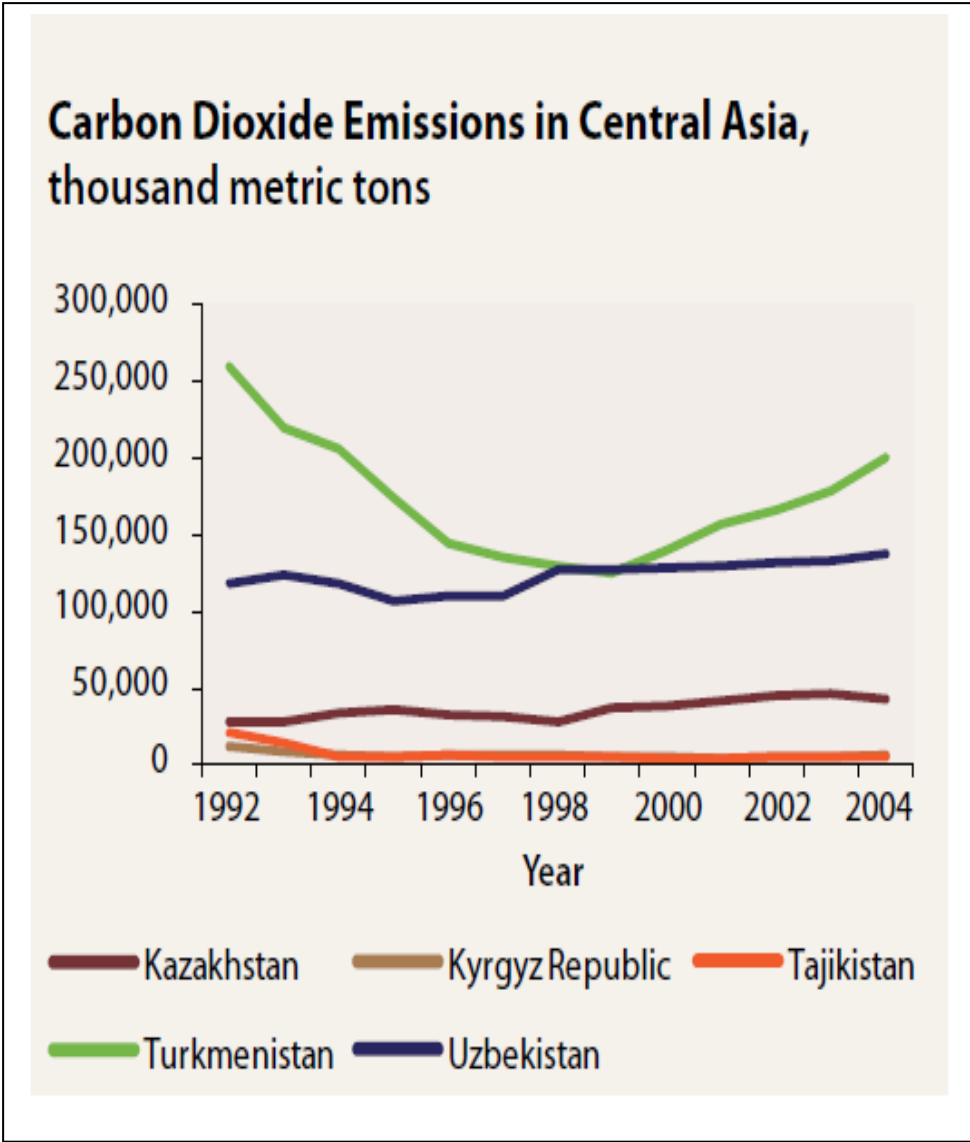
Climate Change is the most important global challenge the entire humanity is facing now. Kazakhstan is party to the UN Framework Convention on Climate Change (UNFCCC). Kazakhstan ratified the UNFCCC in May 1995 and signed the Kyoto Protocol on 12 March 1999. Kazakhstan was allowed to enter the Annexe I group of countries of the Convention by fulfilling two conditions: bringing Kyoto Protocol into force (met from 16 February 2006), and ratification of Kyoto Protocol during at the 7th Conference of the Paris to the UNFCCC in 2001.⁴⁶⁹

Priorities Zones under Kazakhstan's NEAP



(Source: Kazakhstan: Environment Performance Review, UN, 2000)

⁴⁶⁹ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2009), Kazakhstan's Second National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change, accessed on 1 January 2016, URL: <http://unfccc.int/resource/docs/natc/kaznc2e.pdf>.



(Source: Asian Development Bank (2010) , Central Asia Atlas of Natural Resources)

Kazakhstan has ratified more than 20 international environmental treaties (conventions and protocols). Kazakhstan is party to Annex I, but it has no definite quantitative obligations under Annex B of the Kyoto Protocol, so it has no any rights to participate in the joint implementation projects on in projects under the clean development mechanism. Climate Change issues are integrated into the vision document of “Strategic Development Plan 2020”. The agenda of climate change mitigation is also considered to be part of Kazakhstan’s contribution to the global reduction of green house gas emissions. Kazakhstan has also developed a National System of the greenhouse gases emission quota distribution and sale in the period of 2010-2011. New laws were passed by the parliament and signed by President in 2011. Kazakhstan has also established ecological corridors and ecological networks for protection of natural sites including water and land bodies.⁴⁷⁰

Kazakhstan is committed to achieve the global dreams of climate change and promotion of environmental security in Central Asia. Kazakhstan has actively participated in recently held “the high level segment of the 21st conference of the parties of the “UN Framework Convention on Climate change” (COP-21) which started on 7th December 2015 in Paris. Kazakhstan President Nursultan welcomed the adoption of the final document of the 21st session of the Conference of the Parties to the UN Framework Convention on Climate change. President remembered that “global climate change is one of key conditions for sustainable development, poverty reduction and achievement of social and economic well being of all countries of the world” at Astana on December 18,

⁴⁷⁰ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change, accessed on 1 January 2016, URL: https://unfccc.int/files/national_reports/annex_i_natcom_/application/pdf/kaz_nc3,4,5,6_eng.pdf.

2015. Kazakhstan also agreed to reduce emission by 15 % and 25 % to 2030 from the 1990 base year.⁴⁷¹

Kazakhstan Minister of Energy, Vladimir Shkolnik stated national commitment to climate change during his presentation in Paris in December 2015. He stated that Kazakhstan is fully determined to support the Global Framework for Climate Services. Kazakhstan will be also hosting World Exhibition “Astana –EXPO 2017” on the theme “Future Energy”.⁴⁷² Kazakhstan minister focused on its national program “Kazakhstan’s Intended Nationally Determined Contribution (INDC) between 2001-2030. This was also referred by the head of the EU delegation in Kazakhstan, Traian Hristea in his opening remark that “adoption of national commitments by Kazakhstan, a reputable and responsible member of global community, will contribute to the struggle to curb the pace of Climate Change”.⁴⁷³

The fundamental priorities of the Climate change policy of Kazakhstan are ⁴⁷⁴:-

- To develop National Strategy on Climate Change;
- To develop a National Energy Saving Program including creation of renewable energy resources, strengthening the energy efficiency of economy, pilot project on CHG emission reduction;
- Practical implementation of the Kyoto Protocol mechanism;
- Establishment of the Power grid and also united power grid for the useful utilization of electrical energy and develop competitive market of electrical energy.

Kazakhstan has been making positive efforts to tackle the challenges of the Climate Change. It has also ratified several international environmental conventions with norm of

⁴⁷¹ . The Astana Times, Kazakhstan President Welcomes Paris Agreement on Climate Change, 18 December 2015, URL: <http://astanatimes.com/2015/12/kazakh-president-welcomes-paris-agreement-on-climate-change/>

⁴⁷² . Press Service, Ministry of Energy of the Republic of Kazakhstan, 8 December 2015 , URL: <http://en.energo.gov.kz/index.php?id=3422>.

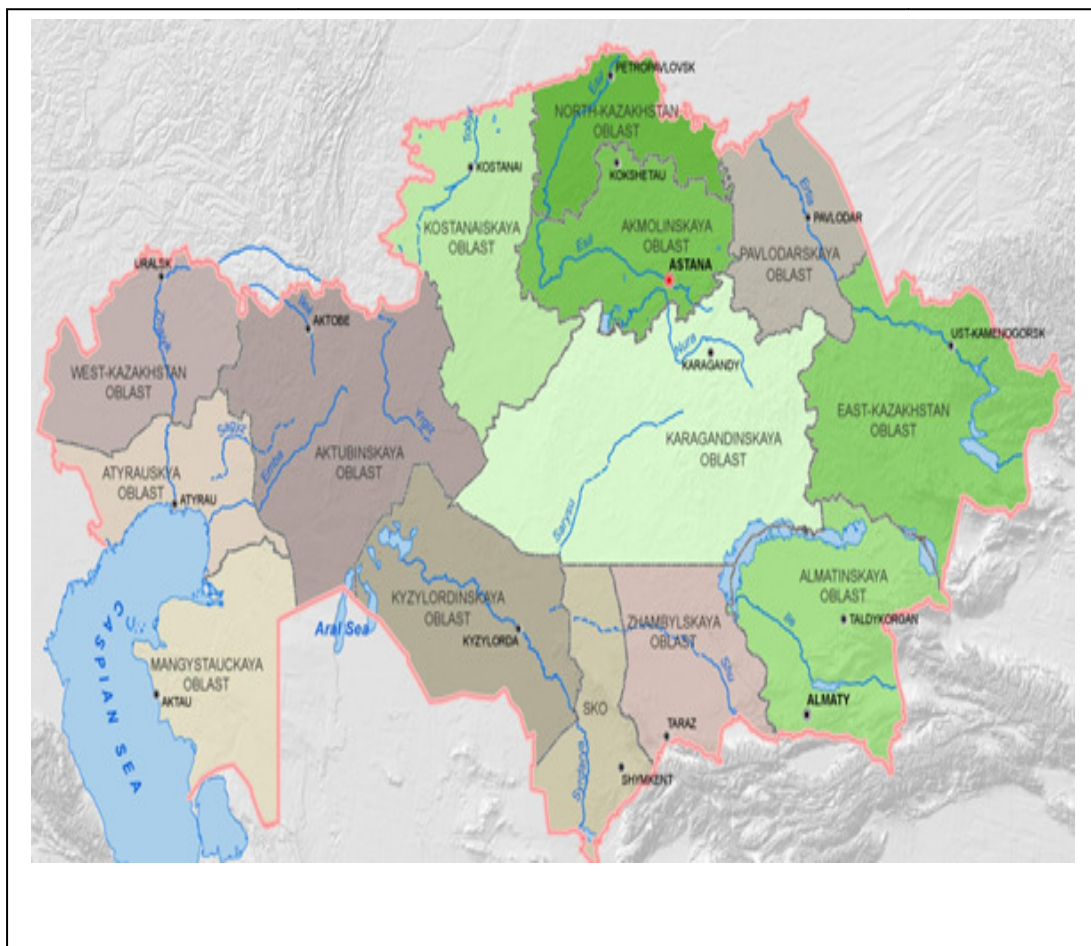
⁴⁷³ . The Astana Times, 14 October 2015, URL: <http://astanatimes.com/2015/10/parliament-to-play-key-role-in-reaching-climate-change-goals-say-paris-climate-conference-participants/>.

⁴⁷⁴ . Climate Change Coordination Centre, Astana, Kazakhstan, retrieved at 1 January 2016, URL: <http://www.climate.kz/eng/?m=html&cid=19>.

Environmental Code. New industry programme “Zhasyl Damu” 2010 provided the mechanism of the implementation of the obligations under international agreements such as Kyoto Protocol , UNFCCC- 2009, Stockholm Convention on Persistent Organic Pollutants-2007, Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International trade -2007, the Basel Convention on the Control of Transboundary Movements of Hazardous Waste -2003. Kazakhstan high level delegations also actively participated in the largest Climate meetings and negotiations (Copenhagen 2009, Cancun2010, and Durban 2011). It is also closely working with important global organizations such as UNDP, UNEP, and UN Industrial Development Organisation (UNIDO) along with multilateral development banks including ADB, EBRD, World Bank, with members of the EU, OSCE, GEF, and other international organisations. It is also working with intergovernmental programs and projects in Central Asia such Interstate Commission on Sustainable Development, Eurasian Economic Community, Regional Environmental Centre for Central Asia, and Regional Mining Centre for Central Asia etc. Kazakhstan is also engaged with project for the ‘Development of Low Carbon Development Strategies in Central Asia’ which is implemented by CAREC (2012-2013). UNIDO and Eurasian Economic Community (Kazakhstan is a member of EurAsEC) signed a memorandum of cooperation in the area of energy and climate change including water management , agriculture sector in 2009. The ‘EU –Central Asia: Climate Change and Strategic Planning of use of natural resources’ was created during the high level Conference ‘ EU-Central Asia’ in Rome in November 2009. Second ‘EU-Central Asian Forum on climate change’ took place in Bishkek in 2010.⁴⁷⁵

⁴⁷⁵ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change.

Vulnerability map of Kazakhstan regions to Climate Change



(Note: If Region is more vulnerable to climate change, then green color is more intensive).

Source : Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change, *PP-157*.

4.17. EU-Kazakhstan Environmental Security and Climate Change Cooperation

The present phase of climate change is direct outcome of the economic growth in the period commencing with industrial revolution. It is also direct result of increasing emissions of GHGs, including Carbon dioxide (CO₂), Methane (CH₃), Ozone (O₃), Sulfur hexafluoride (SF₆) and Nitrous oxide (N₂O). Burning of fossil fuels (coal, gas, and oil) is also the largest contributor of the threats of environment.⁴⁷⁶

Climate change is a core issue of international relations. Global climate change poses serious threat to the region's environment, ecological and socio-economic systems. Agricultural production has already decreased in some commodity groups and quantities and qualities of water resources are at risk of severe effects of climate change. Climate change is regarded as a long-term change in the earth's climate, especially a change due to an increase in the average atmospheric temperature, progress in emissions of greenhouse gases, changes in weather patterns. Central Asia is severely affected by climate change. Central Asia significantly contributes to global warming by generating large volumes of GHG emissions. Kazakhstan is the 30th largest emitter of carbon dioxide worldwide and Uzbekistan is the most carbon intensive economy globally.

The EU and its Central Asian partners have been developing long term strategies to prevent the climate effects on human health and on the environment. Kazakhstan and EU are cooperating on many important environmental issues for the region such as; land degradation, deforestation and sustainable land use, forestry management, safeguarding biodiversity, including support for the implementation of the UN Convention on Biological Diversity, reducing pollution related to industrial sites and contaminated

⁴⁷⁶ . Pang, Sharon F.H, Bob McKercher and Bruce Prideaux (2014), "Climate Change and Tourism: An Overview" in Bruce Prideaux, Bob McKercher and Elizabeth McNamara (eds.) *Climate Change and Tourism in the Asia Pacific* London: Routledge.

tailings, monitoring and addressing the risks related to environment and human health. Climate change in Central Asia leads to the following:

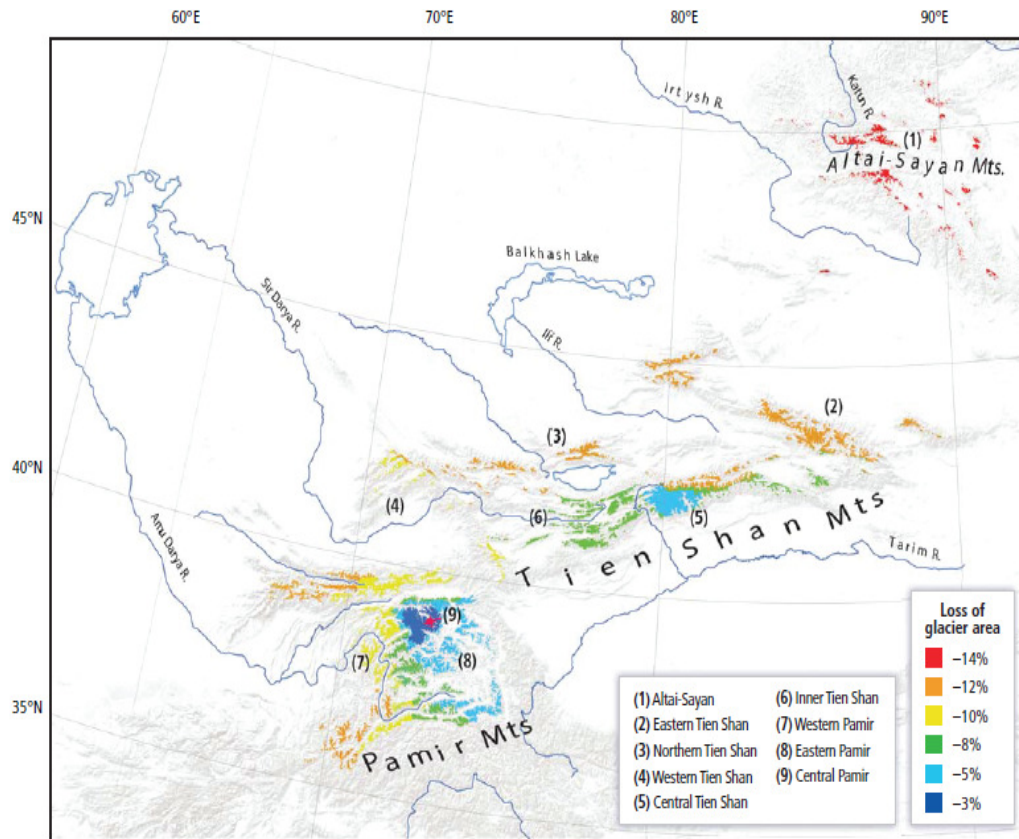
- Conflict over resources;
- Loss of territory and border disputes;
- Environmentally-induced migration;
- Tension over Energy supply;
- Climate change is viewed to affect water and energy security in Central Asia.

The glaciers in Tajikistan lost a third of their area in the second half of the 20th century alone, while Kyrgyzstan has lost over 1,000 glaciers in the last four decades.⁴⁷⁷ There is considerable potential for conflict in a region whose strategic, political and economic developments as well as increasing trans-regional challenges impact directly or indirectly on EU interests. The EU is in a unique position to respond to the impact of climate change on international security (particularly Central Asia with the cooperation of Kazakhstan), given its leading role in development, global climate policy and the wide array of tools and instruments at its disposal. The security challenge is dealt with by Europe with its comprehensive approach to conflict prevention, crisis management and post-conflict reconstruction, and as a key proponent of effective multilateralism in Central Asia and Kazakhstan.⁴⁷⁸ Kazakhstan's important partners for environmental cooperation are mainly UNEP, UNDP, UNECE, EU, Germany, Norway, Switzerland, Japan, U.S, GEF, the World Bank, the Asian Development Bank. There are following numbers of registered partners in different sectors of Kazakhstan.

⁴⁷⁷ . European Council Paper S113/08

⁴⁷⁸ . Report of European Council & Commission, 2008.

Losses of Glacier area in the Altai Sayan, Pamir, and Tien Shan. Remote –sensing data analysis from 1960s (Corona) through 2008 (Landsat, ASTER, and Alos Prism.



Source: Hijioka, Yasuaki et. al (2014), Asia, observed and Projected Climate change, chapter 24.

4.18. Kazakhstan and UNRCCA in Central Asia

The United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA) was established by UN upon the initiative of all five Central Asian states in December 2007. It is situated in Ashgabat. The main objective of the UNRCCA is to assist and play the role of mediator in context of the conflict prevention capacities through enhanced dialogue, confidence building measures and collective cooperation in order to response of existing threats and intraregional emerging challenges. UNRCCA is also encouraging peace efforts and facilitate coordination for multilateral cooperation and information exchange in particular context of integrated approach including humanitarian

assistance, preventive development, peace and conflict managements, cross border threats, international legal cooperation against chemical, biological and nuclear terrorism, and weapon of mass destruction (WMD) with all central Asian countries. It is also assisting in the field of water and energy sphere of Central Asia.⁴⁷⁹

Kazakhstan has hosted some important events of UNRCCA since the early year of its establishment. The UN has also appointed Special Representative of UN Secretary General (SRSG) and representative offices in Central Asian states including Kazakhstan in 2010. UNRCCA provides platform for mutual beneficial cooperation with Central Asian states and also with Afghanistan. It also organises training programme for young diplomats for preventive diplomacy of all Central Asia states. It is also cooperating with other important regional organisations of Central Asia including OSCE, SCO, CIS, EurAsEC, EU, CSTO, NATO, IMF, ECO, FAO, World Bank. Kazakhstan has been continuously working towards achieving strategic and harmonized approach under its 'Program for Action new cycle' to consult for common challenges of Central Asia.⁴⁸⁰

4.19. Concluding Remarks

Kazakhstan faces new strategic challenges in the geopolitics of Central Asia in the post 9/11 era. Emergence of Islamic jihadism in Kazakhstan and rise of instability in its surrounding states pose direct threat to the national security and regional security in Central Asia. Realist theorists recognise that weak states will seek "balancing options" from dominant powers or pursue active cooperation with influential powers rather than confrontation. The threats of political Islam, Islamic terrorism and other traditional or nontraditional security threats determine the degree of cooperation with major powers of global politics. Kazakhstan also used its energy resources as diplomatic tool for enhancement of cooperation with influential powers of Central Asia. Central Asian approach of 'balancing act' seeks to maintain diplomatic independence and

⁴⁷⁹ . United Nations Regional Centre for Preventive Diplomacy for Central Asia retrieved at 29 December 2015, URL: <http://unrcca.unmissions.org/LinkClick.aspx?fileticket=xCL-Ex7UGAg%3D&tabid=9322&language=en-US>.

⁴⁸⁰ . Ministry of Foreign Affairs Republic of Kazakhstan, Foreign policy –UNRCCA, retrieved at 29 December 2015, URL: <http://www.mfa.kz/index.php/en/foreign-policy/international-organizations/un/94-un/761-unrcca>.

comprehensive engagements with major powers attracting military and economic assistance for domestic defence modernization and economic growth.

Internal security and defence framework shows greater continuity in Kazakhstan Defence policy design and strategic culture. Strategic interests, defence reforms measures, association with new normative global power – the EU have moved to new set of geostrategic cooperation in defence and security scenario.

Presence of the great powers including European security organistaion like NATO, OSCE would ensure security, stability and common purpose. These could strengthen liberal democracy in Kazakhstan and others states. The Organisation of Security Cooperation in Europe (OSCE) has played significant role in conflict resolutions and other security related management in Kazakhstan and also other Central Asian states. OSCE has become a bridge between the two sides of the conflicts.

Afghanistan has become hotbed of global terrorism after the collapse of USSR. Central Asia has become important alternate transit route to support NATO led global war against terrorism after the 9/11 attack. The threat perception of China and common strategic objectives of China and Russia through their different political, economic and security organisations for regional integration in Central Asia have led Kazakhstan to enhance relations with other great powers especially EU and USA. Russia is so powerful that influences security situation in the region and Ukraine crisis is eye witnessed of the sphere of influence in the post Soviet space. President Nazarbayev skillfully builds up a solid bridge of relationship with the EU , Germany, the UK, NATO OSCE along with maintaining strategic cooperation with Russia and China with prime objectives to extract the maximum benefit for Kazakhstan.

Security is also important part of the EU's defence and security relations with Kazakhstan and other Central Asian states including bordering states of East Europe. The concept of establishment of 'European Pentagon' and the EU as new economic power centre of global economy is key constituent of integration with 'European territory' under the specific aspects of Europeanisation. Closer cooperation between Kazakhstan and the EU and its military institutions in the defence and security sphere will benefit

Kazakhstan. It will enhance Kazakhstan's military capabilities and ensure its security and stability. It would also strengthen Kazakhstan's efforts against threats of extremism and terrorism.

CHAPTER: FIVE

THE EUROPEAN DIASPORA IN KAZAKHSTAN

The Kazakh steppe land located at the north of the Tien Shan Mountains, south of Russian Siberia, west of the Caspian Sea and east of China has been home to diverse cultures and ethnic groups during the Soviet period. Kazakhstan supervised the forced exile of thousands of prisoners under the Stalin and immigration of Russian farmer under the President Nikita Khrushchev's "Virgin Lands" Programme, which changed the demography. So, Kazakh become minority. Russian culture and language changed the social –cultural patterns of the society.⁴⁸¹ However, after independence in 1991, the process of Kazakhisation followed.

Kazakhstan and Europe share a diversity of culture and a desire for various ethnicities and religions to live in tolerance and harmony. Kazakhstan is also the most westernised and culturally diverse state among all five states of Central Asia.⁴⁸²

Kazakhs are historically a nomadic or semi - nomadic people. Kazakhstan considers itself as part of the Eurasian continent, because it is located to the west of the Ural Mountains and the Ural River. Kazakhstan has joined European Football Association (UEFA).⁴⁸³ It has over 130 ethnic groups. Diaspora has become an important bridge to enhance bilateral relations with European states. Kazakhs diaspora also has significant contribution in the economy of their homeland and Kazakhstan. President Nursultan initiated a new diaspora policy for Kazakh diaspora since 1991. President Nazarbayev is also the Chairman of the "World Association of Kazakh (WAK), which connects diaspora communities through cultural, educational and business activities. In 1997, President Nazarbayev first introduced the term "Kazakhstan" in his speech on the strategy programme "Kazakhstan -2030". While, According to Article 19 of the Constitution, every citizen has right to indicate or to decline to indicate an ethnicity. Article 57 (On Families and Marriage) states that children must select the ethnicity of one

⁴⁸¹ . Countries and their Cultures: Kazakhstan Culture, URL: <http://www.everyculture.com/Ja-Ma/Kazakhstan.html>.

⁴⁸² . Kazakhstan and Europe: Building Ties, Edge, retrieved at 08 February 2016, URL: <http://www.edgekz.com/kazakhstan-europe-building-ties/>

⁴⁸³ . KIMEP International, Kazakhstan's international Perspectives: Europe or Asia, retrieved on 31 May 2016, URL: <http://www2.kimep.kz/international/eurasia.shtml>.

of their parents. We can say that technically anyone can refuse to select an ethnicity on application for state identification cards and passport for international use.⁴⁸⁴

Kazakhstan also considers itself with part of the European culture and society. Both have enjoyed diverse multiculturalism. Both, Kazakhstan and the EU enjoy the cosmopolitan society in the era of multiculturalism.⁴⁸⁵

5.1. Diaspora in International Relations: Theoretical perspectives

This chapter examines diasporic activism in countries of origin, in host states and also at the transnational level. It explores the relationship between Kazakhs and non - Kazakh residents and boundaries of minority identity in post - Soviet Kazakhstan. Migration plays an important role in development of Kazakhstan in last century and half.

Growth of diasporas and their gradual inclusion in local societies cooperation changed the dynamics of economic and political cooperation in international relations. The word “diaspora” is derived from the Greek verb ‘speiro’ (to sow) and the preposition ‘dia’(over). The components of the diaspora derived by goods, capital, knowledge, images, communication, crime, culture, pollutants, drugs, fashions and beliefs all readily flow across territorial boundaries in the era of globalization. Globalization has played significant role in the context of pragmatic, economic and effective role of diaspora in contemporary international relations.⁴⁸⁶

Robin Cohen has classified following categories of diasporas⁴⁸⁷:-

- First phase –classical diasporas;
- Second phase after 1980s onwards – Safron argues that diaspora was deployed as ‘a metaphoric designation’ to describe different categories of people- ‘expatriates, expellees, political refugee, alien residents, immigrants and ethnic and racial minorities;

⁴⁸⁴ . Melich, Jiri and Aigul Adibayeva, (2013), “Nation –Building and Cultural Policy in Kazakhstan”, *European Scientific Journal*, December 2013, Vol.2.

⁴⁸⁵ . Walters, Alex, Kazakhstan and Europe: Building Ties, retrieved on 30 May 2016, URL: <http://www.edgekz.com/kazakhstan-europe-building-ties/>.

⁴⁸⁶ . Cohen, Robin (2001), *Global Diasporas: An Introduction*, Oxon: Routledge.

⁴⁸⁷ . Cohen, Robin (2010), *Global Diasporas: An Introduction*, London: Routledge.

- In the post - modern views diaspora is marked as namely ‘homeland’, and ‘ethnic and religious community’;
- Mobilising diasporas- Martin Sokefeld considers formation of diaspora as ‘a special case of ethnicity’. They are ‘imagined transnational communities’;
- Post Colonial Diasporas –David Chariandy elaborates the concept of diaspora in the context of progressive cultural politics. It is result of modern colonialism and national building;
- Victim diasporas;
- Labour diasporas;
- Imperial diasporas;
- Trade and Business diasporas.

The adherents of the “political” approach consider diaspora as political phenomena. It focuses on “nation” and “the political border” in terms of diasporas. National identity provides the world views, values for formation of Kazakh’s patriotism, and established strong social- economic- political links. Professor Ragazzi F, University of Leiden has designated six meaning of diasporas with different references of international relations⁴⁸⁸:-

- The Population;
- The Social environment;
- A Subject of international policy;
- A Social movement;
- A Symbol;
- A Process of social and political process.

⁴⁸⁸ . Auyelgazina,Tolkyn et al. (2013), Peculiarities of the Formation of National Identity of the Kazakh Diaspora, Middle East Journal of Scientific Research 14 (7):909 -915, retrieved on 7January 2016, URL: http://portal.kazntu.kz/files/publicate/2014-10-03-10049_2.pdf.

Role of diasporas have been increasing in modern societies over the past two decades. Diasporas are becoming legitimate stakeholders in international decision making process. It represents as new actors about political territory and cultural belongings.⁴⁸⁹

The role of diasporas in homeland conflict and political unrest has attracted attention in the post 9/11 era, not only states but also individuals can threaten security. It is also pointed out that diaspora organizations are supporting their countries of origin in terms of community development as well as peace and reconciliation initiatives. The transnational networking activities of diaspora are regarded as resources for survival, development and welfare. Remittances sent by diasporas as their primary sources of income, contribute to innovation and reforms in the political and social sphere. Diaspora's remittance, return migrations are playing significant role in state building and development especially in economic sectors.⁴⁹⁰

Cohen expands the diaspora concept to include following nine features⁴⁹¹:-

- Diaspora from an original homeland, often traumatically, to two or more foreign regions;
- Alternatively, the expansion from a homeland in search of work, in pursuit of trade or to further colonial ambitions;
- A collective memory and myth about homeland, including its location, history and achievements;
- An idealisation of the putative ancestral home and a collective commitment to its maintenance, restoration, safety and prosperity, even its creation;
- The development of return movement that gains collective approbation;
- A strong ethnic group consciousness sustained over a long time and based on a sense of distinctiveness, common history and belief in a common fate;

⁴⁸⁹ . Liisa Laakso (2014), "Diaspora and multi level governance for Peace," in Laakso, Liisa and Petri Hautaniemi (eds.), *Diasporas, Development and Peacemaking in the Horn of Africa*, London: Zed Books.

⁴⁹⁰ . Laakso, Liisa and Petri Hautaniemi (2014) (eds.), *Diasporas, Development and Peacemaking in the Horn of Africa*, London: Zed Books.

⁴⁹¹ . Abdile, Mahdi (2014), "The Somali diaspora in Conflict and Peace building: the Peace Initiative Programme" in, Liisa Laakso and Petri Hautaniemi (2014) (eds.), *Diasporas, Development and Peacemaking in the Horn of Africa*, London: Zed Books.

- A troubled relationship with host societies,
- A sense of empathy and solidarity with co - ethnic members in other countries of settlement; and
- The possibility of a distinctive creative, enriching life in host countries with a tolerance for pluralism.

5.2. European Settlers in Kazakhstan: Historical Background

Kazakhstan is a multinational state and home of several ethnic groups that were either forced to move to the great steppes or migrated due to different reasons⁴⁹². It was also encouraged by the state during the Russian Empire and Soviet era. There are two kinds of diaspora in Kazakhstan:

- Pre -Soviet and post - Soviet era : ethnic, religious and penal

Ethnic diaspora is classified on the basis of immigration, voluntary or forced. It is differentiated by the drawing of boundaries in 1924, for example, Uzbek community in 1926. Central Asian diaspora in Kazakhstan was either created by administrative measures or by immigration in 19th century.

More than 130 nations and nationalities are living in Kazakhstan now.⁴⁹³ President Nazarbayev adopted policy – Kazakhstan as land of Kazakhs excluding the full participation of non - Kazakhs in nation building process in terms of language of government, education, public discourse after independence. However, Kazakhstan is considered to be a multi ethnic, pluralistic society.⁴⁹⁴ The Collapse of USSR and Kazakhstan’s independence saw centrifugal forces dominate the Kazakh politics in 1990s, as ethnic and regional conflicts were intensified by nationalizing in Kazakhstan. Diaspora is playing major role in strengthening bilateral relationship Kazakhstan and

⁴⁹² . *Astana Times*, 9 February 2015.

⁴⁹³ . Sheryazdanova, Kamilla (2014), “The Role and Place of Migration and Diaspora’s Policy in Bilateral Relations Between Kazakhstan and Germany” in Santo Banerjee and Sefika Sule Ercetin (eds.), *Chaos Complexity and Leadership 2012*, England: Springer Publications.

⁴⁹⁴ . Brown, Andrew J. (June 2005), “The Germans of Germany and the Germans of Kazakhstan: A Eurasian Volk in the Twilight of Diaspora”, *Europe –Asia Studies*, Vol. 57, No.4,pp-625-634.

European Union. It also plays an important role in the development policy of both the regions. According to the Kazakh ethnologist Nurbulat Masanov, “diasporas as such don’t exist in Kazakhstan if we refer to a scientific approach. From his viewpoint, considering that a diaspora is a population made of people from outside who don’t feel integrated in the host country it resides in, and who claim cultural and political peculiarities, no one of the hundred national minorities of the country can be called a diaspora”.⁴⁹⁵ Kazakh President establishes a clear distinction between an indigenous culture and those of national minorities in the framework of promotion of Kazakh culture. In his books⁴⁹⁶, the President of Kazakhstan used the term diaspora to make a clear distinction between ‘Us-the titular nation’ from ‘others-the national minorities’. Russian, Germans, Ukrainians, Uzbeks, Tatar, White Russian, Polish, Azeris, Greeks, Turks, Moldovans, Armenians were important European diaspora in Kazakhstan according to 1989 census data. The estimated population of Kazakhstan was around 16,200,000, according to 1989 Soviet census.⁴⁹⁷

After independence Kazakhstan has encouraged Kazakh diaspora abroad to “return” to their homeland.⁴⁹⁸ According to the First General Census of the Russian Empire of 1897, the Kazakh population within the territory of contemporary Kazakhstan was 3,392,751 people or 81.7 % of total population. Ethnic composition of population was Russian - 454,402 (10.95 %), Ukrainian - 79,573 (1.91 %), Tatars-55,984 (1.34 %), Taranchi (Present Uyghur) – 55,815 (1.34 %), Uzbek -29,564 (0.7 %), Mordovans – 11,911 (0.28%), Dungan -4,888 (0.11 %), Turkmen – 2,883, Germans -2,613, Bashkir - 2,528, Jews -1,651, Poles -1,254 in 1897. ‘Stolypin’s resettlement policy under Tsarism

⁴⁹⁵ Jane Fernandiz(2009),*Disaporas:Critical and interdisciplinary Perspectives*,Inter-Diciplinary Press,Oxford,UK

⁴⁹⁶ Nazarbayev writes: “The Kazakh diasporas have admirably assimilated the culture, the language and the habits of the countries in which they live since decades. They practically do not know a political movement based on national factors. During the period covering all the post-war period, there is not any example of protests of the Kazakh population against the representatives of the titular nation for ethnic or confessional causes. That must be used as a model to all the diasporas residing in Kazakhstan”. N Nazarbayev, *V potoke istorii (In the Flow of History)*, Atamura, Almaty, 1999, p. 136

⁴⁹⁷ . Akiner, Shirin (2005), “Towards a typology of diasporas in Kazakhstan” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁴⁹⁸ . Koigeldiev, Mambet (2007), “The Alash Movement and the Soviet Government: A Difference of Position”, in Tomohiko, Uyama (eds.) *Empire, Islam, and Politics in Central Asia*, Japan: IEDA Osamu.

increased the size of Kazakhstan's peasant population, so, that Russian and Ukrainian population significantly increased which accounted for 28.5 % of total population in 1911. Kazakh share of population declined up to 67.2 % in 1911.⁴⁹⁹ Kazakhs suffered serious population loss in 1930s as result of the Soviet policies of enforced sedentarization of the nomads, collectivization, and destruction of the rich peasant class. ("De-kulakization"). It has been estimated that 1.5 million of Kazakh population died during these years. More than 600,000 Kazakh population fled to Western Europe, China, Iran, Afghanistan, Mongolia, U.S, Turkey and Middle East. Around 453,000 Kazakh population relocated to Uzbekistan and other Soviet republics at that time, while only about 400,000 emigrants gradually returned to Kazakhstan and rest remained abroad.⁵⁰⁰

First Secretary of the Communist Party of Kazakhstan, Dinmukhamed Kunaev was replaced by an outsider Russian after Mikhail Gorbachev became President of USSR in December 1986. This triggered a wave of anti –Russian feelings among Kazakh after heavy crackdown.⁵⁰¹

In December 1991, Kazakhstan got independence. Now, Kazakhs from abroad, started to return to their homeland. Around 215,000 people come back from abroad till 2003.⁵⁰² Kazakhstan's population was only 15 million people at time of independence, according to 1999 census population.⁵⁰³ Kazakhstan is home of more than 100 multi ethnic population with great diversity. It is difficult to distinguish of diaspora on the basis of legal concept of the 'citizenship' and ethnic concept of the 'nationalist' in post –

⁴⁹⁹ . Ethno demographic Situation in Kazakhstan, Institute of D.E., retrieved at 10 January 2016, URL: http://www.ide.go.jp/English/Publish/Download/Mes/pdf/51_02.pdf.

⁵⁰⁰ . Akiner, Shirin (2005), "Towards a typology of diasporas in Kazakhstan" in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

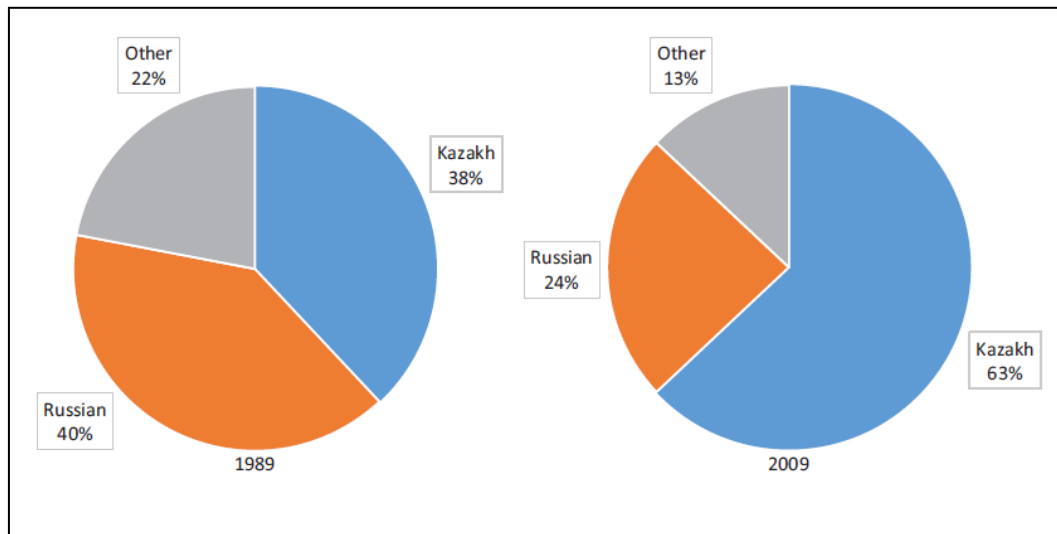
⁵⁰¹ . Ibid.

⁵⁰² . Ibid.

⁵⁰³ . Atabaki, Touraj (2005), "Transnationalism and diaspora in Central Asia and the Caucasus" in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

independent Kazakhstan. The concept of the ‘titular nation’ – that is Kazakhs has been promoted by state.⁵⁰⁴

Kazakhstan’s Ethnic Demography, 1989 and 2009



Source: Kuchins, Andrew C et al. (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan’s Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, URL:https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf

⁵⁰⁴ . Akiner, Shirin (2005), “Towards a typology of diasporas in Kazakhstan” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

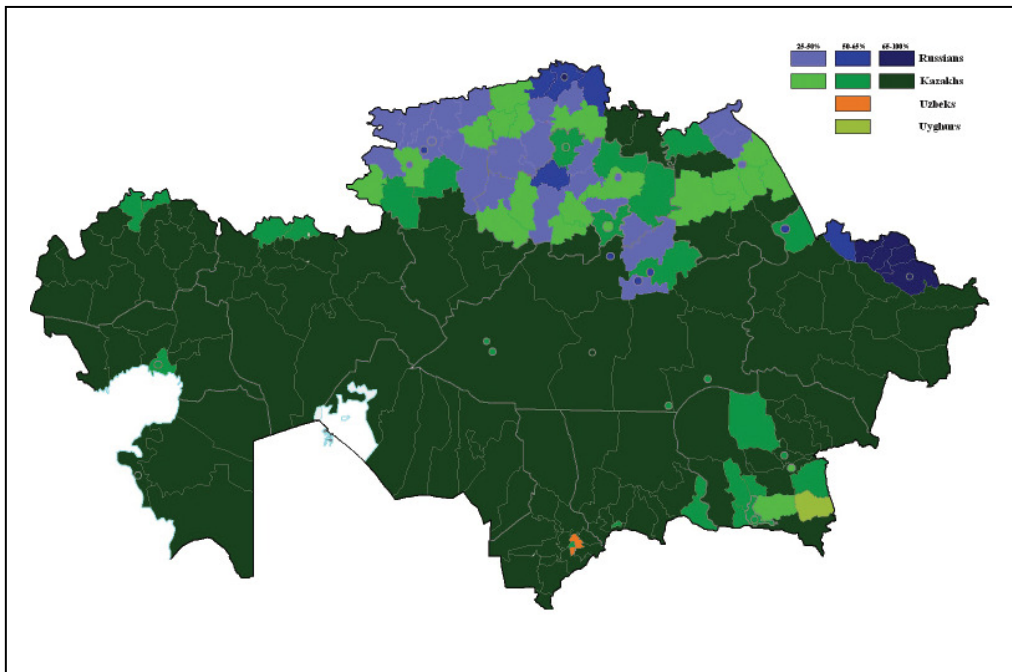
Population of Kazakhstan, 1999 Census Data

Ethnic Groups	1999	1989	1999as %age of 1989	Ethnic Groups as a %age of total population in 1999
Total population	14,953,126	16,464,464	90.82	100.0
Kazakhs	7,985, 039	6,534,616	122.9	53.40
Russians	4,479,618	6,227,549	71.93	29.95
Ukrainians	547,052	896,240	61.03	3.65
Uzbeks	370,663	332,017	111.63	2.47
Germans	353,441	957,518	36.91	2.36
Tatars	248,952	327,982	75.90	1.66
Uyghurs	210,339	185,301	113.51	1.40
Belarusians	111,926	182,601	61.29	0.74
Koreans	99,657	103,315	96.45	0.66
Azerbaijanis	78,295	90,083	86.91	0.52
Poles	47,297	59,956	78.88	0.31
Dungans	36,945	30,165	122.47	0.24
Kurds	32,764	25,425	128.86	0.21
Chechen	31,799	49,507	64.23	0.21
Tajiks	25,657	25,514	100.56	0.17
Bashkirs	23,224	41,847	55.49	0.15
Moldovans	19,458	33,098	58.78	0.13
Ingush	16,893	19,914	84.82	0.11
Mordva	16,147	30,036	53.75	0.10
Armenians	14,758	19,119	77.19	0.09
Greek	12,703	46,746	27.17	0.08
Kyrgyz	10,896	14,112	77.21	0.07

Bulgarians	6,915	10,426	66.32	0.04
Lezgins	4,616	13,905	33.19	0.03
Turkmen	1,729	3,846	44.95	0.01
Other ethnic groups	166,342	203,626	81.68	1.11
No ethnic group indicated	1	119	0.84	0.000006

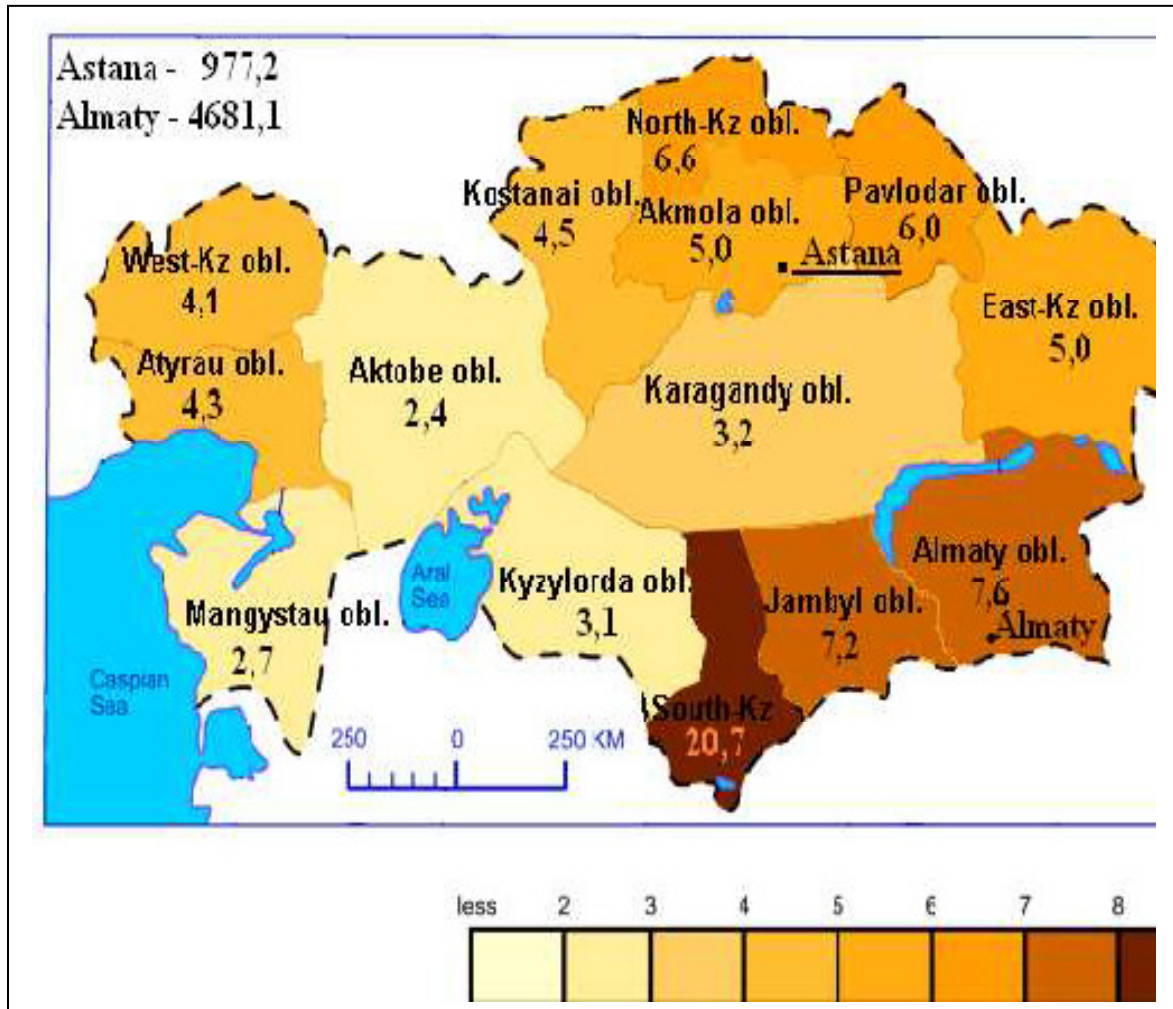
Source: Census Data. http://www.ide.go.jp/English/Publish/Download/Mes/pdf/51_02.pdf.

Ethnic Map of Kazakhstan, 2010



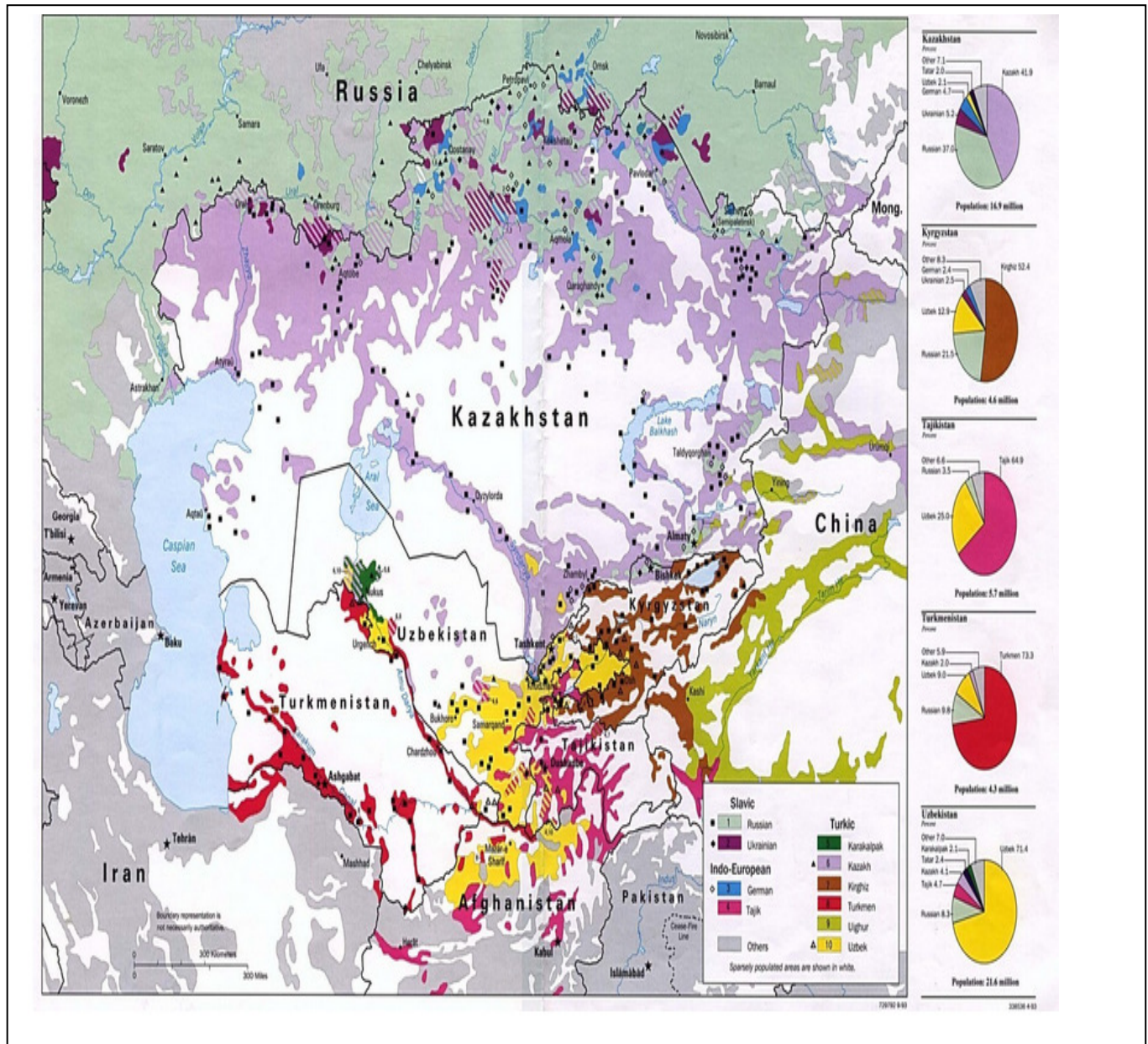
Source: Kuchins, Andrew C et al. (June 2015), Central Asia in a reconnecting Eurasia: Kazakhstan's Evolving Foreign Economic and Security Interests , A Report of the CSIS Russia and Eurasia Program, [URL:https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf](https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150612_Kuchins_CentralAsiaKazakhstan_Web.pdf)

Population Density in Kazakhstan, 2010



Source: Tolesh, Fariza A. (April 2012), "The Population History of Kazakhstan", *EPC, Princeton University*, PP-11.

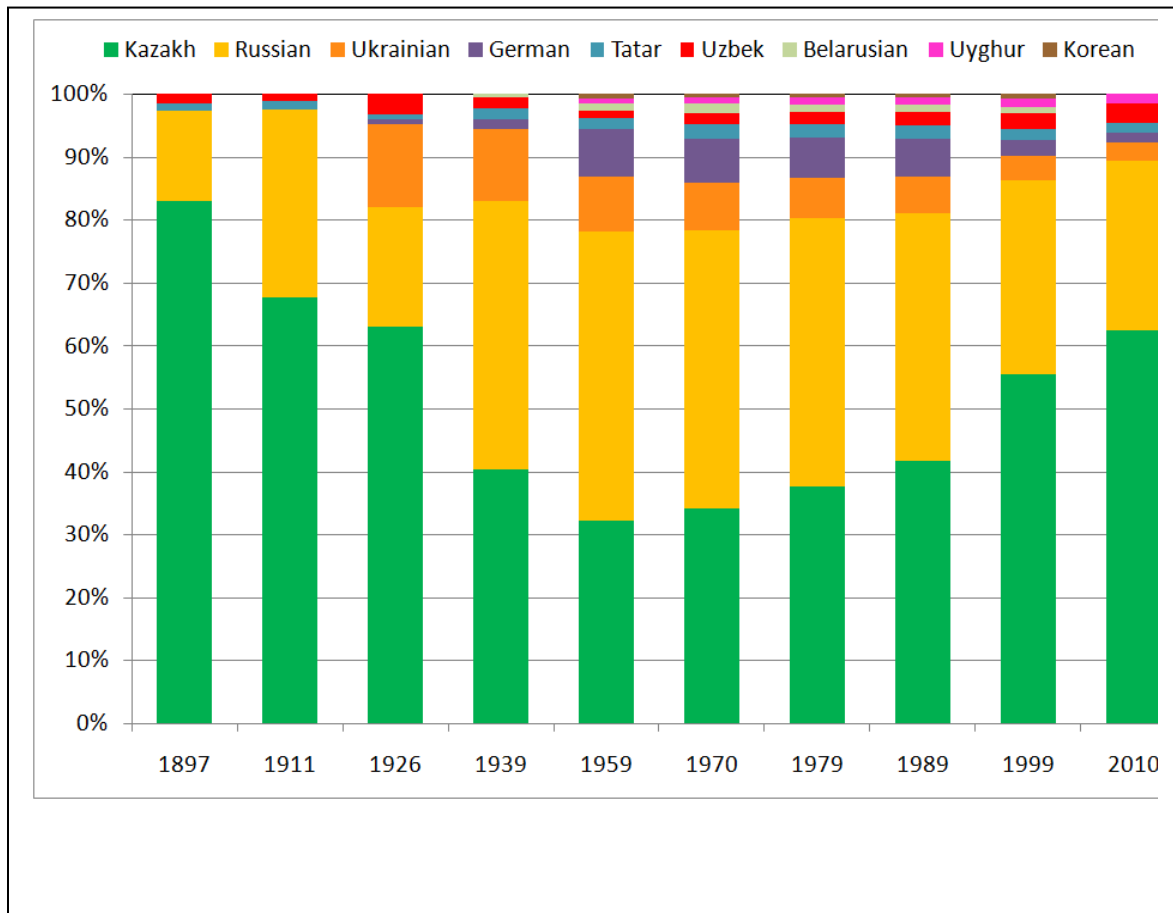
Major Ethnic Groups in Central Asia



Sources: Washington Post, 2015

According to the 2009 Census, population of Kazakhs is 8,011.4 thousand people, Russians - 3,793.7 thousand people, Uzbeks -456.9 thousand people, Ukrainians- 333.0 thousand people, Uyghurs-224.7 thousand people, Tatars-204.2 thousand people, Germans- 178.4 thousand people.⁵⁰⁵

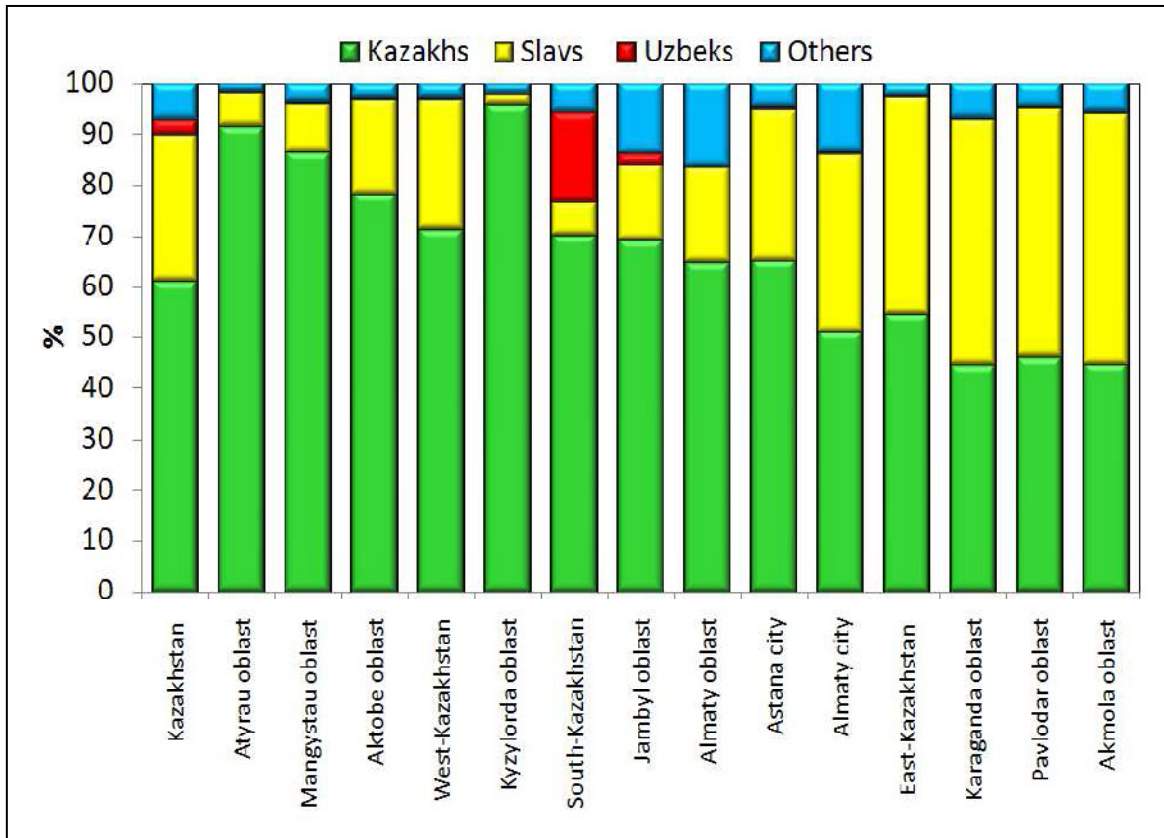
Ethnic Composition of Kazakhstan, 1897-2010



Sources: Tolesh, Fariza A. (April 2012), "The Population History of Kazakhstan", *EPC, Princeton University*, PP-7. URL: <http://epc2012.princeton.edu/papers/120586>.

⁵⁰⁵ . Ministry of Environment and Water Resources of the Republic of Kazakhstan (2013), *III-VI National Communication of the Republic of Kazakhstan to the UN Framework Convention on Climate Change*, accessed on 1 January 2016, URL: https://unfccc.int/files/national_reports/annex_i_natcom_/application/pdf/kaz_nc3,4,5,6_eng.pdf.

Kazakhstan's regional population by ethnic composition, 2009



Source: Tolesh, Fariza A. (April 2012), "The Population History of Kazakhstan", *EPC, Princeton University, PP-15*

5.3. Russian Settlers in Kazakhstan

The collapse of the USSR brought about numerous socio - political changes both inside the former Soviet republics changed the ethno –cultural demography. Russian diaspora issue was less important issue in President Boris Yeltsin period while it has assumed importance in the context of restoration of Russian power and prestige under Russian

President Vladimir Putin since 2000. Russian diaspora and its nationalism links are of vital strategic interests for Russians domestic as wells as foreign policy.⁵⁰⁶

Kazakhstan was the only state where Russian diaspora largest among all Soviet Central Asian republics. Russian settlers are mostly settled in northern provinces of Kazakhstan. Russians are seen as ‘imperial settlers’ (Akiner, 2005) in the history of Kazakhstan. The Cossacks and Slavic (primary Russian and Ukrainian) settlers played the strategic role in the hegemony of Russian empire in the non -Russian territories.⁵⁰⁷ Russian diaspora is dominant in eastern Kazakhstan, in Ust-Kamenogorsk (Oskemen) on the upper Irtysh near the Russian border. Northern part of Kazakhstan was part of Siberia until 1936. Russia has greater concerns over the Russian having in post - Soviet space including Kazakhstan.⁵⁰⁸

Kazakhstan is geographically closer to Russia. But, Soviets never treated Kazakhstan as part of Central Asia and Russians “who lived there for several generations considered the steppe of Kazakhstan as their homeland”. Influential public circles of Russia, including Nobel Laureate, Alexander Solzhenitsyn, and Russian nationalist leader, Vladimir Zhirinovsky, have raised concerns over incorporation of Russian dominated northern oblast of Kazakhstan into Russia.⁵⁰⁹

The Russians are eastern Slavs and belong to ‘Orthodox Christian’ religion. These Russia settlers included doctors, engineers, teachers, administrators, geologists, and surveyors, peasant farmers, political exiles (social democrats, Marxist). Cossack military units were also stationed in the Kazakh region of the Ural, Orenburg, Siberia, and Semirechie to maintain law and order on the frontiers. Some 1,280, 000 Russians lived in Kazakhstan in

⁵⁰⁶ . Romaniuk, Scott (2007) “ The Russian Minority in Post – Communist Politics: A Case Study of Ukraine, Moldova and Chechnya”. This paper was presented at the Canadian Association of Security and Intelligence Studies (CASIS) 2007 International Conference at Calgary, Canada, 28-30 September.

URL: kms1.isn.ethz.ch/serviceengine/Files/ISN/99750/.../Chapter5.pdf

⁵⁰⁷ . Chapter Two, retrieved on 23 January 2016.

URL: http://www.ide.go.jp/Japanese/Publish/Download/Report/pdf/2006_04_31_ch2.pdf.

⁵⁰⁸ . Cohen, Saul Bernard (2003), *Geopolitics of the World System*, Lanham: Rowman & Littlefield Publishers, Inc.

⁵⁰⁹ . Warikoo, K. (2005), “Russian in Post –Soviet Central Asia: Issues and concerns” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

1926.⁵¹⁰ Second wave of Russian migration moved to Kazakhstan was during the World War-II, due to relocated industrial plants as well as setting up of scientific, cultural, and higher educational institutional from the western region of USSR to Kazakhstan.⁵¹¹ But, Russian diaspora population declined from 42.7 % in 1959 to 37.8 % in 1989.⁵¹²

Russian settlers have been an influential diaspora in Kazakhstan's political, economic and social system post - 1991. Russian held the dominant positions in politics, administrative, and law enforcement echelons, education, medicine, science, the arts and other important professions.⁵¹³

The Kazakh Language Law 1989 which made Kazakh the sole language in Kazakhstan has been the cause of exodus of Russian speakers in Kazakhstan. The 1993 Constitution also granted privilege to Kazakh language over other languages. However, new 1995 Constitution granted Russian language the status of official language along with Kazakh.⁵¹⁴ The debate on language, culture and sovereignty stimulated the formation of the Russian nationalist movement in post - independent Kazakhstan. Interethnic Movement "Edinstvo" (unity) produced the potential leadership of "LAD". One of the co chairpersons of the "Edinstvo", Aleksandra Dokuchaeva also actively engaged in the creation of the Party for Democratic Progress of Kazakhstan(PDP), which also assumed Russian character later . Dokuchaeva and other prominent leaders of PDP and 'Edinstvo' actively supported 'the Republican Slavic Movement' "LAD".⁵¹⁵ LAD sought to win

⁵¹⁰ . Akiner, Shirin (2005), "Towards a typology of diasporas in Kazakhstan" in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵¹¹ . Ibid.

⁵¹² . Warikoo, K. (2005), "Russian in Post –Soviet Central Asia: Issues and concerns" in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵¹³ . Akiner, Shirin (2005), "Towards a typology of diasporas in Kazakhstan" in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵¹⁴ . Warikoo, K. (2005), "Russian in Post –Soviet Central Asia: Issues and concerns" in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵¹⁵ . Chapter Two, retrieved on 23 January 2016 URL : http://www.ide.go.jp/Japanese/Publish/Download/Report/pdf/2006_04_31_ch2.pdf.

political representation through election in Kazakhstan; however a few candidates won election.⁵¹⁶

Kazakhstan’s citizenship law of 1991 created gap between the Russian diaspora and Kazakh community, which was later resolved by signing a memorandum between President Nursultan Nazarbayev and Russian President Yeltsin in Moscow in April 1994. This memorandum granted free movement to Russian diaspora of Kazakhstan to Russia and also Kazakh diaspora of Russia to Kazakhstan. This Kazakh- Russian treaty on the legal status of Russian settlers in Kazakhstan and Kazakh settlers in Russia was ratified by the Kazakh parliament in early 1995 and later by the Russian State Duma on 24th May 1996. It was also ratified by Russia’s upper house on 5th June 1996.⁵¹⁷

Number of Russians in Central Asian Countries (Table)

	1959	1970	1979	1989	1999-2000	2007 estimates
Kazakhstan	3,974,000 (42.7 %)	5,521,000 (42.4 %)	5,991,000 (40.8 %)	6,277,000 (37 %)	4,479,000 (30 %)	Approx. 4,000,000
Kyrgyzstan	623,500 (30.2 %)	856,000 (29.2 %)	911,700 (25.9 %)	916,500 (21.5 %)	603,000 (12.5 %)	500,000
Uzbekistan	1,100,000 (13.5 %)	1,473,000 (12.5 %)	1,665,000 (10.8 %)	1,653,000 (8.3 %)	Approx. 900,000 (3 %)	Approx. 800,000
Tajikistan	262,600 (13.3 %)	344,000 (11.8 %)	395,000 (10.4 %)	388,500 (7.6 %)	68,000 (1 %)	Approx. 50,000
Turkmenistan	262,700 (17.3 %)	313,000 (14.5 %)	349,000 (12.6 %)	334,000 (9.5 %)	Approx. 120,000(2%)	Less than 150,000

Source: Peyrouse, Sebastien (2008), *The Russian Minority in Central Asia: Migration, Politics and Language*, Washington: Woodrow Wilson International Centre for Scholar, Occasional Paper #297, URL: <https://www.wilsoncenter.org/sites/default/files/OP297.pdf>.

⁵¹⁶ . Melvin, Neil J. (2002), “Patterns of Centre – Regional Relations in Central Asia: The Case of Kazakhstan, the Kyrgyz Republic and Uzbekistan” in James Hughes and Gwendolyn (eds.), *Ethnicity and Territory in the Former Soviet Union : Region in Conflict*, London: Frank CASS.

⁵¹⁷ . Warikoo, K. (2005), “Russian in Post –Soviet Central Asia: Issues and concerns” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

Russia is looking at its diaspora links for greater regional cooperation and unity in terms of economic, security and other concerns in Central Asia. There is talk of restoration of “Novorossia or New Russia” within borders that existed before the 1917 revolution. Moscow considers the Russian diaspora in host countries as important to be given ‘b’ - class status among other nationalities. It links with Russian diaspora with Russia’s great power status.⁵¹⁸ Russian community is more associated with power and prestige of Moscow’s influence in Kazakhstan, particularly after the protection of Russian minority by Russian President Putin in Crimea and eastern region of Ukraine in 2015.

5.3.1. Kazakh-Russian Strategic Partnership: Impact on Social and Cultural links of Diaspora

The bilateral relations between Kazakhstan and Russian have turned into strategic partnership. Active cooperation between civil societies plays the significant role in bilateral strategic cooperation in 21st century. Russian speaking population is an influential factor for bilateral cooperation. Russian foreign policy concept has also taken into account the protection of educational, linguistic, social, labour rights and freedom for the support of Russian in CIS and Central Asian countries.⁵¹⁹

Russian diaspora issue is one of the factors in Kazakhstan - Russia relations. A difficult situation emerged after Russia’s declaration of “New Russia Foreign Policy” which came with Presidential decree of 14 September 1995. Russian President Boris Yeltsin proclaimed the reintegration of post - Soviet space Russia. Some political analysts opine that border division with Kazakhstan was not in favor of Russia. Famous Russian writer Solzhenitsyn and Duma representative Zhirinovskii strongly expressed their views that northern territories of Kazakhstan always belong to Russia. But, Russia has never

⁵¹⁸ . Romaniuk, Scott (2007) “The Russian Minority in Post – Communist Politics: A Case Study of Ukraine, Moldova and Chechnya”. This paper was presented at the Canadian Association of Security and Intelligence Studies (CASIS) 2007 International Conference at Calgary, Canada, 28-30 September.

URL: kms1.isn.ethz.ch/serviceengine/Files/ISN/99750/.../Chapter5.pdf

⁵¹⁹ . Kukeyeva, Fatima (2010), “Development and Trends in the Russian and Kazakhstan Strategic Partnership”, *Russian Analytical Digest*, No 87, 19 November 2010, URL: <http://www.css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/RAD-87.pdf>

initiated any more for reconsideration of border division. There have been tensions with Cossacks in northern Kazakhstan which is dominated by Russian diaspora.⁵²⁰

5.5. Ukrainian Settlers in Kazakhstan

Ukrainians are orthodox Christian and eastern Slavs. Ukrainian settlers started moving into Kazakhstan during Tsarist period. They are also included political exiles, farmers, administrators and others. They were some 861, 000 Ukrainian settlers were in 1926, which was around 13 % of population of Kazakhstan at that time.⁵²¹ The Ukrainian population has declined from 5.4 % in 1989 to 3.7 % in 1999. Majority of the Ukrainian settlers are linguistically and culturally Russified. There are several Ukrainian Cultural Centers for promotion of language and culture in Astana and Almaty.⁵²²

Recent Ukrainian crisis had significant impact on the Kazakhstan – Ukraine relation since 2012. Kazakhstan is trapped in the dilemma of geopolitical balancing act due to Russian – Ukrainian crisis. Russian annexation of Crimea and war in eastern Ukraine also badly damaged bilateral trade and other social and cultural engagements between Kazakhstan and Ukraine since 2014.

Ukrainian President Petro Poroshenko stated that Kazakhstan is “window to Asia” for Ukraine and Ukraine is “window to Europe” for Kazakhstan during visit to Astana on 9 October 2015. President Nursultan pointed out that 300,000 Ukrainian citizen in Kazakhstan of are integral part of the society.⁵²³

Ukrainian crisis had great impact on Russian relations with Kazakhstan. Kazakhstan shares a 6,467 kilometers long border with Russia. Unrest in Russian diaspora dominated

⁵²⁰ . Zabortseva, Yelena Nikolayevna (2011), “Transformation of Russia –Kazakhstan post Soviet Political Relations: from Chaos to integration”, Department of Government and International Relations, SSPS, University of Sydney, Paper presented at the 10th Biennial Conference of the Australian Association for Communist and Post Communist Studies (AACaPS) in Canberra, Feb 2011.

⁵²¹ . Akiner, Shirin (2005), “Towards a typology of diasporas in Kazakhstan” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵²² . Dave, Bhavna (2004), “Minorities and Participation in Public Life: Kazakhstan” in United Nations Office of the High Commissioner for Human Rights, sub regional seminar “Minority Rights : Cultural Diversity and Development in Central Asia”, Bishkek, October 2004, retrieved on 23 January 2016, URL: www2.ohchr.org/english/issues/minorities/docs/WP5.doc.

⁵²³ . Official website of President of Ukraine, URL: <http://www.president.gov.ua/en/news/prezident-kazahstan-ye-dlya-ukrayini-viknom-v-aziyu-ukrayina-36111>.

in Eastern Ukraine, which finally led to the annexation of Crimea by Russia in 2014. Kazakhstan has tried to play a delicate balancing act between Ukraine and Russia. Ukraine crisis is also reflected in the existential realities in the context of unrest and demand of Russian diaspora in Kazakhstan. Russian President Putin stated in 2014 that Kazakhstan is part of the “Russian world”, which may question the future statehood of the Kazakhstan. Kazakhstan President publicly threatened to withdraw from Eurasian Union after President Putin’s statement.⁵²⁴ While as Kazakhstan stated that Eurasian Union is purely based on the economic and monetary partnership, Russia considers it as reintegration of post- Soviet space through Eurasian Union. Ukraine crisis and Crimean annexation on basis of diaspora links may have future implications for Kazakhstan.

5.5. Belarusian Settlers in Kazakhstan

Belarusians are also orthodox Christian and eastern Slavs. Belarusian landed in the territory of Kazakhstan in mid - nineteenth century. They were exiled due to unsuccessful *coup de tat* in Belorussia in 1863-1864. But major part of the settlers moved under Virgin land campaign in 1954-65. Some Belarusians were deported to Kazakhstan due to Stolypin’s reforms in Belarus later .⁵²⁵ The Belarusian settlers have similar pattern of migration like Ukrainians in Kazakhstan. The Belarusian diaspora was around 198,000, which reached its peak in 1970s. It is seventh largest ethnic group in Kazakhstan.⁵²⁶ Belarusians are also running schools and open school for their language and dance in different cities of Kazakhstan. Population of Belarusian has been continuously decreasing since 1991. Belarusian population decreased to 88,000 in 2009 from 94,000 in 2005. It is only 67,000 now. Most of them live in the Kostanai, Akmola, Karaganda, and north Kazakhstan region.⁵²⁷ Belarusians have their own organisation “Belarus Public Association” in Kazakhstan.. Total population was about 88,000 in 2009

⁵²⁴ . Clark, David (2015), “Could a Ukraine –Style crisis happen in Kazakhstan? *Britain: New Statesman*, 6 August 2015, URL: <http://www.newstatesman.com/politics/staggers/2015/08/could-ukraine-style-crisis-happen-kazakhstan>.

⁵²⁵ . Lee, Dmitry (2015), “Belarusians Find a Home in Kazakhstan”, *The Astana Times*, 14 January 2015, URL: <http://astanatimes.com/2015/01/belarusians-find-home-kazakhstan-numbers-declining/>.

⁵²⁶ . Akiner, Shirin (2005), “Towards a typology of diasporas in Kazakhstan” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵²⁷ . Lee, Dmitry (2015), “Belarusians Find a Home in Kazakhstan”, *The Astana Times*, 14 January 2015, URL: <http://astanatimes.com/2015/01/belarusians-find-home-kazakhstan-numbers-declining/>.

and some 94,000 was in 2005. More than 67,000 Belarusian particularly young generation left Kazakhstan due to proximity of Belarus with Europe.⁵²⁸

5.6. Uzbek Settlers in Kazakhstan

Kazakhstan and Uzbekistan are working constructively in many regional organisations including SCO, Eurasian Union etc. But, due to domestic compulsion and competing national interests, they are rivals for regional leadership in Central Asia.

In 1989, there were around 331, 000 Uzbek settlers, while Kyrgyz diaspora was around 14,000 and Turkmen were 4,000 in Kazakhstan in 1989.⁵²⁹ The Uzbek settlers stay in south of Kazakhstan. Kazakhstan and Uzbekistan also signed a treaty of “On Eternal Friendship” in January 1997. In principal, this treaty is significantly much more important than any bilateral strategic friendship with any great powers of global politics. Articles 2, 3 and 4 clearly stress on mutual development cooperation, supporting each other to prevent threats to sovereignty and territorial integrity. Article 3 supports the joint defence measures against any military invasion of one of the parties.⁵³⁰

5.7. German Diasporas in Kazakhstan

The ‘Nation building projects’ mobilized return of the diaspora to “historical homeland” or “titular homeland” for their adoption in new national community among the post - Soviet Kazakhs and Germans after 1991. Kazakhstan adopted new national policy of inviting ethnic Kazakhs (or Oralmans) from different states to resettle in new territorial homeland of Kazakhstan after independence in 1991. Kazakhstan has granted rights of residence and Kazakhstani citizenship to more than 300,000 ethnic Kazakhs from different countries in last two decades. Germany has followed the similar policy for resettlement of ethnic Germans after their return to their historical Vaterland

⁵²⁸ . Ibid.

⁵²⁹ . Akiner, Shirin (2005), “Towards a typology of diasporas in Kazakhstan” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵³⁰ . Tolipov, Farkhod (2013), “Uzbekistan and Kazakhstan: Competitors, Strategic Partners or Eternal Friends?” , *The Central Asia –Caucasus Analyst*, retrieved on 30 May 2016, URL:<http://www.cacianalyst.org/publications/analytical-articles/item/12786-uzbekistan-and-kazakhstan-competitors-strategic-partners-or-eternal-friends>.

(Homeland)' in Germany. More than 2.3 million Russian Germans returned from Kazakhstan and Siberia to resettle in Germany in the last two decades. Germany also passed the 'Spataussiedler' law for quota for 200,000 persons per year in 1993.⁵³¹

German community is the second largest diaspora after Russians in Kazakhstan. German diaspora also plays an important role in bilateral relations between Kazakhstan and Federal Republic of Germany. German diaspora of Kazakhstan is privileged diaspora in Germany's cultural, social, political, economic and business links with Republic of Kazakhstan. It is closely associated with politics of party and state authorities. German diaspora has also established close cultural, customs and social links of German culture with Kazakh and Russian cultures. German diaspora actively participates in Kazakhstan's transition process in terms of politics and economics. Noted personalities of German diasporas have engaged in joint efforts in state program for development in 1997, and also drafted a law on the rights of national and ethnic minorities in 1998.⁵³² Kazakhstan has granted citizenship to about 180,000 Germans. Kazakhstan –German Intergovernmental Commission has been working smoothly in the interest of German community in Kazakhstan.⁵³³

German diasporas is the influential population of the Kazakhstan's political and economic system in the post Soviet space. There were about one million Germans at end of the USSR, which number decreased to about 200,000 in 2007. Most of the German diasporas returned to settle in Germany yet they have played significant role for the enhancement of the bilateral economic and trade relations between Berlin and Astana.⁵³⁴

Germans had been significant part of the urban elites in Russia. German military leaders also played the important role in the expansion of the Russian Empire. Germans experts

⁵³¹ . Darieva, Tsypylma (2005), "Recruiting for the Nations: Post Soviet Transnational Migrants in Germany and Kazakhstan", *Siberian Studies.org*, retrieved on 9 January 2016, URL: <http://www.siberian-studies.org/publications/PDF/ridarieva.pdf>.

⁵³² . Sheryazdanova, Kamilla (2014), "The Role and Place of Migration and Diaspora's Policy in Bilateral Relations Between Kazakhstan and Germany" in Santo Banerjee and Sefika Sule Ercetin (eds.), *Chaos Complexity and Leadership 2012*, England: Springer Publications.

⁵³³ . Ministry of Foreign Affairs Republic of Kazakhstan (2016), Kazakhstani –German relations, URL: <http://www.mfa.kz/index.php/en/foreign-policy/kazakhstan-s-relations/kazakhstan-eu-cooperation/16-materials-english/1095-kazakhstani-german-relations>.

⁵³⁴ . Peyrouse, Sebastien (June 2009), "Business and Trade Relationships between the EU and Central Asia", *Working Paper 01, EUCAM*.

including military specialists, businessmen, scientist, doctors, and educators were part of the governance in Kazakh steppe with echoes like Buchholz, Zimmerman and Schmit, Turkmenistan, Konstantin von Kaufman, of West of Siberia.⁵³⁵

Germans first travelled to this region as part of geographical research expedition like Alexander Von Humboldt. City of Karaganda tuned as camp of German settlers the so called “Gulag” during the Stalin era.⁵³⁶

German settlers were inspired by the manifesto of the Catherine the Great in 1763, which invited foreigners to settle and assist in the economic development of Russia. This manifesto also offered favorable conditions including guarantees of religious freedom and local self governance. Thousands of Germans - from Hesse, Alsace, West Prussia, Wurttemberg and other parts accepted this opportunity and settled in Russia. The majority of them were Mennonites, but, there were also many Roman Catholics. Most of the German villages settled in Volga region, Black Sea region (including the Crimea), Volhynia, Transcaucasia, and Siberia. There were around 1.6 million Germans in Russian empire, excluding the Baltic provinces, Poland, and Bessarabia. Germans also moved towards Kazakhstan, which were just over 51,000 in 1926.

At the time of World War-I, German population was treated with suspicion and hostility. They did not speak German in public. German settlers were allowed to establishing their Autonomous Commune on the Volga in 1918 which later became the Volga German ASSR. This was largest geographic concentration of Soviet Germans. But, the situation was deteriorated after deportation of major German settlers to Central Asia and Siberia in second half of the 1930s. When USSR annexed western Ukraine (previously Polish

⁵³⁵ . Brown, Andrew J. (June 2005), “The Germans of Germany and the Germans of Kazakhstan: A Eurasian Volk in the Twilight of Diaspora”, *Europe –Asia Studies*, Vol. 57, No.4, pp-625-634, URL: http://www.jstor.org/stable/30043909?seq=1#page_scan_tab_contents.

⁵³⁶ . Lee Dmitry (2015), “German in Kazakhstan Engaged in Business, Political and Social Developments”, *The Astana Times*, 9 February, 2015. URL: <http://astanatimes.com/2015/02/germans-kazakhstan-engaged-business-political-social-development/>

territory), Germans from this region were deported to east in 1939. Volga German ASSR was abolished after the suspicion of nexus with Nazis in 1941.⁵³⁷

German Federal Chancellor, Konrad Adenauer signed an agreement with USSR President Nikita Khrushchev for renewal of diplomatic relations between Germany and USSR and arranged for immigration of more than 20,0000 Russian –Germans to Germany between 1955- 1970. Over 2.7 million ethnic Germans returned to Germany between 1989 -1997.⁵³⁸ About 40 % of Soviet German deportees were sent to Kazakhstan. There were around 660, 000 Germans in 1959 which increased up to 947, 000 in the census of 1989. Germans were the third largest diaspora besides Kazakhs and Russians in Kazakhstan in 1989.⁵³⁹ The German exodus was the second largest, with some 600,000 people having left Kazakhstan in 1989-99. This figure is two thirds of the total German diaspora. There were 946, 855 Germans recorded in Kazakhstan in census 1989, but it declined to 353,441 in 1999.

German out migration peaked due to German’s open immigration policies and the generous benefits that immigrants received. The influx of two and half million “spataussiedler”⁵⁴⁰ from Russia, Kazakhstan, Poland, Romania forced the rewriting of German citizenship law. Germany is committed to keep social and economic links with German minority in multi - ethnic Kazakhstan.⁵⁴¹ There are 18 German centers along with language camps, newspapers, an inter - governmental commission, a business association in Kazakhstan now.⁵⁴² The German House was opened with the support of Germany and Kazakhstan in 1994. It is emerging as important centre for social, political

⁵³⁷ . Akiner, Shirin (2005), “Towards a typology of diasporas in Kazakhstan” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵³⁸ . Dr. Ruth Nielson, Chairman of the Public Association of the Germans in Kazakhstan, “German in Kazakhstan: Part of Bright Multi Ethnic Fabric”, *Astana Times*, Astana, 6 March 2015, URL: <http://astanatimes.com/2015/03/germans-kazakhstan-part-bright-multi-ethnic-fabric-2/>.

⁵³⁹ . Akiner, Shirin (2005), “Towards a typology of diasporas in Kazakhstan” in Touraj Atabaki and Sanjyot Mehendale (eds.), *Central Asia and the Caucasus: Transnationalism and diaspora*, London: Routledge.

⁵⁴⁰ . Aussiedler usually refer to the German evacuees or forced migrants who were driven with greater or lesser degrees of coercion out of the rest of Europe after the conclusion of World War –II. Spataussiedler, or ‘late evacuee’, has come to be applied to those million of ethnic Germans who have arrived from the mid -1980s to present.

⁵⁴¹ . Brown, Andrew J. (June 2005), “The Germans of Germany and the Germans of Kazakhstan: A Eurasian Volk in the Twilight of Diaspora”, *Europe –Asia Studies*, Vol. 57, No.4,pp-625-634.

⁵⁴² . Dr. Ruth Nielson, Chairman of the Public Association of the Germans in Kazakhstan, “German in Kazakhstan: Part of Bright Multi Ethnic Fabric”, *Astana Times*, Astana, 6 March 2015.

and cultural links in Kazakhstan. German President Roman Herzog and Kazakh President visited the German House. The “Association of Germans” has been working towards welfare of German settlers in Kazakhstan since 1992. It is also involved in meeting of the Federal Union of European Nationalities, the organizing committee for the organization of social partnership for sustainable development, the Committee for the Protection of National Minorities of the OSCE, Martin Luther- Bound and the Kazakh-German intergovernmental commission regarding Germans settlers in Kazakhstan. It is trying to promote European model of social support in Kazakhstan. The “Association of Germans” has also established the meeting centers and schools for extra - mural education for young ethnic Germans with the support of “Ministry of Internal Affairs of Germany”. “Kazakh- German Business Association” was established in 2004. It plays important role for enhancement of bilateral commercial activities and economic links. Kazakhstan government is also supporting the German newspaper *Deutsche Allgemeine Zeitung*. Germany and German diasporas have supported research, cultural and ecological tourism and Children’s Sunday school in Kazakhstan.⁵⁴³

Cultural and educational relations are also important links between Kazakhstan and Germany. The German diaspora in Kazakhstan receives funding from German Federal Ministry of the Interior via the so called “Rebirth Societies” that exist throughout the country. Their encounter centers also receive funds from the “Goethe Institute”. The Institute for Foreign Cultural Relations (ifa) also supports the German language newspaper *Deutsche Allgemeine Zeitung* (DAZ) in Kazakhstan. German is taught as foreign language at several schools. Germany also promotes the German language through different language centers and exchange programme with Kazakhstan’s institutions. German Academic Exchange Program (DAAD) and Central Agency for School Abroad’s Teachers are few important educational programs being promoted by the ‘German Ministry of Educational and Cultural Affairs’ in Kazakhstan. The Federal Foreign Office also invited junior diplomats to attend the training courses in Germany

⁵⁴³ . Lee Dmitry (2015), “German in Kazakhstan Engaged in Business, Political and Social Developments”, *The Astana Times*, 9 February, 2015. URL: <http://astanatimes.com/2015/02/germans-kazakhstan-engaged-business-political-social-development/>

from Kazakhstan.⁵⁴⁴ Kazakhstan Government offers a number of scholarships under its official programme “Bolashak” (Future) for study in Germany. “Bolashak” was started in 2009.⁵⁴⁵

5. 8. Polish Diaspora in Kazakhstan

Major Polish deportees arrived in Kazakhstan as members of the Polish secret organisations that fought against the Russian Empire during conflict with Prussia and Austria in the partitioning of Poland during the 19th Century. World War-II was the tragic period in the history of the Polish settlements in Kazakhstan. When the Red Army invaded Poland after 17 September 1939, the Soviet officials started deporting the population of the eastern Polish territories to Kazakhstan or Siberia.⁵⁴⁶

Polish diaspora is also an important diaspora group of Kazakhstan society, playing an important role in relations between Kazakhstan and Poland. Poland established a diplomatic mission in Astana in 1992. There are more than 45,000 - 50,000 Poles in Kazakhstan. There are 160 Polish companies working as either joint ventures or subsidiaries in Kazakhstan. Poland also signed an educational agreement for promoting its culture and language in Kazakhstan in 2014. Most of the Polish Diasporas are living in Astana and Karaganda.⁵⁴⁷ Geographical distance between both states is around only 5,000 kilometers. Polish culture is popular in Kazakhstan.

Poland is located in Eastern Europe, which is bounded by the Baltic Sea and an exclave of the Russian Federation in the north, Lithuania in the north east, Ukraine in the south east, Germany in the west, Czech Republic and Slovakia in the south.

⁵⁴⁴ . Federal Foreign Office, Berlin, 2015.

URL: http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/Kasakhstan_node.html.

⁵⁴⁵ . Ministry of Foreign Affairs, Republic of Kazakhstan, URL: <http://www.mfa.kz/index.php/en/foreign-policy/kazakhstan-s-relations/kazakhstan-eu-cooperation/16-materials-english/1095-kazakhstani-german-relations>.

⁵⁴⁶ . Seo, Seunghyun (2010), “A Comparative Study of the Korean, German, and Polish Diasporas in the Russian Far East & Central Asia and the Results of Repatriation to Their Homelands”, *Asian Social Science*, Vol.6, No-4, April 2010.

⁵⁴⁷ . Lee, Dmitry (2015), “Poland Eager to Expand Cooperation with Kazakhstan”, *The Astana Times*, 14 January 2015, URL: <http://astanatimes.com/2015/01/poland-eager-expand-cooperation-kazakhstan-ambassador-says/>.

Polish diaspora has significant presence also in Belarus, Russia (Kaliningrad oblast), Ukraine, Lithuania and other region of the post - Soviet space. It happened due to exile of Poles after suppression of national liberation uprising in 19th century especially uprising of 1830-31, 1863-64 and also massive deportation of Polish people in 1936 and 1939. According to official data of five population censuses the number of Poles living permanently in Kazakhstan was 53,102 (1959), 61,445 (1979), 61,136 (1989), 47,297 (1999). According to RK agency of Statics, 41,345 Polish people were residents in Kazakhstan in January 2006. Most of the Polish people are living in mainly three regions –North Kazakhstan (16,472), Akmola (9,717), Karaganda (4,795), and Astana (2,945).⁵⁴⁸ Polish diaspora has become mediator of development in the context of economic, investment, financial cooperation between Kazakhstan and Poland.

5.9. Diaspora Policy of Kazakhstan

Gabriel Sheffer argues that “modern diaspora are ethnic minority groups of migrant origin residing in host countries but maintain strong sentimental and material links with their homelands. Small groups of Kazakhstan diaspora live in host countries of Western Europe and North America. Despite social, educational, legal and cultural differences, Kazakhstan diasporas have some common features in western countries. They are ethnic minority in host countries. They are settled in urban areas, Kazakhstan identity become important identity in and outside Kazakhstan after declaration of independence in 1991. Some decided to leave the West to end the process of acculturation while others stay there and established Kazakh Cultural centers in many countries. The First “Kazakh Cultural Centre” was established in UK in 1992.⁵⁴⁹

Kazakh nationalism has played the significant role in the diaspora policy. Kazakhstan’s Supreme Soviet implemented a new law that defined Kazakhs as the sole state language (Article 1), while Russian language was treated as state language as a ‘language of

⁵⁴⁸ . KAZISS (2007), Polish Diasporas of Kazakhstan: Location and Migration Potential, Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, retrieved on 30 May 2016, [URL:http://kisi.kz/en/categories/political-modernization/posts/polish-diaspora-of-kazakhstan-location-and-migration-po](http://kisi.kz/en/categories/political-modernization/posts/polish-diaspora-of-kazakhstan-location-and-migration-po).

⁵⁴⁹ . Mendikulova, Gulnara (2012), “The Diaspora Policy of Republic of Kazakhstan”, retrieved at 7 January 2016, URL: https://src-h.slav.hokudai.ac.jp/rp/publications/no14/14-07_Mendikulova.pdf.

interethnic communication' (Article 2). Language and culture of Kazakh were granted the privileged status in Kazakhstan. Kazakhstan also started to invite the highest representatives of Kazakhstan diaspora and irredenta to convene Kurultays (assemblies) with coordination of joint activities of government of Kazakhstan and Kazakhs abroad. The first 'World Kurultays of Kazakhs' was held in Almaty on 29 September 1992, in which Kazakh diaspora delegations attended from Germany, Turkey, France, Sweden, Norway, Mongolia, Russia, Kyrgyzstan, Turkmenistan and Uzbekistan. Chinese authorities did not allow the Kazakh diaspora delegation of China to attend this event. The Republic of Kazakhstan was committed that newly young independent state will be protector of Kazakhs diaspora around the world. Main outcome of this event was the establishment of "World Associations of Kazakhs (WAK). It has main objectives to investigate historical, ethnographical, cultural and linguistic questions along with current situation of the diaspora and various state policies towards the welfare and fruitful links with them. President Nursultan Nazarbayev was chairman of its Presidium. WAK has been engaged in different cultural, educational and business activities with Kazakh Diasporas since its establishment. The Second World Kurultay of the Kazakhs was held in Turkestan on 23-24 October 2002. This event was attended by more than 400 delegates from 34 countries. Kazakh President Nursultan Nazarbayev issued a decree on 21 November 2005, No 1673 "A State Program of Support for Compatriots Living Abroad, 2005 -2007,". It is important document to enhance cooperation and mutual relations between Kazakhstan and its diasporas. Its document also assures the legal, economic, social protection, cultural and humanitarian communication and support for compatriots living abroad.⁵⁵⁰

Kazakhstan has followed the attractive policy to reconnect diaspora through 'State Program of Support diasporas' during 1995-1996. Kazakhstan has successfully established the cultural centre for European Kazakhs in Cologne in Germany. The

⁵⁵⁰ . Ibid.

popular political leader, an ethnic Kazakh, Berlin Irishev also opened ‘Kazakhstani Association’ in France in autumn 2010.⁵⁵¹

5.10. The EU and European the Approaches to Diasporas Engagements in Kazakhstan

The EU Commission encourages community level diaspora initiatives in Kazakhstan and other Central States. The civic engagement is main bridge of the EU to link diaspora in Kazakhstan. Germany and Poland are creating new civil society actors to address the “diasporic community” in Kazakhstan. These European states supported the EU’s commitment to support good governance, democracy, rule of law and human rights in Kazakhstan. Civil society actors indirectly supported the European values and EU’s developmental policy for liberal democratic reforms in Kazakhstan. The European Commission’s definition of diaspora as ‘actors of home country development’ (European Commission 2005:6), has inspired various recommendations and initiatives to facilitate their involvement.⁵⁵²

Kazakhstan and European Union share the cultural diversity, common cultural elements including music, film, history etc. Kazakhstan and the EU have become new role model for interethnic tolerance and social cohesion now. Both provide the cosmopolitan society in the era of political, social and cultural globalisation. European states especially Germany, France, Poland, the UK have ‘soft’ cultural and social engagements with people of Kazakhstan. Kazakhstan leadership of the OSCE has provided new opportunities to build cross cultural links between the Muslim nation and Christian world.⁵⁵³

5.11. Kazakh Diasporas in Europe

⁵⁵¹ . Mendikulova, Gulnara (2012), “The Diaspora Policy of Republic of Kazakhstan”, retrieved at 7 January 2016, URL: https://src-h.slav.hokudai.ac.jp/rp/publications/no14/14-07_Mendikulova.pdf.

⁵⁵² . Sinatti, Giulia (2014), Approaches to diaspora engagement in Netherlands in Liisa Laakso and Petri Hautaniemi (2014) (eds.), *Diasporas, Development and Peacemaking in the Horn of Africa*, London: Zed Books.

⁵⁵³ . Walters, Alex, Kazakhstan and Europe: Building Ties, retrieved on 30 May 2016, URL: <http://www.edgekz.com/kazakhstan-europe-building-ties/>.

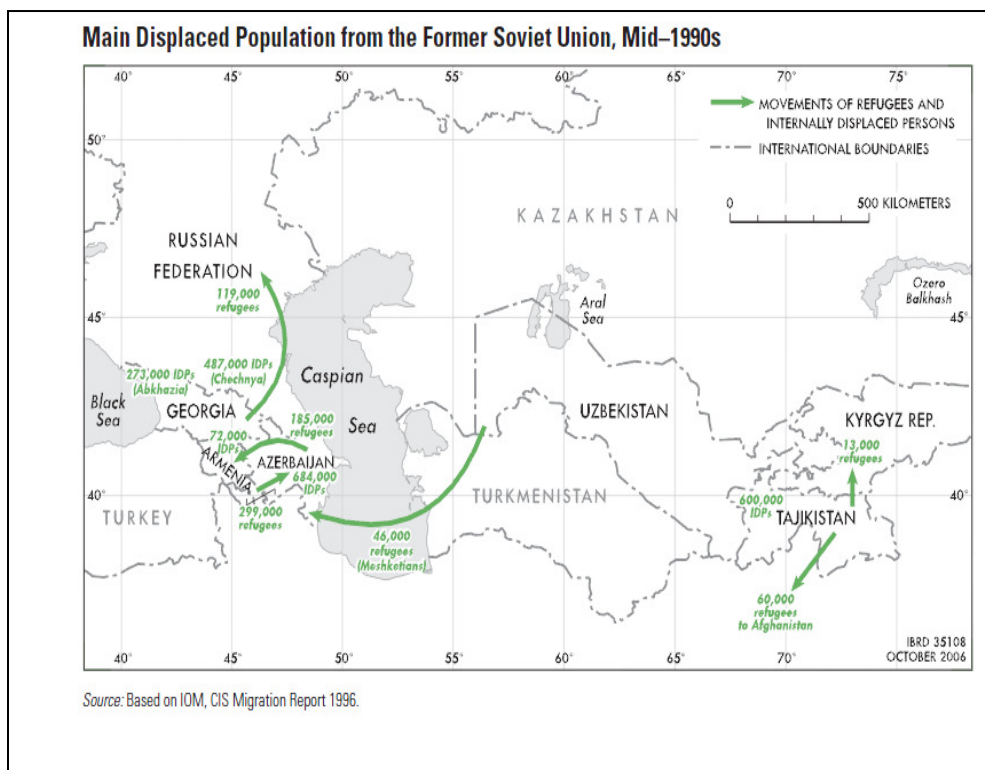
Famous author Jeremy Rifkin, in his bestselling book *The European Dream* compared with the American Dream of 200 years ago with the European Dream of today. He states⁵⁵⁴:

“The European Dream emphasizes Community relationships over individual autonomy, cultural diversity over assimilation, quality of life over the accumulation of wealth, sustainable development over unlimited material growth (Rifkin, 2004, p.3)”.

Europe is one of the top regions in terms of migratory flows with Germany, UK, Spain and France hosting the highest number of the non - European nationals residing in Europe. Kazakhs diaspora has become important part of the global activities of the government of Kazakhstan. The size of the European and Central Asian diaspora is 49 million people in 2010. The European and Central Asia diasporas are highly educated and skilled. London is important place of Kazakh diaspora in Europe. Consulate of Kazakhstan in Aberdeen (Scotland) organized the celebration of ‘Navruz’ for Kazakh students, representatives of the British oil and gas companies operating in Kazakhstan and accredited diplomatic missions in Scotland. The week of Kazakh cinema took place for the first time in Aberdeen in April 2010. It was organized by the Consulate and the Association of Kazakh students of the University of Aberdeen. Among the featured works were “Nomads”, “The Gift to Stalin”, “Mustafa Chokay”, “Goodbye, Gyulsary” and others. London hosted the International Forum “Kazakhstan: new Horizons of Growth/Kazakhstan Growth Forum”, which was attended by about 300 representatives of private and public institutions, international organizations and journalists in June 2010. The international auction house “Christie’s” with the support of the Embassy organized an art exhibition “Treasures of Kazakhstan” from the State Art Museum named after A. Kasteev. The British public was introduced to the displayed collection of the museum for the first time in September 2010. The event was sponsored by “Astana Group” and “Oracle Capital Group”. The British “Daily Telegraph”, “BBC World Service” and “Collections and Matchbox” commented on the event positively. “Asia House” of London hosted spectacular Kazakh music evening called “Kazakh Music: Divine Song of

⁵⁵⁴ . Lutz, Wolfgang, Rudolf Richter and Charis Wilson (2006) (eds.), *The New Generations of European: Demography and Families in the Enlarged European Union*, London: Earthscan.

the Steppe” in November 2010. Musicians from the Kazakh National University of Arts performed a number of famous pieces of Kazakh traditional music by Kurmangazy, Dina Nurpeisova, Tlendiev and others.



There are a number of associations/organisations working for the preservation of Kazakh identity in Europe. Federation of European Kazakh Association is one of them which is working in London since May 2009. This is the effort of ten Kazakh associations in Europe to unite under one umbrella organization, which led to the foundation of the Federation of European Kazakh Associations. Main objectives of FEKA are to build their solidarity and cooperation and preservation of culture and other identities in Europe associated with the home land.

The Federation of European Kazakh Associations consist of the following founding members and the member associations.⁵⁵⁵

- Kazakh Cultural Centre Cologne (Germany);
- Berlin Kazakh Community (Germany);
- Society for Kazakh Culture and Interethnic Understanding, Munich (Germany);
- Kazakh Cultural Association (Denmark);
- Norway Kazakh Cultural Association (Norway);
- Austria Kazakh Cultural Association (Austria);
- Foundation of the Kazakhs in the Netherlands (the Netherlands);
- United Kingdom Kazakh Association (United Kingdom);
- Kazakh Cultural Association (Sweden);
- Kazakh-French-Turkish Cultural and Solidarity Organization (France).

Kazakh Diaspora in Europe is concentrated in countries such as Germany, Switzerland, Austria, France, Sweden, Great Britain, Norway, Denmark and Netherlands. The Kazakhs are working to protect their language, cultures, traditions and customs and aspiring to transmit the same to the younger generation of Kazakh diaspora. FEKA also organised international conference “European Conference of the Kazakh Diaspora” on the “Identity and Integration Issue of Kazakh Diaspora Youth” in cooperation with the Swedish Kazakh Culture Association at Vasteras (Sweden) on 25- 27 December 2009.⁵⁵⁶

⁵⁵⁵ FEKA, www.eurokazak.net

⁵⁵⁶ . FEKA (2009), European Conference of the Kazakh Diaspora,
URL: http://www.eurokazak.net/index.php?option=com_content&task=view&id=71&lang=en.

5.12 Contribution of the European and Kazakh Diaspora's to Kazakhstan's Development

The countries of Europe and Central Asia including Kazakhstan have been formulating the framework for involvement of diaspora and its linkage to the national development policy. Kazakhstan has used the experiences and expertise of the European and Asian countries' strategy for diaspora engagements and involvement. It is based on the following factors⁵⁵⁷:

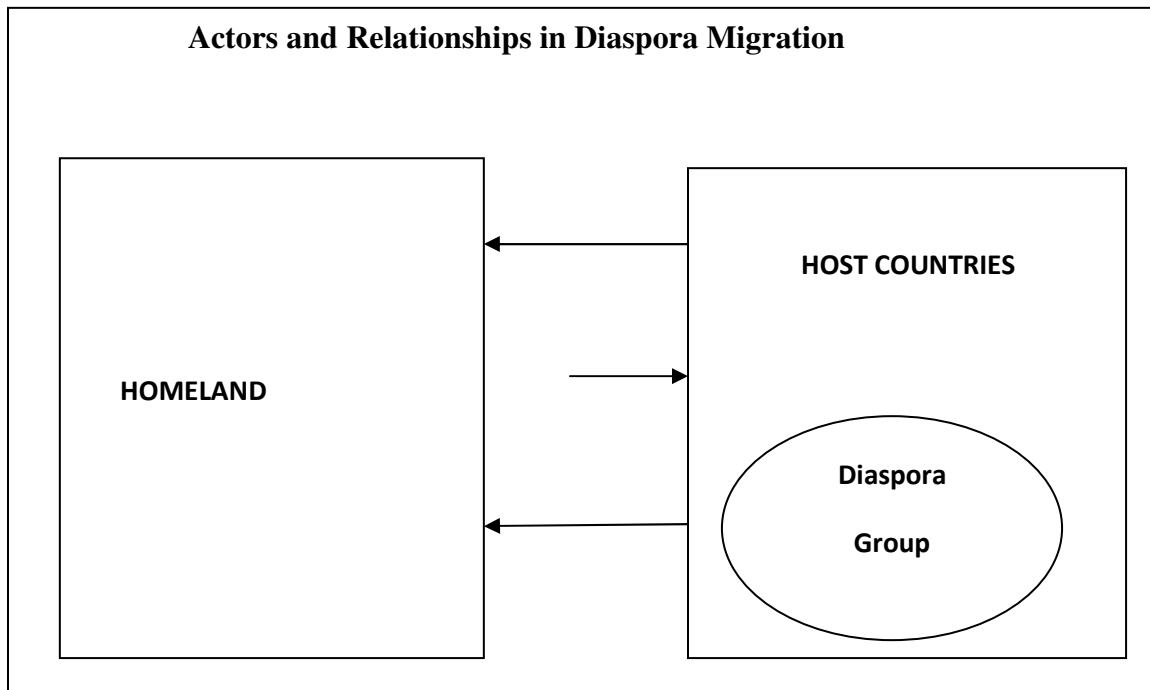
- Set the framework of cooperation and identifying goals;
- Mapping diasporas geography and skills;
- Creating framework for building trust process between Diaspora and governments of both destination and origin countries;
- Mobilizing diasporas to contribute to sustainable developments.

The following diagram shows that possible links between each set of actors. Kazakhstan and other Central Asian countries have both old and new diasporas population.⁵⁵⁸

⁵⁵⁷ . World Bank (September 2011), *Harnessing the Diasporas for Development in Europe and Central Asia*, Migrants and Remittances Peer Assisted Learning (MIRPAL) Discussion Series., retrieved on 24 January 2016, URL: <http://siteresources.worldbank.org/INTECA/Resources/DiasporaPaper10112011.pdf>.

⁵⁵⁸ . World Bank (September 2011), *Harnessing the Diasporas for Development in Europe and Central Asia*, Migrants and Remittances Peer Assisted Learning (MIRPAL) Discussion Series., retrieved on 24 January 2016, URL: <http://siteresources.worldbank.org/INTECA/Resources/DiasporaPaper10112011.pdf>.

TRIAD AMONG DIASPORA, HOMELAND AND HOST COUNTRIES



Sources: Timothy Heleniak, Shuval, J. T. (2000). Diaspora Migration: Definitional Ambiguities and a Theoretical Paradigm, *International Migration* 38 (5): 41-56.

Kazakhstan considers population of Kazakh diaspora at 2.5 to 3 million in the world. Kazakhstan has followed the example of Germany and Israel by extending citizenship to Kazakh diaspora and seeking to facilitate their “return” to their ancestral homeland. Since 1992 it has set specific quotas for facilitating the return of ethnic Kazakhs from Germany, Ukraine, Belarus, Russia and other European countries. Kazakhstan has tried to pursue both ‘ethnic’ and ‘civic’ visions of nation-building simultaneously, without erecting the necessary legal basis to promote this visions.

Types of diaspora engagements

- Recognition of diaspora population;
- Tracking of diaspora population;
- Assistance in destination countries;

- Dual citizenship;
- Remittance sending;
- Facilitate trade and investment in the homeland;
- Philanthropy and volunteering in the homeland;
- Knowledge Transfer to the homeland;
- Return migration and travel;
- Diaspora tourism and ‘nostalgia’ trade.

5.13. Kazakh Identity in Europe and European Identity in Kazakhstan

Identity of people or nation is a historical phenomenon in world politics. The national identity is an integrative feature of the society of the Kazakhstan. National identity is also identity of the state itself and the spiritual interest of the nation. In Kazakh political dictionary, “identity” is defined as the identity of the object to itself. Identities also classified through specific culture, linguistic, religion, traditions, history, motherland and other unique features of any groups and its links with common identity as solidarity.⁵⁵⁹

Kazakh identity is clearly traced in the family relationship between the representatives of the Kazakh diaspora in Europe. The Kazakh President Nursultan Nazarbayev mentioned about national identity in his book *In the Stream of History* that growth of national self consciousness of the ethnic Kazakhs stipulates search for unique model of the national identity of the residents of Kazakhstan. He also identified “Kazakh Identity” through political and civic differentiations in the society.⁵⁶⁰ Kazakh diaspora has been associated with European identity. Government of Kazakhstan also launched the “Path to Europe” program in 2009, which also promotes the European identity of Kazakhstan in European. Kazakh diaspora shares its identity and traditions with European community in Europe. They are also associated with citizens of cosmopolitanism with European world. We can identify Kazakh’s European association with following multilateral strategy and factors of political and foreign policy:

⁵⁵⁹ . Auyelgazina, Tolkyn et al. (2013), “Peculiarities of the Formation of National Identity of the Kazakh Diaspora”, *Middle East Journal of Scientific Research* 14 (7):909 -915, retrieved on 7January 2016, URL: http://portal.kazntu.kz/files/publicate/2014-10-03-10049_2.pdf.

⁵⁶⁰ . Auyelgazina, Tolkyn et al. (2013), “Peculiarities of the Formation of National Identity of the Kazakh Diaspora”, *Middle East Journal of Scientific Research* 14 (7):909 -915

- Path to Europe Programme 2009;
- Comprehensive trade and commercial links with European Union;
- OSCE Chaired in 2010;
- Partnership for Peace Programme with NATO;
- Custom Union with Belarus and Russia;
- Promotion of “Eurasian Union”.

Kazakhstan President already suggested a new name of Kazakhstan as “Kazak Yeli”, which identifies with European world. He also mentioned that ‘Stan’ of Kazakhstan is associated with Asian identity, which makes uncomfortable to investors and tourist. “Kazak Yeli” would be friendlier to foreign investors and tourists for Kazakhstan. He referred to rise of Mongolia which is much more suitable for FDI than Kazakhstan. He suggested that suffix ‘Stan’ is familiar with unfriendly Afghanistan and Pakistan. He explained that Kazakhstan means “land of the Kazakhs” while “Kazak Yeli” means “country of the Kazakhs”.⁵⁶¹ Kazakhstan also joined the European Football Association, which shows that Kazakhstan’s cultural strategy and sport diplomacy seeking the European identity in world community.

5.14. Concluding Remarks

Diaspora has become relevant and important part of the foreign policy and international relations. The countries of Europe and Central Asia including Kazakhstan have been formulating the framework for involvement of diaspora and its links to the national development policy. Kazakhstan has used the experiences and expertise of the European and Asian countries’ strategy for diaspora engagement and involvement. The EU Commission encourages community level diaspora initiatives in Kazakhstan and other Central States. The civic engagement is main bridge of the EU to link diaspora in Kazakhstan. Germany and Poland are creating new civil society actors to address the ‘diasporic community’ in Kazakhstan. These European states supported the EU’s

⁵⁶¹ . Fisher, Max (2014), “Yes, Kazakhstan should change its name,” *Washington Post*, 7 February 2014, URL: <https://www.washingtonpost.com/news/worldviews/wp/2014/02/07/yes-kazakhstan-should-change-its-name-this-map-shows-why/>

commitment to support good governance, democracy, rule of law and human rights in Kazakhstan. Civil society actors indirectly supported the European values and EU's developmental policy for liberal democratic reforms in Kazakhstan.

The components of the diaspora derived by goods, capital, knowledge, images, communications, crime, culture, pollutants, drugs, fashions and beliefs all readily flow across territorial boundaries in era of globalization. Globalization has played significant role in the context of pragmatic, economic and effective role of diaspora in contemporary international relations.

Dynamics of its demographic development and migration have made Kazakhstan into one of the most multinational, multi confessional, multiethnic countries in the world. Diaspora is playing major role in strengthening bilateral relationship Kazakhstan and European Union. Fluidity of Russian diaspora is presenting models of cultural, ethnic and linguistic overlap between Russian and Kazakhs in the former Soviet Space. Soviet identity lost its ability to hold ethnic group together in Kazakhstan and other former republics of USSR in post- 1991 era. Russian settlers are influential diaspora in Kazakhstan's political, economic and social system post- 1991. Russians held important positions in politics, administrative, and law enforcement echelons including education, science, the arts and other important professions. Germans had been significant part of the urban elites of the Russian Empire. German community is the second largest diaspora after Russians in Kazakhstan. German diaspora also plays important role in bilateral relations between Kazakhstan and Federal Republic of Germany.

The Ukrainian population has declined from 5.4 % in 1989 to 3.7 % in 1999. Major sections of the Ukrainian settlers are linguistically and culturally Russified. There are several Ukrainian Cultural Centers for promotion of language and cultures including in Astana, Almaty. Recent Ukrainian crisis has had significant impacts on the Kazakhstan – Ukraine relations since 2012. Kazakhstan is trapped in the dilemma of geopolitical balancing act due to Russian –Ukrainian crisis. Russian annexation of Crimea and war in eastern Ukraine also damaged bilateral trade and other social and cultural engagements between Kazakhstan and Ukraine since 2014.

Kazakhstan has followed an attractive policy to reconnect diaspora through ‘State Program of Support diasporas’. Kazakhstan government also raised the issue of creation of European cultural centers for its diaspora in many European countries in January 1998. Kazakhstan has successfully established cultural centre for ‘European Kazakh’ in Cologne in Germany.

Kazakh identity is clearly traced in the family relationship between the representatives of the Kazakh diaspora in Europe. Kazakh President Nursultan Nazarbayev has mentioned about national identity in his book *In the Stream of History* that growth of the national self consciousness of the Kazakh ethnos stipulates search for a unique model of national identity of the residents of Kazakhstan.

Kazakh diasporas are also associated with citizens of cosmopolitanism with European world. Kazakhstan President already suggested a new name of Kazakhstan as “Kazak Yeli”, which identified with European world. He also mentioned that ‘Stan’ of Kazakhstan is associated with Asian identity, which makes it uncomfortable to investors and tourist. “Kazak Yeli” would make friendlier to foreign investors and tourists for Kazakhstan. The Concept of European identity remains very much contested in Kazakhstan. Kazakhstan and Europe share a diversity of culture and a desire for those ethnicities and religion to live in tolerance and harmony.

Kazakhstan and the EU have become new role model for inter-ethnic tolerance and social cohesion now. Both provide the cosmopolitan society in the era of political, social and cultural globalisation. European states especially Germany, France, Poland, the UK have ‘soft’ cultural and social engagements with the people of Kazakhstan. Kazakhstan’s leadership of the OSCE in 2010 provided new opportunities to build dynamics of cross - cultural links between the Muslim nations and Christian world. Kazakhstan has embedded European values and vision in its society and interactions with European states.

CHAPTER - SIX

CONCLUSION

After the collapse of the erstwhile USSR and the end of Cold War, a new multi - polar design of world politics emerged in the age of globalisation. Five Central Asian Republics – Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan - were created after the disintegration of the former Soviet Union. Kazakhstan is a unitary state with Presidential form of democratic government, and the President of Kazakhstan is the head of the state, its highest officials determining the main course of the government's domestic and foreign policies.

Kazakhstan and European Union have become extended neighbors following the disintegration of Soviet Union and independence of the Republic of Kazakhstan. The European Union is regarded as a trusted and influential post-modern actor in the post Cold War era. The European Union presented itself as 'Normative Power' in global affairs particularly in Central Asia. EU is pursuing its strategy with multilateral diplomacy (diplomacy, democracy, military, financial/technical assistance) with Kazakhstan in Central Asia. The European Union and its states seek to enhance relations with Kazakhstan across the spectrum of energy, security, defence, environment, climate change, nuclear non-proliferation policy, trade, transport, technology, trafficking, terrorism, education, culture, democracy, human rights, empowerment of civil society, media, meeting the challenges of Millennium Development Goals (MDG).

Kazakhstan acts smartly and maintains balance of power and comprehensive cooperation with EU and other great powers. Kazakhstan's political and macroeconomic stability, combined with tremendous oil and other natural resources, provide a basis for ensuring Kazakhstan a place in the global economy and attracting western countries to promote investment and establish their presence in Kazakhstan.

Kazakhstan is surrounded by two super and nuclear powers –Russia and China. Multi-vector foreign policy of Kazakhstan enhanced close relationship with EU, Russia, China, USA, UK, France etc. Kazakhstan was the first non - Slavic state which possessed the nuclear weapons and unconventional arms after collapse of USSR. Kazakhstan followed the path of nuclear non-proliferation and disarmament approach for its security and creation of nuclear free zone in Central Asia. Kazakhstan's geopolitical position, political

geography, geo-economics, energy resources are the main factors, determining its foreign policy with due concern of national interests of Kazakhstan.

The changing security dynamics after 9/11 terror attacks, and strategic energy resource diplomacy has forced Kazakhstan leadership to forge new alliances with European great powers and the European Union after 2001. President Nursultan Nazarbayev is the main architect of reshaping the trajectory of complex and multi-vectored foreign policy and enhancement of ties with members of European Union. The EU seeks to upgrade its relationship with Kazakhstan to a 'Strategic Partnership', which provides for 'strengthening dialogue and consultation mechanisms'; deepening political dialogue and cooperation; bringing together people and cultures; enhancing economic policy dialogue and cooperation; and developing trade and investment post 2000.

Kazakhstan's foreign policy has been guided by the principles of "Helsinki Declaration Final Act 1975". The principles are sovereign equality of all states, non use of force or threat by force, inviolability of borders, territorial integrity of the state, peaceful resolution of the disputes, non- interference in the domestic affairs of others, respect for human right, equality and rights of the nations to decide their destiny, cooperation between the states and lastly, performance of obligation in accordance with international law. The EU has contributed to the development of Kazakhstan. The EU foreign policy reflects the process of normative globalisation. Regional cooperation and integration is one of the top priorities of the EU foreign policy. End of the Cold War provided new opportunities to the EU to extend its neighbourhood policy for sphere of influence in the post - Soviet space.

The European Union has made efforts for inclusive political system and market economy in Central Asia. EU's eastern enlargement policy approach of 2004 brought the EU in close geographic proximity to Central Asia. It has been designed with particular reference to the political and economic modernisation and extension of the regional cooperation. EU- Russia, EU- China, EU – US partnerships have also greater impacts on the EU- Central Asia and EU- Kazakhstan relations after collapse of USSR. The EU considers Central Asian states as important and resourceful partners with its own foreign policy and regional interests. Kazakhstan and the EU are promoting regional cooperation in

Central Asia. The European Union, the European Parliament, the European Commission, the OSCE, the NATO and other important European institutions and countries including Germany, France, the U.K, Sweden, the Netherlands, Spain, Poland, Austria, Italy, Denmark, and Belgium etc. are actively engaged with comprehensive framework with Kazakhstan government and society in the different fields since 2001.

Central Asia has always been in the radar of a European Union's Common Foreign and Security Policy (CFSP) since the end of Cold War era. Special Representative of 'EUSR' is the process of implantation of effective foreign policy and representation of European Union in the third countries for participation in the multilateral framework and crisis managements. EUSR is one of the key messengers who provide information and knowledge from different spectrum of field reports about political developments, cooperation with regional and international organisations, establishing close contacts with local authorities, civil society and media. The patterns of the EU –Russia relations are also affecting relations with Kazakhstan and other Central Asian states. Conflicts involving Georgia and Ukraine in recent times also have directly affected the Russia – the EU relations.

Kazakhstan is rapidly moving on the path of sustainable economic growth and industrial development in the current phase of economic globalisation. Kazakhstan has potential to become important centre of economy in post - Soviet space. It has enormous energy resources that bring vibrancy to economic development and links with European and rest of the world economy. Kazakhstan has consistently followed path of economic reforms based on the market economy and policy of economic liberalisation. Kazakhstan also announced limited role of state intervention in economic affairs in the “Strategy 2030” and “Strategy 2050”, which have long term vision of modernisation of economy and also facilitating planning for European investors.

Energy constitutes essential ingredient for the prosperity and economic development of all countries. Energy security is becoming integral part of state policy. The issue of energy security has become a concept closely associated with the foreign policy, national security and global security. Energy factor is significant factor in world politics leading to the pursuit of energy diplomacy by great powers. Kazakhstan is the 9th largest oil

producing country. Major oil producers are Saudi Arabia, Russia, U.S, Iran, Mexico, Canada, China,, United Arab Emirates, Venezuela, Norway, Kuwait, Nigeria, Brazil, Kazakhstan, and Iraq in the world. The Ministry of Energy and Mineral Resources of Kazakhstan, and the Ministry of Fuel and Energy of Russia periodically fix the quota for Kazakhstan's oil flow through Russian territory. Major portion of Kazakhstan's crude oil is refined in Russia. Kazakhstan is heavily dependent on Russia for trade and transportation of energy resources. Caspian Sea is also important sources of energy for Kazakhstan. Caspian Sea is also important route for commercial transport. Kazakhstan has already enhanced its defence potential in the Caspian Sea and also launched two military vessels with navigation equipment. The European Union plays constructive and positive cooperation in water management of Kazakhstan and Central Asian states. The EU Water Initiative and its Eastern Europe, Caucasus and Central Asia (EECCA) program seeks to improve the management of water resources in the EECCA region. The primary concern of water management and its regional cooperation is stable supply of water. Division and supply of water between upstream and downstream states are main source of conflict for water management in Central Asian states. Another source of conflict over water related issues is the issue of the sovereignty of each state. The transnational institutions and the EU provide advance management skill to resolve water conflict among the Central Asian states.

Kazakhstan's ambitious state programme "Path to Europe" is basically focused towards intensive engagement with Europe besides becoming communication hub between Asia and Europe. Baltic States can play role of transit and freight to connect Kazakhstan to Europe. Three Baltic states - Latvia, Lithuania and Estonia joined the EU in 2004. "Baltica – Transit" project for goods trains was launched at the initiative of Railway administration of Baltic states- Latvia, Lithuania, Estonia, and also Kazakhstan and Russia in 2003. So, ports of Riga, Liepaia and Ventspils are used by Central Asian states. Kazakhstan has offered to Estonia to engage for joint ventures in two ports in free trade zone between the port of Muuga and that of Tallin.

The European Union is the major trade partner of Kazakhstan. Kazakhstan-EU partnership has been focused on the basic elements such as respect for democracy and

rule of law, protection of human rights and market economy principles. Partnership and Cooperation Agreement (PCA) offers Kazakhstan comprehensive cooperation in all non-military spheres, mainly trade, investment and economic relations and cultural interactions. Kazakhstan is emerging as important supplier of energy to European states. The EU's relation with Kazakhstan revolves mainly around Germany, France, and United Kingdom. EU has been extending assistance in various pipeline projects for energy supply to Europe. The major importance of Kazakhstan for international political economy lies in the country's principal wealth – oil and gas.

The European Union members views Central Asia to be an alternative supplier of oil and gas which led the EU to launch strategy papers for assistance for 2002-2006 and follow on for 2007-2013. The EU has already implemented Partnership and Cooperation Agreement (PCA) for political, economic and trade relations with Kazakhstan.

The idea of 'multi vectored' approach of Kazakhstan's foreign policy provides the opportunities of multilateral security and defence cooperation with EU and other important major powers of the international politics. The 'Military Doctrine 2011' has classified the priorities of the security and defence diplomacy of Kazakhstan. It outlined the 'National Security Strategy' and the 'Law on the National Security 2012'. Kazakhstan is facing security dilemma in the multi vector foreign security policy, due to differing approaches of the EU and Russia's regional security challenges and its interests in Central Asia. The conceptual and theoretical frame of regional security have changed dynamics of structural and normative elements in the policies of Astana, Moscow and Brussels in the post - Ukrainian crisis in Central Asia and its neighborhood. Both, Brussels and Moscow are struggling with new normative, commercial and geopolitical imperatives in Central Asia.

The military capabilities, border and other security capacities of Central Asian states are limited as compared to those of neighboring states such as Russia, China, Iran, Germany etc. Therefore, these five states have forged comprehensive and strategic security and defence ties with the EU and its member states, Russia, China, US, along with the European global military organization NATO, and also OCSE, SCO etc.

Transnational threats with both criminal and ideological motivations are emerging biggest challenges in Central Asia and its neighbor states. The trafficking of narcotics, human trafficking, and illegal arms trade have gradually increased in the post - Soviet space in the region. In the ideological realm, radical Islamic movements are serious transnational threats. Terrorism has been a threat to global security which has become central priority for major powers after post 9/11 attacks. The “European Security Strategy 2003” identified terrorism as a growing strategic threat to Europe. Therefore EU has more coherent and capable defence and security policy to address the terror threats and its established links around the surrounding region. Illegal drugs and small arms trafficking is also serious challenge for Kazakhstan and European Union in Central Asia. Both are cooperating through comprehensive strategies to address these challenges. The EU and its powerful member states especially Germany, France, the UK, also supported Kazakhstan’s initiatives through bilateral approach.

The EU and European security institutions are strengthening Kazakhstan’s political stability, economic and military matters. NATO and OSCE have made significant contribution with Kazakhstan’s security and domestic affairs. Both are also important drivers to protect the security and geopolitical interests of the EU in Kazakhstan. OSCE is also ensuring the better implementation of European model of conflict prevention regarding border management, ecological and environmental security related challenges of Kazakhstan. Stability in Tajikistan is crucial to regional security in Central Asia. War and turmoil in Afghanistan especially after 9/11 have negative impact on the internal situation in Tajikistan.

NATO led ‘Operation Enduring Freedom’ in Afghanistan post 9/11 also affected the security scenario in Central Asia. Revival of the Silk Road by the TRACECA or other communication facilities is another example of progress of greater communication between Central Asia and Europe.

Climate Change and other environmental challenges have become focus areas of the foreign policy and security policy of the Kazakhstan and as well as the European Union in regional cooperation in Central Asia. Kazakhstan is willing to voluntary contribute in the global efforts on Climate change and environmental security concerns. Kazakhstan

seeks to address the concerns of climate change in its 'Strategy 2030' and 'Strategy 2050'. Concerns over environmental protection are relevant to the national, regional security as well as forefront of sustainable developments. Kazakhstan and EU are cooperating on many important environmental issues for the region such as; land degradation, deforestation and sustainable land use, forestry management, safeguarding biodiversity, including support for the implementation of the UN Convention on Biological Diversity, reducing pollution related to industrial sites and contaminated tailings, monitoring and addressing the risks related to environment and human health.

Kazakhstan became the head of the OSCE in 2010, which brought about a paradigm shift in its security policy orientation towards Europe. Kazakhstan has actively participated in the structure of OSCE. Kazakhstan continues to support the multilateral efforts to ensure the Euro –Atlantic and Eurasian security in the dynamics of politico –military efforts with OSCE. The EU is looking with strategic interests in Central Asia as region of security threats, transit zone of drugs, weapons of mass destruction, refugees and also for human trafficking.

Kazakhstan and Europe share a diversity of culture and a desire for their ethnicities and religion to live in tolerance and harmony. Kazakhstan is also westernised and culturally diverse state in Central Asia. The growth of diasporas and their gradual inclusion in international cooperation changed the dynamics of economic and political cooperation in international relations. Cooperation with diaspora is restricted to peace building and development rather than state building. The Collapse of USSR and Kazakhstan's independence saw centrifugal forces dominate the Kazakh politics in post 1990s. After the demise of USSR, ethnic and regional conflicts were intensified by nationalizing policies. Dynamics of demographic development and migration have made Kazakhstan into one of the most multinational, multi - confessional, multiethnic countries in the world. Diaspora is playing major role in strengthening bilateral relationship Kazakhstan and European Union. Kazakhstan considers populations of Kazakh diaspora at 2.5 to 3 million in world. Kazakhstan has followed the example of Germany and Israel by extending citizenship to Kazakh diaspora and seeking to facilitate their "return" to their ancestral homeland. London is important place of Kazakhstan diaspora in Europe.

London hosted the International Forum “Kazakhstan: New Horizons of Growth/Kazakhstan Growth Forum”, which was attended by about 300 representatives of private and public institutions, international organizations and journalists in June 2010.

Europe is one of the top regions in terms of migratory flows with Germany, UK, Spain and France hosting the highest number of the non - European nationals residing in Europe. Ethnic and Cultural relations between Kazakhstan and Europe has historical bonds. European diaspora in Kazakhstan made significant efforts to strengthen bilateral relationship between Kazakhstan and European Union.

To conclude, Kazakhstan’s new multi vector foreign policy gives priority to promotion of economic and security cooperation and stability in Central Asia. Relations between Kazakhstan and the European Union including its major powers and European global institutions based on the strategic and economic consideration. Kazakhstan has also emerged as responsible state in the spirit of committed and principle partner of the European Union in the 21st century. It is regional leader and global partner in energy security, important contributor in peacekeeping missions with the EU and the UN.

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PROTOCOL ON MUTUAL ADMINISTRATIVE ASSISTANCE IN CUSTOMS MATTERS

PREAMBLE

THE KINGDOM OF BELGIUM,

THE REPUBLIC OF BULGARIA,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE REPUBLIC OF ESTONIA,

IRELAND,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

THE REPUBLIC OF CROATIA,

THE ITALIAN REPUBLIC,

THE REPUBLIC OF CYPRUS,

THE REPUBLIC OF LATVIA,

THE REPUBLIC OF LITHUANIA,

THE GRAND DUCHY OF LUXEMBOURG,

HUNGARY,

THE REPUBLIC OF MALTA,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE REPUBLIC OF POLAND,

THE PORTUGUESE REPUBLIC,

ROMANIA,

THE REPUBLIC OF SLOVENIA,

THE SLOVAK REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty on European Union and the Treaty on the Functioning of the European Union, hereinafter referred to as 'the Member States', and

THE EUROPEAN UNION,

of the one part, and

THE REPUBLIC OF KAZAKHSTAN,

of the other part,

hereinafter jointly referred to as 'the Parties',

CONSIDERING the strong links between the Parties and their common values, and their wish to further strengthen and extend links established in the past through the implementation of the Partnership and Cooperation Agreement between the European Communities and their Member States and the Republic of Kazakhstan, signed in Brussels on 23 January 1995, and the European Union — Central Asia Strategy for a New Partnership adopted by the European Council in June 2007 as well as the Republic of Kazakhstan's state programme 'Path to Europe' adopted in 2008;

CONSIDERING the commitment of the Parties to the full implementation of the principles and provisions of the Charter of the United Nations ('the UN Charter'), of the Universal Declaration of Human Rights, and of the Organisation for Security and Cooperation in Europe (OSCE), in particular of the Helsinki Final Act, as well as other generally recognised norms of international law;

CONSIDERING the strong commitment of the Parties to strengthen the promotion, protection and implementation of fundamental freedoms and human rights, and the respect for democratic principles, the rule of law, and good governance;

RECOGNISING the strong adherence of the Parties to the following principles in their cooperation in human rights and democracy: the promotion of shared goals, open and constructive political dialogue, transparency, and respect for international human rights standards;

CONSIDERING the commitment of the Parties to adhere to the principles of a free market economy;

RECOGNISING the growing importance of trade and investment relations between the European Union and the Republic of Kazakhstan;

CONSIDERING that the Agreement will further strengthen the close economic relationship between the Parties and create a new climate and better conditions for the further development of trade and investment between them, including in the field of energy;

CONSIDERING the objective of enhancing trade and investment, in all sectors, on an enhanced legal basis, in particular this Agreement and the Agreement Establishing the World Trade Organisation ('the WTO Agreement');

CONSIDERING the commitment of the Parties to promote international peace and security and the peaceful settlement of disputes, notably by cooperating in an effective manner to that end within the framework of the UN and the OSCE;

CONSIDERING the willingness of the Parties to further develop regular political dialogue on bilateral and international issues of mutual interest;

CONSIDERING the commitment of the Parties to international obligations to fight against the proliferation of weapons of mass destruction and their means of delivery and to cooperate in the areas of non-proliferation, and nuclear safety and security;

CONSIDERING the commitment of the Parties to combat the illicit trade and the accumulation of small arms and light weapons and bearing in mind the adoption of the Arms Trade Treaty ('the ATT') by the UN General Assembly;

CONSIDERING the importance of the active participation of the Republic of Kazakhstan in the implementation of the European Union — Central Asia Strategy for a New Partnership;

CONSIDERING the commitment of the Parties to combat organised crime and trafficking in human beings and to step up cooperation on counter-terrorism;

CONSIDERING the commitment of the Parties to step up their dialogue and cooperation on migration-related issues, with a comprehensive approach aiming at cooperation on legal migration and tackling irregular migration and trafficking in human beings, and recognising the importance of the readmission clause of this Agreement;

DESIROUS of ensuring balanced conditions in the bilateral trade relations between the European Union and the Republic of Kazakhstan;

CONSIDERING the commitment of the Parties to compliance with the rights and obligations arising from the membership of the World Trade Organization ('the WTO'), and to the transparent and non-discriminatory implementation of those rights and obligations;

CONSIDERING the commitment of the Parties to respect the principle of sustainable development, including by promoting the implementation of multilateral international agreements and regional cooperation;

DESIROUS of enhancing mutually beneficial cooperation in all fields of mutual interest and strengthening its framework as appropriate;

RECOGNISING the need for enhanced energy cooperation, security of energy supply and facilitating the development of appropriate infrastructure, building on the Memorandum of Understanding on cooperation in the field of energy between the European Union and the Republic of Kazakhstan done in Brussels on 4 December 2006, and in the context of the Energy Charter Treaty;

RECOGNISING that all cooperation in the peaceful uses of nuclear energy is governed by the Cooperation Agreement between the European Atomic Energy Community and the Republic of Kazakhstan in the field of nuclear safety, signed in Brussels on 19 July 1999, and does not fall under this Agreement;

CONSIDERING the commitment of the Parties to improve the level of public health safety and protection of human health as a precondition for sustainable development and economic growth;

CONSIDERING the commitment of the Parties to enhanced people-to-people contacts, including through cooperation and exchanges in the fields of science and technology, innovation development, education and culture;

CONSIDERING that the Parties shall promote mutual understanding and convergence of their legislation and regulatory framework, in order to further strengthen mutually beneficial links and sustainable development;

NOTING that in case the Parties decided, within the framework of this Agreement, to enter into specific agreements in the area of freedom, security and justice which were to be concluded by the European Union pursuant to Title V of Part Three of the Treaty on the Functioning of the European Union, the provisions of such future agreements would not bind the United Kingdom and/or Ireland unless the European Union, simultaneously with the United Kingdom and/or Ireland as regards their respective previous bilateral relations, notifies the Republic of Kazakhstan that the United Kingdom and/or Ireland has/have become bound by such agreements as part of the European Union in accordance with Protocol (No 21) on the position of the United Kingdom and Ireland in respect of the area of Freedom, Security and Justice annexed to the Treaty on European Union and the Treaty on the Functioning of the European Union. Likewise, any subsequent EU-internal measures which were to be adopted pursuant to the above mentioned Title V to implement this Agreement would not bind the United Kingdom and/or Ireland unless they have notified their wish to take part or accept such measures in accordance with Protocol No 21. Also noting that such future agreements or such subsequent EU-internal measures would fall within Protocol (No 22) on the position of Denmark annexed to the said Treaties,

HAVE AGREED AS FOLLOWS:

TITLE I

GENERAL PRINCIPLES AND AIMS OF THIS AGREEMENT

Article 1

General principles

Respect for democratic principles and human rights as laid down in the Universal Declaration of Human Rights, the OSCE Helsinki Final Act and the Charter of Paris for a New Europe, and other relevant international human rights instruments, and for the principle of the rule of law, underpins the internal and international policies of both Parties and constitutes an essential element of this Agreement.

The Parties reiterate their commitment to the principles of a free market economy, promoting sustainable development and economic growth.

The implementation of this Agreement shall be based on the principles of dialogue, mutual trust and respect, equal partnership, and mutual benefit and full respect for the principles and values enshrined in the UN Charter.

*Article 2***Aims of this Agreement**

1. This Agreement establishes an enhanced partnership and cooperation between the Parties within the limits of their respective competences, based on common interest and on the deepening of the relationship in all areas of its application.
2. This cooperation is a process between the Parties that contributes to international and regional peace and stability and to economic development, and is structured around principles that the Parties reaffirm also by their international commitments notably under the UN and the OSCE.

*Article 3***Cooperation in regional and international organisations**

The Parties agree to cooperate and exchange views in the framework of regional and international fora and organisations.

TITLE II

POLITICAL DIALOGUE; COOPERATION IN THE FIELD OF FOREIGN AND SECURITY POLICY*Article 4***Political dialogue**

The Parties shall further develop and strengthen effective political dialogue in all areas of mutual interest in order to promote international peace, stability and security, including in the Eurasian continent, on the basis of international law, effective cooperation within multilateral institutions and shared values.

The Parties shall cooperate with a view to strengthening the role of the UN and the OSCE, and to improve the efficiency of the relevant international and regional organisations.

The Parties shall deepen cooperation and dialogue on issues of international security and crisis management in order to respond to the current global and regional challenges and major threats.

The Parties undertake to strengthen cooperation on all subjects of common interest and in particular the observance of international law, strengthening respect for democratic principles, the rule of law, human rights and good governance. The Parties agree to work towards improving the conditions for further regional cooperation, notably with regard to Central Asia and beyond.

*Article 5***Democracy and the rule of law**

The Parties agree to cooperate in the promotion and effective protection of human rights and the rule of law, including through the relevant international human rights instruments.

Such cooperation shall be achieved through activities mutually agreed upon by the Parties, including by strengthening respect for the rule of law, further enhancing the existing human rights dialogue, further developing democratic institutions, promoting human rights awareness, and enhancing cooperation within the human rights bodies of the UN and the OSCE.

*Article 6***Foreign and security policy**

The Parties shall intensify their dialogue and cooperation in the area of foreign and security policy and shall address, in particular, issues of conflict prevention and crisis management, regional stability, non-proliferation, disarmament and arms control, nuclear security and export control of arms and dual-use goods.

Cooperation shall be based on common values and mutual interests, aiming to increase effectiveness and rapprochement of policy and to make use of bilateral, regional and international fora.

The Parties reaffirm their commitment to the principles of respect for territorial integrity, inviolability of borders, sovereignty and independence, as established in the UN Charter and the OSCE Helsinki Final Act, and their commitment to promote those principles in their bilateral and multilateral relations.

*Article 7***Space security**

The Parties shall promote the enhancement of safety, security and sustainability of all space-related activities, and agree to work together at bilateral, regional and international levels with the aim of safeguarding peaceful uses of outer space. Both Parties note the importance of preventing an arms race in outer space.

*Article 8***Serious crimes of international concern**

The Parties reaffirm that the most serious crimes of concern to the international community as a whole should not go unpunished and that their prosecution should be ensured by taking measures at the domestic or international level, including through the International Criminal Court.

Giving due regard to preserving the integrity of the Rome Statute, the Parties agree to conduct a dialogue on, and shall seek to take steps towards universal adherence to, the Rome Statute in accordance with their respective laws, including provision of assistance for capacity building.

*Article 9***Conflict prevention and crisis management**

The Parties shall enhance cooperation on conflict prevention, the settlement of regional conflicts and crisis management in order to create an environment of peace and stability.

*Article 10***Regional stability**

The Parties shall intensify their joint efforts to promote stability and security in Central Asia as well as to improve the conditions for further regional cooperation, on the basis of the principles established by the UN Charter, the OSCE Helsinki Final Act and other relevant multilateral documents, to which both Parties adhere.

*Article 11***Countering the proliferation of weapons of mass destruction**

The Parties consider that the proliferation of weapons of mass destruction (WMD) and their means of delivery, both to state and non-state actors, represents one of the most serious threats to international stability and security.

The Parties shall cooperate and contribute to countering the proliferation of WMD and their means of delivery through full compliance with and implementation of their respective international treaty obligations and other relevant international obligations in the field of disarmament and non-proliferation. The Parties agree that this provision constitutes an essential element of this Agreement.

Cooperation in this area is implemented, including by:

- (a) further developing export control systems in respect of military and dual-use goods and technologies;
- (b) establishing a regular political dialogue on the issues covered by this Article.

*Article 12***Small arms and light weapons**

The Parties shall cooperate and ensure coordination, complementarity and synergy in their efforts to fight against the illicit trade in small arms and light weapons, including their ammunition, at all relevant levels, and agree to continue a regular political dialogue, including in the multilateral framework.

This cooperation shall be implemented by the Parties in full compliance with the existing international agreements and UN Security Council resolutions, as well as their commitments within the framework of other international instruments applicable in this area to which the Parties adhere. Both Parties are convinced in this regard of the value of the ATT.

*Article 13***Counter-terrorism**

The Parties agree to work together at bilateral, regional and international levels to prevent and combat terrorism in full accordance with the rule of law, international law, international human rights standards, humanitarian law and relevant UN decisions, including the UN Global Counter-Terrorism Strategy.

Cooperation between the Parties shall aim to:

- (a) implement, as appropriate, UN resolutions, the UN Global Counter-Terrorism Strategy, and their commitments under other international conventions and instruments on countering terrorism;
- (b) exchange information on planned and committed acts of terrorism, forms and methods of carrying these out, and terrorist groups that plan, commit or have committed a crime in the territory of another Party, in accordance with international law and domestic legislation;
- (c) exchange experience in the prevention of all forms of terrorism, including public provocation on the internet to commit a terrorist offence, as well as experience with the means and methods of combating terrorism, experience in technical areas, and training, offered or paid by institutions, bodies and agencies of the European Union;
- (d) intensify common efforts against financing of terrorism and exchange views about processes of radicalisation and recruitment; and
- (e) exchange best practices in the area of protection of human rights in the fight against terrorism.

TITLE III

TRADE AND BUSINESS

CHAPTER 1

Trade in goods

Article 14

Most-favoured-nation treatment

1. Each Party shall accord most-favoured-nation treatment to goods of the other Party in accordance with Article I of the General Agreement on Tariffs and Trade 1994 (GATT 1994), including its interpretative notes, which are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. Paragraph 1 shall not apply in respect of preferential treatment accorded by either Party to goods of another country in accordance with the GATT 1994.

Article 15

National treatment

Each Party shall accord national treatment to goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes, which are incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 16

Import and export customs duties

Each Party shall apply import and export customs duties in accordance with its WTO tariff commitments.

Article 17

Import and export restrictions

Neither Party may institute or maintain any prohibition or restriction other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, in accordance with Article XI of the GATT 1994, including its interpretative notes, which are incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 18

Temporary admission of goods

Each Party shall grant the other Party exemption from import charges and duties on goods admitted temporarily, in the instances and according to the procedures stipulated by any international convention on the temporary admission of goods binding upon it. This exemption shall be applied pursuant to the legislation of the Party granting the exemption.

*Article 19***Transit**

The Parties agree that the principle of freedom of transit is an essential condition of attaining the objectives of this Agreement. In that regard, each Party shall provide for freedom of transit through its territory of goods consigned from or destined for the customs territory of the other Party in accordance with Article V of the GATT 1994, including its interpretative notes, which are incorporated into and made part of this Agreement, *mutatis mutandis*.

*Article 20***Safeguard measures**

Nothing in this Agreement shall prejudice or affect the rights and obligations of either Party under Article XIX of the GATT 1994 and the WTO Agreement on Safeguards.

*Article 21***Special agriculture safeguard**

Nothing in this Agreement shall prejudice or affect the rights and obligations of either Party under Article 5 (Special Safeguard Provisions) of the WTO Agreement on Agriculture.

*Article 22***Anti-dumping and countervailing measures**

1. Nothing in this Agreement shall prejudice or affect the rights and obligations of either Party under Article VI of the GATT 1994, the WTO Agreement on Implementation of Article VI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures ('SCM Agreement').
2. Before final determination is made, the Parties shall ensure the disclosure of all essential facts under consideration which form the basis for the decision to apply measures, without prejudice to Article 6.5 of the WTO Agreement on Implementation of Article VI of the GATT 1994 and Article 12.4 of the SCM Agreement. Disclosures shall allow interested parties sufficient time to make their comments.
3. Provided it does not unnecessarily delay the conduct of the investigation, each interested party shall be granted the possibility to be heard in order to express their views during anti-dumping or countervailing investigations.
4. The provisions of this Article shall not be subject to the Dispute Settlement provisions in this Agreement.

*Article 23***Pricing**

Each Party shall ensure that undertakings or entities to which it grants special or exclusive rights or which it controls, and which sell goods on the domestic market and which also export the same product, maintain separate accounts so that the following shall be clearly ascertained:

- (a) the costs and revenues associated with domestic and international activities; and
- (b) full details of the methods by which costs and revenues are assigned or allocated to domestic and international activities.

These separate accounts shall be based on accounting principles of causality, objectivity, transparency and consistency, according to internationally recognised accounting standards, and be based on audited data.

Article 24

Exceptions

1. The Parties affirm that their existing rights and obligations under Article XX of the GATT 1994 and its interpretative notes shall apply to trade in goods covered by this Agreement, *mutatis mutandis*. To that end, Article XX of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.
2. The Parties understand that before taking any measures provided for in subparagraphs (i) and (j) of Article XX of the GATT 1994, the Party intending to take the measures shall supply the other Party with all relevant information, with a view to seeking a solution acceptable to the Parties. The Parties may agree on any means needed to put an end to the difficulties. If no agreement is reached within 30 days of supplying such information, the Party may apply measures under this Article on the good concerned. Where exceptional and critical circumstances requiring immediate action make prior information or examination impossible, the Party intending to take the measures may apply forthwith the precautionary measures necessary to deal with the situation and shall inform the other Party immediately thereof.
3. The Republic of Kazakhstan may maintain certain measures inconsistent with Articles 14, 15 and 17 of this Agreement, identified in the Protocol on the Accession of the Republic of Kazakhstan to the WTO, until the expiration of the transition periods provided for those measures in that Protocol.

CHAPTER 2

Customs

Article 25

Customs cooperation

1. The Parties shall strengthen cooperation in the area of customs in order to ensure a transparent trade environment, facilitate trade, enhance supply-chain security, promote safety of consumers, stem the flows of goods infringing intellectual property rights and fight smuggling and fraud.
2. In order to implement those objectives and within the limits of available resources, the Parties shall cooperate, *inter alia*, to:
 - (a) improve customs law, harmonise and simplify customs procedures, in accordance with international conventions and standards applicable in the field of customs and trade facilitation, including those developed by the European Union (including Customs Blueprints), the World Trade Organisation and the World Customs Organisation (in particular the Revised Kyoto Convention);
 - (b) establish modern customs systems, including modern customs clearance technologies, provisions for authorised economic operators, automated risk-based analysis and controls, simplified procedures for the release of goods, post-clearance controls, transparent customs valuation, and provisions for customs-to-business partnerships;
 - (c) encourage the highest standards of integrity in the area of customs, in particular at the border, through the application of measures reflecting the principles set out in the Arusha Declaration of the World Customs Organisation;
 - (d) exchange best practices, and provide training and technical support for planning and capacity building and for ensuring the highest standards of integrity;
 - (e) exchange, where appropriate, relevant information and data whilst respecting the Parties' rules on the confidentiality of sensitive data and on personal data protection;

- (f) engage in coordinated customs actions between the customs authorities of the Parties;
 - (g) establish, where relevant and appropriate, mutual recognition of authorised economic operators' programmes and customs controls, including equivalent trade facilitation measures;
 - (h) pursue, where relevant and appropriate, possibilities for interconnectivity of the respective customs transit systems.
3. The Cooperation Council shall establish a Subcommittee on Customs Cooperation.
4. A regular dialogue shall take place on the issues covered by this Chapter. The Cooperation Committee may establish rules for the conduct of such dialogue.

Article 26

Mutual administrative assistance

Without prejudice to other forms of cooperation envisaged in this Agreement, in particular in Article 25, the Parties shall provide each other with mutual administrative assistance in customs matters in accordance with the Protocol to this Agreement on Mutual Administrative Assistance in Customs Matters.

Article 27

Customs valuation

The Agreement on the Implementation of Article VII of the GATT 1994 shall govern the customs valuation of goods in the trade between the Parties. Its provisions are hereby incorporated into and made part of this Agreement, *mutatis mutandis*.

CHAPTER 3

Technical Barriers to Trade

Article 28

WTO Agreement on Technical Barriers to Trade

The Parties affirm that in their relations they will respect the rights and obligations of the WTO Agreement on Technical Barriers to Trade ('TBT Agreement') which is incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 29

Technical regulation, standardisation, metrology, accreditation, market surveillance and conformity assessment

1. The Parties agree to:
- (a) reduce the differences which exist between them in the fields of technical regulation, standardisation, legal metrology, accreditation, market surveillance and conformity assessment, including by encouraging the use of internationally agreed instruments in those fields;
 - (b) promote the use of accreditation in accordance with international rules in support of conformity assessment bodies and their activities; and
 - (c) promote the participation and, where possible, the membership of the Republic of Kazakhstan and its relevant bodies in European organisations the activity of which relates to standardisation, metrology, conformity assessment and related functions.

2. The Parties aim to set up and maintain a process through which gradual alignment of their technical regulations, standards and conformity assessment procedures will be achieved.
3. For areas in which alignment has been achieved, the Parties may consider the negotiation of agreements on conformity assessment and acceptance of industrial products.

Article 30

Transparency

1. Without prejudice to the provisions of Chapter 13 (Transparency) of this Title, each Party shall ensure that its procedures for the development of technical regulations and conformity assessment procedures allow for public consultation of interested parties at an early appropriate stage when comments resulting from the public consultation can still be introduced and taken into account, except where this is not possible because of an emergency or a threat thereof related to safety, health, environmental protection or national security.
2. In accordance with Article 2.9 of the TBT Agreement, each Party shall allow a period for comments at an early appropriate stage following the notification of proposed technical regulations or conformity assessment procedures. Where a consultation process on proposed drafts of technical regulations or conformity assessment procedures is open to the public, each Party shall permit the other Party, or natural or legal persons located in the territory of the other Party, to participate on terms no less favourable than those accorded to natural or legal persons located in the territory of that Party.
3. Each Party shall ensure that its adopted technical regulations and conformity assessment procedures are publicly available.

CHAPTER 4

Sanitary and phytosanitary matters

Article 31

Objective

The objective of this Chapter is to set out principles applicable to sanitary and phytosanitary (SPS) measures and animal welfare issues in trade between the Parties. These principles shall be applied by the Parties in a manner which further facilitates trade, while preserving each Party's level of protection of human, animal or plant life or health.

Article 32

Principles

1. The Parties shall ensure that SPS measures are developed and applied on the basis of the principles of proportionality, transparency, non-discrimination and scientific justification.
2. A Party shall ensure that its SPS measures do not arbitrarily or unjustifiably discriminate between its own territory and the territory of the other Party to the extent that identical or similar conditions prevail. SPS measures shall not be applied in a manner which would constitute a disguised restriction on trade.
3. The Parties shall ensure that SPS measures, procedures or controls are implemented and requests for information are addressed by the relevant authorities of each Party without undue delay, and in a manner no less favourable to imported products than to like domestic products.

*Article 33***Import Requirements**

1. The import requirements of the importing Party shall be applicable to the entire territory of the exporting Party, subject to Article 35 of this Chapter. The import requirements set out in certificates are based on the principles of the *Codex Alimentarius* Commission ('Codex'), the World Organisation for Animal Health (OIE) and the International Plant Protection Convention (IPPC), unless the import requirements are supported by a science-based risk assessment conducted in accordance with the applicable international rules as provided for in the WTO Agreement on the Application of Sanitary and Phytosanitary Measures ('the SPS Agreement').
2. The requirements set out in import permits shall not contain more stringent sanitary and veterinary conditions than the conditions laid down in the certificates under paragraph 1 of this Article.

*Article 34***Equivalence**

Upon request by the exporting Party and subject to a satisfactory evaluation by the importing Party, equivalence shall be recognised by the Parties, following the relevant international procedures, in relation to an individual measure and/or groups of measures and/or systems applicable in general or to a sector or part of a sector.

*Article 35***Measures linked to animal and plant health**

1. The Parties shall recognise the concept of pest-free or disease-free areas and areas of low pest or disease prevalence in accordance with the SPS Agreement and the relevant standards, guidelines or recommendations of the Codex, the OIE and the IPPC.
2. When determining pest-free or disease-free areas and areas of low pest or disease prevalence, the Parties shall consider factors such as geographical location, ecosystems, epidemiological surveillance, and the effectiveness of sanitary or phytosanitary controls in such areas.

*Article 36***Trade facilitation**

1. The Parties shall develop and apply trade facilitation tools on the basis of the recognition by the importing Party of the inspection and certification systems of the exporting Party.
2. Such trade facilitation tools aim at avoiding the inspection by the importing Party of each consignment or each exporting establishment in the territory of the exporting Party according to existing legislation. They may include an approval of an exporting establishment and the establishment of lists of the exporting establishments in the territory of the exporting Party based on guarantees given by the exporting Party.

*Article 37***Inspections and Audits**

Inspections and audits carried out by the importing Party in the territory of the exporting Party to evaluate the latter's inspection and certification systems shall be performed in accordance with the relevant international standards, guidelines and recommendations. The costs of inspections and audits shall be borne by the Party carrying out the audits and the inspections.

*Article 38***Exchange of information and cooperation**

1. The Parties shall discuss and exchange information on existing SPS and animal welfare measures and on their development and implementation. Such discussions and exchange of information shall, as appropriate, take into account the SPS Agreement and the standards, guidelines or recommendations of the Codex, the OIE and the IPPC.
2. The Parties agree to cooperate on animal and plant welfare through the exchange of information, expertise and experience with the objective of building up capacity in this field. Such cooperation shall be specific to the needs of a Party and be conducted with the aim of assisting each Party in complying with the other Party's legal framework.
3. The Parties shall establish a timely dialogue on SPS issues upon request by either Party to consider matters relating to SPS and other urgent issues covered by this Chapter. The Cooperation Committee may adopt rules for the conduct of such dialogues.
4. The Parties shall designate and regularly update the contact points for communication on matters covered by this Chapter.

*CHAPTER 5***Trade in services and establishment**

Section 1

General provisions*Article 39***Objective, scope and coverage**

1. The Parties, reaffirming their respective commitments under the WTO Agreement, hereby lay down the necessary arrangements in view of improving reciprocal conditions for trade in services and establishment.
2. Nothing in this Chapter shall be construed as imposing any obligation with respect to government procurement subject to the provisions of Chapter 8 (Government Procurement) of this Title.
3. The provisions of this Chapter shall not apply to subsidies granted by the Parties.
4. Consistent with the provisions of this Agreement, each Party retains the right to regulate and to introduce new regulations to meet legitimate policy objectives.
5. This Chapter shall not apply to measures affecting natural persons seeking access to the employment market of the European Union or of the Republic of Kazakhstan, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.
6. Nothing in this Chapter shall prevent the Parties from applying measures to regulate the entry of natural persons into, or their temporary stay in, their territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, their borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Party under the provisions of this Chapter ⁽¹⁾.
7. This Chapter does not apply to measures adopted or maintained by the Parties affecting trade in services and establishment in the audiovisual sector.

⁽¹⁾ The sole fact of requiring a visa for natural persons of certain countries and not for those of others shall not be regarded as nullifying or impairing benefits under this Agreement.

Article 40

Definitions

For the purposes of this Chapter:

- (a) 'measure' means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action or any other form;
- (b) 'measures adopted or maintained by a Party' means measures taken by:
 - (i) central, regional or local governments or authorities of a Party; and
 - (ii) non-governmental bodies of a Party in the exercise of powers delegated by central, regional or local governments or authorities of a Party;
- (c) 'natural person of the European Union' or 'natural person of the Republic of Kazakhstan' means a national of one of the Member States of the European Union or of the Republic of Kazakhstan according to their respective legislation;
- (d) 'juridical person' means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately owned or governmentally owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;
- (e) 'juridical person of a Party' means a juridical person of the European Union or of the Republic of Kazakhstan set up in accordance with the law of a Member State of the European Union or of the Republic of Kazakhstan, respectively, and having its registered office, its central administration, or its principal place of business in the territory to which the Treaty on the Functioning of the European Union applies or in the territory of the Republic of Kazakhstan, respectively.

Should the juridical person set up in accordance with the law of a Member State of the European Union or of the Republic of Kazakhstan, have only its registered office or central administration in the territory to which the Treaty on the Functioning of the European Union applies or in the territory of the Republic of Kazakhstan, respectively, it shall not be considered as a juridical person of the European Union or of the Republic of Kazakhstan, respectively, unless it engages in substantive business operations in the territory to which the Treaty on the Functioning of the European Union applies or in the territory of the Republic of Kazakhstan, respectively;
- (f) Notwithstanding point (e), with regard to international maritime transport, including intermodal operations involving a sea leg, shipping companies established outside the European Union or the Republic of Kazakhstan and controlled by nationals of a Member State of the European Union or of the Republic of Kazakhstan, respectively, shall also be beneficiaries of the provisions of this Chapter if their vessels are registered in accordance with the respective legislation in that Member State of the European Union or in the Republic of Kazakhstan and fly the flag of a Member State of the European Union or of the Republic of Kazakhstan;
- (g) an 'economic integration agreement' means an agreement substantially liberalising trade in services, including establishment, in accordance with the General Agreement on Trade in Services (GATS), in particular Articles V and V *bis* of the GATS, and/or containing provisions substantially liberalising establishment in other economic activities meeting, *mutatis mutandis*, the criteria of Articles V and V *bis* of the GATS in respect of such activities;
- (h) 'economic activities' shall include activities of an economic nature except economic activities performed in the exercise of governmental authority;
- (i) 'economic activities performed in the exercise of governmental authority' means activities carried out neither on a commercial basis nor in competition with one or more economic operators;
- (j) 'operations' means the pursuit and the maintenance of economic activities;
- (k) 'subsidiary' of a juridical person means a juridical person which is effectively controlled by another juridical person of that Party ⁽¹⁾;

⁽¹⁾ A juridical person is controlled by another juridical person if the latter has the power to appoint a majority of its directors or otherwise to legally direct its actions.

- (l) 'branch' of a juridical person means a place of business not having legal personality which has the appearance of permanency, such as the extension of a parent body, has a management and is materially equipped to negotiate business with third parties so that such third parties, although knowing that there will, if necessary, be a legal link with the parent body the head office of which is abroad, do not have to deal directly with such parent body but may transact business at the place of business constituting the extension;
- (m) 'establishment' means any type of business or commercial presence, including
 - (i) the constitution, acquisition or maintenance of a juridical person ⁽¹⁾; or
 - (ii) the creation or maintenance of a branch or representative office ⁽²⁾ within the territory of a Party for the purpose of performing an economic activity;
- (n) 'investor' of a Party means a natural or juridical person that seeks to perform or performs an economic activity through setting up an establishment;
- (o) 'services' includes any service ⁽³⁾ in any sector except services supplied in the exercise of governmental authority;
- (p) 'service supplied in the exercise of governmental authority' means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers;
- (q) 'services supplier' means any natural or juridical person that supplies a service;
- (r) 'supply of a service' includes the production, distribution, marketing, sale and delivery of a service.

Section 2

Establishment and cross-border supply of services

Subsection 1

All economic activities

Article 41

Scope and coverage

1. This Subsection applies to measures by the Parties affecting establishment in all economic activities and cross-border supply of services.
2. The Parties confirm their respective rights and obligations arising from their commitments under the GATS.

For greater certainty, in regard to services, the Parties' respective GATS schedules of specific commitments ⁽⁴⁾, including the reservations and lists of most-favoured-nation exemptions, shall be incorporated into and made part of this Agreement and shall apply.

Article 42

Progressive improvement of conditions for establishment

1. The Cooperation Committee meeting in trade configuration shall make recommendations to the Parties for the further liberalisation of establishment in the context of this Agreement.

⁽¹⁾ The terms 'constitution' and 'acquisition' of a juridical person shall be understood as including capital participation in a juridical person with a view to establishing or maintaining lasting economic links.

⁽²⁾ Representative offices of a juridical person of the other Party are not allowed to carry out an economic activity on a commercial basis in the territory of the Republic of Kazakhstan. The European Union reserves the right to reciprocate in this regard.

⁽³⁾ For greater clarity, for the purpose of this chapter, services shall be deemed to be those listed in the WTO document MTN.GNS/W/120 in its up to date version.

⁽⁴⁾ For the Republic of Kazakhstan the reference includes the Chapter on Services of the Protocol on the Accession of the Republic of Kazakhstan to the WTO.

2. The Parties shall endeavour to avoid the adoption of any measure which renders the conditions for establishment more restrictive than the situation existing on the day preceding the date of signature of this Agreement.

Article 43

Progressive improvement of conditions for cross-border supply of services

1. The Parties fully recognise the importance of liberalising the cross-border supply of services between the Parties.
2. The Cooperation Committee meeting in trade configuration shall make recommendations to the Parties for the further liberalisation of cross-border supply of services in the context of this Agreement.

Subsection 2

Economic activities other than services

Article 44

Scope and coverage

This Subsection applies to measures by the Parties affecting establishment in all economic activities other than services.

Article 45

Most-favoured-nation treatment

1. Each Party shall grant to juridical persons of the other Party treatment no less favourable than that it accords to juridical persons of any third country with regard to their establishment.
2. Each Party shall grant to juridical persons of the other Party treatment no less favourable than that it accords to juridical persons of any third country with regard to the operation of juridical persons of the other Party established in the former Party's territory.
3. Any advantage, favour, privilege or immunity granted, in relation with local content requirements, by the Republic of Kazakhstan to juridical persons of a WTO member established in the Republic of Kazakhstan in the form of a juridical person shall be accorded immediately and unconditionally to juridical persons of the European Union established in the Republic of Kazakhstan in the form of a juridical person.
4. The treatment granted in accordance with paragraphs 1 and 2 shall not apply to treatment accorded by a Party pursuant to economic integration agreements, free trade agreements, agreements for the avoidance of double taxation and agreements primarily governing taxation matters, nor shall it be construed as extending to investment protection, other than the treatment deriving from Article 46, including investor-to-state dispute settlement procedures.
5. Notwithstanding paragraph 4, as regards strategic resources and objects, the Republic of Kazakhstan shall in no case accord to subsidiaries of juridical persons of the European Union established in the Republic of Kazakhstan in the form of a juridical person, less favourable treatment than that accorded after the date on which this Title starts to apply, to subsidiaries of juridical persons of any third country established in the Republic of Kazakhstan in the form of a juridical person.

Article 46

National treatment

Subject to the Parties' reservations set out in Annex I,

- (a) each Party shall grant to subsidiaries of juridical persons of the other Party established in the former Party's territory treatment no less favourable than that granted to that Party's own juridical persons with respect to their operations;

- (b) the Republic of Kazakhstan shall grant to juridical persons and branches of the European Union treatment no less favourable than that accorded to juridical persons and branches of the Republic of Kazakhstan, respectively, in respect of their establishment and operations for economic activities other than services. National treatment granted by the Republic of Kazakhstan is without prejudice to the terms of the Protocol on the Accession of the Republic of Kazakhstan to the WTO.

Section 3

Temporary presence of natural persons for business purposes

Article 47

Coverage and definitions

1. This Section applies to measures by the Parties concerning the entry into, and temporary stay in, their territories of business visitors for establishment purposes, intra-corporate transferees, and contractual services suppliers in accordance with Article 39(5) and (6).
2. For the purposes of this Section:
- (a) 'business visitors for establishment purposes' means natural persons, employed in a senior position by a juridical person of a Party, who are responsible for setting up an establishment in the territory of the other Party. They do not offer or provide services or engage in any other economic activities than required for establishment purposes. They do not receive remuneration from a source located within the host Party;
- (b) 'intra-corporate transferees' means natural persons who have been employed by a juridical person of a Party or have been partners in it ⁽¹⁾ for at least one year and who are temporarily transferred to an establishment that may be a subsidiary, branch or head company of the juridical person of a Party in the territory of the other Party.

The natural person concerned must belong to one of the categories as defined in the Parties' respective GATS schedules, which for the purposes of this Section shall apply to all economic activities;

- (c) 'contractual service supplier' means a natural person employed by a juridical person of a Party which itself is not an agency for placement and supply services of personnel, nor acting through such agencies, and which has no establishment in the territory of the other Party and which has concluded a bona fide contract ⁽²⁾ to supply services with a final consumer in the latter Party, requiring the presence on a temporary basis of its employees in that latter Party, in order to fulfil the contract to provide services;
- (d) 'qualifications' means diplomas, certificates and other evidence of formal qualification issued by an authority, designated pursuant to legislative, regulatory or administrative provisions, certifying successful completion of professional training.

Article 48

Intra-corporate transferees and business visitors for establishment purposes

1. For services, the Parties reaffirm their respective obligations arising from their commitments under the GATS as regards the entry and temporary stay of intra-corporate transferees or business visitors for establishment purposes. The reservations listed therein apply ⁽³⁾.

⁽¹⁾ For greater clarity, the partners shall be part of the same juridical person.

⁽²⁾ The service contract shall comply with the laws, regulations and legal requirements of the Party where the contract is executed.

⁽³⁾ For greater clarity, the reservations include also the reservations in the definitions of the categories of intra-corporate transferees and business visitors for establishment purposes.

2. For economic activities other than services and subject to the reservations set out in Annex II:
 - (a) each Party shall allow investors engaged in production of goods on the territory of the other Party to transfer intra-corporate transferees, as defined in Article 47(2)(b), and business visitors for establishment purposes, as defined in Article 47(2)(a). The entry and temporary stay shall be permitted for a period of up to three years for intra-corporate transferees, and 90 days in any 12-month period for business visitors for establishment purposes;
 - (b) neither Party shall maintain or adopt measures defined as limitations on the total number of natural persons that an investor may transfer as intra-corporate transferees or business visitors for establishment purposes in the form of numerical quotas or a requirement of an economic needs test and as discriminatory limitations.

Article 49

Contractual service suppliers

1. The Republic of Kazakhstan shall allow the supply of services in its territory by juridical persons of the European Union through the presence of natural persons who are citizens of the Member States of the European Union, subject to the following conditions:
 - (a) natural persons entering the Republic of Kazakhstan shall possess:
 - (i) a university degree or an advanced technical qualification demonstrating knowledge of an equivalent level; and
 - (ii) professional qualifications where this is required to exercise an activity in the sector concerned pursuant to the law, regulations or requirements of the Republic of Kazakhstan;
 - (b) natural persons shall not receive remuneration for the provision of services, other than the remuneration paid by the juridical person of the European Union, during their stay in the Republic of Kazakhstan.
 - (c) natural persons entering the Republic of Kazakhstan shall have been employed by the juridical person of the European Union for at least the year preceding the date of submission of an application for entry into the Republic of Kazakhstan. In addition, the natural persons shall possess, at the date of submission of an application for entry into the Republic of Kazakhstan, at least five years professional experience in the sector of activity which is the subject of the contract;
 - (d) the Republic of Kazakhstan may apply the economic needs test and an annual quota for work permits reserved for contractual service suppliers of the European Union gaining access to the services market of the Republic of Kazakhstan. The total number of contractual service suppliers of the European Union entering the services market of the Republic of Kazakhstan shall not exceed 800 persons per year;
 - (e) after the expiration of a five-year period following the accession of the Republic of Kazakhstan to the WTO, the economic needs test shall not be applied ⁽¹⁾. During the period when the Republic of Kazakhstan applies the economic needs test ⁽²⁾, the entry and temporary stay of natural persons within the Republic of Kazakhstan pursuant to the fulfilment of the contract shall be for a cumulative period of not more than four months in any 12-month period or for the duration of the contract, whichever is less. After the expiration of a five-year period following the accession of the Republic of Kazakhstan to the WTO, the entry and temporary stay shall be for a cumulative period of not more than six months in any 12-month period or for the duration of the contract, whichever is less. The juridical persons of the European Union shall be responsible for the timely departure of their employees from the territory of the Republic of Kazakhstan.

⁽¹⁾ All other requirements, laws and regulations regarding entry, stay and work shall continue to apply.

⁽²⁾ For greater clarity, for the Republic of Kazakhstan, 'economic needs test' means procedures undertaken by a juridical person of the Republic of Kazakhstan when attracting contractual service suppliers, whereby account must be taken of the admission of a foreign labour force based on the national labour market conditions. These conditions are fulfilled when after the publication of a vacancy announcement in the mass media and after a search for a competent person in the database of the competent authority, none of the applicants meets the requirements described in the vacancy. This should not take longer than one month. Only after this procedure the juridical person can finalise the procedure for hiring contractual service suppliers.

2. The Republic of Kazakhstan shall allow the supply of services into its territory by juridical persons of the European Union through the presence of natural persons if the service contract fulfils the following conditions:

- (a) the contract to provide services:
 - (i) has been concluded directly between the juridical person of the European Union and the final consumer, which is a juridical person of the Republic of Kazakhstan;
 - (ii) requires the temporary presence on the territory of the Republic of Kazakhstan of employees of that juridical person in order to provide the service; and
 - (iii) complies with the laws, regulations and requirements of the Republic of Kazakhstan;
- (b) the contract to provide services is concluded in one of the following sectors of activity which are included and defined in the Republic of Kazakhstan's GATS schedule of commitments:
 - (i) legal services
 - (ii) accounting and bookkeeping services
 - (iii) taxation services
 - (iv) architectural services
 - (v) engineering services
 - (vi) integrated engineering services
 - (vii) urban planning and landscape architecture services
 - (viii) computer and related services
 - (ix) advertising services
 - (x) market research services
 - (xi) management consulting services
 - (xii) services related to management consulting
 - (xiii) technical testing and analysis services
 - (xiv) advisory and consulting services incidental to mining
 - (xv) related scientific and technical consulting services
 - (xvi) translation and interpretation services
 - (xvii) maintenance and repair of equipment, including transportation equipment, in the context of an after-sales services contract
 - (xviii) environmental services.
- (c) Access accorded under this paragraph relates only to the service activity which is the subject of the contract; it does not confer entitlement to exercise the professional title in the territory of the Republic of Kazakhstan.

3. The European Union reaffirms its respective obligations arising from the commitments under the GATS as regards the entry and temporary stay of contractual service suppliers. The reservations listed therein apply ⁽¹⁾.

⁽¹⁾ For greater clarity, reservations include also the reservations in the definitions of the categories.

*Article 50***Most-favoured-nation treatment**

1. Treatment accorded by the European Union to contractual service suppliers of the Republic of Kazakhstan shall be no less favourable than that accorded to contractual service suppliers of any third country.
2. Treatment granted under other agreements concluded by the European Union with a third country which have been notified under Article V of the GATS or which benefit from the coverage of the European Union GATS list of most-favoured-nation exemptions, shall be excluded from the scope of paragraph 1. Treatment deriving from the harmonisation of regulations based on agreements concluded by the European Union providing for mutual recognition in accordance with Article VII of the GATS shall also be excluded from the scope of paragraph 1.
3. If the Republic of Kazakhstan grants more favorable treatment than that provided for in this Agreement to contractual service suppliers of any other WTO member, except to countries of the Commonwealth of Independent States (CIS) and countries which are parties to economic integration agreements with the Republic of Kazakhstan, that treatment shall be applied to contractual service suppliers of the European Union. Treatment deriving from the harmonisation of regulations based on agreements concluded by the Republic of Kazakhstan providing for mutual recognition in accordance with Article VII of the GATS shall also be excluded from this provision.

*Article 51***Progressive improvement of conditions for temporary presence of natural persons for business purposes**

The Cooperation Committee meeting in trade configuration shall make recommendations to the Parties for the further liberalisation of the temporary presence of natural persons for business purposes.

Section 4

Domestic regulation*Article 52***Scope and coverage**

1. The disciplines set out in Article 53 shall apply to measures by the Parties relating to licensing and qualification procedures that affect:
 - (a) cross-border supply of services;
 - (b) establishment;
 - (c) the supply of a service through the presence of a natural person in the territory of the other Party in accordance with Section 3 of this Chapter.
2. The disciplines set out in Article 53 shall apply to all economic activities falling under the scope of this Chapter. For services, they shall apply to the extent of the relevant Party's specific commitments under the GATS ⁽¹⁾. The disciplines do not apply to measures to the extent that they constitute limitations subject to scheduling under Article XVI or XVII of the GATS.

*Article 53***Licensing and qualification**

1. Each Party shall ensure that licensing and qualification procedures for the purpose of obtaining an authorisation to supply a service or to establish are reasonable, clear and relevant to the underlying policy objectives, taking into account the nature of the requirements to be met and the criteria to be assessed, and do not in themselves constitute a restriction on the supply of services or the establishment.

⁽¹⁾ For the Republic of Kazakhstan the reference includes the Section on Services of the Protocol on the Accession of the Republic of Kazakhstan to the WTO.

2. Where specific time periods for applications exist, an applicant shall be allowed a reasonable period for the submission of an application. The competent authority shall initiate the processing of an application without undue delay. Where possible, applications should be accepted in electronic format under the same conditions of authenticity as applications submitted in paper format.
3. Authenticated copies should be accepted, where possible, in place of original documents.
4. Each Party shall ensure that the processing of an application, including reaching a final decision, is completed within a reasonable period specified in its legislation or, in any event, without undue delay. Each Party shall endeavour to establish the normal timeframe for the processing of an application. Each Party shall ensure that a licence or an authorisation, once granted, enters into effect without undue delay in accordance with the terms and conditions specified therein.
5. Each Party shall ensure that licensing fees ⁽¹⁾ are reasonable in terms of the costs incurred by the competent authority, and do not in themselves restrict the supply of the service or the establishment.
6. Where the competent authority considers that an application is incomplete or determines that it needs additional information, it shall, within a reasonable period of time:
 - (a) inform the applicant;
 - (b) to the extent practicable, identify the information required; and
 - (c) to the extent practicable, provide the opportunity to correct deficiencies.
7. If the competent authority rejects an application, it shall inform the applicant without undue delay and, to the extent practicable, in writing. The competent authority should inform the applicant, upon request, of the reasons for rejection of the application and, where possible, of any deficiencies that have been identified. It should inform the applicant of the procedures for appeal against the decision in accordance with the relevant legislation. The competent authority should permit an applicant to submit a new application in accordance with the relevant authority's established procedures, except where the relevant authority limits the number of licences or qualification determinations.
8. Each Party shall ensure that the procedures used by, and the decisions of, the competent authority in the licensing or authorisation procedure are impartial with respect to all applicants. The competent authority should reach its decision in an independent manner and not be accountable to any services supplier or investor for which the licence or authorisation is required.

Section 5

Sector specific provisions

Article 54

International maritime transport

1. This Article sets out the principles for the liberalisation of international maritime transport services. This Article is without prejudice to the rights and obligations deriving from each Party's GATS commitments.
2. For the purposes of this Article, 'international maritime transport' includes door to door and multi-modal transport operations, which is the carriage of goods using more than one mode of transport, involving a sea leg, under a single transport document and, to this effect, including the right of international maritime transport suppliers to directly contract with providers of other modes of transport.
3. With respect to activities referred to in paragraph 4, undertaken by shipping agencies for the provision of services with regards to international maritime transport, each Party shall permit juridical persons of the other Party to establish subsidiaries or branches in its territory, under conditions of establishment and operation no less favourable than those accorded to its own subsidiaries or branches or to subsidiaries or branches of any third country, whichever are the better.

⁽¹⁾ Licensing fees do not include fees for the use of natural resources, payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

This paragraph does not apply to the establishment for the purpose of operating a fleet under the national flag of a Member State of the European Union or of the Republic of Kazakhstan.

4. Such activities include, but are not limited to:

- (a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, whether these services are operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business agreements;
- (b) purchase and use, on their own account or on behalf of their customers (and resale to their customers) of any transport and related services, including transport services by any inland mode, necessary for the supply of an intermodal service;
- (c) preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
- (d) provision of business information by any means, including computerised information systems and electronic data interchange (subject to any non-discriminatory restrictions concerning telecommunications);
- (e) setting up of any business arrangement with other shipping agencies, including participation of the company's stock and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the relevant provisions of this Agreement), with any locally established shipping agency;
- (f) acting on behalf of the juridical persons, *inter alia*, in organising the call of the vessel or taking over cargoes when required.

5. In view of the existing level of liberalisation concerning the cross-border supply of services between the Parties in international maritime transport:

- (a) the Parties shall apply effectively the principle of unrestricted access to the international markets and trades on a commercial and non-discriminatory basis;
- (b) each Party shall grant to ships operated by service suppliers of the other Party treatment no less favourable than that accorded to its own ships or those of any third country, whichever are the better with regard to, *inter alia*, access to ports, the use of infrastructure and services of the ports, and the use of maritime auxiliary services, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading.

6. In applying the principles set out in paragraph 5, the Parties shall:

- (a) not apply, as from the entry into force of this Agreement, any cargo-sharing provisions of bilateral agreements between any Member State of the European Union and the Republic of Kazakhstan;
- (b) not introduce cargo-sharing clauses into future bilateral agreements with third countries, other than in those exceptional circumstances where liner shipping companies from one or other Party to this Agreement would not otherwise have an effective opportunity to ply for trade to and from the third country concerned;
- (c) prohibit cargo-sharing arrangements in future bilateral agreements concerning dry and liquid bulk trade;
- (d) upon the entry into force of this Agreement, abolish and abstain from introducing any unilateral measures and administrative, technical and other obstacles which could constitute a disguised restriction or have discriminatory effects on the free supply of services in international maritime transport.

7. Natural and juridical persons of the European Union providing international maritime transport services shall be free to provide international sea-river services in the inland waterways of the Republic of Kazakhstan and vice versa.

8. The Parties shall make available to international maritime transport suppliers of the other Party on reasonable and non-discriminatory terms and conditions the following services at port: pilotage, towing and tug assistance, provisioning, fuelling and watering, garbage collecting and ballast water disposal, port captain's services, navigation aids, shore-based operational services essential to ship operations, including communications, water and electricity supplies, emergency repair facilities, anchorage, berth and berthing services.

9. If the Republic of Kazakhstan grants more favourable treatment for maritime transport to any other WTO member, except for coastal states of the Caspian Sea and for CIS countries, those terms shall be applied to the natural and juridical persons of the European Union.

Article 54 bis

Road, rail, inland waterways and air transport

With a view to ensuring coordinated development of transport between the Parties adapted to their reciprocal commercial needs, the conditions of mutual market access in road, rail and inland waterways and, if applicable, in air transport may be dealt with by potential specific agreements negotiated between the Parties after the entry into force of this Agreement.

Section 6

Exceptions

Article 55

General exceptions

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on establishment, including operations, or the cross-border supply of services, nothing in this Chapter shall be construed as preventing the adoption or enforcement by any Party of measures:

- (a) necessary to protect public security or public morals or to maintain public order ⁽¹⁾;
- (b) necessary to protect human, animal or plant life or health;
- (c) relating to the conservation of exhaustible natural resources if such measures are applied in conjunction with restrictions on domestic investors or on the domestic supply or consumption of services;
- (d) necessary for the protection of national treasures of artistic, historic or archaeological value;
- (e) necessary to secure compliance with laws or regulations which are not inconsistent with this Title, including those relating to:
 - (i) the prevention of deceptive and fraudulent practices, or those necessary to deal with the effects of a default on contracts;
 - (ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;
 - (iii) safety;

⁽¹⁾ The public order exception may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

(f) inconsistent with Article 46, provided that the difference in treatment is aimed at ensuring the effective or equitable imposition or collection of direct taxes in respect of economic activities, investors or services suppliers of the other Party ⁽¹⁾.

2. This Chapter shall not apply to the Parties' respective social security systems or to activities in the territory of each Party, which are connected, even occasionally, with the exercise of governmental authority.

Section 7

Investment

Article 56

Review and consultations

In order to identify any barriers to investment, the Parties shall jointly review the investment legal framework no later than three years after the date on which this Title starts to apply. On the basis of this review, they shall consider the opportunity to start negotiations to address such barriers, with a view to supplementing this Agreement, including with respect to general principles of investment protection.

CHAPTER 6

Capital movements and payments

Article 57

Current account

Each Party shall authorise, in a freely convertible currency and in accordance with the Articles of Agreement of the International Monetary Fund (IMF), as applicable, all payments and transfers on the current account of the balance-of-payments between the Parties.

Article 58

Movement of capital

1. With regard to transactions on the capital and financial account of balance-of-payments and without prejudice to other provisions of this Agreement, the Parties undertake not to impose restrictions on the free movement of capital relating to direct investments made in accordance with the laws of the host country, to economic activities covered by Chapter 5 (Trade in Services and Establishment) of this Title and to the liquidation and repatriation of such invested capital and of any profit generated therefrom.

⁽¹⁾ Measures aimed at ensuring the effective or equitable imposition or collection of direct taxes include measures taken by a Party under its taxation system which:

- (i) apply to non-resident investors and services suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory;
- (ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory;
- (iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures;
- (iv) apply to consumers of services supplied in or from the territory of another Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory;
- (v) distinguish investors and service suppliers subject to tax on worldwide taxable items from other investors and service suppliers, in recognition of the difference in the nature of the tax base between them; or
- (vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base.

Tax terms or concepts in point (f) and in this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

2. With regard to transactions on the capital and financial account of balance-of-payments not covered by paragraph 1, and without prejudice to other provisions of this Agreement, each Party shall ensure, in accordance with its laws, the free movement of capital relating to, inter alia:

- (a) credits relating to commercial transactions, including the provision of services, in which a resident of a Party is participating;
- (b) financial loans and credits; or
- (c) capital participation in a juridical person with no intention of establishing or maintaining lasting economic links.

3. Without prejudice to other provisions of this Agreement, the Parties shall not introduce any new restrictions on the movement of capital between residents of the Parties and shall not make the existing arrangements more restrictive.

4. The Parties may hold consultations with a view to further facilitating the movement of capital between them.

Article 59

Exceptions

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on capital movements, nothing in this Chapter shall be construed as preventing the adoption or enforcement by either Party of measures:

- (a) necessary to protect public security and public morals or to maintain public order; or
- (b) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Title, including those relating to:
 - (i) the prevention of criminal or penal offences, deceptive and fraudulent practices, or those necessary to deal with the effects of a default on contracts (bankruptcy, insolvency and protection of the right of creditors);
 - (ii) measures adopted or maintained to ensure the integrity and stability of a Party's financial system;
 - (iii) issuing, trading or dealing in securities, options, futures or other derivatives;
 - (iv) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; or
 - (v) ensuring compliance with orders or judgements in juridical or administrative proceedings.

Article 60

Temporary safeguard measures with regard to capital movements, payments or transfers

In exceptional circumstances of serious difficulties for the operation of monetary and exchange rate policy, in the case of the Republic of Kazakhstan, or for the operation of the economic and monetary union, in the case of the European Union, or threat thereof, safeguard measures that are strictly necessary may be taken by the concerned Party with regard to capital movements, payments or transfers for a period not exceeding one year. The Party which maintains or adopts such measures shall inform the other Party forthwith and present, as soon as possible, a time schedule for their removal.

CHAPTER 7

Intellectual Property

Article 61

Objectives

The objectives of this Chapter are to:

- (a) facilitate the production and commercialisation of innovative and creative products between the Parties; and
- (b) achieve an adequate and effective level of protection and enforcement of intellectual property rights.

Section 1

Principles

Article 62

Nature and scope of obligations

1. The Parties recall their obligation to ensure the adequate and effective implementation of the international agreements dealing with intellectual property to which they are parties, including the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights ('the TRIPS Agreement'). The provisions of this Chapter shall complement and further specify the rights and obligations between the Parties under the TRIPS Agreement and other international agreements in the field of intellectual property.
2. For the purposes of this Agreement, the term 'intellectual property' refers, inter alia, to all categories of intellectual property referred to in Articles 65 to 96.
3. Protection of intellectual property includes protection against unfair competition as referred to in Article 10bis of the Paris Convention for the Protection of Industrial Property of 1883, as revised and amended ('the Paris Convention').
4. This Chapter shall not prevent the Parties from applying provisions in their law providing for higher standards for the protection and enforcement of intellectual property rights, provided that those provisions do not contravene the provisions of this Chapter.

Article 63

Transfer of technology

1. The Parties agree to exchange views and information on their law and international practices on the protection and enforcement of intellectual property rights, affecting transfer of technology. This shall, in particular, include exchanges on measures to facilitate information flows, business partnerships, and voluntary licensing and subcontracting agreements. Particular attention shall be paid to the conditions necessary to create an adequate enabling environment for technology transfer in the host countries, including issues such as the domestic legal framework and the development of human capital.
2. When measures are taken with regard to technology transfer, the legitimate interests of the intellectual property right holders shall be protected.

Article 64

Exhaustion

Each Party shall apply a national or regional ⁽¹⁾ exhaustion regime of intellectual property rights, in accordance with its respective domestic law, in respect of copy right and related rights, designs, and trademarks.

⁽¹⁾ The term 'regional' refers to regional economic integration organisations that set up an internal market ensuring the free movement of goods and services.

Section 2

Standards concerning intellectual property rights

COPYRIGHT AND RELATED RIGHTS

*Article 65***Protection granted**

Each Party shall comply with the rights and obligations set out in the following international agreements:

- (a) the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention);
- (b) the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention);
- (c) the World Intellectual Property Organization (WIPO) Copyright Treaty;
- (d) the WIPO Performances and Phonograms Treaty;
- (e) the TRIPS Agreement.

*Article 66***Authors**

Each Party shall, as regards authors, provide for the exclusive right to authorise or prohibit:

- (a) the direct or indirect, temporary or permanent, reproduction by any means and in any form, in whole or in part, of their works;
- (b) any form of distribution to the public by sale or otherwise of the original of their works or of copies thereof;
- (c) any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.

*Article 67***Performers**

Each Party shall, as regards performers, provide for the exclusive right to authorise or prohibit:

- (a) the fixation ⁽¹⁾ of their performances;
- (b) the direct or indirect, temporary or permanent, reproduction by any means and in any form, in whole or in part, of fixations of their performances;
- (c) the distribution to the public, by sale or otherwise, of fixations of their performances;
- (d) the making available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them, of fixations of their performances;
- (e) the broadcasting by wireless means and the communication to the public of their performances, except where the performance is itself already a broadcast performance or is made from a fixation.

⁽¹⁾ For the purposes of this Chapter, 'fixation' means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device.

*Article 68***Producers of phonograms**

Each Party shall, as regards phonogram producers, provide for the exclusive right to authorise or prohibit:

- (a) the direct or indirect, temporary or permanent, reproduction by any means and in any form, in whole or in part, of their phonograms;
- (b) the distribution of their phonograms to the public, by sale or otherwise, including copies thereof;
- (c) the making available of their phonograms to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.

*Article 69***Broadcasting organisations**

Each Party shall, as regards broadcasting organisations, provide for the exclusive right to authorise or prohibit:

- (a) the fixation of their broadcasts;
- (b) the reproduction of fixations of their broadcasts;
- (c) the making available to the public, by wire or wireless means, of fixations of their broadcasts in such a way that members of the public may access them from a place and at a time individually chosen by them; and
- (d) the rebroadcasting of their broadcasts by wireless means, as well as the communication to the public of their broadcasts if such communication is made in places accessible to the public against payment of an entrance fee.

*Article 70***Broadcasting and communication to the public**

Each Party shall provide for the right to ensure that a single equitable remuneration is paid by the user, if a phonogram published for commercial purposes, or a reproduction of such phonogram, is used for broadcasting by wireless means or for any communication to the public, and to ensure that that remuneration is shared between the relevant performers and phonogram producers. Each Party may, in the absence of agreement between the performers and phonogram producers, lay down the conditions as to the sharing of that remuneration between them.

*Article 71***Term of protection**

1. The rights of an author of a literary or artistic work within the meaning of Article 2 of the Berne Convention shall run for the life of the author and for no less than 70 years after his death.
2. In the case of a work of joint authorship, the term referred to in paragraph 1 shall be calculated from the death of the last surviving author.
3. The rights of performers shall expire no less than 50 years after the date of the performance. However, if a fixation of the performance is lawfully published or lawfully communicated to the public within this period, the rights shall expire no less than 50 years after the date of the first such publication or the first such communication to the public, whichever is the earlier.
4. The rights of producers of phonograms shall expire no less than 50 years after the fixation is made. However, if the phonogram has been lawfully published within this period, the said rights shall expire no less than 50 years after the date of the first lawful publication. If no lawful publication has taken place within the period mentioned in the first sentence, and if the phonogram has been lawfully communicated to the public within this period, the said rights shall expire no less than 50 years after the date of the first lawful communication to the public.

5. The rights of broadcasting organisations shall expire no less than 50 years after the first transmission of a broadcast, whether that broadcast is transmitted by wire or wireless means, including by cable or satellite.
6. The terms laid down in this Article shall be calculated from the first of January of the year following the event which gives rise to them.
7. The terms of protection may exceed the terms laid down in this Article.

Article 72

Protection of technological measures

1. Each Party shall provide adequate legal protection against the circumvention of any effective technological measures, which the person concerned carries out in the knowledge, or with reasonable grounds to know, that he is pursuing that objective.
2. Each Party shall provide adequate legal protection against the manufacture, import, distribution, sale, rental, advertisement for sale or rental, or possession for commercial purposes of devices, products or components or the provision of services which are mainly directed at or enable the circumvention of any effective technological measures.
3. For the purposes of this Agreement, the expression 'technological measures' means any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject matter, which are not authorised by the right holder of any copyright or related right as provided for by domestic law. Technological measures shall be deemed 'effective' where the use of a work or other subject matter is controlled by the right holders through the application of an access control or protection process, such as encryption, scrambling or other transformation of the work or other subject matter or a copy control mechanism, which achieves the protection objective.

Article 73

Protection of rights-management information

1. Each Party shall provide adequate legal protection against any person performing without authority any of the following acts:
 - (a) the removal or alteration of any electronic rights-management information;
 - (b) the distribution, importation for distribution, broadcasting, communication or making available to the public of works or other subject matter protected under this Agreement from which electronic rights-management information has been removed or altered without authority,

if that person knows, or has reasonable grounds to know, that by so doing he is inducing, enabling, facilitating or concealing an infringement of any copyright or related right as provided for by domestic law.

2. For the purposes of this Chapter, the expression 'rights-management information' means any information provided by right holders which identifies the work or other subject matter protected by copyright or related rights, the author or any other right holder, or information about the terms and conditions of use of the work or other subject matter, and any numbers or codes that represent such information.
3. Paragraph 1 shall apply when any of the items of information referred to in paragraph 2 is associated with a copy of, or appears in connection with the communication to the public of, a work or other subject matter protected by copyright or related rights.

*Article 74***Exceptions and limitations**

1. In accordance with the conventions and international agreements to which they are parties, each Party may provide for limitations or exceptions to the rights set out in Articles 66 to 70 only in certain special cases which do not conflict with a normal exploitation of the works or other subject matter and do not unreasonably prejudice the legitimate interests of the right holders.

2. Each Party shall provide that temporary acts of reproduction referred to in Articles 66 to 70, which are transient or incidental, which are an integral and essential part of a technological process, and the sole purpose of which is to enable:

- (a) a transmission in a network between third parties by an intermediary, or
- (b) a lawful use

of a work or other subject matter to be made, and which have no independent economic significance, shall be exempted from the reproduction right provided for in Articles 66 to 69.

*Article 75***Resale right**

Each Party shall provide, for the benefit of the author of an original work of art who is a national of the other Party and for the benefit of his successor in title, a resale right, to be defined as an inalienable right which cannot be waived, even in advance, to receive a royalty based on the sale price obtained for the resale of the work subsequent to the first transfer of the work by the author. The thresholds and the rates of the collection of the royalties shall be established according to the domestic law of the Party where the resale takes place ⁽¹⁾.

*Article 76***Cooperation on collective management of rights**

The Parties shall take such reasonable measures as may be available to them to facilitate the establishment of arrangements between their respective collective management societies for the purpose of ensuring easier mutual access and delivery of works and other protected subject matter between the territories of the Parties, as well as the transfer of royalties between them for the use of such works or other protected subject matter. The Parties shall also take such reasonable measures as may be available to them to achieve a high level of rationalisation and transparency with regard to the execution of the tasks of their respective collective management societies.

TRADEMARKS

*Article 77***International agreements**

Each Party shall:

- (a) comply with the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks and with the WIPO Trademark Law Treaty; and
- (b) make all reasonable efforts to accede to the Singapore Treaty on the Law of Trademarks.

⁽¹⁾ A Party may in accordance with domestic law limit the resale right to acts of resale involving dealers in works of art.

*Article 78***Registration procedure**

1. Each Party shall provide for a system for the registration of trademarks in which each final decision taken by the relevant competent trademark authority shall be duly reasoned and communicated in writing to the applicant who will have the opportunity to contest it before the competent trademark authority and to appeal it before a court.
2. Each Party shall provide for the possibility of right holders to oppose trademark applications or registrations. The proceedings in case of opposition shall be adversarial.
3. Each Party shall provide a publicly available electronic database of trademark registrations.

*Article 79***Well-known trademarks**

The Parties shall cooperate with the aim of making the protection of well-known trademarks, as referred to in Article 6bis of the Paris Convention and in Article 16(2) and (3) of the TRIPS Agreement, effective.

*Article 80***Exceptions to the rights conferred by a trademark**

Each Party shall provide for limited exceptions to the rights conferred by a trademark, such as the fair use of descriptive terms, the use of geographical indications, or other limited exceptions, which take account of the legitimate interests of the owner of the trademark and of third parties.

GEOGRAPHICAL INDICATIONS

*Article 81***Definition**

Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

*Article 82***Principles of the protection of geographical indications**

1. Each Party shall ensure adequate and indefinite protection of geographical indications, by way of a *sui generis* system of protection and in accordance with domestic law, as long as the geographical indication enjoys legal protection in the country of origin.
2. To that end, the Parties shall cooperate in the area of geographical indications on the basis of this Article, which complements the minimum standards set in the relevant provisions of the TRIPS Agreement.
3. Each Party shall ensure that its geographical indications protection system is open to registration of geographical indications of the other Party. Each Party shall provide for a publicly available electronic database of registered geographical indications.

4. In respect of the geographical indications protected in its respective territory, each Party shall prohibit and prevent:
 - (a) any direct or indirect commercial use of a registered name in respect of the products not covered by the registration in so far as:
 - (i) those products are comparable to the products protected under that name, or
 - (ii) such use exploits the reputation of the protected name;
 - (b) any misuse, imitation or evocation of a registered name, even if the true origin of the product is indicated or if the protected name is translated, transcribed, transliterated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'kind', 'imitation' or similar;
 - (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin; or
 - (d) any other practice liable to mislead the consumer as to the true origin of the good.
5. Each Party shall enforce the protection provided for in Articles 81 to 83, including upon request from an interested party, by appropriate administrative enforcement in accordance with domestic law.
6. Each Party shall ensure that the protected geographical indications may be used by any operator marketing a good conforming to the corresponding specification.
7. Each Party shall ensure that the names that they have protected according to domestic law do not become generic.
8. The Parties shall have no obligation to register a geographical indication where, in the light of a reputed or well-known trademark, registration is liable to mislead consumers as to the true identity of the good.
9. Without prejudice to this Article, each Party shall protect geographical indications also where a prior trademark exists. A 'prior trademark' shall mean a trademark the use of which corresponds to one of the situations referred to in paragraph 4, which has been applied for, registered or established by use, if that possibility is provided for by domestic law, before the date on which the application for registration of the geographical indication is filed with the competent authority of that Party. Such prior trademark may continue to be used and renewed notwithstanding the protection of the geographical indication, provided that no grounds for the trademark's invalidity or revocation exist in the trademark law of the Party where it is registered or used.

Article 83

Negotiations

The Parties shall, no later than seven years after the date on which this Title starts to apply, commence negotiations with a view to concluding an agreement on the protection of geographical indications in their respective territories.

DESIGNS

Article 84

International agreements

The European Union reaffirms its commitment to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs of 1999. The Republic of Kazakhstan shall make reasonable efforts to accede to it.

*Article 85***Requirements for protection of registered designs**

1. Each Party shall provide for the protection of independently created designs that are new and original. This protection shall be provided by registration and shall confer an exclusive right upon the holder of a registered design in accordance with domestic law. For the purposes of this Article, a Party may consider that a design having individual character is original.
2. A design applied to or incorporated in a product which constitutes a component part of a complex product shall only be considered to be new and to have individual character:
 - (a) if the component part, once it has been incorporated into the complex product, remains visible during normal use of the latter, excluding maintenance, servicing or repair work, and
 - (b) to the extent that those visible features of the component part fulfil in themselves the requirements as to novelty and individual character.

*Article 86***Rights conferred by registration**

The holder of a registered design shall have the exclusive right to use it and to prevent any third party not having the holder's consent from, *inter alia*, making, offering for sale, selling, importing, exporting, stocking or using a product bearing or embodying the protected design when such acts are undertaken for commercial purposes.

*Article 87***Protection conferred to unregistered designs**

The Republic of Kazakhstan shall, no later than seven years after the date on which this Title starts to apply, effectively provide for legal protection against copying unregistered designs, on the condition that the European Union has, no later than two years before the end of that seven-year period, provided adequate training for representatives of the authorised bodies, organisations and judges.

*Article 88***Term of protection**

The duration of protection as from the date of the filing of the application shall amount to at least 10 years. Each Party may provide that the right holder may have the term of protection renewed for one or more periods of five years each, up to the maximum term of protection established according to domestic law.

*Article 89***Exceptions**

1. Each Party may provide for limited exceptions to the protection of designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.

2. Design protection shall neither extend to features of appearance dictated solely by technical functions of the product nor to features of appearance of a product that are necessary to ensure interoperability with another product ⁽¹⁾.
3. A design right shall not subsist in a design which is contrary to public policy or to accepted principles of morality.

Article 90

Relationship to copyright

A design protected by a design right registered in a Party shall also be eligible for protection under the copyright law of that Party as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Party.

PATENTS

Article 91

International agreements

Each Party shall make all reasonable efforts to comply with Articles 1 to 16 of the Patent Law Treaty.

Article 92

Patents and public health

1. The Parties recognise the importance of the Declaration of the Ministerial Conference of the WTO on the TRIPS Agreement and Public Health, adopted on 14 November 2001. In interpreting and implementing the rights and obligations under this Chapter, each Party shall ensure consistency with that Declaration.
2. Each Party shall respect the Decision of the WTO General Council of 30 August 2003 on paragraph 6 of the Declaration referred to in paragraph 1.

Article 93

Supplementary protection certificates

1. The Parties recognise that medicinal and plant protection products protected by a patent on their respective territory may be subject to an administrative authorisation procedure before being put on the market. They recognise that the period that elapses between the filing of the application for a patent and the first authorisation to place the product on the market, as defined for that purpose by the relevant domestic law, may shorten the period of effective protection under the patent.
2. Each Party shall provide for a further period of protection for a medicinal or plant protection product which is protected by a patent and which has been subject to an administrative authorisation procedure, that period being equal to the period referred to in the second sentence of paragraph 1, reduced by a period of five years.
3. Notwithstanding paragraph 2, the duration of the further period of protection may not exceed five years.

⁽¹⁾ In the European Union this provision does not apply to modular products.

*Article 94***Protection of data submitted to obtain an authorisation to put a pharmaceutical product ⁽¹⁾ on the market**

1. Each Party shall implement a comprehensive system to guarantee the confidentiality, non-disclosure and non-reliance of data submitted for the purpose of obtaining an authorisation to put a pharmaceutical product on the market.
2. Each Party shall ensure that any information submitted to obtain an authorisation to put a pharmaceutical product, as referred to in Article 39(3) of the TRIPS Agreement, on the market remains undisclosed to third parties and benefits from a period of at least six years of protection against unfair commercial use starting from the date of the grant of a marketing authorisation in either Party.

To that end,

- (a) during a period of at least six years starting from the date of the grant of a marketing authorisation, no person or entity, whether public or private, other than the person or entity who submitted such undisclosed data, shall be allowed to rely directly or indirectly on such data, without the explicit consent of the person or entity who submitted this data, in support of an application for the authorisation to put a pharmaceutical product on the market;
- (b) during a period of at least six years starting from the date of the grant of a marketing authorisation, any subsequent application for the authorisation to put a pharmaceutical product on the market shall not be granted, unless the subsequent applicant submits his own data, or data used with authorisation of the holder of the first authorisation, meeting the same requirements as the first applicant. During this six-year period, products registered without submission of such data shall be removed from the market until the requirements are met.

*Article 95***Data protection on plant protection products and rules on avoidance of duplicative testing**

1. The Parties shall determine safety and efficacy requirements before authorising the placing on the market of plant protection products.
2. Each Party shall recognise a temporary data protection right to the owner of a test or study report submitted for the first time to obtain a marketing authorisation for a plant protection product.

During the period of validity of the data protection right, the test or study report shall not be used for the benefit of any other person aiming to achieve a marketing authorisation for a plant protection product, except when the explicit consent of the owner is provided. This right shall be hereinafter referred to as 'data protection'.

3. The test or study report shall:
 - (a) be necessary for the authorisation or for an amendment of an authorisation in order to allow the use on other crops, and
 - (b) be certified as compliant with the principles of good laboratory practice or of good experimental practice.
4. The term of data protection for plant protection products in a Party shall be 10 years starting on the date of the first authorisation in that Party. Longer periods may be granted by each Party in order to encourage the authorisation of, for instance, low risk plant protection products or minor uses.
5. A test or study shall also be protected if it was necessary for the renewal or review of an authorisation.
6. The Parties shall lay down rules on the avoidance of duplicative testing on vertebrate animals. Any applicant intending to perform tests and studies involving vertebrate animals shall take the necessary measures to verify that those tests and studies have not already been performed or initiated.

⁽¹⁾ The term 'pharmaceutical product' in this Chapter refers, in the case of the European Union, to medicinal products as defined in Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to medicinal products for human use.

7. The prospective applicant and the holder or holders of the relevant authorisations shall make every effort to ensure that they share tests and studies involving vertebrate animals. The costs of sharing the test and study reports shall be determined in a fair, transparent and non-discriminatory way. The prospective applicant shall only be required to share the costs of information he is required to submit to meet the authorisation requirements.

8. Where the prospective applicant and the holder or holders of the relevant authorisations of plant protection products cannot reach agreement on the sharing of test and study reports involving vertebrate animals, the prospective applicant shall inform the competent authority of the Party concerned.

9. The failure to reach agreement on the sharing of test and study reports involving vertebrate animals shall not prevent the competent authority of the Party concerned from using those reports for the purpose of the application of the prospective applicant.

The holder or holders of the relevant authorisation shall have a claim on the prospective applicant for a fair share of the costs incurred by him. The Party may direct the parties involved to resolve the matter by formal and binding arbitration administered under domestic law.

Article 96

Plant varieties

The European Union reaffirms its commitment to the International Convention for the Protection of New Varieties of Plants (the UPOV Convention), to which the Republic of Kazakhstan shall make reasonable efforts to accede.

Section 3

Enforcement of intellectual property rights

Article 97

General obligations

1. The Parties reaffirm their commitments under the TRIPS Agreement, in particular Part III thereof, and shall provide for the complementary measures, procedures and remedies set out in this Section, which are necessary to ensure the enforcement of the intellectual property rights ⁽¹⁾.

2. Those measures, procedures and remedies shall be fair and equitable, and shall not be unnecessarily complicated or costly, or entail unreasonable time limits or unwarranted delays. They shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

Article 98

Entitled applicants

Each Party shall recognise as persons entitled to seek application of the measures, procedures and remedies referred to in this Section and in Part III of the TRIPS Agreement:

- (a) the holders of intellectual property rights in accordance with the provisions of domestic law;
- (b) all other persons authorised to use those rights, in particular licensees, in so far as permitted by and in accordance with the provisions of domestic law;

⁽¹⁾ For the purposes of Articles 98 to 110, the term 'intellectual property rights' shall include at least the following rights: copyright; rights related to copyright; *sui generis* right of a database maker; rights of the creator of the topographies of a semiconductor product; trademark rights; design rights; patent rights, including rights derived from supplementary protection certificates; geographical indications; utility model rights; plant variety rights; and trade names in so far as these are protected as exclusive rights by domestic law.

- (c) intellectual property collective rights management bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of domestic law;
- (d) professional defence bodies or other persons which are recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of domestic law.

Article 99

Evidence

1. The judicial authorities of each Party shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has in substantiating its claims specified evidence which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject to the protection of confidential information.
2. Under the conditions referred to in paragraph 1, each Party shall take such measures as are necessary, in the case of an infringement of an intellectual property right committed on a commercial scale, to enable the competent judicial authorities to order, where appropriate and following an application, the communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.

Article 100

Measures for preserving evidence

1. Each Party shall ensure that even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a right holder who has presented reasonably available evidence to support his claims that his intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information.
2. Such measures may include the detailed description, with or without taking of samples, or the physical seizure of the alleged infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of those goods and the documents relating thereto. Those measures shall be taken, if necessary without the other party being heard, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed.

Article 101

Right of information

1. Each Party shall ensure that, in the context of proceedings concerning an infringement of an intellectual property right and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be provided by the infringer and/or any other person who:
 - (a) was found in possession of the infringing goods on a commercial scale;
 - (b) was found to be using the infringing services on a commercial scale;
 - (c) was found to be providing on a commercial scale services used in infringing activities; or
 - (d) was indicated by the person referred to in point (a), (b) or (c) as being involved in the production, manufacture or distribution of the goods or the provision of the services.

2. The information referred to in paragraph 1 shall comprise:
 - (a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers;
 - (b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.
3. Paragraphs 1 and 2 shall apply without prejudice to other statutory provisions which:
 - (a) grant the right holder rights to receive more detailed information;
 - (b) govern the use in civil or criminal proceedings of the information communicated pursuant to this Article;
 - (c) govern responsibility for misuse of the right of information;
 - (d) provide for the opportunity to refuse to provide information which would force the person referred to in paragraph 1 to admit to his own participation or that of his close relatives in an infringement of an intellectual property right; or
 - (e) govern the protection of confidentiality of information sources or the processing of personal data.

Article 102

Provisional and precautionary measures

1. Each Party shall ensure that the judicial authorities may, at the request of the applicant, issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject to, where appropriate, a recurring penalty payment where provided for by domestic law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder. An interlocutory injunction may also be issued, under the same conditions and in accordance with domestic law, against an intermediary whose services are being used by a third party to infringe an intellectual property right.
2. An interlocutory injunction may also be issued to order the seizure or delivery of goods suspected of infringing an intellectual property right so as to prevent their entry into or movement within the channels of commerce.
3. In the case of an infringement committed on a commercial scale, each Party shall ensure that if the applicant demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may, in accordance with domestic law, order the precautionary seizure or arrest of the movable and/or immovable property of the alleged infringer, including the blocking of their bank accounts and other assets. To that end, the judicial authorities may order the provision of bank, financial or commercial documents, or appropriate access to the relevant information.

Article 103

Corrective measures

1. Each Party shall ensure that the competent judicial authorities may order, at the request of the applicant and without prejudice to any damages due to the right holder by reason of the infringement, and without compensation of any sort, the recall, definitive removal from the channels of commerce, or destruction of goods that they have found to be infringing an intellectual property right. If appropriate, the competent judicial authorities may also order the destruction of materials and implements predominantly used in the creation or manufacture of those goods.
2. The judicial authorities of each Party shall have the power to order that those measures shall be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

*Article 104***Injunctions**

Each Party shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. Where provided for by domestic law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance. Each Party shall also ensure that right holders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right.

*Article 105***Alternative measures**

Each Party, in accordance with domestic law, may provide that, in appropriate cases and at the request of the person liable to be subject to the measures provided for in Article 103 and/or Article 104, the competent judicial authorities may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in Article 103 and/or Article 104 if that person acted unintentionally and without negligence, if execution of the measures in question would cause him disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

*Article 106***Damages**

1. Each Party shall ensure that when the judicial authorities set the damages:
 - (a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, including the moral prejudice caused to the right holder by the infringement; or
 - (b) they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.
2. Where the infringer did not, knowingly or with reasonable grounds to know, engage in the infringing activity, each Party may lay down that the judicial authorities may order the recovery of profits or the payment of damages, which may be pre-established, to the injured party.

*Article 107***Legal costs**

Each Party shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful party, unless equity does not allow this.

*Article 108***Publication of judicial decisions**

Each Party shall ensure that, in legal proceedings instituted for infringement of an intellectual property right, the judicial authorities may order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part.

*Article 109***Presumption of authorship or ownership**

For the purposes of applying the measures, procedures and remedies provided for in this Section, it shall be sufficient for the name of an author of a literary or artistic work, in the absence of proof to the contrary and in order to be regarded as the author and consequently to be entitled to institute infringement proceedings, to appear on the work in the usual manner. This shall also apply, *mutatis mutandis*, to the holders of rights related to copyright with regard to their protected subject matter.

*Article 110***Administrative procedures**

To the extent that any civil remedy may be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent in substance to those provided for in the relevant provisions of this Section.

*Article 111***Border measures**

1. When implementing border measures for the enforcement of intellectual property rights each Party shall ensure compliance with its obligations under the GATT 1994 and the TRIPS Agreement.
2. In order to ensure protection of intellectual property rights in the customs territory of each Party, the customs authorities, within the limits of their authority, shall adopt a range of approaches to identify shipments containing goods suspected of infringing intellectual property rights referred to in paragraphs 3 and 4. These approaches include risk-analysis techniques based, *inter alia*, on information provided by right holders, intelligence gathered and cargo inspections.
3. The customs authorities shall have the power to take measures, upon application by the right holder, to detain or suspend the release of goods under customs control which are suspected of infringing trademarks, copyright and related rights, or geographical indications.
4. The customs authorities of the Republic of Kazakhstan shall, no later than three years after the date on which this Title starts to apply, have the power to take measures, upon application by the right holder, to detain or suspend the release of goods under customs control which are suspected of infringing patents, utility models, industrial designs, topographies of integrated circuits or plant variety rights, on the condition that the European Union provides, before the end of the second year of this three-year period, adequate training for representatives of the authorised bodies, such as customs officials, prosecutors, judges and other personnel, as appropriate.
5. The customs authorities shall have the power to detain or suspend, upon their own initiative, the release of goods under customs control which are suspected of infringing trademarks, copyright and related rights, or geographical indications.
6. The customs authorities of the Republic of Kazakhstan shall, no later than five years after the date on which this Title starts to apply, have the power to detain or suspend, upon their own initiative, the release of goods under customs control which are suspected of infringing patents, utility models, industrial designs, topographies of integrated circuits or plant variety rights, on the condition that the European Union provides, no later than two years before the end of this five-year period, adequate training for representatives of authorised bodies, such as customs officials, prosecutors, judges and other personnel, as appropriate.
7. Notwithstanding paragraphs 3 to 6, there shall be no obligation to apply detention or suspension measures to imports of goods that have been put on the market in another country by, or with the consent of, the right holder.

8. The Parties agree to effectively implement Article 69 of the TRIPS Agreement in respect of international trade in goods suspected of infringing intellectual property rights. For that purpose, each Party shall be ready to establish and notify to the other Party a contact point in its customs administration in order to facilitate cooperation. Such cooperation may include exchanges of information regarding mechanisms for receiving information from right holders, best practices, and experiences with risk management strategies, as well as information to aid in the identification of shipments suspected of containing infringing goods.

9. The customs authorities of each Party shall be ready to cooperate, upon request from the other Party or upon their own initiative, in order to provide relevant available information to the customs authorities of the other Party, in particular with regard to goods in transit through the territory of a Party destined for, or originating in, the other Party.

10. Without prejudice to other forms of cooperation, the Protocol on Mutual Administrative Assistance in Customs Matters shall be applicable with regard to paragraphs 8 and 9 of this Article with respect to breaches of customs law relating to intellectual property rights.

11. Without prejudice to the powers of the Cooperation Council, the Subcommittee on Customs Cooperation referred to in Article 25(3) shall be responsible for ensuring the proper functioning and implementation of this Article. The Subcommittee on Customs Cooperation shall set the priorities and provide for adequate procedures for cooperation between the competent authorities of the Parties.

Section 4

Liability of intermediary service providers

Article 112

Use of intermediaries' services

The Parties recognise that the services of intermediaries could be used by third parties for infringing activities. To ensure the free movement of information services and at the same time enforce intellectual property rights in the digital environment, each Party shall provide for the measures described in this Section concerning intermediary service providers, where those providers are in no way involved with the information transmitted.

Article 113

Liability of intermediary service providers: 'mere conduit'

1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, or the provision of access to a communication network, each Party shall ensure that the service provider is not liable for the information transmitted, on condition that the provider:

- (a) does not initiate the transmission;
- (b) does not select the receiver of the transmission; and
- (c) does not select or modify the information contained in the transmission.

2. The acts of transmission and of provision of access referred to in paragraph 1 include the automatic, intermediate and transient storage of the information transmitted in so far as this takes place for the sole purpose of carrying out the transmission in the communication network, and provided that the information is not stored for any period longer than is reasonably necessary for the transmission.

3. This Article shall not affect the possibility for a court or administrative authority, in accordance with domestic law, of requiring the service provider to terminate or prevent an infringement.

*Article 114***Liability of intermediary service providers: 'caching'**

1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, each Party shall ensure that the service provider is not liable for the automatic, intermediate and temporary storage of that information, performed for the sole purpose of making more efficient the information's onward transmission to other recipients of the service upon their request, on condition that:

- (a) the provider does not modify the information;
- (b) the provider complies with conditions on access to the information;
- (c) the provider complies with rules regarding the updating of the information, specified in a manner widely recognised and used by industry;
- (d) the provider does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information; and
- (e) the provider acts expeditiously to remove or to disable access to the information it has stored upon obtaining actual knowledge of the fact that the information at the initial source of the transmission has been removed from the network, or access to it has been disabled, or that a court or an administrative authority has ordered such removal or disablement.

2. This Article shall not affect the possibility for a court or an administrative authority, in accordance with domestic law, of requiring the service provider to terminate or prevent an infringement.

*Article 115***Liability of intermediary service providers: 'hosting'**

1. Where an information society service is provided that consists of the storage of information provided by a recipient of the service, each Party shall ensure that the service provider is not liable for the information stored at the request of a recipient of the service, on condition that:

- (a) the provider does not have actual knowledge of illegal activity or information and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or information is apparent; or
- (b) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.

2. Paragraph 1 shall not apply when the recipient of the service is acting under the authority or the control of the provider.

3. This Article shall not affect the possibility for a court or an administrative authority, in accordance with domestic law, of requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility for a Party of establishing procedures governing the removal or disabling of access to information.

*Article 116***No general obligation to monitor**

1. The Parties shall not impose a general obligation on providers, when providing the services covered by Articles 113 to 115, to monitor the information which they transmit or store, nor shall they impose a general obligation to actively seek facts or circumstances indicating illegal activity.

2. A Party may establish obligations for information society service providers to promptly inform the competent public authorities of alleged illegal activities undertaken or information provided by recipients of their service. A Party may also establish an obligation for information society service providers to communicate to the competent authorities, at their request, information enabling the identification of recipients of their service with whom they have storage agreements.

Article 117

Date of application of Articles 112 to 116

The Republic of Kazakhstan shall fully implement the obligations provided for in Articles 112 to 116 within five years from the date on which this Title starts to apply.

Article 118

Cooperation

1. The Parties shall encourage the development of cooperation among trade or professional associations or organisations aimed at the protection and enforcement of intellectual property rights.
2. The Parties agree to cooperate with a view to supporting the implementation of the obligations undertaken under this Chapter. Areas of cooperation include, but are not limited to, the following activities:
 - (a) exchange of information on their respective legal frameworks concerning intellectual property rights and relevant rules of protection and enforcement; exchange of experiences on legislative progress in those areas;
 - (b) exchange of experience on protection and enforcement of intellectual property rights;
 - (c) exchange of experience on protection and enforcement among customs, police, administrative and judiciary bodies and interested organisations; coordination to prevent exports of counterfeit goods;
 - (d) capacity building; and
 - (e) promotion and dissemination of information and knowledge on intellectual property rights in, inter alia, business circles and civil society; promotion of public awareness and knowledge of consumers and right holders.

CHAPTER 8

Government procurement

Article 119

Definitions

For the purposes of this Chapter:

- (a) 'commercial goods or services' means goods or services of a type generally sold or offered for sale in the commercial marketplace to, and customarily purchased by, non-governmental buyers for non-governmental purposes;
- (b) 'construction service' means a service that has as its objective the realisation by whatever means of civil or building works, based on Division 51 of the United Nations Provisional Central Product Classification ('CPCprov');
- (c) 'days' means calendar days;

- (d) 'electronic auction' means a repetitive process involving an electronic device for the presentation of new prices, revised downwards, and/or new values concerning certain elements of tenders, which occurs after an initial full evaluation of the tenders, enabling them to be ranked using automatic evaluation methods. Consequently, certain service contracts and certain works contracts having as their subject matter intellectual performances, such as the design of works, may not be the object of electronic auctions;
- (e) 'in writing' or 'written' means any worded or numbered expression that can be read, reproduced and later communicated. It may include electronically transmitted and stored information;
- (f) 'limited tendering' means a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice;
- (g) 'measure' means any law, regulation, procedure, administrative guidance or practice, or any action of a procuring entity relating to a covered procurement;
- (h) 'multi-use list' means a list of suppliers that a procuring entity has determined satisfy the conditions for participation in that list, and that the procuring entity intends to use more than once;
- (i) 'notice of intended procurement' means a notice published by a procuring entity inviting interested suppliers to submit a request for participation, a tender, or both;
- (j) 'open tendering' means a procurement method whereby all interested suppliers may submit a tender;
- (k) 'person' means a natural person or a juridical person;
- (l) 'procuring entity' means an entity covered under Parts 1 to 3 of Annex III;
- (m) 'qualified supplier' means a supplier that a procuring entity recognises as having satisfied the conditions for participation;
- (n) 'selective tendering' means a procurement method whereby only qualified suppliers are invited by the procuring entity to submit a tender;
- (o) 'services' includes construction services, unless otherwise specified;
- (p) 'standard' means a document approved by a recognised body that provides for common and repeated use, rules, guidelines or characteristics for goods or services, or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a good, service, process or production method;
- (q) 'supplier' means a person or group of persons that provides or could provide goods or services;
- (r) 'technical specification' means a tendering requirement that:
 - (i) lays down the characteristics of goods or services to be procured, including quality, performance, safety and dimensions, or the processes and methods for their production or provision; or
 - (ii) addresses terminology, symbols, packaging, marking or labelling requirements, as they apply to a good or service.

Article 120

Scope and coverage

Application of this Chapter

1. This Chapter applies to any measure regarding covered procurement, whether or not it is conducted exclusively or partially by electronic means.

2. For the purposes of this Chapter, 'covered procurement' means procurement for governmental purposes:
 - (a) of goods, services, or any combination thereof:
 - (i) as specified in Annex III; and
 - (ii) not procured with a view to commercial sale or resale, or for use in the production or supply of goods or services for commercial sale or resale;
 - (b) by any contractual means, including: purchase; lease; and rental or hire purchase, with or without an option to buy;
 - (c) for which the value equals or exceeds the relevant threshold specified in Annex III, at the time of publication of a notice in accordance with Article 124;
 - (d) by a procuring entity; and
 - (e) that is not otherwise excluded from coverage in paragraph 3 of this Article or in Annex III.

If the value of a procurement is uncertain, it shall be estimated in accordance with paragraphs 6 to 8.

3. Except where provided otherwise in Annex III, this Chapter does not apply to:
 - (a) the acquisition or rental of land, existing buildings or other immovable property or the rights thereon;
 - (b) non-contractual agreements or any form of assistance that a Party provides, including cooperative agreements, grants, loans, equity infusions, guarantees and fiscal incentives;
 - (c) the procurement or acquisition of fiscal agency or depository services, liquidation and management services for regulated financial institutions or services related to the sale, redemption and distribution of public debt, including loans and government bonds, notes and other securities;
 - (d) public employment contracts;
 - (e) procurement conducted:
 - (i) for the specific purpose of providing international assistance, including development aid;
 - (ii) under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project; or
 - (iii) under the particular procedure or condition of an international organisation, or funded by international grants, loans or other assistance where the applicable procedure or condition would be inconsistent with this Chapter.

4. Annex III specifies for each Party the following information:
 - (a) in Part 1, the central government entities whose procurement is covered by this Chapter;
 - (b) in Part 2, the sub-central government entities whose procurement is covered by this Chapter;
 - (c) in Part 3, all other entities whose procurement is covered by this Chapter;
 - (d) in Part 4, the goods covered by this Chapter;
 - (e) in Part 5, the services, other than construction services, covered by this Chapter;
 - (f) in Part 6, the construction services covered by this Chapter; and
 - (g) in Part 7, any General Notes.

5. Where a procuring entity, in the context of covered procurement, requires persons not covered under Annex III to procure in accordance with particular requirements, Article 122 shall apply *mutatis mutandis* to such requirements.

Valuation

6. In estimating the value of a procurement for the purpose of ascertaining whether it is a covered procurement, a procuring entity shall:

- (a) neither divide a procurement into separate procurements nor select or use a particular valuation method for estimating the value of a procurement with the intention of totally or partially excluding it from the application of this Chapter; and
- (b) include the estimated maximum total value of the procurement over its entire duration, whether awarded to one or more suppliers, taking into account all forms of remuneration, including:
 - (i) premiums, fees, commissions and interest; and
 - (ii) where the procurement provides for the possibility of options, the total value of such options.

7. Where an individual requirement for a procurement results in the award of more than one contract, or in the award of contracts in separate parts (hereinafter referred to as 'recurring contracts'), the calculation of the estimated maximum total value shall be based on:

- (a) the value of recurring contracts of the same type of good or service awarded during the preceding 12 months or the procuring entity's preceding fiscal year, adjusted, where possible, to take into account anticipated changes in the quantity or value of the good or service being procured over the following 12 months; or
- (b) the estimated value of recurring contracts of the same type of good or service to be awarded during the 12 months following the initial contract award or the procuring entity's fiscal year.

8. In the case of procurement by lease, rental or hire purchase of goods or services, or procurement for which a total price is not specified, the basis for valuation shall be:

- (a) in the case of a fixed-term contract:
 - (i) where the term of the contract is 12 months or less, the total estimated maximum value for its duration; or
 - (ii) where the term of the contract exceeds 12 months, the total estimated maximum value, including any estimated residual value;
- (b) where the contract is for an indefinite period, the estimated monthly instalment multiplied by 48; and
- (c) where it is not certain whether the contract is to be a fixed-term contract, the basis for valuation under point (b) shall be used.

Article 121

General exceptions

Subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties or a disguised restriction on international trade, nothing in this Chapter shall be construed as preventing a Party from imposing or enforcing measures:

- (a) necessary to protect public morals, order or safety;
- (b) necessary to protect human, animal or plant life or health;
- (c) necessary to protect intellectual property; or
- (d) relating to goods or services of persons with disabilities, philanthropic institutions or prison labour.

*Article 122***General principles**

Non-discrimination

1. With respect to any measure regarding covered procurement, each Party, including its procuring entities, shall unconditionally accord, to the goods and services of the other Party and to the suppliers of the other Party offering such goods or services, treatment no less favourable than the treatment the Party, including its procuring entities, accords to its own goods, services and locally established suppliers.
2. With respect to any measure regarding covered procurement, a Party, including its procuring entities, shall not:
 - (a) treat a locally established supplier less favourably than another locally established supplier on the basis of the degree of foreign affiliation or ownership; or
 - (b) discriminate against a locally established supplier on the basis that the goods or services offered by that supplier for a particular procurement are goods or services of the other Party.

Use of Electronic Means

3. When conducting covered procurement by electronic means, a procuring entity shall:
 - (a) ensure that the procurement is conducted using information technology systems and software, including those related to authentication and encryption of information, that are generally available and interoperable with other generally available information technology systems and software; and
 - (b) maintain mechanisms that ensure the integrity of requests for participation and tenders, including establishment of the time of receipt and the prevention of inappropriate access.

Conduct of Procurement

4. A procuring entity shall conduct covered procurement in a transparent and impartial manner that:
 - (a) is consistent with this Chapter, using methods such as open tendering, selective tendering, limited tendering and electronic auctions;
 - (b) avoids conflicts of interest; and
 - (c) prevents corrupt practices.

Rules of Origin

5. A Party shall not, for the purposes of covered procurement, apply rules of origin to goods or services imported from or supplied from the other Party that are different from the rules of origin the Party applies at the same time in the normal course of trade to imports or supplies of the same goods or services from the same Party.

Measures Not Specific to Procurement

6. Paragraphs 1 and 2 shall not apply to: customs duties and charges of any kind imposed on, or in connection with, importation; the method of levying such duties and charges; other import regulations or formalities and measures affecting trade in services other than measures governing covered procurement.

*Article 123***Information on the procurement system**

1. Each Party shall:
 - (a) promptly publish any law, regulation, judicial decision, administrative ruling of general application, standard contract clause mandated by law or regulation and incorporated by reference in notices or tender documentation and procedure regarding covered procurement, and any modifications thereof, in an officially designated electronic or paper medium that is widely disseminated and remains readily accessible to the public; and
 - (b) provide an explanation thereof to the other Party, on request.
2. Part 1 of Annex IV lists:
 - (a) the electronic or paper media in which each Party publishes the information described in paragraph 1 of this Article;
 - (b) the electronic or paper media in which each Party publishes the notices required by Article 124, Article 126(7) and Article 133(2); and
 - (c) the website address or addresses where each Party publishes its notices concerning awarded contracts pursuant to Article 133(2).
3. Each Party shall promptly notify the Cooperation Committee of any modification to the Party's information listed in Part 1 of Annex IV. The Cooperation Committee shall regularly adopt decisions reflecting the modifications to Part 1 of Annex IV.

*Article 124***Notices**

Notice of Intended Procurement

1. For each covered procurement, a procuring entity shall publish a notice of intended procurement in the appropriate paper or electronic medium listed in Part 2 of Annex IV, except in the circumstances described in Article 130. Such medium shall be widely disseminated and such notices shall remain readily accessible to the public, at least until expiration of the time period indicated in the notice. The notices shall, for procuring entities covered under Parts 1, 2 or 3 of Annex III, be accessible by electronic means free of charge through a single point of access, for at least any minimum period of time specified in Part 2 of Annex IV.
2. Except as otherwise provided for in this Chapter, each notice of intended procurement shall include:
 - (a) the name and address of the procuring entity and other information necessary to contact the procuring entity and obtain all relevant documents relating to the procurement, and their cost and terms of payment, if any;
 - (b) a description of the procurement, including the nature and the quantity of the goods or services to be procured or, where the quantity is not known, the estimated quantity;
 - (c) for recurring contracts, an estimate, if possible, of the timing of subsequent notices of intended procurement;
 - (d) a description of any options;
 - (e) the time frame for delivery of goods or services or the duration of the contract;
 - (f) the procurement method that will be used and whether it will involve negotiation or electronic auction;

- (g) where applicable, the address and any final date for the submission of requests for participation in the procurement;
- (h) the address and the final date for the submission of tenders;
- (i) the language or languages in which tenders or requests for participation may be submitted, if they may be submitted in a language other than an official language of the Party of the procuring entity;
- (j) a list and brief description of any conditions for participation of suppliers, including any requirements for specific documents or certifications to be provided by suppliers in connection therewith, unless such requirements are included in tender documentation that is made available to all interested suppliers at the same time as the notice of intended procurement; and
- (k) where, pursuant to Article 126, a procuring entity intends to select a limited number of qualified suppliers to be invited to tender, the criteria that will be used to select them and, where applicable, any limitation on the number of suppliers that will be permitted to tender.

Summary Notice

3. For each case of intended procurement, a procuring entity shall publish a summary notice that is readily accessible, at the same time as the publication of the notice of intended procurement, in English or French. The summary notice shall contain at least the following information:

- (a) the subject matter of the procurement;
- (b) the final date for the submission of tenders or, where applicable, any final date for the submission of requests for participation in the procurement or for inclusion on a multi-use list; and
- (c) the address from which documents relating to the procurement may be requested.

Notice of Planned Procurement

4. Procuring entities are encouraged to publish in the appropriate paper or electronic medium listed in Part 2 of Annex IV, as early as possible in each fiscal year, a notice regarding their future procurement plans (hereinafter referred to as 'notice of planned procurement'). The notice of planned procurement should include the subject matter of the procurement and the planned date of the publication of the notice of intended procurement.

5. A procuring entity covered under Part 3 of Annex III may use a notice of planned procurement as a notice of intended procurement provided that the notice of planned procurement includes as much of the information referred to in paragraph 2 of this Article as is available to the entity and a statement that interested suppliers should express their interest in the procurement to the procuring entity.

Article 125

Conditions for participation

1. A procuring entity shall limit any conditions for participation in a procurement to those that are essential to ensure that a supplier has the legal and financial capacities and the commercial and technical abilities to undertake the relevant procurement.
2. In establishing the conditions for participation, a procuring entity:
 - (a) shall not impose the condition that, in order for a supplier to participate in a procurement, the supplier has previously been awarded one or more contracts by a procuring entity of a Party;
 - (b) may require relevant prior experience where essential to meet the requirements of the procurement; and
 - (c) shall not impose the condition that, in order for a supplier of a Party to participate in a procurement or be awarded a contract, the supplier has previously been awarded one or more contracts by a procuring entity of the other Party or that the supplier has prior experience in the territory of that Party, except when prior experience is essential to meet the requirements of the procurement.

3. In assessing whether a supplier satisfies the conditions for participation, a procuring entity shall:
 - (a) evaluate the financial capacity and the commercial and technical abilities of a supplier on the basis of that supplier's business activities both inside and outside the territory of the Party of the procuring entity; and
 - (b) base its evaluation on the conditions that the procuring entity has specified in advance in notices or tender documentation.
4. Where there is supporting evidence, a Party, including its procuring entities, may exclude a supplier on grounds such as:
 - (a) bankruptcy;
 - (b) false declarations;
 - (c) significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts;
 - (d) final judgments in respect of serious crimes or other serious offences;
 - (e) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the supplier; or
 - (f) failure to pay taxes.

Article 126

Qualification of suppliers

Registration Systems and Qualification Procedures

1. A Party, including its procuring entities, may maintain a supplier registration system under which interested suppliers are required to register and provide certain information.
2. Each Party shall ensure that:
 - (a) its procuring entities make efforts to minimise differences in their qualification procedures; and
 - (b) where its procuring entities maintain registration systems, the entities make efforts to minimise differences in their registration systems.
3. A Party, including its procuring entities, shall not adopt or apply any registration system or qualification procedure with the purpose or the effect of creating unnecessary obstacles to the participation of suppliers of the other Party in its procurement.

Selective Tendering

4. Where a procuring entity intends to use selective tendering, the entity shall:
 - (a) include in the notice of intended procurement at least the information specified in Article 124(2)(a), (b), (f), (g), (j) and (k) and invite suppliers to submit a request for participation; and
 - (b) provide, by the commencement of the time period for tendering, at least the information in Article 124(2)(c), (d), (e), (h) and (i) to the qualified suppliers that it notifies as specified in Article 128(3)(b).
5. A procuring entity shall allow all qualified suppliers to participate in a particular procurement, unless the procuring entity states in the notice of intended procurement any limitation on the number of suppliers that will be permitted to tender and the criteria for selecting the limited number of suppliers.
6. Where the tender documentation is not made publicly available from the date of publication of the notice referred to in paragraph 4, a procuring entity shall ensure that those documents are made available at the same time to all the qualified suppliers selected in accordance with paragraph 5.

Multi-Use Lists

7. A procuring entity may maintain a multi-use list of suppliers, provided that a notice inviting interested suppliers to apply for inclusion on the list is:

- (a) published annually; and
- (b) where published by electronic means, made available continuously,

in the appropriate medium listed in Part 2 of Annex IV.

8. The notice provided for in paragraph 7 shall include:

- (a) a description of the goods or services, or categories thereof, for which the list may be used;
- (b) the conditions for participation to be satisfied by suppliers for inclusion on the list and the methods that the procuring entity will use to verify that a supplier satisfies the conditions;
- (c) the name and address of the procuring entity and other information necessary to contact the entity and obtain all relevant documents relating to the list;
- (d) the period of validity of the list and the means for its renewal or termination, or where the period of validity is not provided, an indication of the method by which notice of the termination of use of the list will be given;
- (e) an indication that the list may be used for procurement covered by this Chapter.

9. Notwithstanding paragraph 7, where a multi-use list will be valid for three years or less, a procuring entity may publish the notice referred to in paragraph 7 only once, at the beginning of the period of validity of the list, provided that the notice:

- (a) states the period of validity and that further notices will not be published; and
- (b) is published by electronic means and is made available continuously during the period of its validity.

10. A procuring entity shall allow suppliers to apply at any time for inclusion on a multi-use list and shall include on the list all qualified suppliers within a reasonably short time.

11. Where a supplier that is not included on a multi-use list submits a request for participation in a procurement based on a multi-use list and all required documents, within the time period provided for in Article 128(2), a procuring entity shall examine the request. The procuring entity shall not exclude the supplier from consideration in respect of the procurement on the grounds that the entity has insufficient time to examine the request, unless, in exceptional cases, due to the complexity of the procurement, the entity is not able to complete the examination of the request within the time period allowed for the submission of tenders.

Entities covered under Part 3 of Annex III

12. A procuring entity covered under Part 3 of Annex III may use a notice inviting suppliers to apply for inclusion on a multi-use list as a notice of intended procurement, provided that:

- (a) the notice is published in accordance with paragraph 7 of this Article and includes the information required under paragraph 8 of this Article, as much of the information required under Article 124(2) as is available and a statement that it constitutes a notice of intended procurement or that only the suppliers on the multi-use list will receive further notices of procurement covered by the multi-use list; and
- (b) the entity promptly provides, to suppliers that have expressed an interest in a given procurement to the entity, sufficient information to permit them to assess their interest in the procurement, including all remaining information required in Article 124(2), to the extent such information is available.

13. A procuring entity covered under Part 3 of Annex III may allow a supplier that has applied for inclusion on a multi-use list in accordance with paragraph 10 of this Article to tender in a given procurement, where there is sufficient time for the procuring entity to examine whether the supplier satisfies the conditions for participation.

Information on Procuring Entity Decisions

14. A procuring entity shall promptly inform any supplier that submits a request for participation in a procurement or application for inclusion on a multi-use list of the procuring entity's decision with respect to the request or application.

15. Where a procuring entity rejects a supplier's request for participation in a procurement or application for inclusion on a multi-use list, ceases to recognise a supplier as qualified, or removes a supplier from a multi-use list, the entity shall promptly inform the supplier and, on request of the supplier, promptly provide the supplier with a written explanation of the reasons for its decision.

Article 127

Technical specifications and tender documentation

Technical Specifications

1. A procuring entity shall not prepare, adopt or apply any technical specification or prescribe any conformity assessment procedure with the purpose or the effect of creating unnecessary obstacles to international trade.

The technical specifications must allow equal access of suppliers and must not have the effect of creating unjustified obstacles to the opening of procurement markets to competition.

2. In prescribing the technical specifications for the goods or services being procured, a procuring entity shall, where appropriate:

- (a) set out the technical specification in terms of performance and functional requirements, rather than design or descriptive characteristics; and
- (b) base the technical specification on international standards, where such exist; otherwise, on national technical regulations, recognised national standards or building codes.

3. Where design or descriptive characteristics are used in the technical specifications, a procuring entity should indicate, where appropriate, that it will consider tenders of equivalent goods or services that demonstrably fulfil the requirements of the procurement by including words such as 'or equivalent' in the tender documentation.

4. A procuring entity shall not prescribe technical specifications that require or refer to a particular trademark or trade name, patent, copyright, design, type, specific origin, producer or supplier, unless there is no other sufficiently precise or intelligible way of describing the procurement requirements and provided that, in such cases, the entity includes words such as 'or equivalent' in the tender documentation.

5. A procuring entity shall not seek or accept, in a manner that would have the effect of precluding competition, advice that may be used in the preparation or adoption of any technical specification for a specific procurement from a person that may have a commercial interest in the procurement.

6. For greater certainty, a Party, including its procuring entities, may, in accordance with this Article, prepare, adopt or apply technical specifications to promote the conservation of natural resources or protect the environment.

Tender Documentation

7. A procuring entity shall make available to suppliers tender documentation that includes all information necessary to permit suppliers to prepare and submit responsive tenders. Unless already provided in the notice of intended procurement, such documentation shall include a complete description of:

- (a) the procurement, including the nature and the quantity of the goods or services to be procured or, where the quantity is not known, the estimated quantity and any requirements to be fulfilled, including any technical specifications, conformity assessment certification, plans, drawings or instructional materials;

- (b) any conditions for participation of suppliers, including a list of information and documents that suppliers are required to submit in connection with the conditions for participation;
- (c) all evaluation criteria the entity will apply in the awarding of the contract, and, except where price is the sole criterion, the relative importance of such criteria;
- (d) where the procuring entity will conduct the procurement by electronic means, any authentication and encryption requirements or other requirements related to the submission of information by electronic means;
- (e) where the procuring entity will hold an electronic auction, the rules, including identification of the elements of the tender related to the evaluation criteria, on which the auction will be conducted;
- (f) where there will be a public opening of tenders, the date, time and place for the opening and, where appropriate, the persons authorised to be present;
- (g) any other terms or conditions, including terms of payment and any limitation on the means by which tenders may be submitted, such as whether in paper format or by electronic means; and
- (h) any dates for the delivery of goods or the supply of services.

8. In establishing any date for the delivery of goods or the supply of services being procured, a procuring entity shall take into account such factors as the complexity of the procurement, the extent of subcontracting anticipated and the realistic time required for production, de-stocking and transport of goods from the point of supply or for supply of services.

9. The evaluation criteria set out in the notice of intended procurement or tender documentation may include, among others, price and other cost factors, quality, technical merit, environmental characteristics and terms of delivery.

10. A procuring entity shall promptly:

- (a) make available tender documentation to ensure that interested suppliers have sufficient time to submit responsive tenders;
- (b) provide, on request, the tender documentation to any interested supplier; and
- (c) reply to any reasonable request for relevant information by any interested or participating supplier, provided that such information does not give that supplier an advantage over other suppliers.

Modifications

11. Where, prior to the award of a contract, a procuring entity modifies the criteria or requirements set out in the notice of intended procurement or tender documentation provided to participating suppliers, or amends or reissues a notice or tender documentation, it shall transmit in writing all such modifications or amended or re-issued notice or tender documentation:

- (a) to all suppliers that are participating at the time of the modification, amendment or re-issuance, where such suppliers are known to the entity, and in all other cases, in the same manner as the original information was made available; and
- (b) in adequate time to allow such suppliers to modify and re-submit amended tenders, as appropriate.

Article 128

Time periods

General

1. A procuring entity shall, consistent with its own reasonable needs, provide sufficient time for suppliers to prepare and submit requests for participation and responsive tenders, taking into account such factors as:

- (a) the nature and complexity of the procurement;

- (b) the extent of subcontracting anticipated; and
- (c) the time necessary for transmitting tenders by non-electronic means from foreign as well as domestic points where electronic means are not used.

Such time periods, including any extension of the time periods, shall be the same for all interested or participating suppliers.

Deadlines

2. A procuring entity that uses selective tendering shall establish that the final date for the submission of requests for participation shall not, in principle, be less than 25 days from the date of publication of the notice of intended procurement. Where a state of urgency duly substantiated by the procuring entity renders this time period impracticable, the time period may be reduced to not less than 10 days.

3. Except as provided for in paragraphs 4, 5, 7 and 8, a procuring entity shall establish that the final date for the submission of tenders shall not be less than 40 days from the date on which:

- (a) in the case of open tendering, the notice of intended procurement is published; or
- (b) in the case of selective tendering, the entity notifies suppliers that they will be invited to submit tenders, whether or not it uses a multi-use list.

4. A procuring entity may reduce the time period for tendering established in accordance with paragraph 3 to not less than 10 days where:

- (a) the procuring entity has published a notice of planned procurement as described in Article 124(4) at least 40 days and not more than 12 months in advance of the publication of the notice of intended procurement, and the notice of planned procurement contains:
 - (i) a description of the procurement;
 - (ii) the approximate final dates for the submission of tenders or requests for participation;
 - (iii) a statement that interested suppliers should express their interest in the procurement to the procuring entity;
 - (iv) the address from which documents relating to the procurement may be obtained; and
 - (v) as much of the information that is required for the notice of intended procurement under Article 124(2), as is available;
- (b) the procuring entity, for procurements of a recurring nature, indicates in an initial notice of intended procurement that subsequent notices will provide time periods for tendering based on this paragraph; or
- (c) a state of urgency duly substantiated by the procuring entity renders the time period for tendering established in accordance with paragraph 3 impracticable.

5. A procuring entity may reduce the time period for tendering established in accordance with paragraph 3 by seven days in each one of the following circumstances:

- (a) the notice of intended procurement is published by electronic means;
- (b) all the tender documentation is made available by electronic means from the date of the publication of the notice of intended procurement; and
- (c) the entity accepts tenders by electronic means.

6. The use of the provisions of paragraph 5, in conjunction with paragraph 4, shall in no case result in the reduction of the time period for tendering established in accordance with paragraph 3 to less than seven days from the date on which the notice of intended procurement is published.

7. Notwithstanding any other provision in this Article, where a procuring entity purchases commercial goods or services, or any combination thereof, it may reduce the time period for tendering established in accordance with paragraph 3 to not less than 13 days, provided that it publishes by electronic means, at the same time, both the notice of intended procurement and the tender documentation. In addition, where the entity accepts tenders for commercial goods or services by electronic means, it may reduce the time period established in accordance with paragraph 3 to not less than seven days.

8. Where a procuring entity covered under Part 3 of Annex III has selected all or a limited number of qualified suppliers, the time period for tendering may be fixed by mutual agreement between the procuring entity and the selected suppliers. In the absence of agreement, the period shall not be less than seven days.

Article 129

Negotiation

1. A Party may provide for its procuring entities to conduct negotiations:
 - (a) where the entity has indicated its intent to conduct negotiations in the notice of intended procurement required under Article 124(2); or
 - (b) where it appears from the evaluation that no tender is obviously the most advantageous in terms of the specific evaluation criteria set out in the notice of intended procurement or tender documentation.
2. A procuring entity shall:
 - (a) ensure that any elimination of suppliers participating in negotiations is carried out in accordance with the evaluation criteria set out in the notice of intended procurement or tender documentation; and
 - (b) where negotiations are concluded, provide a common deadline for the remaining participating suppliers to submit any new or revised tenders.

Article 130

Limited tendering

1. Provided that it does not use this provision for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers of the other Party or protects domestic suppliers, a procuring entity may use limited tendering and may choose not to apply Articles 124, 125, 126, 127 (paragraphs 7 to 11), 128, 129, 131 and 132 only under any of the following circumstances:
 - (a) provided that the requirements of the tender documentation are not substantially modified, where:
 - (i) no tenders were submitted or no suppliers requested participation;
 - (ii) no tenders that conform to the essential requirements of the tender documentation were submitted;
 - (iii) no suppliers satisfied the conditions for participation; or
 - (iv) the tenders submitted have been collusive;
 - (b) where the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for any of the following reasons:
 - (i) the requirement is for a work of art;
 - (ii) the protection of patents, copyrights or other exclusive rights; or
 - (iii) due to an absence of competition for technical reasons;

- (c) for additional deliveries by the original supplier of goods or services that were not included in the initial procurement where a change of supplier for such additional goods or services:
 - (i) cannot be made for economic or technical reasons such as requirements of inter-changeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and
 - (ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity;
 - (d) insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering or selective tendering;
 - (e) for goods purchased on a commodity market;
 - (f) where a procuring entity procures a prototype or a first good or service that is developed at its request in the course of, and for, a particular contract for research, experiment, study or original development. Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;
 - (g) for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership or bankruptcy, but not for routine purchases from regular suppliers; or
 - (h) where a contract is awarded to a winner of a design contest provided that:
 - (i) the contest has been organised in a manner that is consistent with the principles of this Chapter, in particular relating to the publication of a notice of intended procurement; and
 - (ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner.
2. A procuring entity shall prepare a report in writing on each contract awarded under paragraph 1. The report shall include the name of the procuring entity, the value and kind of goods or services procured and a statement indicating the circumstances and conditions described in paragraph 1 that justified the use of limited tendering.

Article 131

Electronic auctions

1. Procuring entities may use electronic auctions.
2. In open, limited or negotiated procedures, a procuring entity may decide that the award of a contract shall be preceded by an electronic auction when the contract specifications can be established with precision.

The electronic auction shall be based:

- (a) solely on prices when the contract is awarded to the lowest price; or
- (b) on prices and/or on the new values of the features of the tenders indicated in the specification when the contract is awarded to the most advantageous tender.

3. A procuring entity which decides to hold an electronic auction shall state that fact in the notice of intended procurement.

The specifications shall include, inter alia, the following details:

- (a) the features, the values for which will be the subject of electronic auction, provided that such features are quantifiable and can be expressed in figures or percentages;
- (b) any limits on the values which may be submitted, as they result from the specifications relating to the subject of the procurement;

- (c) the information which will be made available to tenderers in the course of the electronic auction and, where appropriate, when it will be made available to them;
 - (d) the relevant information concerning the electronic auction process;
 - (e) the conditions under which the tenderers will be able to bid and, in particular, the minimum differences which will, where appropriate, be required when bidding;
 - (f) the relevant information concerning the electronic equipment used and the arrangements and technical specifications for connection.
4. Before proceeding with an electronic auction, a procuring entity shall make a full initial evaluation of the tenders in accordance with the award criterion or criteria set and with the weighting fixed for them. All tenderers who have submitted admissible tenders shall be invited simultaneously by electronic means to submit new prices and/or new values; the invitation shall contain all relevant information concerning individual connection to the electronic equipment being used and shall state the date and time of the start of the electronic auction. The electronic auction may take place in a number of successive phases. The electronic auction may not start sooner than two working days after the date on which invitations are sent out.
5. When the contract is to be awarded on the basis of the most advantageous tender, the invitation shall be accompanied by the outcome of a full evaluation of the relevant tenderer. The invitation shall also state the mathematical formula to be used in the electronic auction to determine automatic re-rankings on the basis of the new prices and/or new values submitted. That formula shall incorporate the weighting of all the criteria fixed to determine the most advantageous tender, as indicated in the contract notice or in the specifications; for that purpose, any ranges shall, however, be reduced beforehand to a specified value.
6. Throughout each phase of an electronic auction the contracting authorities shall instantaneously communicate to all tenderers at least sufficient information to enable them to ascertain their relative rankings at any moment. They may also communicate other information concerning other prices or values submitted, provided that that is stated in the specifications. They may also at any time announce the number of participants in that phase of the auction. In no case, however, may they disclose the identities of the tenderers during any phase of an electronic auction.
7. A procuring entity shall close an electronic auction in one or more of the following manners:
- (a) by indicating in the invitation to take part in the auction the date and time fixed in advance;
 - (b) when it receives no more new prices or new values which meet the requirements concerning minimum differences, by stating in the invitation to take part in the auction the time which it will allow to elapse after receiving the last submission before it closes the electronic auction;
 - (c) when the number of phases in the auction, fixed in the invitation to take part in the auction, has been completed.
8. When the procuring entity has decided to close an electronic auction in accordance with point (c) of paragraph 7, possibly in combination with the arrangements laid down in point (b) of that paragraph, the invitation to take part in the auction shall indicate the timetable for each phase of the auction.
9. After closing an electronic auction a procuring entity shall award the contract in accordance with Article 132 on the basis of the results of the electronic auction.
10. Procuring entities may not have improper recourse to electronic auctions nor may they use them in such a way as to prevent, restrict or distort competition or to change the subject matter of the contract, as put up for tender in the published notice of intended procurement and defined in the specification.

Article 132

Treatment of tenders and awarding of contracts

Treatment of Tenders

1. A procuring entity shall receive, open and treat all tenders under procedures that guarantee the fairness and impartiality of the procurement process, and the confidentiality of tenders.

2. A procuring entity shall not penalise any supplier whose tender is received after the time specified for receiving tenders if the delay is due solely to mishandling on the part of the procuring entity.

3. Where a procuring entity provides a supplier with an opportunity to correct unintentional errors of form between the opening of tenders and the awarding of the contract, the procuring entity shall provide the same opportunity to all participating suppliers.

Awarding of Contracts

4. To be considered for an award, a tender shall be submitted in writing and shall, at the time of opening, comply with the essential requirements set out in the notices and tender documentation and be from a supplier that satisfies the conditions for participation.

5. Unless a procuring entity determines that it is not in the public interest to award a contract, the entity shall award the contract to the supplier that the entity has determined to be capable of fulfilling the terms of the contract and that, based solely on the evaluation criteria specified in the notices and tender documentation, has submitted:

- (a) the most advantageous tender; or
- (b) where price is the sole criterion, the lowest price.

6. Where a procuring entity receives a tender with a price that is abnormally lower than the prices in other tenders submitted, it may verify with the supplier that it satisfies the conditions for participation and is capable of fulfilling the terms of the contract.

7. A procuring entity shall not use options, cancel a procurement or modify awarded contracts in a manner that circumvents the obligations under this Chapter.

Article 133

Transparency of procurement information

Information Provided to Suppliers

1. A procuring entity shall promptly inform participating suppliers of the entity's contract award decisions and, at the request of a supplier, shall do so in writing. Subject to Article 134(2) and (3), a procuring entity shall, on request, provide an unsuccessful supplier with an explanation of the reasons why the entity did not select its tender and the relative advantages of the successful supplier's tender.

Publication of Award Information

2. No later than 72 days after the award of each contract covered by this Chapter, a procuring entity shall publish a notice in the appropriate paper or electronic medium listed in Part 2 of Annex IV. Where the entity publishes the notice only in an electronic medium, the information shall remain readily accessible for a reasonable period of time. The notice shall include at least the following information:

- (a) a description of the goods or services procured;
- (b) the name and address of the procuring entity;
- (c) the name and address of the successful supplier;
- (d) the value of the successful tender or the highest and lowest offers taken into account in the award of the contract;
- (e) the date of award; and
- (f) the type of procurement method used, and in cases where limited tendering was used in accordance with Article 130, a description of the circumstances justifying the use of limited tendering.

Maintenance of Documentation, Reports and Electronic Traceability

3. Each procuring entity shall, for a period of at least three years from the date it awards a contract, maintain:
 - (a) the documentation and reports of tendering procedures and contract awards relating to covered procurement, including the reports required under Article 130; and
 - (b) data that ensure the appropriate traceability of the conduct of covered procurement by electronic means.

Article 134

Disclosure of information

Provision of Information to Parties

1. On request of the other Party, a Party shall provide promptly any information necessary to determine whether a procurement was conducted fairly, impartially and in accordance with this Chapter, including information on the characteristics and relative advantages of the successful tender. In cases where release of the information would prejudice competition in future tenders, the Party that receives the information shall not disclose it to any supplier, except after consulting with, and obtaining the agreement of, the Party that provided the information.

Non-Disclosure of Information

2. Notwithstanding any other provision of this Chapter, a Party, including its procuring entities, shall not provide to any particular supplier information that might prejudice fair competition between suppliers.
3. Nothing in this Chapter shall be construed as requiring a Party, including its procuring entities, authorities and review bodies, to disclose confidential information where disclosure:
 - (a) would impede law enforcement;
 - (b) might prejudice fair competition between suppliers;
 - (c) would prejudice the legitimate commercial interests of particular persons, including the protection of intellectual property; or
 - (d) would otherwise be contrary to the public interest.

Article 135

Domestic review procedures

1. Each Party shall provide a timely, effective, transparent and non-discriminatory administrative or judicial review procedure through which a supplier may, in the context of a covered procurement, in which that supplier has, or has had, an interest, challenge:
 - (a) a breach of this Chapter; or
 - (b) where the supplier does not have a right to challenge directly a breach of this Chapter under the domestic law of a Party, a failure to comply with a Party's measures implementing this Chapter.
2. The procedural rules for all challenges pursuant to paragraph 1 shall be in writing and made generally available.
3. In the event of a complaint by a supplier, arising in the context of covered procurement in which the supplier has, or has had, an interest, that there has been a breach or a failure as referred to in paragraph 1, the Party of the procuring entity conducting the procurement shall encourage the entity and the supplier to seek resolution of the complaint through consultations. The entity shall accord impartial and timely consideration to any such complaint in a manner that is not prejudicial to the supplier's participation in ongoing or future procurement or its right to seek corrective measures under the administrative or judicial review procedure.

4. Each supplier shall be allowed a sufficient period of time to prepare and submit a challenge, which shall in no case be less than 10 days from the time when the basis of the challenge became known or reasonably should have become known to the supplier.
5. Each Party shall establish or designate at least one impartial administrative or judicial authority that is independent of its procuring entities to receive and review a challenge by a supplier arising in the context of a covered procurement.
6. Where a body other than an authority referred to in paragraph 5 initially reviews a challenge, the Party shall ensure that the supplier may appeal the initial decision to an impartial administrative or judicial authority that is independent of the procuring entity whose procurement is the subject of the challenge.
7. Each Party shall ensure that a review body that is not a court shall have its decision subject to judicial review or have procedures that provide that:
 - (a) the procuring entity shall respond in writing to the challenge and disclose all relevant documents to the review body;
 - (b) the participants to the proceedings (hereinafter referred to as 'participants') shall have the right to be heard prior to a decision of the review body being made on the challenge;
 - (c) the participants shall have the right to be represented and accompanied;
 - (d) the participants shall have access to all proceedings;
 - (e) the participants shall have the right to request that the proceedings take place in public and that witnesses may be presented; and
 - (f) the review body shall make its decisions or recommendations in a timely fashion, in writing, and shall include an explanation of the basis for each decision or recommendation.
8. Each Party shall adopt or maintain procedures that provide for:
 - (a) rapid interim measures to preserve the supplier's opportunity to participate in the procurement; and
 - (b) where a review body has determined that there has been a breach or a failure as referred to in paragraph 1, corrective action or compensation for the loss or damages suffered, which may be limited to either the costs for the preparation of the tender or the costs relating to the challenge, or both.
9. The rapid interim measures referred to in point (a) of paragraph 8 may result in suspension of the procurement process. The procedures referred to in paragraph 8 may provide that overriding adverse consequences for the interests concerned, including the public interest, may be taken into account when deciding whether such measures should be applied. Just cause for not acting shall be provided in writing.

Article 136

Modifications and rectifications to coverage

1. A Party may propose a modification or rectification of the elements in Annex III which relate to that Party.

Modifications

2. When a Party proposes a modification, that Party shall:
 - (a) notify the other Party in writing; and
 - (b) include in the notification a proposal for appropriate compensatory adjustments to the other Party to maintain a level of coverage comparable to that existing prior to the modification.

3. Notwithstanding point (b) of paragraph 2, a Party need not provide compensatory adjustments if:
- (a) the modification in question is negligible in its effect; or
 - (b) the modification covers an entity over which the Party has effectively eliminated its control or influence.
4. The other Party shall be deemed to have accepted the modification, including for the purposes of Chapter 14 (Dispute Settlement) of this Title, unless it objects in writing within 45 days of receipt of the notification referred to in point (a) of paragraph 2 that:
- (a) an adjustment proposed under point (b) of paragraph 2 is adequate to maintain a comparable level of mutually agreed coverage;
 - (b) the modification is negligible in its effect under point (a) of paragraph 3; or
 - (c) the modification covers an entity over which the Party has effectively eliminated its control or influence under point (b) of paragraph 3.

Rectifications

5. The following changes to Parts 1 to 3 of Annex III shall be considered a rectification, provided that they do not affect the mutually agreed coverage provided for in this Chapter:
- (a) a change in the name of an entity;
 - (b) a merger of two or more entities listed within the same Part of Annex III; and
 - (c) the separation of an entity into two or more entities, provided that all new entities are added to the same Part of Annex III as the original entity.
6. The Party proposing a rectification shall notify the other Party every two years, following the date on which this Title starts to apply ⁽¹⁾.
7. A Party may notify the other Party of an objection to a proposed rectification within 45 days from having received the notification referred to in paragraph 6. Where a Party submits an objection, it shall set out the reasons why it believes the proposed rectification is not a change provided for in paragraph 5, and describe the effect of the proposed rectification on the mutually agreed coverage provided for in this Agreement. If no such objection is submitted in writing within 45 days after having received the notification, the Party shall be deemed to have agreed to the proposed rectification.

The Cooperation Committee

8. If no objection is submitted regarding a proposed modification or rectification within the period provided for in paragraphs 4 and 7, the Cooperation Committee shall amend Annex III to reflect any such modification or rectification. The modification or rectification shall be effective from the day following the date of expiry of the period referred to in paragraphs 4 and 7.
9. If an objection to a proposed modification or rectification has been submitted, the Cooperation Committee shall discuss the matter. The Cooperation Committee may decide to approve a modification or rectification and amend Annex III accordingly.

Article 137

Transitional period

This Chapter shall start to apply five years after the date on which this Title starts to apply. For the goods listed in Part 4 of Annex III and for the services covered under Part 6 of Annex III, this Chapter shall start to apply eight years after the date on which this Title starts to apply.

⁽¹⁾ The European Union shall be deemed to have complied with this obligation if it notifies any rectifications to the Republic of Kazakhstan in parallel to the cycle of notifications in the framework of the WTO Agreement on Government Procurement.

CHAPTER 9

Raw materials and energy

Article 138

Definitions

For the purposes of this Chapter:

- (a) 'raw materials' means substances used in the manufacture of industrial products, excluding energy goods, processed fishery products or agricultural products, but including natural rubber, raw hides and skins, wood and wood pulp, silk, wool, cotton and other vegetable textile inputs;
- (b) 'energy goods' means, based on the Harmonised Commodity Description and Coding System of the World Customs Organisation (HS) and the Combined Nomenclature of the European Union, natural gas, liquefied natural gas, liquefied petroleum gas (LPG) (HS 27.11), electricity (HS 27.16), crude oil and oil products (HS 27.09-27.10 and 27.13-27.15) and coal and other solid fuels (HS 27.01-27.04);
- (c) 'partnership' means any legal entity which is a commercial organisation under the jurisdiction or control of either Party such as, and not limited to, a corporation, trust, partnership, joint venture or association;
- (d) 'service supplier' means a service supplier as defined in point (q) of Article 40;
- (e) 'measure' means a measure as defined in point (a) of Article 40;
- (f) 'transport' means transmission and distribution of energy goods through the transmission pipelines for oil and oil products and high-pressure natural gas, high-voltage electricity transmission grids and lines, railways, roadways and other facilities handling the transport of energy goods;
- (g) 'unauthorised taking' means any activity consisting of unlawful taking of energy goods from the transmission pipelines for oil and oil products and high-pressure natural gas, high-voltage electricity transmission grids and lines, railways, roadways and other facilities handling the transport of energy goods;
- (h) 'emergency situation' means a situation causing a significant disruption or a physical interruption of supply of natural gas, oil or electric energy between the European Union and the Republic of Kazakhstan, including supply transiting through third countries or a situation of an exceptionally high demand for energy goods within the European Union or the Republic of Kazakhstan in which market measures are not sufficient and non-market measures have to be additionally introduced;
- (i) 'local content requirement' means:
 - (i) with respect to goods, a requirement for an enterprise to purchase or use goods of domestic origin or from a domestic source, whether specified in terms of particular products, in terms of volume or value of products, or in terms of a proportion of volume or value of its local production;
 - (ii) with respect to services, a requirement which restricts the choice of the service supplier or the service supplied to the detriment of services or service suppliers of the other Party;
- (j) 'state owned enterprise' means any enterprise involved in a commercial activity over which a Party at central or sub-central level directly or indirectly owns more than 50 % of the enterprise's subscribed capital or of the votes attached to the shares issued by the enterprise;
- (k) 'juridical person' means a juridical person as defined in point (d) of Article 40;
- (l) 'juridical person of a Party' means a juridical person of a Party as defined in point (e) of Article 40.

Article 139

Price regulation

1. The Parties aim for the price of the supply of raw materials or energy goods for industrial users, if regulated by the government of a Party, to recover costs and provide for reasonable profit.

2. If the price of raw materials or energy goods sold on the domestic market differs from the export price of the same product, the exporting Party shall, upon request of the other Party, provide information on such difference, excluding transportation costs and export taxes.

Article 140

Trading and export monopolies

The Parties shall not maintain or establish a trading or export monopoly for raw materials or energy goods except when a Party exercises its priority (pre-emption) right to purchase raw and dry gas and gold.

Article 141

Access and rights to prospect, explore and produce hydrocarbons (crude oil and natural gas)

1. Nothing in this Agreement shall affect the full sovereignty of the Parties in accordance with international law over hydrocarbon resources located in their territory and their inland, archipelagic and territorial waters, as well as sovereign rights for the purposes of exploring for and exploiting hydrocarbon resources located in their Exclusive Economic Zones and continental shelf.

2. The Parties retain the right to determine the areas within their territory, inland, archipelagic and territorial waters, Exclusive Economic Zones and continental shelf to be made available for the exercise of the activities of prospecting, exploring for and producing hydrocarbons.

3. Whenever a sovereign decision of a Party, as described in paragraph 2, is taken, each Party shall ensure that the enterprises of the other Party are not discriminated against as regards the access and exercise of the rights to prospect, explore for and produce hydrocarbons, provided the enterprise in question is established as a juridical person in the territory of the host Party granting the access.

4. Each Party may require an enterprise which has been granted an authorisation for the exercise of the activities of prospecting, exploring for and producing hydrocarbons, to pay a financial contribution or a contribution in hydrocarbons.

5. The Parties shall take the necessary measures to ensure that licences or other authorisations, through which an enterprise is entitled to exercise the rights to prospect, explore for and produce hydrocarbons, are granted following a published procedure or an invitation to potentially interested applicants of the Parties to submit applications by means of a notice. The notice shall specify the type of licence or other authorisation, the relevant geographical area and the proposed date or time limit for granting a licence or other forms of authorisation.

6. Paragraphs 3 to 5 are without prejudice to the right of a state-owned enterprise to obtain access and rights to prospect, explore for and produce hydrocarbons by means of direct negotiations with its Party. When such a state-owned enterprise decides to transfer fully or partially its right to prospect, explore for and produce hydrocarbons, the obligations provided for in paragraphs 3 and 5 shall apply.

7. Article 53 shall apply to the licensing conditions and the licensing authorisation procedure.

Article 142

Conditions for investment in raw materials and energy goods

In order to foster investment in the activities of prospecting, exploring for, extracting and mining of raw materials and energy goods, neither Party shall:

- (a) maintain or adopt measures providing for local content requirements affecting the other Party's products, service suppliers, investors or investments unless otherwise provided for in the Protocol on the Accession of the Republic of Kazakhstan to the WTO and the GATS schedules of specific commitments of the European Union and its Member States;

- (b) maintain or adopt measures whereby an enterprise from the other Party is obliged to transfer or to share intellectual property rights in order to sell products or services or to invest on that Party's territory. The Parties are not precluded from negotiating contracts with investors seeking rights to prospect, explore for, extract and mine raw materials and energy goods for such transfers on a voluntary basis, provided that they are made under market conditions and at a market price.

Article 143

Transit

1. The Parties shall take all necessary measures to facilitate the transit of energy goods, consistent with the principle of freedom of transit, and in accordance with Article 7(1) and (3) of the Energy Charter Treaty.
2. Each Party shall prohibit the unauthorized taking of raw materials and energy goods transited or transported through its territory by any entity subject to its control or jurisdiction and shall take all appropriate measures to address such unauthorised taking.

Article 144

Interruption

1. Each Party shall take all possible measures to ensure that operators of main-line energy transit or transport pipelines and grids:
 - (a) minimise the risk of accidental interruption, reduction or stoppage of transit and/or transport;
 - (b) expeditiously restore the normal operation of such transit or transport, which has been accidentally interrupted, reduced or stopped.
2. A Party through the territory of which the energy goods are in transit or transport, or in the territory of which they are in receipt and storage as part of the transport/transit route, shall not, in the event of a dispute over any matter involving the Parties or one or more entities subject to the control or the jurisdiction of a Party, interrupt or reduce, or permit any entity subject to its control or jurisdiction to interrupt or reduce, the existing transit, transport, receipt and storage as part of the transport/transit route of energy goods, except where this is specifically provided for in a contract or other agreement governing such transit, transport, receipt and storage as part of the transport/transit route, prior to the conclusion of a dispute resolution procedure under the relevant contract or the dispute settlement procedure set out in Chapter 14 (Dispute Settlement) of this Title concerning emergency situations as defined in point (h) of Article 138.
3. A Party shall not be held liable for an interruption or reduction pursuant to this Article in *force majeure* situations or where that Party is unable to supply energy goods or ensure their transit as a result of actions attributable to a third country or an entity under the control or the jurisdiction of a third country.

Article 145

Access to high-voltage electric energy transmission grids and lines

1. Each Party shall provide the enterprises of the other Party, established as juridical persons in the territory of the Party granting the access, with non-discriminatory access to high-voltage electric energy transmission grids and lines, which are partly or fully owned and regulated by the Party granting the access within the available capacities of such grids and lines. The access shall be allocated in a fair and equitable manner.
2. When applying measures relating to such transmission grids and lines, the Party shall ensure that the following principles are respected:
 - (a) all legal and regulatory measures on access and the transportation tariffs are fully transparent;

- (b) the measures do not discriminate with respect to the origin of the electricity production within its territory and with respect to the destination of the electricity; and
- (c) non-discriminatory transportation tariffs with respect to enterprises of the European Union and the Republic of Kazakhstan are applied.

Article 146

Regulatory authorities for electricity and gas

1. Each Party shall designate and empower regulatory authorities to regulate the markets for electricity and gas on its territory. Those regulatory authorities shall be legally distinct and functionally independent from any other public authorities or market participants.
2. The decisions of and the procedures used by a regulatory authority shall be impartial with respect to all market participants.
3. A market participant affected by any decision of a regulatory authority shall have the right to appeal against that decision to an appeal body. If the appeal body is not independent of the parties involved or is not judicial in character, the decisions of the appeal body shall be subject to a review by an impartial and independent judicial authority. The decisions of the appeal body and the judicial authority shall set out the reasons therefor and shall be in writing. The Parties shall ensure that the final decision of the appeal body or the judicial authority, whichever is the final instance, is enforced effectively.

Article 147

Renewable energy sector

1. This Article shall apply to measures which may affect trade and investment between the Parties related to the generation of energy from renewable non-fossil sources, inter alia, wind, solar power and hydropower, but not to the products from which such energy is generated.
2. Each Party shall:
 - (a) refrain from maintaining or adopting measures requiring the formation of partnerships with local companies, unless such partnerships are deemed necessary for technical reasons and the Party maintaining or adopting such measures can demonstrate such technical reasons upon request by the other Party;
 - (b) ensure that any rules concerning authorisation, certification and licensing procedures, if applicable, in particular with regard to equipment, plants and associated transmission network infrastructures, are objective, transparent and non-arbitrary and do not discriminate against applicants from the other Party;
 - (c) ensure that administrative charges in renewable energy sector, such as those paid by consumers, planners, architects, builders, equipment installers and suppliers, are transparent and limited in amount to the approximate cost of services rendered;
 - (d) ensure that the importation and the use of goods originating in the other Party, or the provision of goods by the other Party's suppliers, are subject to the provisions of Chapter 1 (Trade in Goods) of this Title;
 - (e) ensure that provision of services by the suppliers of the other Party are subject to Article 53;
 - (f) ensure that the terms, conditions and procedures for the connection and access to electric energy transmission grids are transparent and do not discriminate against suppliers of the other Party or against electric energy from renewable sources. The Parties shall ensure that appropriate grid and market-related measures are taken to minimise the curtailment (limitations) of electric energy produced from renewable energy sources;

- (g) refrain from imposing or maintaining a requirement for:
- (i) an enterprise of the other Party to purchase or use products of domestic origin or from any domestic source of the Party imposing the requirement, whether specified in terms of particular products, in terms of volume or value of products, or in terms of a proportion of volume or value of its local production; or
 - (ii) the enterprise's purchases or use of imported products to be limited to the amount related to the volume or value of local products that it exports.
3. Where international or regional standards exist with respect to equipment and systems for the generation of energy from renewable and non-fossil sources, the Parties shall use those standards, or their relevant parts, as a basis for their technical regulations except when such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued. For the purposes of applying this paragraph, the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) shall be considered relevant international standard-setting bodies.
4. Where appropriate, the Parties shall specify technical regulations based on product requirements in terms of performance, including environmental performance, rather than on product design or description.
5. Nothing in this Article shall be construed as preventing the adoption or enforcement by either Party of measures necessary for the safe operation of the energy networks concerned, or the safety of energy supply, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between the products, service suppliers or investors of the Parties where the same conditions prevail, or a disguised restriction on trade and investment between the Parties.

Article 148

Cooperation in raw materials and energy goods

1. Without prejudice to Articles 204 to 208, the Parties agree to strengthen cooperation and the promotion of mutual understanding between them in the field of trade in raw materials and energy goods.
2. The Parties recognise that respecting the principles of transparency and non-discrimination and ensuring that rules are not trade distortive is the best way to create an environment favourable to foreign direct investment in the production and trade of raw materials and energy goods. More generally, such an environment fosters the efficient allocation and efficient use of raw materials and energy goods.
3. Cooperation and the promotion of mutual understanding cover bilateral trade issues as well as issues of common interest stemming from international trade. Such issues include trade distortions impacting global markets, environment and development issues specifically linked to trade in raw materials and energy goods as well as corporate social responsibility in accordance with internationally recognized standards such as the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Cooperation and the promotion of mutual understanding include exchange of data and information on the regulatory framework of the raw materials and energy sectors. This shall not be construed as requiring the Parties to furnish any information, the disclosure of which they consider contrary to their respective security interests.
4. Either Party may request the organisation of an *ad hoc* meeting related to raw materials and energy goods or an *ad hoc* session on raw materials and energy goods during the Cooperation Committee meetings. The bilateral cooperation could additionally, if appropriate, be extended to the relevant plurilateral or multilateral fora in which both Parties participate.

Article 149

Early warning mechanism

1. The Parties establish an early warning mechanism to adopt practical measures aimed at preventing and rapidly reacting to an emergency situation or to a threat thereof.

2. The Parties shall jointly undertake actions for:
 - (a) an early evaluation of potential risks and problems related to the supply and demand of natural gas, oil or electric energy; and
 - (b) the prevention or rapid reaction in case of an emergency situation or a threat thereof.
3. If either Party becomes aware of an emergency situation or of a situation which in its opinion could lead to an emergency situation, that Party shall notify the other Party within the shortest possible time.
4. For the purposes of this Article, the Parties agree that the responsible bodies are the Member of the European Commission in charge of energy and the Minister of the Republic of Kazakhstan in charge of the respective energy matters.
5. Upon notification, the Parties shall provide each other with an assessment of the situation.
6. Either Party may request consultations within three calendar days of the notification to:
 - (a) elaborate a common evaluation of the situation;
 - (b) develop recommendations to eliminate the emergency situation and to minimise the impact of the emergency situation;
 - (c) create a Special Monitoring Group to, inter alia, monitor energy flows at the relevant points of the concerned infrastructure.
7. The Parties shall, if appropriate, cooperate with third countries to eliminate the threat of an emergency situation or to overcome the emergency situation.
8. In case the emergency situation persists, either Party may start an emergency dispute settlement procedure, in accordance with the special mechanism provided for in Chapter 14 (Dispute Settlement) of this Title.
9. The Parties shall refrain from any actions that may deepen or reinforce the emergency situation, as appropriate in a given situation, from the moment of the notification.
10. A Party shall not rely on, or introduce as evidence in dispute settlement procedures under this Agreement, the following:
 - (a) positions taken or proposals made by the other Party in the course of a procedure under this Article; or
 - (b) any indication from the other Party of its willingness to accept a solution to the emergency situation referred to in this Article.
11. The Cooperation Committee may develop, as necessary, detailed implementing provisions for the application of this Article.

Article 150

Exceptions

1. This Chapter is without prejudice to any exceptions, reservations or restrictions provided for in this Agreement.
2. This Chapter shall not apply to research and development projects or to demonstration projects carried out on a non-commercial scale.
3. Nothing in this Chapter shall be construed as preventing the adoption or enforcement by either Party of measures necessary for the safe operation of the energy infrastructure, including energy transport and the production facilities concerned, in the interest of national security or public safety, including the prevention of and reaction to an emergency situation, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between the products, service suppliers or investors of the Parties where the same conditions prevail, or a disguised restriction on trade and investment between the Parties.

CHAPTER 10

Trade and sustainable development*Article 151***Context and objectives**

1. The Parties recall the Agenda 21 of the United Nations Conference on Environment and Development of 1992, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work of 1998, the Johannesburg Plan of Implementation on Sustainable Development of 2002, the Ministerial Declaration of the UN Economic and Social Council on Generating Full and Productive Employment and Decent Work for All of 2006, the ILO Declaration on Social Justice for a Fair Globalisation of 2008 and the Outcome Document of the UN Conference on Sustainable Development of 2012, incorporated in Resolution 66/288 adopted by the UN General Assembly on 27 July 2012, entitled 'The Future We Want'.
2. The Parties reaffirm their commitment to promote the development of international trade in such a way as to contribute to the objective of sustainable development, for the welfare of present and future generations. The Parties shall strive to ensure that this objective is integrated and reflected at every level of their trade relationship.

*Article 152***Multilateral environmental and labour standards and agreements**

1. The Parties recognise the value of international environmental governance and agreements as a response of the international community to global or regional environmental problems.
2. The Parties recognise that full and productive employment and decent work for all are key elements of sustainable development for all countries and a priority objective of international cooperation.
3. In that context, the Parties reaffirm their commitment to effectively implement in their law and practice the multilateral environmental agreements they are a party to and the ILO conventions ratified by the Member States of the European Union and the Republic of Kazakhstan, respectively.

*Article 153***Right to regulate and levels of protection**

1. The Parties recognise the right of each Party to establish its own levels of domestic environmental and labour protection, and to adopt or modify its relevant law and policy accordingly, consistently with the internationally recognised standards and agreements referred to in Article 152. The Parties shall aim at high levels of environmental and labour protection.
2. The Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the levels of protection afforded in domestic environmental or labour law.
3. A Party shall not derogate from or, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental and labour law, in order to encourage trade or investment.

*Article 154***Trade and investment promoting sustainable development**

1. The Parties reaffirm their commitment to enhance the contribution of trade to the goal of sustainable development in its economic, social and environmental dimensions. Accordingly, they agree to promote:
 - (a) trade and investment in environmental goods and services and in climate-friendly products and technologies;

- (b) the use of sustainability assurance schemes, such as fair and ethical trade or eco-labelling; and
- (c) corporate social responsibility practices.

2. The Parties shall exchange information on, and share experience in, their actions to promote coherence and mutual supportiveness between trade, social and environmental objectives. Furthermore, the Parties shall enhance their cooperation and dialogue on sustainable development issues that may arise in the context of their trade relations including on relevant aspects set out in Title IV (Cooperation in the Area of Economic and Sustainable Development).

3. The cooperation and dialogue referred to in paragraph 2 of this Article shall involve relevant stakeholders, in particular social partners, as well as other civil society organisations, through the civil society cooperation established under Article 251.

4. The Cooperation Committee may adopt rules for such cooperation and dialogue.

Article 155

Dispute Settlement

Subsection 2 of Section 3 of Chapter 14 (Dispute Settlement) of this Title does not apply to disputes under this Chapter. For any such dispute, after the arbitration panel has delivered its final report pursuant to Articles 180 and 182, the Parties, taking the report into account, shall discuss suitable measures to be implemented. The Cooperation Committee shall monitor the implementation of any such measures and shall keep the matter under review, including through the mechanism referred to in Article 154(3).

CHAPTER 11

Competition

Article 156

Principles

The Parties recognise the importance of free and undistorted competition in their trade relations. The Parties acknowledge that anti-competitive business practices and state interventions, including subsidies, have the potential to distort the proper functioning of markets and undermine the benefits of trade liberalisation.

Article 157

Antitrust and mergers legislation and its implementation

1. Each Party shall maintain in its territory comprehensive competition law which effectively addresses anti-competitive agreements, concerted practices and anti-competitive unilateral conduct of enterprises with dominant market power, and which provides effective control of concentrations.

2. Each Party shall maintain operationally independent authorities responsible and appropriately equipped for the effective enforcement of competition law as referred to in paragraph 1.

3. The Parties recognise the importance of applying their respective competition law in a transparent and non-discriminatory manner, respecting the principles of procedural fairness and rights of defence of the enterprises concerned.

*Article 158***State monopolies, state enterprises and enterprises entrusted with special or exclusive rights or privileges**

1. Nothing in this Chapter prevents a Party from designating or maintaining state monopolies or state enterprises, or from entrusting enterprises with special or exclusive rights or privileges according to its law.
2. With regard to state monopolies, state enterprises and enterprises entrusted with special or exclusive rights or privileges involved in economic activities, each Party shall ensure that such enterprises are subject to competition law as referred to in Article 157. For the purposes of this Chapter, an economic activity consists in offering goods and services on a market. It does not include activities performed in the exercise of governmental authority, namely activities carried out neither on a commercial basis nor in competition with one or more economic operators.
3. The application of competition law as referred to in Article 157 should not obstruct the performance, in law or in fact, of the particular tasks of public interest assigned to the enterprises in question. Exceptions should be limited and transparent. Trade and investment should not be affected to such an extent that would undermine the objective of this Agreement.

*Article 159***Subsidies**

1. For the purposes of this Article, a 'subsidy' is a measure which fulfils the conditions of Article 1 of the SCM Agreement, irrespective of whether it is granted to an enterprise for the production of goods or for the supply of services, and which is specific within the meaning of Article 2 of that Agreement.
2. Each Party shall ensure transparency in the area of subsidies. To that end, each Party shall report every two years from the date of application of this Title to the other Party on the legal basis, including the policy objective or the purpose of the subsidy, the duration or any other time limits, the form and, where possible, the amount or the budget and the recipient of the subsidy granted by its government or a public body. Such report is deemed to have been provided if the relevant information is made available on a publicly accessible website or through the WTO notification mechanism.
3. If a Party considers that a subsidy granted by the other Party is negatively affecting the first Party's interests, the first Party may request consultations on the matter. The requested Party shall accord due consideration to such a request. The consultations should, in particular, aim at specifying the policy objective of the subsidy, whether the subsidy has an incentive effect and is proportionate, and any measures taken to limit the potential distortive effect on trade and investment of the requesting Party ⁽¹⁾.
4. In order to facilitate the consultations, the requested Party shall provide information on the subsidy in question within a period no longer than 90 days from the date of receipt of the request. If the requesting Party, after receiving information on the subsidy in question, considers that the subsidy in question negatively affects or may negatively affect the requesting Party's trade or investment interests in a disproportionate manner, the requested Party shall use its best endeavours to address the negative effects on the requesting Party's trade or investment interests caused by the subsidy in question.
5. Paragraphs 3 and 4 shall not apply to subsidies relating to fisheries and trade in goods covered by Annex 1 to the WTO Agreement on Agriculture.

*Article 160***Dispute settlement**

The provisions of Chapter 14 (Dispute Settlement) of this Title shall not apply with respect to Articles 156 to 158 and Article 159(3) and (4).

⁽¹⁾ A subsidy is proportionate if its amount is limited to what is necessary to achieve the objective.

*Article 161***Relationship with the WTO**

The provisions of this Chapter are without prejudice to the rights and obligations of a Party under the WTO Agreement, in particular the SCM Agreement and the Understanding on Rules and Procedures Governing the Settlement of Disputes.

*Article 162***Confidentiality**

When exchanging information under this Chapter, the Parties shall take into account the limitations imposed by the requirements of professional and business secrecy.

CHAPTER 12

State-owned enterprises, state-controlled enterprises and enterprises granted special or exclusive rights or privileges*Article 163***Definitions**

For the purposes of this Chapter:

- (a) 'state-owned enterprise' means any enterprise involved in a commercial activity over which a Party at central or sub-central level owns more than 50 % of the enterprise's subscribed capital or the votes attached to the shares issued by the enterprise;
- (b) 'state-controlled enterprise' means any enterprise involved in a commercial activity over which a Party at central or sub-central level exercises or has the possibility of exercising decisive influence, directly or indirectly, by virtue of its financial participation therein or by the rules or practices on its functioning, or by any other means relevant to establish such decisive influence. Decisive influence on the part of a Party shall be presumed when a Party, directly or indirectly, can appoint more than half of the members of the enterprise's administrative, managerial or supervisory body;
- (c) 'enterprise granted special or exclusive rights or privileges' means any enterprise, public or private, involved in a commercial activity, that has been granted by a Party, at central or sub-central level, in law or in fact, special or exclusive rights or privileges. Such rights or privileges may include the right to act as a distributor, a network provider or another intermediary for the purchase or sale of a good or for the provision or receipt of a service. 'Enterprises granted special or exclusive rights or privileges' covers monopolies involved in a commercial activity;
- (d) a 'monopoly' means an entity involved in a commercial activity, including a consortium, that in a relevant market in the territory of a Party is designated at central or sub-central level as the sole supplier or purchaser of a good or service, but does not include an entity that has been granted an exclusive intellectual property right solely by reason of such grant;
- (e) 'special rights' means rights granted by a Party at central or sub-central level to a limited number of enterprises within a given geographical area or a product or service market the effect of which is to substantially limit the ability of any other enterprise to carry out its activity in the same geographical area under substantially equivalent conditions. The granting of a licence or a permit to a limited number of enterprises in allocating a scarce resource through objective, proportional and non-discriminatory criteria is not in and of itself a special right;
- (f) 'non-discriminatory treatment' means national treatment or most-favoured-nation treatment as set out in this Agreement, whichever is better;

- (g) 'in accordance with commercial considerations' means consistent with customary business practices of a privately held enterprise operating according to market economy principles in international trade;
- (h) 'designate' means to establish or authorise a monopoly, or to expand the scope of a monopoly, whether in law or in fact.

Article 164

Scope

1. The Parties confirm their rights and obligations under paragraphs 1 to 3 of Article XVII of the GATT 1994, the Understanding on the Interpretation of Article XVII of the GATT 1994, as well as under paragraphs 1, 2 and 5 of Article VIII of the GATS and the Chapter on State-owned and State-controlled Enterprises and Enterprises with Special and Exclusive Privileges of the Protocol on the Accession of the Republic of Kazakhstan to the WTO, which are hereby incorporated into and made part of this Agreement and shall apply.
2. This Chapter does not apply to covered procurement by a Party or its procuring entities within the meaning of Article 120.
3. This Chapter shall apply to all economic activities covered by this Agreement. Services which are not listed in a Party's GATS schedule of specific commitments shall not be subject to the provisions of Articles 166 and 167.

Article 165

1. Without prejudice to the Parties' rights and obligations under this Chapter, nothing in this Chapter prevents the Parties from establishing or maintaining state-owned or state-controlled enterprises or designating or maintaining monopolies or from granting enterprises special or exclusive rights or privileges.
2. Where an enterprise falls within the scope of application of this Chapter, the Parties shall not require or encourage such an enterprise to act in a manner inconsistent with this Agreement.

Article 166

Non-discrimination

Unless otherwise provided for in Article 142 or in a Party's GATS schedule of specific commitments or in a Party's reservations to national treatment set out in Annex I, each Party shall ensure in its territory that any enterprise satisfying the conditions set out in points (c) and (d) of Article 163 in its purchase or sale of a good or a service accords non-discriminatory treatment to a good of the other Party and/or to a service or a service supplier of the other Party.

Article 167

Commercial considerations

Except to fulfil the purpose, such as a public service obligation, for which special or exclusive rights or privileges have been granted, or in the case of a state-owned or state-controlled enterprise to fulfil its public mandate, and provided that the enterprise's conduct in fulfilling that purpose or mandate is consistent with the provisions of Article 166 and Chapter 11 (Competition) of this Title, each Party shall ensure that any enterprise referred to in points (a) to (d) of Article 163 acts in accordance with commercial considerations in the relevant territory in its purchases and sales of goods, including with regard to price, quality, availability, marketability, transportation and other terms and conditions of purchase or sale, as well as in its purchases or supply of services, including when those goods or services are supplied to or by an investment of an investor of the other Party.

*Article 168***Pricing**

Charging different prices in different markets, or within the same market, where such differences are based on normal commercial considerations, such as supply and demand conditions, is not in itself inconsistent with Articles 166 and 167.

*Article 169***Corporate governance**

1. The Parties shall ensure that enterprises referred to in points (a) to (d) of Article 163 observe high standards of transparency and corporate governance in accordance with the 2005 OECD Guidelines on Corporate Governance of State-Owned Enterprises. Further development of the policy of corporate governance in enterprises referred to in points (a) to (d) of Article 163 should be conducted in accordance with those Guidelines.
2. Each Party shall ensure that any regulatory body responsible for regulating enterprises referred to in points (a) to (d) of Article 163 is legally distinct and functionally independent from, and not accountable to, any of the enterprises referred to in points (a) to (d) of Article 163.
3. Each Party shall ensure the enforcement of laws and regulations in a consistent and non-discriminatory manner at all levels of government, be it central or local, and including on enterprises referred to in points (a) to (d) of Article 163. Exemptions shall be limited and transparent.

*Article 170***Exchange of information**

1. A Party which has a reason to believe that its interests under this Agreement are being adversely affected by the operations of an enterprise or enterprises referred to in points (a) to (d) of Article 163 of the other Party, may request that latter Party to supply information about the operations of its enterprise relating to the carrying out of the provisions of this Agreement. Such information may include organisational, corporate and financial information.
2. Each Party shall, at the request of the other Party, make available information concerning specific enterprises referred to in points (a) to (d) of Article 163 which do not qualify as small and medium-sized enterprises as defined in the law of the requested Party. Requests for such information shall indicate the enterprise, the products or services and markets concerned, and include indications that the enterprise is engaging in practices that hinder trade or investment between the Parties.
3. Each Party shall, at the request of the other Party, make available information concerning exemptions, non-conforming measures, immunities and any other measures, including more favourable treatment, applicable in the territory of the requested Party to any enterprise referred to in points (a) to (d) of Article 163.
4. Paragraphs 1 to 3 shall not require any Party to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or which would prejudice the legitimate commercial interests of particular enterprises.

CHAPTER 13

Transparency

Article 171

1. Each Party shall respond promptly to all requests by the other Party for specific information on any of its measures of general application or international agreements which pertain to or affect this Title. Each Party shall establish one or more enquiry points to provide to interested persons of the other Party, upon request, specific information on all such matters ⁽¹⁾. The Parties shall notify each other of the enquiry points within three months of the date of application of this Title. Enquiry points need not be depositories of laws and regulations.
2. All laws, regulations, decrees, decisions and administrative rulings of general application of the Parties pertaining to or affecting any matter governed by this Title shall be published promptly in a manner that fulfils the applicable requirements of the WTO Agreement, including those of Article X of the GATT 1994, Article III of the GATS, and Article 63 of the TRIPS Agreement. The Parties shall update published resources, including websites, containing such measures, on a regular basis and make them readily available to interested persons. Such measures shall be available while they are in effect and for a reasonable period after they are no longer in effect.
3. The Parties shall publish all laws, regulations, decrees, decisions and administrative rulings of general application pertaining to or affecting any matter governed by this Title, prior to their adoption. The Parties shall provide a reasonable period of time, normally not less than 30 calendar days, for interested persons to comment to the responsible authorities before the relevant measure is finalised or submitted to the authorities responsible for its adoption. Any comments received during the period for comments will be taken into account.
4. No law, regulation, decree, decision or administrative ruling of general application of the Parties pertaining to or affecting any matter governed by this Title shall become effective prior to publication.
5. Nothing in this Agreement shall require a Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, whether public or private.
6. Article 55 shall apply with respect to this Chapter.

CHAPTER 14

Dispute settlement

Section 1

Objective and scope

Article 172

Objective

The objective of this Chapter is to establish an effective and efficient mechanism for avoiding and settling any dispute between the Parties concerning the interpretation and application of this Agreement with a view to arriving, where possible, at a mutually agreed solution.

⁽¹⁾ The enquiry point for the Republic of Kazakhstan is the enquiry point set up under the GATS Agreement.

*Article 173***Scope of application**

This Chapter shall apply with respect to any dispute concerning the interpretation and application of this Title, except as otherwise provided.

Section 2

Consultations and mediation*Article 174***Consultations**

1. The Parties shall endeavour to resolve any dispute referred to in Article 173 by entering into consultations in good faith with the aim of reaching a mutually agreed solution.
2. A Party shall seek consultations by means of a written request delivered to the other Party, copied to the Cooperation Committee, identifying the measure at issue and the provisions referred to in Article 173 that it considers applicable.
3. The Party to which the request is made shall respond to the request for consultations within 10 days of the date of its receipt, unless otherwise provided for in this Agreement or agreed between the Parties.
4. The consultations shall be held within 30 days of the date of receipt of the request and take place, unless the Parties agree otherwise, in the territory of the Party to which the request is made. The consultations shall be deemed concluded within 30 days of the date of receipt of the request, unless both Parties agree to continue consultations. Consultations, and in particular all information disclosed and positions taken by the Parties during the consultations, shall be confidential, and without prejudice to the rights of either Party in any further proceedings.
5. Consultations on matters of urgency shall be deemed concluded within 15 days of the date of receipt of the request by the requested Party unless both Parties agree to continue consultations.
6. If the Party to which the request is made does not respond to the request for consultations within 10 days of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or 4 of this Article, respectively, or if the Parties agree not to have consultations, or if consultations have been concluded and no mutually agreed solution has been reached, the Party that sought consultations may have recourse to Article 176.
7. During consultations each Party shall provide sufficient factual information, so as to allow a complete examination of the manner in which the measure at issue could affect the operation and application of this Agreement.
8. The consultations shall be deemed concluded within five working days of the date of receipt of the request for consultations, unless the Parties agree otherwise, when they concern emergency situations as defined in point (h) of Article 138.

*Article 175***Mediation**

Any Party may request the other Party to enter into a mediation procedure with respect to any measure adversely affecting trade or investment between the Parties pursuant to Annex VII.

Section 3

Dispute settlement procedures

Subsection 1

Arbitration procedure*Article 176***Initiation of the arbitration procedure**

1. Where the Parties have failed to resolve the dispute by recourse to consultations as provided for in Article 174, the Party that sought consultations may request the establishment of an arbitration panel in accordance with this Article.
2. The request for the establishment of an arbitration panel shall be made by means of a written request delivered to the other Party and the Cooperation Committee. The complaining Party shall identify in its request the measure at issue, and it shall explain how such measure constitutes a breach of the provisions referred to in Article 173 in a manner sufficient to present the legal basis for the complaint clearly.

*Article 177***Establishment of the arbitration panel**

1. An arbitration panel shall be composed of three arbitrators.
2. Within 10 days of the date of delivery, to the Party complained against, of the written request for the establishment of an arbitration panel, the Parties shall consult in order to reach an agreement on the composition of the arbitration panel.
3. In the event that the Parties are unable to agree on the composition of the arbitration panel within the time frame laid down in paragraph 2 of this Article, each Party may, within five days from the expiry of the timeframe established in paragraph 2 of this Article, appoint an arbitrator from the sub-list of that Party contained in the list established under Article 196. If either Party fails to appoint an arbitrator, the arbitrator shall, upon request of the other Party, be selected by lot by the chair of the Cooperation Committee, or the chair's delegate, from the sub-list of that Party contained in the list established under Article 196.
4. Unless the Parties reach an agreement concerning the chairperson of the arbitration panel within the timeframe established in paragraph 2 of this Article, the chair of the Cooperation Committee or the chair's delegate shall, upon request of either Party, select by lot the chairperson of the arbitration panel from the sub-list of chairpersons contained in the list established under Article 196.
5. The chair of the Cooperation Committee, or the chair's delegate, shall select the arbitrators within five days of the request by either Party referred to in paragraph 3 or 4.
6. The date of establishment of the arbitration panel shall be the last date on which all three selected arbitrators have accepted their appointment according to the Rules of Procedure set out in Annex V.
7. Should any of the lists provided for in Article 196 not be established or not contain sufficient names at the time a request is made pursuant to paragraph 3 or 4 of this Article, the arbitrators shall be drawn by lot from the individuals who have been formally proposed by one or both of the Parties.
8. Unless the Parties agree otherwise, in respect of a dispute concerning emergency situations as defined in point (h) of Article 138 between the Parties, the second sentence of paragraph 3 and paragraph 4 of this Article shall apply without recourse to paragraph 2 of this Article, and the period in paragraph 5 of this Article shall be two days.

*Article 178***Preliminary ruling on urgency**

If a Party so requests, the arbitration panel shall, within 10 days of its establishment, give a preliminary ruling on whether it deems the case to be urgent.

*Article 179***Conciliation for urgent energy disputes**

1. In respect of a dispute concerning emergency situations as defined in point (h) of Article 138 either Party may request the chairperson of the arbitration panel to act as conciliator concerning any matter related to the dispute by making a request to the arbitration panel.
2. The conciliator shall seek an agreed resolution of the dispute or seek to agree a procedure to achieve such resolution. If within 15 days of the date of his appointment the conciliator has failed to secure such agreement, he shall recommend a resolution to the dispute or a procedure to achieve such resolution and shall decide on the terms and conditions to be observed from a date which he shall specify until the dispute is resolved.
3. The Parties and the entities under their control or jurisdiction shall respect recommendations made under paragraph 2 on the terms and conditions for three months following the conciliator's decision or until resolution of the dispute, whichever is earlier.
4. The conciliator shall respect the Code of Conduct for Members of Arbitration Panels and Mediators ('Code of Conduct') set out in Annex VI.

*Article 180***Reports of the arbitration panel**

1. The arbitration panel shall deliver an interim report to the Parties setting out the findings of fact, the applicability of relevant provisions and the basic rationale behind any findings and recommendations that it makes.
2. Any Party may deliver a written request to the arbitration panel to review precise aspects of the interim report within 14 days of its receipt.
3. After considering any written comments by the Parties on the interim report, the arbitration panel may modify its interim report and make any further examination it considers appropriate.
4. The final report of the arbitration panel shall set out the findings of fact, the applicability of the relevant provisions referred to in Article 173 and the basic rationale behind any findings and conclusions that it makes. The final report shall include a sufficient discussion of the arguments made at the interim review stage, and shall answer clearly to the questions and observations of the Parties.

*Article 181***Interim report of the arbitration panel**

1. The arbitration panel shall deliver an interim report to the Parties no later than 90 days after the date of establishment of the arbitration panel. When the arbitration panel considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the Cooperation Committee in writing, stating the reasons for the delay and the date on which the arbitration panel plans to deliver its interim report. Under no circumstances should the interim report be delivered later than 120 days after the date of establishment of the arbitration panel.

2. In cases of urgency the arbitration panel shall make every effort to deliver its interim report within 45 days and, in any case, no later than 60 days after the date of establishment of the arbitration panel. Any Party may deliver a written request to the arbitration panel to review precise aspects of the interim report pursuant to Article 180(2) within seven days of the delivery of the interim report.

3. In respect of a dispute concerning emergency situations as defined in point (h) of Article 138 between the Parties, the interim report shall be delivered within 20 days after the date of establishment of the arbitration panel, and any request pursuant to Article 180(2) shall be delivered within five days of the delivery of the interim report. The arbitration panel may also decide to dispense with the interim report.

Article 182

Final report of the arbitration panel

1. The arbitration panel shall deliver its final report to the Parties and to the Cooperation Committee within 120 days of the date of establishment of the arbitration panel. When the arbitration panel considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the Cooperation Committee in writing, stating the reasons for the delay and the date on which the panel plans to deliver its final report. Under no circumstances should the final report be delivered later than 150 days after the date of establishment of the arbitration panel.

2. In cases of urgency, the arbitration panel shall make every effort to deliver its report within 60 days after the date of establishment of the arbitration panel. Under no circumstances should the final report be delivered later than 75 days after the date of establishment of the arbitration panel.

3. In respect of a dispute concerning emergency situations as defined in point (h) of Article 138, the arbitration panel shall deliver its final report within 40 days of the date of establishment of the arbitration panel.

Subsection 2

Compliance

Article 183

Compliance with the final report of the arbitration panel

The Party complained against shall take the necessary measures to comply promptly and in good faith with the final report of the arbitration panel.

Article 184

Reasonable period of time for compliance

1. If immediate compliance is not possible, the Parties shall endeavour to agree on the period of time to comply with the final report. In such a case, the Party complained against shall, no later than 30 days after receipt of the final report of the arbitration panel, deliver a notification to the complaining Party and the Cooperation Committee of the time it will require for compliance ('the reasonable period of time').

2. If there is disagreement between the Parties on the duration of the reasonable period of time, the complaining Party may, within 20 days of receipt of the notification referred to in paragraph 1 of this Article, request in writing that the arbitration panel established initially pursuant to Article 177 ('the original arbitration panel') determine the length of the reasonable period of time. Such request shall be delivered simultaneously to the other Party and to the Cooperation Committee. The arbitration panel shall deliver its report to the Parties and to the Cooperation Committee within 20 days of the date of receipt of the request.

3. The Party complained against shall notify the complaining Party in writing of its progress in complying with the final report of the arbitration panel. This notification shall be provided in writing and delivered at least one month before the expiry of the reasonable period of time.

4. The reasonable period of time may be extended by mutual agreement of the Parties.

Article 185

Review of any measure taken to comply with the final report of the arbitration panel

1. The Party complained against shall notify the complaining Party and the Cooperation Committee of any measure that it has taken to comply with the final report of the arbitration panel. This notification shall be delivered before the end of the reasonable period of time.
2. In the event that there is disagreement between the Parties concerning the existence or the consistency of any measure notified under paragraph 1 of this Article with the provisions referred to in Article 173, the complaining Party may deliver a written request to the original arbitration panel to rule on the matter. Such request shall identify the specific measure at issue and explain how such measure is inconsistent with the provisions referred to in Article 173, in a manner sufficient to present the legal basis for the complaint clearly. The arbitration panel shall deliver its report to the Parties and to the Cooperation Committee within 45 days of the date of receipt of the request.

Article 186

Temporary remedies in case of non-compliance

1. If the Party complained against fails to notify any measure taken to comply with the final report of the arbitration panel before the expiry of the reasonable period of time, or if the arbitration panel rules that no measure taken to comply exists or that the measure notified under Article 185(1) is inconsistent with that Party's obligations under the provisions referred to in Article 173, the Party complained against shall, if so requested by the complaining Party and after consultations with that Party, present an offer for compensation.
2. If the complaining Party decides not to request an offer for compensation under paragraph 1 of this Article or, in case such request is made, if no agreement on compensation is reached within 30 days of the date of expiry of the reasonable period of time or of the delivery of the arbitration panel report under Article 185(2), the complaining Party shall be entitled, upon notification to the other Party and to the Cooperation Committee, to take appropriate measures at a level equivalent to the nullification or impairment⁽¹⁾ caused by the violation. The notification shall specify such measures. The complaining Party may implement the measures at any moment after the expiry of a ten-day period from the date of receipt of the notification by the Party complained against, unless the Party complained against has requested arbitration under paragraph 3 of this Article.
3. If the Party complained against considers that the appropriate measures are not at a level equivalent to the nullification or impairment caused by the violation of that Party's obligations under the provisions referred to in Article 173, the Party complained against may deliver a written request to the original arbitration panel to rule on the matter. Such request shall be notified to the complaining Party and to the Cooperation Committee before the expiry of the ten-day period referred to in paragraph 2 of this Article. The original arbitration panel shall deliver its report on the measures notified by the complaining Party to the Parties and to the Cooperation Committee within 30 days of the date of delivery of the request. The complaining Party shall not make the notified measures effective until the original arbitration panel has delivered its report. Such measure made effective after the delivery of the report shall be consistent with the arbitration panel report.
4. The measures made effective by the complaining Party and the compensation foreseen in this Article shall be temporary and shall not be applied after:
 - (a) the Parties have reached a mutually agreed solution pursuant to Article 191;
 - (b) the Parties have agreed that the measure notified under Article 185(1) brings the Party complained against in conformity with the provisions referred to in Article 173; or
 - (c) any measure that the arbitration panel under Article 185(2) has found to be inconsistent with the provisions referred to in Article 173 has been withdrawn or amended so as to bring it in conformity with those provisions.

⁽¹⁾ 'Nullification and impairment' is interpreted as 'nullification and impairment' pursuant to the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes.

*Article 187***Review of any measure taken to comply after the adoption of temporary remedies for non-compliance**

1. The Party complained against shall notify the complaining Party and the Cooperation Committee of the measure it has taken to comply with the final report of the arbitration panel following the application of compensation or the taking of an appropriate measure by the complaining Party pursuant to Article 186, as the case may be. With the exception of cases under paragraph 2 of this Article, the complaining party shall terminate the measure within 30 days from receipt of the notification. In cases where compensation has been applied, and with the exception of cases under paragraph 2 of this Article, the Party complained against may terminate the application of such compensation within 30 days from receipt of the notification that it has complied with the final report of the arbitration panel.

2. If the Parties do not reach an agreement on whether the Party complained against has complied with the final report of the arbitration panel within 30 days from receipt of the notification under paragraph 1 of this Article, the complaining Party shall deliver a written request to the original arbitration panel to rule on the matter. Such a request shall be delivered simultaneously to the other Party and to the Cooperation Committee. The arbitration panel report shall be delivered to the Parties and to the Cooperation Committee within 45 days of the date of the submission of the request. If the arbitration panel rules that the Party complained against has complied with the final report of the arbitration panel, the complaining Party shall terminate the appropriate measure taken under Article 186 or the Party complained against shall terminate the compensation, as the case may be. If the arbitration panel rules that the Party complained against has not fully complied with the final report of the arbitration panel, the compensation or the appropriate measure taken pursuant to Article 186 shall be adapted in light of the arbitration panel report.

*Article 188***Remedies for urgent energy disputes**

1. In respect of a dispute concerning emergency situations as defined in point (h) of Article 138 between the Parties, this Article shall apply.

2. By way of derogation from Articles 184, 185 and 186, the complaining Party may take appropriate measures to a level equivalent to the nullification or impairment caused by a Party failing to bring itself into compliance with the final report of the arbitration panel within 15 days of its release. Those measures may take effect immediately. Such measures may be maintained as long as the Party complained against has not complied with the final report of the arbitration panel.

3. Should the Party complained against dispute the existence of a failure to comply or the proportionality of the measure made effective by the complaining Party or its failure to comply, it may initiate proceedings under Article 186(3) and Article 187 which shall be examined expeditiously. The complaining Party shall be required to remove or adjust the measures only once the arbitration panel has ruled on the matter, and may maintain the measures pending the proceedings.

Subsection 3

Common provisions*Article 189***Replacement of arbitrators**

If in an arbitration proceeding under this Chapter the original arbitration panel, or some of its members, are unable to participate, withdraw, or need to be replaced because they do not comply with the requirements of the Code of Conduct set out in Annex VI, the procedure set out in Article 177 shall apply. The time limit for the delivery of the report may be extended for the time necessary for the appointment of a new arbitrator but for no longer than 20 days.

*Article 190***Suspension and termination of arbitration and compliance procedures**

The arbitration panel shall, at the request of both Parties, suspend its work at any time for a period agreed by the Parties not exceeding 12 consecutive months. The arbitration panel shall resume its work before the end of that period at the written request of both Parties or at the end of that period at the written request of either Party. The requesting Party shall notify the chair of the Cooperation Committee and the other Party accordingly. If a Party does not request the resumption of the arbitration panel's work at the expiry of the agreed suspension period, the procedure shall be terminated. The suspension and termination of the arbitration panel's work are without prejudice to the rights of either Party in other proceedings subject to Article 197.

*Article 191***Mutually agreed solution**

The Parties may reach a mutually agreed solution to a dispute under this Chapter at any time. They shall jointly notify the Cooperation Committee and the chairperson of the arbitration panel, where applicable, of any such solution. If the solution requires approval pursuant to the relevant domestic procedures of either Party, the notification shall refer to this requirement, and the dispute settlement procedure shall be suspended. If such approval is not required, or if the completion of any such domestic procedures is notified, the dispute settlement procedure shall be terminated.

*Article 192***Rules of Procedure**

1. Dispute settlement procedures under this Chapter shall be governed by the Rules of Procedure set out in Annex V and by the Code of Conduct set out in Annex VI.
2. Any hearing of the arbitration panel shall be open to the public unless otherwise provided for in the Rules of Procedure set out in Annex V.

*Article 193***Information and technical advice**

At the request of a Party, or on its own initiative, the arbitration panel may request any information it deems appropriate for the arbitration panel proceedings from any source, including the Parties involved in the dispute. The arbitration panel also has the right to seek the opinion of experts, as it deems appropriate. The arbitration panel shall consult the Parties before choosing such experts. Natural or legal persons established in the territory of a Party may submit *amicus curiae* briefs to the arbitration panel in accordance with the Rules of Procedure set out in Annex V. Any information obtained under this Article shall be disclosed to each Party and submitted for their comments.

*Article 194***Rules of interpretation**

Any arbitration panel shall interpret the provisions referred to in Article 173 in accordance with customary rules of interpretation of public international law, including those codified in the Vienna Convention of 1969 on the Law of Treaties. The arbitration panel shall also take into account relevant interpretations of WTO panels and of the Appellate Body adopted by the WTO Dispute Settlement Body (hereinafter referred to as the 'DSB'). The reports of the arbitration panel cannot add to or diminish the rights and obligations of the Parties under this Agreement.

*Article 195***Decisions and reports of the arbitration panel**

1. The deliberations of the arbitration panel shall be confidential. The arbitration panel shall make every effort to take any decision by consensus. Nevertheless, where a decision cannot be arrived at by consensus, the matter at issue shall be decided by majority vote. In no case shall dissenting opinions of arbitrators be disclosed.
2. The reports of the arbitration panel shall be drafted without the presence of the Parties. The reports shall set out the findings of fact, the applicability of the relevant provisions referred to in Article 173, and the basic rationale behind any findings and conclusions that it makes.
3. The reports of the arbitration panel shall be unconditionally accepted by the Parties. They shall not create any rights or obligations for natural or legal persons.
4. The Parties shall make the arbitration panel report publicly available, subject to the protection of confidential information as provided for in the Rules of Procedure set out in Annex V.

Section 4

General provisions*Article 196***Lists of arbitrators**

1. The Cooperation Committee, on the basis of proposals made by the Parties, shall, no later than six months after the entry into force of this Agreement, establish a list of at least 15 individuals who are willing and able to serve as arbitrators. The list shall be composed of three sub-lists: one sub-list for each Party and one sub-list of individuals who are not nationals of either Party and who may serve as chairperson of the arbitration panel. Each sub-list shall include at least five individuals. The Cooperation Committee will ensure that the list is always maintained at that level.
2. Arbitrators shall have specialised knowledge and experience of law and international trade. They shall be independent, serve in their individual capacities and not take instructions from any organisation or government, or be affiliated with the government of any of the Parties, and shall comply with the Code of Conduct set out in Annex VI.
3. The Cooperation Committee may establish additional lists of 15 individuals with knowledge and experience in specific sectors covered by this Agreement. Subject to the agreement of the Parties, such additional lists shall be used to compose the arbitration panel in accordance with the procedure set out in Article 177.

*Article 197***Relation with WTO obligations**

1. Recourse to the dispute settlement provisions of this Title shall be without prejudice to any action in the WTO framework, including dispute settlement action.
2. However, a Party shall not, for a particular measure, seek redress for the breach of a substantially equivalent obligation under both this Agreement and the WTO Agreement in both fora. In such a case, once a dispute settlement proceeding has been initiated, the Party shall not bring a claim seeking redress for the breach of the substantially equivalent obligation under the other agreement to the other forum, unless the forum first selected fails for procedural or jurisdictional reasons to make findings on the claim seeking redress of that obligation.

3. For the purposes of this Article:
 - (a) dispute settlement proceedings under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes;
 - (b) dispute settlement proceedings under this Chapter are deemed to be initiated by a Party's request for the establishment of an arbitration panel under Article 176(1).
4. Nothing in this Agreement shall preclude a Party from implementing the suspension of obligations authorised by the DSB. The WTO Agreement shall not be invoked to preclude a Party from applying temporary remedies for non-compliance under this Chapter.

Article 198

Time limits

1. All time limits laid down in this Chapter, including the limits for the arbitration panels to deliver their reports, shall be counted in calendar days, the first day being the day following the act or the fact to which they refer, unless otherwise specified.
2. Any time limit referred to in this Chapter may be modified by mutual agreement of the Parties to the dispute. The arbitration panel may at any time propose to the Parties to modify any time limit referred to in this Chapter, stating the reasons for that proposal.

TITLE IV

COOPERATION IN THE AREA OF ECONOMIC AND SUSTAINABLE DEVELOPMENT

CHAPTER 1

Economic Dialogue

Article 199

The Parties adhere to the principles of the free market economy ensuring sound macroeconomic policies and shall develop and strengthen regular economic dialogue aimed at further expanding and deepening mutually beneficial economic ties, as well as sustainable development and economic growth.

Article 200

The Parties shall regularly review the status of bilateral cooperation and conduct regular exchange of information, expertise and best practices in the field of economic policies, economic and financial development and statistics.

CHAPTER 2

Cooperation in public finance management, including public audit and internal control

Article 201

The Parties shall cooperate in the area of public finance management, including public audit and internal control, with the aim of further development of a sound public finance management system, compatible with the principles of economy, efficiency and effectiveness as well as transparency and accountability.

Cooperation shall include:

- (a) promoting the implementation of acceptable and generally recognised international standards as well as convergence with good practices of the European Union in this area;
- (b) exchange of information and experiences in this area.

CHAPTER 3

Cooperation in the area of taxation

Article 202

The Parties shall strive to improve international cooperation in the area of taxation, notably in the area of facilitating the collection of legitimate tax revenues, and to develop measures in line with international standards for the effective implementation of the principles of good governance in the area of taxation, including transparency and exchange of information. The Parties shall strengthen dialogue and exchange experience with a view to avoiding harmful tax practices.

CHAPTER 4

Cooperation in the area of statistics

Article 203

The Parties shall promote the harmonisation of statistical methods and practice, including the gathering and dissemination of statistics. The statistical cooperation shall focus on exchange of knowledge, fostering good practices and respect for the UN Fundamental Principles of Official Statistics and the European Statistics Code of Practice.

The European Union shall contribute to this end by rendering technical assistance to the Republic of Kazakhstan.

CHAPTER 5

Cooperation in the area of energy

Article 204

The Parties shall continue and intensify their current cooperation on energy matters with the objective to enhance energy security, efficiency, sustainability, and competitiveness. The cooperation shall be based on a comprehensive partnership and shall be guided by the principles of mutual interest, reciprocity, transparency and predictability according to the principles of market economy and existing related multilateral and bilateral agreements.

Article 205

Cooperation shall include, inter alia, the following areas:

- (a) implementation of energy strategies and policies, elaboration of forecasts and scenarios, including global market conditions for energy products, as well as improvement of the statistical system in the energy sector;
- (b) creation of an attractive and stable investment climate and the encouragement of mutual investments in the energy field on a non-discriminatory and transparent basis;
- (c) effective cooperation with the European Investment Bank, the European Bank for Reconstruction and Development and other international financial institutions and instruments to support the energy cooperation between the Parties;

- (d) enhancement of scientific and technical cooperation and exchange of information for the development of energy technologies with particular attention to energy efficient and environmentally friendly technologies, in accordance with Chapter 3 (Cooperation in Research and Innovation) of Title VI;
- (e) management and technical training in the energy sector through, inter alia, facilitating exchange of trainees of specialised courses in higher education institutes in the European Union and the Republic of Kazakhstan as well as development of joint training programmes in accordance with good practices;
- (f) extension of cooperation in multilateral energy fora, initiatives and institutions;
- (g) cooperation in exchange of knowledge and experience as well as technology transfer in innovation, including in the areas of management and energy technologies.

Article 206

Hydrocarbon energy

Cooperation in the field of hydrocarbon energy shall cover the following areas:

- (a) modernisation and enhancement of existing, and development of future, energy infrastructures of common interest according to market principles, including those aimed at diversification of energy sources, suppliers and transportation routes and transport methods, as well the establishment of new generation capacity and the integrity, efficiency, safety and security of energy infrastructures, including electric power infrastructures;
- (b) development of competitive, transparent and non-discriminatory energy markets in line with best practices through regulatory reforms;
- (c) enhancement and strengthening of long-term stability and security of energy trade, including ensuring the predictability and stability of energy demand, on a non-discriminatory basis, while minimising environmental impacts and risks;
- (d) promotion of a high level of environmental protection and sustainable development in the energy sector, including extraction, production, distribution and consumption;
- (e) strengthening the safety of offshore hydrocarbon exploration and production activities, by means of exchange of experience in accident prevention, post-accident analysis, response and remediation policies, as well as best practices on liability and legal practice in case of a disaster.

Article 207

Renewable energy sources

Cooperation shall be pursued in the fields of:

- (a) the development of renewable energy sources in an economic and environmentally sound manner, including cooperation on regulatory issues, certification and standardisation as well as on technological development;
- (b) facilitating exchanges between the Republic of Kazakhstan and European institutions, laboratories and private sector entities, including through joint programmes, with the aim of implementing best practices towards creating the energy of the future and green economy;
- (c) conducting joint seminars, conferences and training programmes, and exchanging information and open statistical data on a regular basis, as well as information on the development of renewable energy sources.

*Article 208***Energy efficiency and energy savings**

Cooperation in the promotion of energy efficiency and energy savings, including in the coal sector, gas flaring (and the use of associated gas), buildings, appliances and transport, shall be pursued, inter alia, through:

- (a) exchanging information about energy efficiency policies and legal and regulatory frameworks and action plans;
- (b) facilitating the exchange of experiences and know-how in the field of energy efficiency and energy savings;
- (c) initiating and implementing projects, including demonstration projects, for the introduction of innovative technologies and solutions in the field of energy efficiency and energy savings;
- (d) training programmes and training courses in the field of energy efficiency in order to achieve the objectives of this Article.

*CHAPTER 6***Cooperation in the area of transport***Article 209*

The Parties shall cooperate on:

- (a) expanding and strengthening their transport cooperation in order to contribute to the development of sustainable transport systems;
- (b) focusing on the social and environmental aspects of the transport systems;
- (c) promoting efficient, safe and secure transport operations;
- (d) enhancing the main transport links between their territories.

Article 210

The cooperation referred to in this Chapter shall cover, among others, the following areas:

- (a) exchange of best practices on transport policies;
- (b) improvement of the movement of passengers and goods, increasing fluidity of transport flows by removing administrative, technical and other obstacles, aiming at closer market integration, improving transport networks and upgrading the infrastructure;
- (c) information exchange and joint activities at regional and international level and implementation of applicable international agreements and conventions;
- (d) exchange of best practices on safety and sustainable development of maritime transport.

The Republic of Kazakhstan shall bring its bilateral aviation agreements with the Member States of the European Union in accordance with the legislation of the European Union.

Article 211

A regular dialogue shall take place on the issues covered by this Chapter.

CHAPTER 7

Cooperation in the area of environment*Article 212*

The Parties shall develop and strengthen their cooperation on environmental issues, thereby contributing to sustainable development and good governance in environmental protection.

Cooperation shall be pursued in the following fields:

- (a) environmental assessments, monitoring and control;
- (b) environmental education and awareness raising, improving access to information, enhancing public participation in decision making and access to justice in environmental matters;
- (c) legislation in the field of environmental protection;
- (d) air quality;
- (e) waste management;
- (f) water quality management, including marine environment;
- (g) integrated water resource management, including promotion of advanced water saving technologies;
- (h) conservation and protection of biological and landscape diversity;
- (i) sustainable forest management;
- (j) industrial pollution and industrial emissions;
- (k) classification and safe management of chemicals;
- (l) initiatives of the European Union and the Republic of Kazakhstan in the area of green economy; and
- (m) mutual exchange of experience regarding the policies for sustainable development of fisheries.

Article 213

Cooperation in the field of environmental protection shall be carried out by mutual consent of the Parties in, among others, the following forms:

- (a) exchange of technologies, scientific and technical information, and research activities in the field of environmental protection;
- (b) exchange of experience in improvement of environmental legislation and methodologies.

Article 214

The Parties shall pay special attention to the implementation of, and cooperation in, environmental issues in the framework of relevant multilateral environmental agreements and agree to intensify cooperation at regional level.

The Parties shall exchange experience in promoting integration of the environment into other sectors, including exchanging best practices, increasing knowledge and competence, environmental education and awareness raising in the areas referred to in this Chapter.

CHAPTER 8

Cooperation in the area of climate change*Article 215*

The Parties shall develop and strengthen their cooperation to combat and to adapt to climate change. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit and taking into account the interdependence existing between bilateral and multilateral commitments in this field.

Article 216

Cooperation shall promote measures at domestic and international level, including in the following areas:

- (a) mitigation of climate change;
- (b) adaptation to climate change;
- (c) market and non-market approaches to addressing climate change;
- (d) research, development, demonstration, deployment and diffusion of new, safe and sustainable low-carbon and adaptation technologies;
- (e) exchange of climate expertise and support for other sectors;
- (f) awareness raising, education and training.

Article 217

The Parties shall, inter alia, exchange information and expertise, implement joint research activities and exchanges of information on cleaner technologies, implement joint activities at regional and international level, including with regard to multilateral environmental agreements applicable to the Parties, such as the UN Framework Convention on Climate Change, and joint activities in the framework of relevant agencies, as appropriate.

CHAPTER 9

Cooperation in the area of industry*Article 218*

The Parties shall develop and strengthen their cooperation on industry, including issues of development of effective incentives and favourable conditions for the further diversification and an increase in competitiveness of the manufacturing industry.

To that end, the Parties shall cooperate, including through the exchange of best practices and experience, in the following sectors:

- (a) productivity and efficiency of resource use;
- (b) public supporting measures for industry sectors, based on WTO requirements and other applicable rules of the Parties;
- (c) implementation of the industrial policy within a context of deepening integration;
- (d) tools to enhance the efficiency of the implementation of industrial policy;

- (e) investment activity in the manufacturing industry, reduction of its energy consumption, as well as the exchange of experiences in the implementation of labour productivity policies;
- (f) conditions for the development of new production technologies, high-tech industries, and knowledge and technology transfer, as well as further development of basic infrastructure and favourable environment for innovation clusters;
- (g) investment and trade in mining and production of raw materials, with the objectives of promoting mutual understanding and transparency, improving the business environment, and promoting the exchange of information and cooperation in the area of non-energy mining, in particular metallic ores and industrial minerals;
- (h) human resource capacity development in the manufacturing industry;
- (i) promotion of business initiatives and industrial cooperation between enterprises of the European Union and the Republic of Kazakhstan.

This Agreement does not exclude greater industrial cooperation between the Parties, and separate arrangements may be concluded.

CHAPTER 10

Cooperation in the area of small and medium-sized enterprises

Article 219

The Parties shall develop and strengthen their cooperation in the area of small and medium-sized enterprises (SMEs) to foster a business environment conducive to the successful development and creation of SMEs.

To that end, the Parties shall cooperate in the following fields:

- (a) exchange of information on SME development policy;
- (b) exchange of best practices on initiatives strengthening entrepreneurship as a key competence;
- (c) promotion of better contacts between business associations of both Parties through closer dialogue;
- (d) exchange of experience in supporting the capacity of SMEs to access international markets;
- (e) exchange of experience in the area of improving the regulatory framework impact on SMEs;
- (f) exchange of best practices on access to financing for SMEs.

CHAPTER 11

Cooperation in the area of company law

Article 220

The Parties recognise the importance of an effective set of rules and practices in the areas of company law and corporate governance, as well as in accounting and auditing, in a functioning market economy with a predictable and transparent business environment, and underline the importance of promoting regulatory convergence in this field.

The Parties shall cooperate on the following:

- (a) exchange of best practices on ensuring availability of and access to information regarding the organisation and representation of registered companies in a transparent and easily accessible way;
- (b) further development of corporate governance policy in line with international and particularly OECD standards;

- (c) fostering the implementation and consistent application of International Financial Reporting Standards (IFRS) for the consolidated accounts of listed companies;
- (d) the approximation of accounting rules and financial reporting, including as regards SMEs;
- (e) the regulation and oversight of the auditor and accountant professions;
- (f) international auditing standards and the Code of Ethics of the International Federation of Accountants (IFAC), with the aim of improving the professional level of auditors by means of observance of standards and ethical norms by professional organisations, audit organisations and auditors.

CHAPTER 12

Cooperation in the area of banking, insurance and other financial services

Article 221

The Parties agree on the importance of effective legislation and practices and to cooperate in the area of financial services with the objectives of:

- (a) improving the regulation of financial services;
- (b) ensuring effective and adequate protection of investors and consumers of financial services;
- (c) contributing to the stability and integrity of the global financial system;
- (d) promoting cooperation between different actors of the financial system, including regulators and supervisors;
- (e) promoting independent and effective supervision.

The Parties shall promote regulatory convergence with recognised international standards for sound financial systems.

CHAPTER 13

Cooperation in the area of information society

Article 222

The Parties shall promote cooperation on the development of the information society to benefit citizens and businesses through the widespread availability of information and communication technologies (ICT) and through better quality of services at affordable prices. This cooperation shall aim at promoting the development of competition in, and openness of, ICT markets as well as encouraging investments in this sector.

Article 223

Cooperation shall cover, inter alia, exchange of information and best practices on the implementation of information society initiatives, focusing notably on:

- (a) developing an effective regulatory framework for the ICT sector;
- (b) promoting broadband access;
- (c) developing interoperable electronic services;
- (d) ensuring data protection; and
- (e) developing roaming services.

Article 224

The Parties shall promote cooperation between the regulators in the field of ICT, including electronic communications, in the the European Union and Republic of Kazakhstan.

CHAPTER 14

Cooperation in the area of tourism*Article 225*

The Parties shall cooperate in the field of tourism with the aim of strengthening the development of a competitive and sustainable tourism industry as a generator of economic growth, empowerment, employment and exchanges in the tourism sector.

Article 226

Cooperation shall be based on the following principles:

- (a) respect for the integrity and interests of local communities, particularly in rural areas;
- (b) the importance of preserving cultural and historical heritage; and
- (c) positive interaction between tourism and environmental preservation.

Article 227

Cooperation shall focus on the following topics:

- (a) exchange of information, best practices, experience and know-how, including on innovative technologies;
- (b) establishment of a strategic partnership between public, private and community stakeholders in order to support the sustainable development of tourism;
- (c) promotion and development of tourism products and markets, infrastructure, human resources and institutional structures as well as the identification and elimination of barriers to travel services;
- (d) development and implementation of efficient policies and strategies including appropriate legal, administrative and financial aspects;
- (e) tourism training and capacity building in order to improve service standards; and
- (f) development and promotion of tourism involving local population and other types of tourism in a sustainable manner.

CHAPTER 15

Cooperation in the area of agriculture and rural development*Article 228*

The Parties shall cooperate to promote agricultural and rural development, in particular through progressive convergence of policies and legislation.

Article 229

Cooperation shall cover, among others, the following areas:

- (a) facilitating the mutual understanding of agricultural and rural development policies;
- (b) exchanging best practices in the planning, evaluation and implementation of agricultural and rural development policies;
- (c) sharing knowledge and best practices with regard to rural development policies to promote social and economic well-being for rural inhabitants;
- (d) promoting the modernisation and the sustainability of agricultural production;
- (e) improving the competitiveness of the agricultural sector and the efficiency and transparency of the markets;
- (f) exchanging experience in geographical indications for agricultural products and foodstuffs, in quality policies and their control mechanisms, in ensuring food safety and in the development of the production of organic agricultural products;
- (g) disseminating knowledge and promoting extension services to agricultural producers;
- (h) promoting cooperation in agro-industrial investments projects, in particular in the development of the livestock and crop sectors;
- (i) exchanging experience in policies related to sustainable development of agribusiness and the processing and distribution of agricultural products.

*CHAPTER 16****Cooperation on employment, labour relations, social policy and equal opportunities****Article 230*

The Parties shall promote the development of dialogue and cooperate on promoting the ILO Decent Work Agenda, employment policy, living and working conditions and health and safety at work, social dialogue, social protection, social inclusion and anti-discrimination, as well as fair treatment of workers legally residing and working in the other Party.

Article 231

The Parties shall pursue the goals covered by Article 230, including through cooperation and exchange of practices in the following areas:

- (a) improving the quality of life and ensuring a better social environment;
- (b) enhancing social inclusion and the level of social protection for all workers and modernising social protection systems in terms of quality, accessibility and financial sustainability;
- (c) reducing poverty and enhancing social cohesion and the protection of vulnerable people;
- (d) combating discrimination in employment and social affairs in accordance with each Party's obligations under international standards and conventions;
- (e) promoting active labour market measures and improving efficiency of employment services;
- (f) aiming at more and better jobs with decent working conditions;
- (g) improving living and working conditions, as well as the level of protection of health and safety at work;

- (h) enhancing gender equality by promoting the participation of women in social and economic life and ensuring equal opportunities between men and women in employment, education, training, economy, society and decision making;
- (i) improving the quality of the labour law and ensuring a better protection for workers;
- (j) enhancing and promoting social dialogue, including increasing the capacity of social partners.

Article 232

The Parties reaffirm their commitments to effectively implement the applicable ILO conventions.

The Parties, taking into account the Ministerial Declaration of the UN Economic and Social Council on Generating Full and Productive Employment and Decent Work for All of 2006, recognise that full and productive employment and decent work for all are key elements of sustainable development.

The Parties shall encourage, in line with the ILO Declaration on Fundamental Principles and Rights at Work of 1998, the involvement of all relevant stakeholders, in particular social partners, in their respective social policy development and in the cooperation between the European Union and the Republic of Kazakhstan under this Agreement.

The Parties shall aim at enhancing cooperation on decent work, employment and social policy matters in all relevant fora and organisations.

CHAPTER 17

Cooperation in the area of health

Article 233

The Parties shall develop their cooperation in the field of public health with a view to raising the level of protection of human health and reducing health inequalities, in line with common health values and principles, and as a precondition for sustainable development and economic growth.

Article 234

Cooperation shall address the prevention and control of communicable and non-communicable diseases, including through exchange of health information, promoting a health-in-all-policies approach, cooperation with international organisations, in particular the World Health Organisation, and by promoting the implementation of international health agreements, such as the World Health Organisation Framework Convention on Tobacco Control of 2003 and the International Health Regulations.

TITLE V

COOPERATION IN THE AREA OF FREEDOM, SECURITY AND JUSTICE

Article 235

Rule of law and respect for human rights and fundamental freedoms

In their cooperation under this Title, the Parties shall attach particular importance to the promotion of the rule of law, including the independence of the judiciary, access to justice and the right to a fair trial, and respect for human rights and fundamental freedoms.

The Parties shall cooperate in strengthening the functioning of institutions, including law enforcement, prosecution, the administration of justice and the prevention of, and fight against, corruption.

*Article 236***Legal cooperation**

The Parties shall develop cooperation in civil and commercial matters as regards the negotiation, ratification and implementation of relevant multilateral conventions on civil judicial cooperation and, in particular, the conventions of the Hague Conference on Private International Law.

The Parties shall enhance cooperation in criminal matters, including on mutual legal assistance. This may include, where appropriate and subject to applicable procedures, accession to, and implementation of, the Council of Europe conventions in criminal proceedings by the Republic of Kazakhstan, implementation of the relevant UN international instruments, and cooperation with Eurojust.

*Article 237***Protection of personal data**

The Parties shall cooperate in order to ensure a high level of protection of personal data, through the exchange of best practices and experience, taking into account European and international legal instruments and standards.

This may include, where appropriate and subject to applicable procedures, accession to, and implementation of, the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data and its additional Protocol by the Republic of Kazakhstan.

*Article 238***Cooperation on migration, asylum and border management**

1. The Parties affirm the importance that they attach to management of migration flows. Cooperation shall be based on mutual consultation between the Parties and shall be implemented in accordance with the relevant legislation in force.
2. Within the framework of the cooperation to prevent and tackle irregular migration, the Parties agree that:
 - (a) the Republic of Kazakhstan shall readmit any of its nationals irregularly present on the territory of a Member State of the European Union, upon request by the latter and without undue delay; and
 - (b) each Member State of the European Union shall readmit any of its nationals irregularly present on the territory of the Republic of Kazakhstan, upon request by the latter and without undue delay.
3. The Member States of the European Union and the Republic of Kazakhstan shall provide their nationals with appropriate identity documents for the purposes of paragraph 2 without further formalities other than those referred to in this Article and without undue delay. Where the person to be readmitted does not possess any documents or other proof of his nationality, the competent diplomatic and consular representations of the Member State concerned or the Republic of Kazakhstan shall, upon request by the Republic of Kazakhstan or the Member State concerned, make arrangements to interview that person in order to establish his nationality without further formalities and without undue delay.
4. The Parties agree to establish a comprehensive dialogue on relevant migration-related issues in line with the Global Approach to Migration and Mobility, inter alia, with a view to considering the possible negotiation of an agreement between the European Union and the Republic of Kazakhstan regulating the specific obligations for the Member States of the European Union and the Republic of Kazakhstan on readmission, including an obligation for the readmission of nationals of other countries and stateless persons, as well as with a view to considering possible negotiation, in parallel, of an agreement on visa facilitation for citizens of the European Union and of the Republic of Kazakhstan.

*Article 239***Consular protection**

The Republic of Kazakhstan agrees that the diplomatic and consular authorities of any Member State of the European Union represented in the Republic of Kazakhstan shall provide protection to any national of a Member State of the European Union that does not have an accessible permanent representation in the Republic of Kazakhstan, on the same conditions as to nationals of that Member State of the European Union.

*Article 240***Combating money laundering and financing of terrorism**

The Parties shall cooperate in order to prevent the use of their financial and relevant non-financial sectors to launder the proceeds of criminal activities in general and drug offences in particular, as well as for the purpose of financing of terrorism, in accordance with international standards on combating money laundering and financing of terrorism, as adopted by the Financial Action Task Force. This cooperation extends to the recovery, seizure, confiscation and return of assets or funds derived from the proceeds of crime.

Cooperation shall allow exchanges of relevant information within the framework of the relevant legislation and international commitments of the Parties.

*Article 241***Illicit drugs**

The Parties shall cooperate on a balanced and integrated approach to drug issues, notably on issues of illicit trafficking in narcotic drugs, psychotropic substances and their precursors. Drug policies and actions shall be aimed at reinforcing structures for tackling the supply of, and the demand for, illicit drugs, psychotropic substances and their precursors, through the enhancement of the coordination and strengthened cooperation between the competent authorities aiming at reducing trafficking in, the supply of, and the demand for illicit drugs, enhancing preventive measures, treatment and rehabilitation, and with due regard to human rights.

Cooperation shall also aim to reduce drug-related harm, to address the production and use of synthetic drugs and to achieve effective prevention of the diversion of drug precursors used for the illicit manufacture of drugs and psychotropic substances.

The Parties shall agree on the means of cooperation to attain those objectives. Actions shall be based on commonly agreed principles along the lines of the relevant international conventions and instruments and of the European Union — Central Asia Action Plan on Drugs.

*Article 242***Fight against organised and transnational crime and corruption**

The Parties shall cooperate with the aim of preventing and fighting against all forms of organised, economic, financial and transnational criminal activities, including smuggling and trafficking in human beings, drug trafficking, firearms trafficking, embezzlement, fraud, counterfeiting, forging of documents, and public and private corruption, through full compliance with their existing international obligations in this field.

The Parties shall promote the enhancement of bilateral, regional and international cooperation among law enforcement bodies, including the exchange of best practices and possible cooperation with agencies of the European Union.

The Parties are committed to effectively implementing the relevant international standards, in particular those enshrined in the UN Convention against Transnational Organised Crime (UNTOC) of 2000 and its three Protocols, and the UN Convention against Corruption of 2003. Cooperation may include, where appropriate and subject to applicable procedures, accession to, and implementation of, Council of Europe relevant instruments on preventing and combating corruption by the Republic of Kazakhstan.

Article 243

Fight against cybercrime

The Parties shall strengthen cooperation, including through exchange of best practices, with the aim of preventing and combating criminal acts committed using electronic communications networks and information systems or against such networks and systems.

TITLE VI

OTHER COOPERATION POLICIES

CHAPTER 1

Cooperation on education and training

Article 244

The Parties shall cooperate in the field of education and training with a view to promoting the modernisation of the education and training systems in the Republic of Kazakhstan and convergence with policies and practices of the European Union. The Parties shall cooperate in order to promote lifelong learning and encourage cooperation and transparency at all levels of education and training. The Parties shall, furthermore, place emphasis on measures designed to foster inter-institutional cooperation, encourage mobility for students, academic and administrative staff, researchers and young people, and encourage the exchange of information and experience.

The Parties shall promote unified coordination of education system activity according to European and international standards and best practices.

CHAPTER 2

Cooperation in the field of culture

Article 245

The Parties shall promote cultural cooperation that respects cultural diversity, in order to enhance mutual understanding and knowledge of their respective cultures.

The Parties shall endeavour to take appropriate measures to promote cultural exchanges and encourage joint initiatives in various cultural spheres.

The Parties shall consult and develop mutually beneficial cooperation in the framework of multilateral international treaties and international organisations, such as the United Nations Educational, Scientific and Cultural Organisation (Unesco). The Parties shall further exchange views on cultural diversity, aiming, inter alia, to promote the principles of the Unesco Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005 and implement projects under the International Decade for the Rapprochement of Cultures 2013 — 2022 proclaimed by the UN General Assembly.

The Parties shall promote joint activities, programmes and plans, as well as the exchange of best practices in the field of training and capacity building for artists and cultural professionals and organisations.

CHAPTER 3

Cooperation in research and innovation*Article 246*

The Parties shall promote cooperation:

- (a) in all areas of civil research and scientific and technological development, on the basis of mutual benefit and subject to appropriate and effective protection of intellectual property rights; and
- (b) to encourage the development of innovation.

Article 247

Cooperation shall include:

- (a) policy dialogue and the exchange of scientific and technological information;
- (b) exchanging information and best practices regarding innovation and the commercialisation of research and development, including support instruments for technology-based business start-ups, cluster development and access to finance;
- (c) facilitating adequate access to the respective research and innovation programmes of each Party;
- (d) increasing the research capacity in research entities of the Republic of Kazakhstan and facilitating their participation in the Framework Programme for Research and Innovation of the European Union and in other potential initiatives financed by the European Union;
- (e) developing and promoting joint projects for research and innovation;
- (f) promoting the commercialisation of results obtained from joint research and innovation projects;
- (g) facilitating new technology access to domestic markets of the Parties;
- (h) arranging training activities and mobility programmes for scientists, researchers and other staff engaged in research and innovation activities in both Parties;
- (i) facilitating, within the framework of applicable legislation, the free movement of research workers participating in activities covered by this Agreement and the cross-border movement of goods intended for use in such activities;
- (j) other forms of cooperation in research and innovation, including through regional approaches and initiatives, on the basis of mutual agreement.

Article 248

In carrying out the cooperation activities set out in Article 247, synergies should be sought with regional and other activities carried out within the broader framework of financial cooperation between the European Union and the Republic of Kazakhstan as set out in Articles 261 and 262.

CHAPTER 4

Cooperation in the media and audiovisual fields*Article 249*

The Parties shall promote cooperation in the media and audiovisual fields, including through exchange of information and training for journalists and other media, cinema and audiovisual professionals.

Article 250

The Parties shall exchange information and best practices in promoting the independence and professionalism of the media, based on the standards set in the applicable international conventions, including those of Unesco and the Council of Europe, where appropriate.

CHAPTER 5

Civil society cooperation*Article 251*

The Parties shall continue and strengthen their dialogue, in the form of meetings and consultations, and shall cooperate on the role of civil society, with the following objectives:

- (a) to strengthen contacts and exchange information and experience between all sectors of civil society in the European Union and in the Republic of Kazakhstan, enabling civil society representatives from a Party to become acquainted with the processes of consultation and dialogue with public institutions and social partners used by the other Party, with a view, in particular, to further engaging civil society in the public policy-making process;
- (b) to ensure the involvement of civil society in the relations between the European Union and the Republic of Kazakhstan, in particular in implementing this Agreement;
- (c) to encourage greater capacity building, independence and transparency in civil society and to support its role in the economic, social and political development of the Parties.

The Parties shall support the development of relations between non-governmental organisations from the European Union and the Republic of Kazakhstan.

The Parties shall give support to the respective institutions and non-governmental organisations which implement activities in the area of human rights. The Parties shall share all relevant information on cooperation programmes, formally and regularly, at least once a year.

CHAPTER 6

Cooperation in the field of sport and physical activity*Article 252*

The Parties shall promote cooperation in the field of sport and physical activity in order to help develop a healthy lifestyle among all age groups, to promote the social functions and educational values of sport, and to fight against threats to sport such as doping, racism, and violence. The cooperation shall include, in particular, the exchange of information and good practices.

CHAPTER 7

Cooperation in the area of civil protection*Article 253*

The Parties recognise the need to manage both domestic and global natural and man-made disaster risks.

In order to increase the resilience of their societies and infrastructure, the Parties affirm their intention to improve prevention, mitigation, preparedness and response measures to natural and man-made disasters and to cooperate, as appropriate, at bilateral and multilateral political levels in order to improve global disaster risk-management outcomes.

Cooperation, subject to the availability of sufficient resources, shall support:

- (a) the interaction of competent bodies, other organisations and individuals that carry out activities in the field of civil protection;
- (b) the coordination of mutual assistance, if requested, in case of disasters;
- (c) the exchange of experience in raising awareness of populations on disaster preparedness;
- (d) training, retraining, skills upgrading and specialist training in the field of civil protection and in using early warning systems.

CHAPTER 8

Cooperation in space activities

Article 254

The Parties shall promote, where appropriate, long-term cooperation in the areas of civil space research and development. The Parties shall pay particular attention to initiatives envisaging complementarity of their respective space activities.

Article 255

The Parties may cooperate in the areas of satellite navigation, earth observation, space research and other areas in accordance with the interests of the Parties.

CHAPTER 9

Cooperation in the area of consumer protection

Article 256

The Parties shall cooperate in order to ensure a high level of consumer protection and to achieve compatibility between their systems of consumer protection.

Cooperation may comprise, when appropriate:

- (a) exchanging best practices in consumer policy, including product quality and safety requirements, and organising a market surveillance system and an information exchange mechanism;
- (b) promoting the exchange of experience in consumer protection systems, including consumer legislation and its enforcement, consumer product safety, raising consumer awareness and empowerment, and consumer redress;
- (c) providing training activities for administration officials and other consumer interest representatives;
- (d) encouraging the development of independent consumer organisations and contact between consumer representatives.

CHAPTER 10

Regional cooperation*Article 257*

The Parties shall promote mutual understanding and bilateral cooperation in the field of regional policy with the objective of improving living conditions and increasing the participation of all regions in the social and economic development of the Parties.

Article 258

The Parties shall support and strengthen the involvement of local and regional level authorities in regional cooperation, in accordance with existing international agreements and arrangements, in order to develop capacity building measures and to promote the strengthening of regional economic and business networks.

Article 259

The Parties shall strengthen and encourage the development of regional cooperation elements of the areas covered by this Agreement, inter alia, transport, energy, communication networks, culture, education, research, tourism, water resources and environment, civil protection and other areas which have a bearing on regional cooperation.

CHAPTER 11

Cooperation in the field of civil service*Article 260*

1. The Parties shall facilitate the exchange of experience and knowledge in implementing international best practices within public and civil services and in capacity building for public and civil servants and their professional development and training.
2. The Parties shall facilitate dialogue on measures aimed at improving the quality of public services and on joint efforts to promote multilateral cooperation within the framework of the regional civil service hub in the Republic of Kazakhstan.
3. In the framework referred to in paragraph 2, the Parties shall cooperate, inter alia, through facilitating:
 - (a) the exchange of experts;
 - (b) the organisation of seminars; and
 - (c) the organisation of training activities.

TITLE VII

FINANCIAL AND TECHNICAL COOPERATION*Article 261*

The Parties shall continue and intensify current financial and technical cooperation, based on a comprehensive partnership and principles of mutual interest, reciprocity, transparency, predictability and mutual protection of the interests of the Parties.

To achieve the objectives of this Agreement, the Republic of Kazakhstan may receive financial assistance from the European Union in the form of grants and loans, possibly in partnership with the European Investment Bank and other international financial institutions.

Financial assistance may be provided in accordance with the relevant regulations governing the multi-annual financial framework of the European Union ⁽¹⁾, notably in the form of exchanges of experts, conducting research, organising fora, conferences, seminars and training courses, grants in support of development and implementation programmes and projects. The Financial Regulation ⁽²⁾ and Implementing Rules ⁽³⁾ shall apply to financing by the European Union.

Financial assistance shall be based on annual action programmes established by the European Union, following consultations with the Republic of Kazakhstan.

The European Union and the Republic of Kazakhstan may co-finance programmes and projects. The Parties shall coordinate programmes and projects on financial and technical cooperation and shall exchange information on all sources of assistance.

Aid effectiveness, as laid down in the OECD Paris Declaration on Aid Effectiveness, the 'Backbone Strategy on Reforming Technical Cooperation' of the European Union, the reports of the European Court of Auditors, and the lessons learnt from implemented and ongoing cooperation programmes of the European Union in the Republic of Kazakhstan, shall be the basis for the delivery of financial assistance of the European Union to the Republic of Kazakhstan.

Article 262

The Parties shall implement financial and technical assistance in accordance with the principles of sound financial management and cooperate in the protection of the financial interests of the European Union and of the Republic of Kazakhstan. The Parties shall take effective measures to prevent and fight irregularities ⁽⁴⁾, fraud, corruption and any other illegal activities to the detriment of the budget of the European Union and the budget of the Republic of Kazakhstan, by means of mutual legal and other assistance, in the fields covered by this Agreement.

Any further agreement or financing instrument to be concluded between the Parties during the implementation of this Agreement shall provide for specific financial cooperation clauses covering on-the-spot inspections and controls.

Article 263

To make optimum use of available resources, the Parties commit themselves to ensuring that the contributions of the European Union are made in close coordination with contributions from other sources, third countries and international financial institutions.

Article 264

Prevention

The Parties shall check regularly that operations financed by funds of the European Union and co-financed by funds of the Republic of Kazakhstan have been properly implemented and shall take all appropriate measures to prevent irregularities, fraud, corruption, and any other illegal activities to the detriment of the funds of the European Union and the co-financing funds of the Republic of Kazakhstan. The Parties shall inform each other of any preventive measures taken.

⁽¹⁾ In particular Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (OJ L 77, 15.3.2014, p. 44) and Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the European Union's instruments for financing external action (OJ L 77, 15.3.2014, p. 95).

⁽²⁾ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the European Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

⁽³⁾ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the European Union (OJ L 362, 31.12.2012, p. 1).

⁽⁴⁾ As defined in Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests, 'irregularity' shall mean any infringement of a provision of law of the European Union, this Agreement or ensuing agreements and contracts resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by it, either by reducing or losing revenue accruing from own resources collected directly on behalf of the European Union, or by an unjustified item of expenditure.

*Article 265***Communication**

The Parties shall inform each other, notifying in particular the European Anti-Fraud Office and the competent authorities of the Republic of Kazakhstan, of suspected or actual cases of fraud, corruption, or any other irregularities in connection with the implementation of the funds of the European Union and co-financing funds of the Republic of Kazakhstan.

The Parties shall inform each other of any measures taken in relation to this Article.

*Article 266***On-the-spot inspections**

On-the-spot inspections with respect to financial assistance of the European Union shall be prepared and conducted by the European Anti-Fraud Office in close cooperation with the competent authorities of the Republic of Kazakhstan, in accordance with the legislation of the Republic of Kazakhstan.

Within the framework of this Agreement, the European Anti-Fraud Office shall be authorised to carry out on-the-spot inspections in order to protect the financial interests of the European Union, in accordance with Council Regulation (Euratom, EC) No 2185/96 ⁽¹⁾ and Regulation (EU, Euratom) No 883/2013 ⁽²⁾ of the European Parliament and of the Council.

*Article 267***Investigation and prosecution**

The competent bodies of the Republic of Kazakhstan shall investigate and prosecute, in accordance with the legislation of the Republic of Kazakhstan, suspected and actual cases of fraud, corruption and any other illegal activities to the detriment of funds of the European Union and co-financing funds of the Republic of Kazakhstan. Where appropriate, and upon formal request, the European Anti-Fraud Office may assist the competent authorities of the Republic of Kazakhstan in this task.

TITLE VIII

INSTITUTIONAL FRAMEWORK*Article 268***Cooperation Council**

1. The Cooperation Council is hereby established. It shall supervise and regularly review the implementation of this Agreement. It shall meet once a year at ministerial level. It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest for the purpose of attaining the objectives of this Agreement.

⁽¹⁾ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the European Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁽²⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

2. For the purpose of attaining the objectives of this Agreement, the Cooperation Council shall take decisions within the scope of this Agreement, in the cases provided for therein. Such decisions shall be binding upon the Parties, who shall take appropriate measures to implement the decisions taken. The Cooperation Council may also make recommendations. It shall adopt its decisions and recommendations by agreement between the Parties following the completion of their respective internal procedures.
3. The Cooperation Council shall have the power to update or amend the Annexes to this Agreement, based on consensus between the Parties, without prejudice to any specific provisions under Title III (Trade and Business).
4. The Cooperation Council may delegate any of its powers to the Cooperation Committee, including the power to take binding decisions.
5. The Cooperation Council shall be composed of representatives of the Parties.
6. The Cooperation Council shall be chaired alternately by a representative of the European Union and a representative of the Republic of Kazakhstan.
7. The Cooperation Council shall establish its rules of procedure.
8. Either Party may refer any dispute relating to the implementation or interpretation of this Agreement to the Cooperation Council, in accordance with Article 278.

Article 269

Cooperation Committee and specialised subcommittees

1. A Cooperation Committee is hereby established. It shall assist the Cooperation Council in the performance of its duties.
2. The Cooperation Committee shall be composed of representatives of the Parties, in principle at senior civil servant level.
3. The Cooperation Committee shall be chaired alternately by a representative of the European Union and a representative of the Republic of Kazakhstan.
4. The Cooperation Committee shall take decisions in the cases provided for in this Agreement and in the areas in which the Cooperation Council has delegated powers to it. Those decisions shall be binding upon the Parties, who shall take appropriate measures to implement the decisions taken. The Cooperation Committee shall adopt its decisions by agreement between the Parties, following the completion of their respective internal procedures. Its responsibilities shall include preparing meetings of the Cooperation Council.
5. The Cooperation Committee may meet in a special composition to address relevant issues related to Title III (Trade and Business).
6. The Cooperation Council may decide to set up specialised subcommittees or any other bodies that can assist it in carrying out its duties and shall determine the composition and duties of such subcommittees or bodies and how they shall function.
7. In its rules of procedure, the Cooperation Council shall determine the duties and functioning of the Cooperation Committee and of any subcommittee or body set up by the Cooperation Council.

Article 270

Parliamentary Cooperation Committee

1. The Parliamentary Cooperation Committee is hereby established. It shall consist of Members of the European Parliament, on the one hand, and of Members of the Parliament of the Republic of Kazakhstan, on the other, and shall be a forum for them to meet and exchange views. It shall meet at intervals which it shall itself determine.

2. The activity of the Parliamentary Cooperation Committee shall aim to develop mutually beneficial and effective parliamentary cooperation between the European Parliament and the Parliament of the Republic of Kazakhstan.
3. The Parliamentary Cooperation Committee shall establish its rules of procedure.
4. The Parliamentary Cooperation Committee shall be presided over alternately by the European Parliament and the Parliament of the Republic of Kazakhstan, in accordance with the provisions to be laid down in its rules of procedure.
5. The Parliamentary Cooperation Committee may request information regarding the implementation of this Agreement from the Cooperation Council, which shall then supply the Committee with the requested information.
6. The Parliamentary Cooperation Committee shall be informed of the decisions and recommendations of the Cooperation Council.
7. The Parliamentary Cooperation Committee may make recommendations to the Cooperation Council.

TITLE IX

GENERAL AND FINAL PROVISIONS

Article 271

Access to courts and administrative organs

Within the scope of this Agreement, each Party undertakes to ensure that natural and legal persons of the other Party have access, free of discrimination and under similar conditions as their own natural and legal persons, to their competent courts and administrative organs to defend their individual and property rights.

Article 272

Delegation of authority

Unless otherwise specified in this Agreement, each Party shall ensure that a person that has been delegated regulatory, administrative or other governmental authority by a Party at any level of government, such as the power to grant import or export licences or licences for other economic activities, to approve commercial transactions or impose quotas, fees or other charges, acts, in the exercise of that authority, in accordance with that Party's obligations as set out under this Agreement.

Article 273

Restrictions in case of balance-of-payments and external financial difficulties

1. Where a Party experiences serious balance-of-payments or external financial difficulties, or where there is a threat thereof, it may adopt or maintain safeguard or restrictive measures which affect movements of capital, payments or transfers.
2. The measures referred to in paragraph 1 shall:
 - (a) not treat a Party less favourably than a non-Party in like situations;
 - (b) be consistent with the Articles of Agreement of the International Monetary Fund, as applicable;

- (c) avoid unnecessary damage to the commercial, economic and financial interests of the other Party;
 - (d) be temporary and be phased out progressively as the situation specified in paragraph 1 improves.
3. In the case of trade in goods, a Party may adopt or maintain restrictive measures in order to safeguard its balance-of-payments or external financial position. Such measures shall be in accordance with the GATT 1994 and the Understanding on the Balance of Payment Provisions of the GATT 1994.
4. In the case of trade in services, a Party may adopt restrictive measures in order to safeguard its balance-of-payments or external financial position. Such measures shall be in accordance with the GATS.
5. Any Party maintaining or having adopted restrictive measures referred to in paragraphs 1 and 2 of shall promptly notify the other Party of them and present, as soon as possible, a time schedule for their removal.
6. Where restrictions are adopted or maintained under this Article, consultations shall be held promptly in the Cooperation Committee, if such consultations are not otherwise taking place outside the scope of this Agreement.
7. The consultations shall assess the balance-of-payments or external financial difficulties that led to the respective measures, taking into account, inter alia, such factors as:
- (a) the nature and extent of the difficulties;
 - (b) the external economic and trading environment; or
 - (c) alternative corrective measures which may be available.
8. The consultations shall address the compliance of any restrictive measures with paragraphs 1 and 2.
9. In such consultations, all statistical findings and other facts presented by the IMF relating to foreign exchange, monetary reserves and balance of payments shall be accepted by the Parties and conclusions shall be based on the assessment by the IMF of the balance- of-payments and the external financial position of the Party concerned.

Article 274

Measures related to essential security interests

Nothing in this Agreement shall be construed:

- (a) as requiring any Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;
- (b) as preventing any Party from taking any action which it considers necessary for the protection of its essential security interests:
 - (i) connected with the production of or trade in arms, munitions or war material;
 - (ii) relating to economic activities carried out directly or indirectly for the purpose of provisioning a military establishment;
 - (iii) relating to fissionable and fusionable materials or the materials from which they are derived;
 - (iv) relating to government procurement indispensable for national security or for defence purposes; or
 - (v) taken in time of war or other emergency in international relations; or
- (c) as preventing any Party from taking any action in pursuance of obligations it has accepted for the purpose of maintaining international peace and security.

*Article 275***Non-discrimination**

1. In the fields covered by this Agreement and without prejudice to any special provisions contained therein:
 - (a) the arrangements applied by the Republic of Kazakhstan in respect of the European Union and its Member States shall not give rise to any discrimination between the Member States of the European Union or their natural or legal persons;
 - (b) the arrangements applied by the European Union or its Member States in respect of the Republic of Kazakhstan shall not give rise to any discrimination between natural or legal persons of the Republic of Kazakhstan.
2. Paragraph 1 shall be without prejudice to the right of the Parties to apply the relevant provisions of their fiscal legislation to taxpayers who are not in identical situations as regards their place of residence.

*Article 276***Taxation**

1. This Agreement shall only apply to taxation measures in so far as such application is necessary to give effect to the provisions of this Agreement.
2. Nothing in this Agreement shall be construed as preventing the adoption or enforcement of any measure aimed at preventing the avoidance or evasion of taxes pursuant to the tax provisions of agreements for the avoidance of double taxation, other tax arrangements or domestic fiscal legislation.

*Article 277***Fulfilment of obligations**

1. The Parties shall take any measures required to fulfil their obligations under this Agreement. They shall ensure that the objectives set out in this Agreement are attained.
2. The Parties shall consult each other promptly through appropriate channels, at the request of either Party, in order to discuss any matter concerning the interpretation or implementation of this Agreement and other relevant aspects of the relations between the Parties.
3. Each Party shall refer to the Cooperation Council any dispute related to the interpretation or implementation of this Agreement in accordance with Article 278.
4. The Cooperation Council may settle a dispute in accordance with Article 278 and by means of a binding decision.

*Article 278***Dispute settlement**

1. When a dispute arises between the Parties concerning the interpretation or implementation of this Agreement, either Party shall submit to the other Party and to the Cooperation Council a formal request that the matter in dispute be resolved. By way of derogation, disputes concerning the interpretation or implementation of Title III (Trade and Business) shall be exclusively governed by Chapter 14 (Dispute Settlement) of Title III (Trade and Business).

2. The Parties shall endeavour to resolve the dispute by entering into good faith consultations within the Cooperation Council as provided for in Article 268 with the aim of reaching a mutually acceptable solution as soon as possible. Consultations on a dispute can also be held at meetings of the Cooperation Committee or any other relevant subcommittee or body set up on the basis of Article 269, as agreed between the Parties or at the request of either Party. Consultations may also be held in writing.
3. The Parties shall provide the Cooperation Council, the Cooperation Committee or any other relevant subcommittee or body with all information required for a thorough examination of the situation.
4. A dispute shall be deemed to be resolved when the Cooperation Council has taken a binding decision to settle the matter as provided for in Article 277, or when it has declared that the dispute has reached an end.
5. All information disclosed during the consultations shall remain confidential.

Article 279

Appropriate measures in case of non-fulfilment of obligations

1. If the matter is not resolved within three months of the date of notification of a formal request for a dispute settlement in accordance with Article 278, and if the complaining Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate measures, except in the case of disputes concerning the interpretation or implementation of Title III (Trade and Business).
2. By way of derogation from paragraph 1 of this Article, any Party may immediately take appropriate measures with regard to this Agreement in accordance with international law in case of:
 - (a) denunciation of this Agreement not sanctioned by the general rules of international law within the meaning of Article 60(3) of the Vienna Convention of 1969 on the Law of Treaties; or
 - (b) violation by the other Party of any of the essential elements of this Agreement referred to in Articles 1 and 11 of this Agreement.

In those cases, the appropriate measure shall be notified immediately to the other Party. At the request of the other Party, consultations shall be held for a period of up to 20 days. After this period, the measure shall apply.

3. In the selection of appropriate measures, priority shall be given to those which least disturb the functioning of this Agreement and are proportionate to the nature and gravity of the breach. Those measures shall be notified immediately to the Cooperation Council and shall be the subject of immediate consultations, during which each Party has the right to remove the violation in question.

Article 280

Public access to official documents

The provisions of this Agreement shall be without prejudice to the application of the relevant legislation of the Parties regarding public access to official documents.

Article 281

Entry into force, provisional application, duration and termination

1. This Agreement shall enter into force on the first day of the second month following the date on which the Parties notify the General Secretariat of the Council of the European Union through diplomatic channels of the completion of the procedures necessary for that purpose.

2. Title III (Trade and Business), unless otherwise specified therein, shall apply as of the date of the entry into force referred to in paragraph 1, provided that the Republic of Kazakhstan has become a Member of the WTO by that date. In case the Republic of Kazakhstan becomes a Member of the WTO after the date of entry into force of this Agreement, Title III (Trade and Business), unless otherwise specified therein, shall apply as of the date the Republic of Kazakhstan has become a Member of the WTO.

3. Notwithstanding paragraphs 1 and 2, the European Union and the Republic of Kazakhstan may apply this Agreement provisionally in whole or in part, in accordance with their respective internal procedures and legislation, as applicable.

4. The provisional application begins on the first day of the first month following the date on which:

(a) the European Union has notified the Republic of Kazakhstan of the completion of the necessary procedures, indicating, where relevant, the parts of this Agreement that shall be provisionally applied; and

(b) the Republic of Kazakhstan has notified the European Union of the ratification of this Agreement.

5. Title III (Trade and Business) of this Agreement, unless otherwise specified therein, shall apply provisionally as of the date of provisional application referred to in paragraph 4, provided that the Republic of Kazakhstan has become a Member of the WTO by that date. In case the Republic of Kazakhstan becomes a Member of the WTO after the date of the provisional application of this Agreement but before its entry into force, Title III (Trade and Business), unless otherwise specified therein, shall apply provisionally as of the date the Republic of Kazakhstan has become a Member of the WTO.

6. For the purposes of the relevant provisions of this Agreement, including the Annexes and Protocols thereto, any reference in such provisions to the 'date of entry into force of this Agreement' shall be understood to also refer to the date from which this Agreement is provisionally applied in accordance with paragraphs 4 and 5.

7. Upon the entry into force of this Agreement, the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Republic of Kazakhstan, of the other part, signed in Brussels on 23 January 1995 and in force from 1 July 1999, shall be terminated.

During the period of the provisional application, in so far as the provisions of the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Republic of Kazakhstan, of the other part, signed in Brussels on 23 January 1995 and which entered into force on 1 July 1999, are not covered by the provisional application of this Agreement, they continue to apply.

8. This Agreement replaces the Agreement referred to in paragraph 7. References to that Agreement in all other agreements between the Parties shall be construed as referring to this Agreement.

9. This Agreement is concluded for an unlimited period, with the possibility of termination by either Party by means of a written notification delivered to the other Party through diplomatic channels. The termination shall take effect six months after receipt by a Party of the notification to terminate this Agreement. Such termination shall not affect ongoing projects commenced under this Agreement prior to the receipt of the notification.

10. Either Party may terminate the provisional application by means of a written notification delivered to the other Party through diplomatic channels. The termination shall take effect six months after receipt by a Party of the notification to terminate the provisional application of this Agreement. Such termination shall not affect ongoing projects commenced under this Agreement prior to the receipt of the notification.

Article 282

Existing agreements between the Parties relating to specific areas of cooperation falling within the scope of this Agreement shall be considered part of their overall bilateral relations as governed by this Agreement and shall form part of a common institutional framework.

Article 283

1. The Parties may by mutual consent amend, revise, and expand this Agreement with a view to enhancing the level of cooperation.
2. The Parties may complement this Agreement by concluding specific international agreements between them in any area falling within its scope. Such specific international agreements between the Parties shall be an integral part of their overall bilateral relations, as governed by this Agreement and shall form part of a common institutional framework.

*Article 284***Annexes and Protocols**

Annexes and Protocols to this Agreement shall form an integral part thereof.

*Article 285***Definition of the Parties**

For the purposes of this Agreement, the term 'the Parties' shall mean the European Union or its Member States, or the European Union and its Member States, in accordance with their respective powers, of the one part, and the Republic of Kazakhstan, of the other part.

*Article 286***Territorial application**

This Agreement shall apply to the territories in which the Treaty on European Union and the Treaty on the Functioning of the European Union are applied and under the conditions laid down in those Treaties, and to the territory of the Republic of Kazakhstan.

*Article 287***Authentic texts**

This Agreement is drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish, Kazakh and Russian languages, each text being equally authentic.

IN WITNESS WHEREOF, the respective representatives have signed this Agreement.

Съставено в Астана на двадесет и първи декември две хиляди и петнадесета година.

Hecho en Astana, el veintiuno de diciembre de dos mil quince.

V Astaně dne dvacátého prvního prosince dva tisíce patnáct.

Udfærdiget i Astana den enogtyvende december to tusind og femten.

Geschehen zu Astana am einundzwanzigsten Dezember zweitausendfünfzehn.

Kahe tuhande viieteistkümnenda aasta detsembrikuu kahekümne esimesel päeval Astanas.

Έγινε στην Άστανα, στις είκοσι μία Δεκεμβρίου δύο χιλιάδες δεκαπέντε.

Done at Astana on the twenty first day of December in the year two thousand and fifteen.

Fait à Astana, le vingt et un décembre deux mille quinze.

Sastavljeno u Astani dvadeset prvog prosinca dvije tisuće petnaeste.

Fatto a Astana, addì ventuno dicembre duemilaquindici.

Astanā, divi tūkstoši piecpadsmitā gada divdesmit pirmajā decembrī.

Priimta du tūkstančiai penkioliktą metų gruodžio dvidešimt pirmą dieną Astanoje.

Kelt Asztanában, a kétézer-tizenötödik év december havának huszonegyedik napján.

Magħmul f'Astana, fil-wiehed u għoxrin jum ta' Diċembru fis-sena elfejn u ħmistax.

Gedaan te Astana, eenentwintig december tweeduizend vijftien.

Sporządzono w Astanie dnia dwudziestego pierwszego grudnia roku dwa tysiące piętnastego.

Feito em Astana, em vinte e um de dezembro de dois mil e quinze.

Íntocmit la Astana la douăzeci și unu decembrie două mii cincisprezece.

V Astane dvadsiateho prvého decembra dvetisícpätnásť.

V Astani, dne enaindvajsetega decembra leta dva tisoč petnajst.

Tehty Astanassa kahdentenakymmenentenäensimmäisenä päivänä joulukuuta vuonna kaksituhattaviisitoista.

Som skedde i Astana den tjugoförsta december år tjugohundrafemton.

Екі мы он бесінші жылы жиырма бірінші желтосанда Астанада жасалды.

Совершено в Астане двадцать первого декабря две тысячи пятнадцатого года.

Voor het Koninkrijk België

Pour le Royaume de Belgique

Für das Königreich Belgien

Deze handtekening verbindt eveneens de Vlaamse Gemeenschap, de Franse Gemeenschap, de Duitstalige Gemeenschap, het Vlaamse Gewest, het Waalse Gewest en het Brussels Hoofdstedelijk Gewest.

Cette signature engage également la Communauté française, la Communauté flamande, la Communauté germanophone, la Région wallonne, la Région flamande et la Région de Bruxelles-Capitale.

Diese Unterschrift bindet zugleich die Deutschsprachige Gemeinschaft, die Flämische Gemeinschaft, die Französische Gemeinschaft, die Wallonische Region, die Flämische Region und die Region Brüssel-Hauptstadt.

За Република България

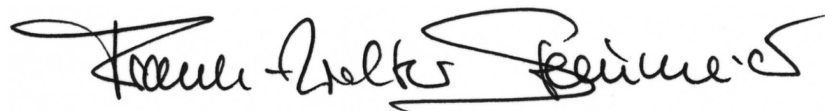
Za Českou republiku



For Kongeriget Danmark



Für die Bundesrepublik Deutschland



Eesti Vabariigi nimel

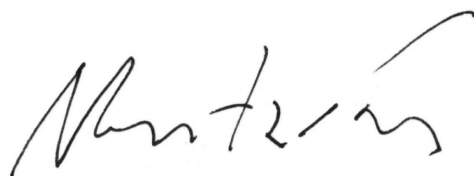


Thar cheann Na hÉireann

For Ireland



Για την Ελληνική Δημοκρατία



Por el Reino de España



Pour la République française



Za Republiku Hrvatsku



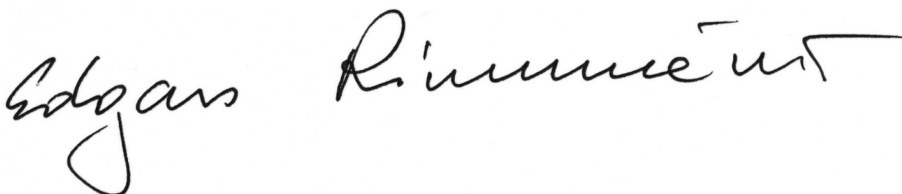
Per la Repubblica italiana



Για την Κυπριακή Δημοκρατία



Latvijas Republikas vārdā –



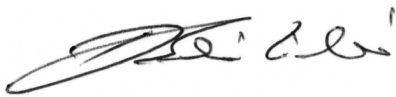
Lietuvos Respublikos vardu



Pour la Grand-Duché de Luxembourg



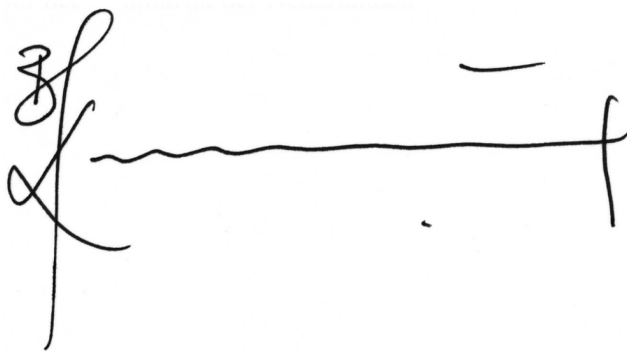
Magyarország részéről



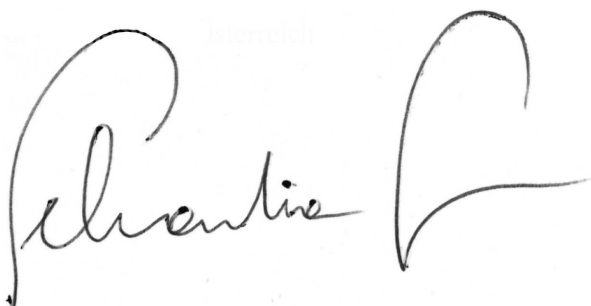
Għar-Repubblika ta' Malta



Voor het Koninkrijk der Nederlanden



Für die Republik Österreich



W imieniu Rzeczypospolitej Polskiej



Pela República Portuguesa



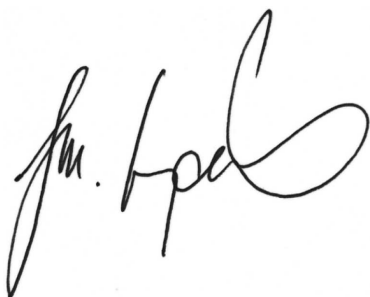
Pentru România



Za Republiko Slovenijo



Za Slovenskú republiku



Suomen tasavallan puolesta

För Republiken Finland



För Konungariket Sverige



For the United Kingdom of Great Britain and Northern Ireland



За Европейския съюз
 Por la Unión Europea
 Za Evropskou unii
 For Den Europæiske Union
 Für die Europäische Union
 Euroopa Liidu nimel
 Για την Ευρωπαϊκή Ένωση
 For the European Union
 Pour l'Union européenne
 Za Europsku uniju
 Per l'Unione europea
 Eiropas Savienības vārdā –
 Europos Sąjungos vardu
 Az Európai Unió részéről
 Għall-Unjoni Ewropea
 Voor de Europese Unie
 W imieniu Unii Europejskiej
 Pela União Europeia
 Pentru Uniunea Europeană
 Za Európsku úniu
 Za Evropsko unijo
 Euroopan unionin puolesta
 För Europeiska unionen



Қазақстан Республикасы үшін
 За Республику Казахстан



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ANNEX I

RESERVATIONS IN ACCORDANCE WITH ARTICLE 46

A. RESERVATIONS BY THE REPUBLIC OF KAZAKHSTAN

The Republic of Kazakhstan reserves the right to maintain or adopt any measure inconsistent with national treatment commitments as set out below:

1. Subsurface sector

1.1. Use of surface and subsurface in the Republic of Kazakhstan is subject to establishment in the form of a juridical person of the Republic of Kazakhstan (i.e. subsidiary company).

1.2. The State has a priority right to purchase the subsurface use right (or a part thereof) and/or an object related to subsurface use rights.

2. Strategic resources and objects

The Republic of Kazakhstan may refuse to permit juridical persons controlled by natural or juridical persons of the European Union and their branches established in the territory of the Republic of Kazakhstan to carry out transactions on the use of strategic resources and/or purchase of strategic objects in the Republic of Kazakhstan, if such use or purchase may lead to a concentration of rights with one person or group of persons from the same countries. The compliance with this condition is also mandatory with respect to affiliates as defined in the relevant legislation of the Republic of Kazakhstan ⁽¹⁾. The Republic of Kazakhstan may establish limits on ownership rights and transfer of ownership rights for strategic resources and objects of the Republic of Kazakhstan based on national security interests.

3. Real estate

3.1. Juridical persons controlled by natural or juridical persons of the European Union and their branches established in the territory of the Republic of Kazakhstan cannot privately own lands used for farming/agricultural production or forest planning purposes. Juridical persons controlled by natural or juridical persons of the European Union and their branches established in the territory of the Republic of Kazakhstan may be granted the right of temporary land use for farming/agricultural production purposes for a period of up to 10 years, renewable.

3.2. Private ownership of land plots located in the border zone, in the borderland and within seaports of the Republic of Kazakhstan is prohibited for juridical persons controlled by natural or juridical persons of the European Union and their branches established in the territory of the Republic of Kazakhstan.

3.3. Lease-holding of land plots for agricultural purposes adjacent to the State border of the Republic of Kazakhstan is restricted for juridical persons controlled by natural or juridical persons of the European Union and their branches established in the territory of the Republic of Kazakhstan.

3.4. The right of permanent land use cannot be granted to juridical persons controlled by natural or juridical persons of the European Union and their branches established in the territory of the Republic of Kazakhstan.

4. Fauna

4.1. Access to and use of the biological resources and fishing grounds situated in the maritime and internal waters coming under the sovereignty or within the jurisdiction of the Republic of Kazakhstan is restricted to fishing vessels flying the flag of the Republic of Kazakhstan and registered in the territory of the Republic of Kazakhstan unless otherwise provided for. Fishing vessels owned by subsidiaries of juridical persons of the European Union established in the form of a juridical person of the Republic of Kazakhstan shall not be prohibited from flying the flag of the Republic of Kazakhstan.

4.2. The priority in granting usage of wildlife in a particular area or water zone is given to juridical persons of the Republic of Kazakhstan.

⁽¹⁾ Article 64 of Law No 415 of 13 May 2003 on joint stock companies of the Republic of Kazakhstan and Article 12 of Law No 220-I of 22 April 1998 on limited liability companies and additional liability companies of the Republic of Kazakhstan.

5. Establishment requirements for licensing purposes

Companies producing goods subject to licensing due to important reasons of public health, safety or national security shall be established in the form of a juridical person of the Republic of Kazakhstan.

6. Continental shelf

Limitations may be introduced within the continental shelf of the Republic of Kazakhstan.

B. RESERVATIONS BY THE EUROPEAN UNION

The European Union reserves the right to maintain or adopt any measure inconsistent with national treatment commitments differentiated by its Member States, where applicable, as set out below.

1. Mining and quarrying including the extraction of oil and natural gas

In some Member States of the European Union restrictions may apply; the European Union may apply restrictions to juridical persons controlled by natural or juridical persons of the Republic of Kazakhstan which account for more than 5 % of the European Union's oil or natural gas imports.

2. Production of petroleum products, gas, electricity, steam, hot water and heat

In some Member States of the European Union restrictions may apply; the European Union may apply restrictions to juridical persons controlled by natural or juridical persons of the Republic of Kazakhstan which account for more than 5 % of the European Union's oil or natural gas imports.

3. Fishing

Access to and use of the biological resources and fishing grounds situated in the maritime waters coming under the sovereignty or within the jurisdiction of the Member States of the European Union is restricted to fishing vessels flying the flag of a Member State of the European Union and registered in European Union territory unless otherwise provided for.

4. Acquisition of real estate including land

In some Member States of the European Union, restrictions may apply to the acquisition of real estate, including land, by juridical persons controlled by natural or juridical persons of the Republic of Kazakhstan.

5. Agriculture including hunting

In some Member States of the European Union, national treatment is not applicable to juridical persons controlled by natural or juridical persons of the Republic of Kazakhstan which wish to undertake an agricultural enterprise; the acquisition of vineyards by juridical persons controlled by natural or juridical persons of the Republic of Kazakhstan is subject to notification or, as necessary, authorisation.

6. Aquaculture activities

National treatment does not apply to aquaculture activities in the territory of the European Union.

7. Extraction and processing of fissionable and fusionable materials or materials from which they are derived

In some Member States of the European Union restrictions may apply.

ANNEX II

LIMITATIONS APPLIED BY THE REPUBLIC OF KAZAKHSTAN IN ACCORDANCE WITH ARTICLE 48(2)

A juridical person of the European Union attracting intra-corporate transferees (ICTs) in a non-services sector must be engaged in production of goods ⁽¹⁾.

Employment of ICTs as managers and specialists shall meet the requirements of economic needs test ⁽²⁾. Upon expiration of a five-year period after the Republic of Kazakhstan's accession to the WTO, economic needs test shall not be applied ⁽³⁾.

The number of ICTs is limited to 50 % of the total number of executives, managers and specialists within each category in companies with a minimum of three individuals.

The entry and temporary stay of ICTs of the Party shall be permitted for three years, based on the permits, annually issued by the authorised body.

⁽¹⁾ Attraction of ICTs within subsurface use contracts will be performed in accordance with the Protocol on the Accession of the Republic of Kazakhstan to the WTO.

⁽²⁾ Work permit is issued only after search of appropriate candidates in the database of the competent authority and publication of vacancy announcement in mass media is completed. These procedures shall take no longer than one month. Permission for the ICT shall be granted after these procedures have been completed unless the company has identified a local candidate who meets its needs.

⁽³⁾ All other requirements, laws and regulations regarding entry, stay and work shall continue to apply.

ANNEX III

SCOPE OF CHAPTER 8 (GOVERNMENT PROCUREMENT) OF TITLE III (TRADE AND BUSINESS)

PART 1

CENTRAL GOVERNMENT ENTITIES WHOSE PROCUREMENT IS COVERED

Thresholds referred to in Article 120(2)(c) of this Agreement:

300 000 Special Drawing Rights (SDRs) for goods and for services other than construction services (Parts 4 and 5 of this Annex)

7 million SDRs for construction services (Part 6 of this Annex)

For the European Union:

The central government entities of the Member States of the European Union listed in Annex 1 of the European Union to Appendix 1 to the WTO Agreement on Government Procurement. The coverage of Chapter 8 (Government Procurement) of Title III (Trade and Business) of this Agreement does not include the entities marked by an asterisk (*) in that list, nor the Ministries of Defence mentioned therein.

Note:

The list of procuring entities covers also any subordinated entity of any listed procuring entity of a Member State of the European Union provided it does not have a separate legal personality.

For the Republic of Kazakhstan:

- Ministry of Investments and Development of the Republic of Kazakhstan
- Ministry of Energy of the Republic of Kazakhstan
- Ministry of Agriculture of the Republic of Kazakhstan
- Ministry of National Economy of the Republic of Kazakhstan
- Ministry of Foreign Affairs of the Republic of Kazakhstan
- Ministry of Healthcare and Social Development of the Republic of Kazakhstan
- Ministry of Finance of the Republic of Kazakhstan
- Ministry of Justice of the Republic of Kazakhstan
- Ministry of Education and Science of the Republic of Kazakhstan
- Ministry of Culture and Sport of the Republic of Kazakhstan
- Accounts Committee for Control over Execution of the Republican Budget
- Agency for Civil Service Affairs and Anti-Corruption Enforcement of the Republic of Kazakhstan
- National Centre on Human Rights.

Note:

The organisation and the carrying out of procurement procedures for the above-mentioned state bodies can be conducted by a single institution, determined in accordance with the legislation of the Republic of Kazakhstan.

PART 2

REGIONAL AND LOCAL GOVERNMENT ENTITIES WHOSE PROCUREMENT IS COVERED

Thresholds referred to in Article 120(2)(c) of this Agreement:

400 000 Special Drawing Rights (SDRs) for goods and for services other than construction services (Parts 4 and 5 of this Annex)

7 million SDRs for construction services (Part 6 of this Annex)

For the European Union:

All regional government entities of the Member States of the European Union

Notes:

For the purposes of this Agreement, 'regional government entities' shall be understood as procuring entities of the administrative units falling under NUTS 1 and 2, as referred to in Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) ⁽¹⁾.

For the Republic of Kazakhstan:

- Administration of Almaty oblast
- Administration of Atyrau oblast
- Administration of Aktobe oblast
- Administration of Akmola oblast
- Administration of the Eastern Kazakhstan oblast
- Administration of Zhambyl oblast
- Administration of Western Kazakhstan oblast
- Administration of the Karaganda oblast
- Administration of Kyzylorda oblast
- Administration of Kostanay oblast
- Administration of Mangistau oblast
- Administration of Pavlodar oblast
- Administration of the North Kazakhstan oblast
- Administration of the South-Kazakhstan oblast
- Administration of Astana city
- Administration of Almaty city.

Note: The organisation and the carrying out of procurement procedures for the above-mentioned state bodies can be conducted by a single institution, determined in accordance with the legislation of the Republic of Kazakhstan.

⁽¹⁾ OJ L 154, 21.6.2003, p. 1.

PART 3

ALL OTHER ENTITIES WHOSE PROCUREMENT IS COVERED

(none)

PART 4

GOODS COVERED

For the European Union and the Republic of Kazakhstan:

1. This Agreement applies to the procurement of all goods by the entities listed in Parts 1 to 3 of this Annex, unless otherwise specified in this Agreement.
2. List of goods referred to in Article 137 of this Agreement:

The HS code numbers of the Harmonised Commodity Description and Coding System of the World Customs Organisation (HS) provided for in the following table identify the goods referred to in Article 137 of this Agreement. The description is given for information only.

No.	HS Codes	Commodity groups
1	0401 to 0402	Milk and cream
2	0701 to 0707	Certain edible vegetables
3	2501 to 2530	Other non-metallic mineral products
4	2801 to 2940	Certain chemicals and chemical products
5	3101 to 3826	Certain chemicals and chemical products
6	3917	Pipes, tubes, hoses, and fittings therefor of plastics
7	4801	Newsprint, in rolls or sheets
8	4803	Toilet paper napkins or facial tissue, towels or diapers and other household paper — domestic or sanitary — hygienic products
9	5101 to 6006	Textile and textile articles
10	7201 to 8113	Base metals and articles of base metals
11	8201 to 8311	Finished metal products, except machinery and equipment
12	8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers
13	8501 to 8517	Certain machinery and equipment
14	8535 to 8548	Certain electrical equipment

No.	HS Codes	Commodity groups
15	870130	Track-laying tractors
16	870190	Other in 8701 Tractors (other than tractors of heading 8709)
17	8702	Motor vehicles for the transport of ten or more persons, including the driver
18	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars
19	8704	Motor vehicles for the transport of goods
20	8705	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological units)
21	8716	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof
22	8802	Helicopters and spacecraft
23	940350	Wooden furniture of a kind used in the bedroom
24	9405	Lamps and lighting equipment

PART 5

SERVICES COVERED

For the European Union and the Republic of Kazakhstan:

This Agreement applies to the procurement by the entities listed in Parts 1 to 3 of this Annex, of the following services, which are identified in accordance with Division 51 of the United Nations Provisional Central Product Classification (CPCprov) as contained in the Services sectoral classification list of the WTO (MTN.GNS/W/120) ⁽¹⁾:

Description	CPCprov Reference No.
Telecommunications services	752 ⁽²⁾
Financial auditing services	86211
Accounts auditing services	86212
Market research services	86401
Management consulting services	865
Services related to management consulting	866 ⁽³⁾

⁽¹⁾ Except for services which procuring entities have to procure from another entity pursuant to an exclusive right established by a published law, regulation or administrative provision.

⁽²⁾ As regards the Republic of Kazakhstan, except for local telecommunication services and radio communication services, including satellite communication, other than services provided by foreign satellite operators to juridical persons of the Republic of Kazakhstan holding a license for telecommunication services, as provided for in the GATS Schedule of Specific Commitments of the Republic of Kazakhstan.

⁽³⁾ Except for arbitration and conciliation services.

Description	CPCprov Reference No.
Architectural services	8671
Engineering services	8672
Integrated engineering services	8673
Urban planning and landscape architectural services	8674
Related scientific and technical consulting services	8675 ⁽¹⁾

Note:

The services covered are subject to the limitations and conditions specified in each Party's Schedule of Specific Commitments under the GATS.

PART 6

CONSTRUCTION SERVICES COVERED

For the European Union and the Republic of Kazakhstan:

This Agreement applies to the procurement by the entities listed in Parts 1 to 3 of this Annex of all construction services listed in CPCprov.

Note:

The services covered are subject to the limitations and conditions specified in each Party's Schedule of Specific Commitments under the GATS.

PART 7

GENERAL NOTES

For the European Union:

1. Chapter 8 (Government Procurement) of Title III (Trade and business) of this Agreement does not cover:
 - (a) procurement of agricultural products made in furtherance of agricultural support programmes and human feeding programmes (for example, food aid including urgent relief aid); and
 - (b) procurement for the acquisition, development, production or co-production of programme material by broadcasters and contracts for broadcasting time.
2. Procurement by procuring entities covered under Parts 1 and 2 of this Annex in connection with activities in the fields of drinking water, energy, transport and the postal sector are not covered by this Agreement, unless covered under Part 3 of this Annex.
3. In respect of the Åland Islands, the special conditions of Protocol No 2 on the Åland Islands to the Treaty of Accession of Austria, Finland and Sweden to the European Union shall apply.

⁽¹⁾ Except for land surveying for the purpose of establishing legal boundaries, aerial surveying and aerial map-making and except for CPC 86754 as provided for in the GATS Schedule of Specific Commitments of the Republic of Kazakhstan.

4. As far as procurement by entities in the field of defence and security is concerned, coverage shall be limited to goods that are non-sensitive and non-warlike materials.
5. The procurement by procuring entities of good or service components of procurement which are not themselves covered by this Agreement shall not be considered as covered procurement.

For the Republic of Kazakhstan:

1. Chapter 8 (Government Procurement) of Title III (Trade and business) of this Agreement does not cover:
 - (a) procurement of agricultural products made in furtherance of agricultural support programmes, including procurement for food security purposes, and human feeding programmes (for example food aid including urgent relief aid);
 - (b) procurement for the acquisition, development, production or co-production of programme material by broadcasters and contracts for broadcasting time;
 - (c) procurement of goods, works and services pursuant to Article 41(3) of Law No 303-III on Government Procurement of 21 July 2007 when it involves information which constitutes a state secret;
 - (d) procurement in the field of research and exploration of space for peaceful purposes, international cooperation in the implementation of joint projects and programs in the field of space activities;
 - (e) procurement of goods, works and services that are exclusively provided by a natural or state monopoly; or
 - (f) procurement of financial services, unless specified in Part 5 of this Annex.
 2. Chapter 8 (Government Procurement) of Title III (Trade and business) of this Agreement does not apply to any set-aside for the benefit of small or minority-owned businesses or businesses that employ people with special needs. A set-aside means any form of preference, such as the exclusive right to provide a good or service, or any price preference.
 3. Chapter 8 (Government Procurement) of Title III (Trade and business) of this Agreement does not cover procurement made by a covered entity on behalf of a non-covered entity.
 4. The procurement by procuring entities of good or service components of procurement which are not themselves covered by this Agreement shall not be considered as covered procurement.
 5. Procurement by procuring entities covered under Parts 1 and 2 of this Annex in connection with activities in the fields of drinking water, energy, transport and the postal sector are not covered by this Agreement, unless covered by Part 3 of this Annex.
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ANNEX IV

**MEDIA FOR PUBLICATION OF PROCUREMENT INFORMATION AND NOTICES OF CHAPTER 8
(GOVERNMENT PROCUREMENT) OF TITLE III (TRADE AND BUSINESS)**

PART 1

MEDIA FOR PUBLICATION OF PROCUREMENT INFORMATION

For THE EUROPEAN UNION:

OFFICIAL JOURNAL OF THE EUROPEAN UNION

<http://simap.europa.eu>

BELGIUM

Laws, royal regulations, ministerial regulations, ministerial circulars — *le Moniteur Belge*

Jurisprudence — *Pasicrisie*

BULGARIA

Laws and Regulations — *Държавен вестник (State Gazette)*

Judicial decisions — www.sac.government.bg

Administrative rulings of general application and any procedure — www.aop.bg and www.cpc.bg

CZECH REPUBLIC

Laws and Regulations — *Sbírka zákonů České republiky (Collection of Laws of the Czech Republic)*

Rulings of the Office for the Protection of Competition — *Collection of Rulings of the Office for the Protection of Competition*

DENMARK

Laws and regulations — *Lovtidende*

Judicial decisions — *Ugeskrift for Retsvaesen*

Administrative rulings and procedures — *Ministerialtidende*

Rulings by the Appeal Board for Public Procurement — *Konkurrencerådets Dokumentation*

GERMANY

Legislation and regulations — *Bundesanzeiger*

Judicial Decisions: *Entscheidungsammlungen des Bundesverfassungsgerichts, Bundesgerichtshofs, Bundesverwaltungsgerichts,*

Bundesfinanzhofs sowie der Oberlandesgerichte

ESTONIA

Laws, regulations and administrative rulings of general application: *Riigi Teataja*

Judicial decisions of the Supreme Court of Estonia: *Riigi Teataja (part 3)*

IRELAND

Legislation and regulations — Iris Oifigiúil (Official Gazette of the Irish Government)

GREECE

Official Journal of the Hellenic Republic — Εφημερίδα της Κυβερνήσεως της Ελληνικής Δημοκρατίας

SPAIN

Legislation — Boletín Oficial del Estado

Judicial rulings — no official publication

FRANCE

Legislation — Journal Officiel de la République française

Jurisprudence — Recueil des arrêts du Conseil d'Etat

Revue des marchés publics

CROATIA

Narodne novine — <http://www.nn.hr>

ITALY

Legislation — Gazzetta Ufficiale

Jurisprudence — no official publication

CYPRUS

Legislation — Official Gazette of the Republic (Επίσημη Εφημερίδα της Δημοκρατίας)

Judicial decisions: Decisions of the Supreme High Court — Printing Office (Αποφάσεις Ανωτάτου Δικαστηρίου 1999 — Τυπογραφείο της Δημοκρατίας)

LATVIA

Legislation — 'Latvijas Vēstnesis' (Official Newspaper)

LITHUANIA

Laws, regulations and administrative provisions — Official Gazette ('Valstybės Žinios') of the Republic of Lithuania

Judicial decisions, jurisprudence — Bulletin of the Supreme Court of Lithuania 'Teismų praktika'; Bulletin of the Supreme Court of Administrative Court of Lithuania 'Administracinių teismų praktika'

LUXEMBOURG

Legislation — Memorial

Jurisprudence — Pasicrisie

HUNGARY

Legislation — Magyar Közlöny (Official Journal of the Republic of Hungary)

Jurisprudence — Közbeszerzési Értesítő — a Közbeszerzések Tanácsa

Hivatalos Lapja (Public Procurement Bulletin — Official Journal of the Public Procurement Council)

MALTA

Legislation — Government Gazette

NETHERLANDS

Legislation — Nederlandse Staatscourant and/or Staatsblad

Jurisprudence — no official publication

AUSTRIA

Legislation — Österreichisches Bundesgesetzblatt Amtsblatt zur Wiener Zeitung

Judicial decisions, jurisprudence — Sammlung von Entscheidungen des Verfassungsgerichtshofes

Sammlung der Entscheidungen des Verwaltungsgerichtshofes -administrativrechtlicher und finanzrechtlicher Teil

Amtliche Sammlung der Entscheidungen des OGH in Zivilsachen

POLAND

Legislation — Dziennik Ustaw Rzeczypospolitej Polskiej (Journal of Laws — Republic of Poland)

Judicial decisions, jurisprudence — 'Zamówienia publiczne w orzecznictwie. Wybrane orzeczenia zespołu arbitrów i Sądu Okręgowego w Warszawie' (Selection of judgments of arbitration panels and Regional Court in Warsaw)

PORTUGAL

Legislation — Diário da República Portuguesa 1a Série A e 2a série

Judicial Publications — Boletim do Ministério da Justiça

Colectânea de Acordos do SupremoTribunal Administrativo;

Colectânea de Jurisprudencia das Relações

ROMANIA

Laws and Regulations — Monitorul Oficial al României (Official Journal of Romania)

Judicial decisions, administrative rulings of general application and any procedure — www.anrmap.ro

SLOVENIA

Legislation — Official Gazette of the Republic of Slovenia

Judicial decisions — no official publication

SLOVAKIA

Legislation — Zbierka zákonov (Collection of Laws)

Judicial decisions — no official publication

FINLAND

Suomen Säädoskokoelma — Finlands Författningssamling (The Collection of the Statutes of Finland)

SWEDEN

Svensk Författningssamling (Swedish Code of Statutes)

UNITED KINGDOM

Legislation — HM Stationery Office

Jurisprudence — Law Reports

'Public Bodies' — HM Stationery Office

For THE REPUBLIC OF KAZAKHSTAN:

Website of the Republic of Kazakhstan on government procurement <http://goszakup.gov.kz>

Legal information system of Regulatory Legal Acts of the Republic of Kazakhstan <http://adilet.zan.kz>

PART 2

MEDIA FOR PUBLICATION OF NOTICES

For the European Union:

Official Journal of the European Union <http://simap.europa.eu>

For the Republic of Kazakhstan:

Website of the Republic of Kazakhstan on government procurement <http://goszakup.gov.kz>

ANNEX V

**RULES OF PROCEDURE FOR ARBITRATION UNDER CHAPTER 14 (DISPUTE SETTLEMENT) OF TITLE III
(TRADE AND BUSINESS)**

General provisions

1. In Chapter 14 (Dispute Settlement) of Title III (Trade and Business) of this Agreement and under these rules:
 - (a) 'adviser' means a person retained by a Party to the dispute to advise or assist that Party in connection with the arbitration panel proceeding;
 - (b) 'arbitrator' means a member of an arbitration panel established under Article 177 of this Agreement;
 - (c) 'assistant' means a person who, under the terms of appointment of an arbitrator, conducts research or provides assistance to that arbitrator;
 - (d) 'complaining Party' means any Party that requests the establishment of an arbitration panel under Article 176 of this Agreement;
 - (e) 'Party complained against' means the Party that is alleged to be in violation of the provisions referred to in Article 173 of this Agreement;
 - (f) 'arbitration panel' means a panel established under Article 177 of this Agreement;
 - (g) 'representative of a Party' means an employee or any person appointed by a Party for the purposes of a dispute under this Agreement;
 - (h) 'day' means a calendar day;
 - (i) 'working day' means a day other than a public holiday, Saturday and Sunday.
2. The Parties shall share the expenses derived from organisational matters, including the remuneration and the expenses of the arbitrators.

Notifications

3. The request for consultations and the request for the establishment of an arbitration panel shall be delivered to the other Party by electronic communication, facsimile transmission, registered post, courier, or any other means of telecommunication that provides a record of the sending thereof.
4. Each Party to the dispute and the arbitration panel shall deliver any document other than the request for consultations and the request for the establishment of an arbitration panel by e-mail and by facsimile transmission, registered post, courier, or any other means of telecommunication that provides a record of the sending thereof to the other Party and, where relevant, to each of the arbitrators. Unless proven otherwise, an e-mail message shall be deemed to be delivered on the date of its sending. If any of the supporting documents is confidential or too big to be sent by e-mail, the Party sending the document may provide that document in another electronic format to the other Party and, where relevant, to each of the arbitrators within one day of the delivery of the e-mail. In those cases the Party delivering the document shall inform by e-mail the other Party and, where relevant, each of the arbitrators of the sending of the document and indicate its content.
5. All notifications shall be addressed to the Government of the Republic of Kazakhstan and to the Directorate-General for Trade of the European Commission, respectively. Within 30 days of the start of the application of Title III (Trade and Business) of this Agreement, the Parties shall exchange the details for the electronic communications pursuant to rules 3 and 4 of these Rules of Procedure. Any change of e-mail addresses or other electronic communications shall be notified without delay to the other Party and the arbitration panel, where applicable.
6. Minor errors of a clerical nature in any request, notice, written submission or other document related to the arbitration panel proceeding may be corrected by the prompt delivery of a new document clearly indicating the changes.

7. If the last date for delivery of a document falls on a Saturday, Sunday or a public holiday for the European Union or for the Republic of Kazakhstan, the last date for delivery shall be the next working day. When a document is delivered to a Party on a day which is a holiday for that Party, the document shall be deemed delivered on the next working day. The date of receipt of a document shall be deemed to be the same date as the date of its delivery.

Commencing the arbitration

8. (a) If pursuant to Article 177 of this Agreement or to rules 19, 20 or 47 of these Rules of Procedure, any member of the arbitration panel is selected by lot, the drawing of lots shall be carried out at a time and place decided by the complaining Party and promptly communicated to the Party complained against. The Party complained against may, if it so chooses, be present during the drawing of lots. In any event, the drawing of lots shall be carried out with whichever Party/Parties is/are present.
 - (b) If, pursuant to Article 177 of this Agreement or to rules 19, 20 or 47 of these Rules of Procedure, any member of the arbitration panel is selected by lot and there are two chairs of the Cooperation Committee, both chairs, or their delegates, or one chair alone in cases where the other chair or his delegate does not accept to participate in the drawing of lots, shall perform the selection by lot.
 - (c) The Parties shall notify the selected arbitrators of their appointment.
 - (d) An arbitrator who has been appointed according to the procedure established in Article 177 of this Agreement shall confirm his availability to serve as a member of the arbitration panel to the Cooperation Committee within five days of the date in which he was informed of his appointment.
 - (e) Unless the Parties to the dispute agree otherwise, the Parties shall hold a meeting with the arbitration panel in person or by other means of communication within seven days of the establishment of the arbitration panel. The Parties and the arbitration panel shall determine such matters that the Parties or the arbitration panel deem appropriate, including the remuneration and the expenses to be paid to the arbitrators. The remuneration and the expenses shall be in accordance with WTO standards.
9. (a) Unless the Parties agree otherwise within five days from the date of selection of the arbitrators, the terms of reference of the arbitration panel shall be:

'to examine, in the light of the relevant provisions of the Agreement invoked by the parties to the dispute, the matter referred to in the request for establishment of the arbitration panel, to rule on the compatibility of the measure in question with the provisions referred to in Article 173 and to deliver a report in accordance with Articles 180, 181, 182 and 195 of this Agreement.'
 - (b) The Parties must notify the agreed terms of reference to the arbitration panel within three days of their agreement.

Initial submissions

10. The complaining Party shall deliver its initial written submission no later than 20 days after the date of establishment of the arbitration panel. The Party complained against shall deliver its written counter-submission no later than 20 days after the date of receipt of the initial written submission.

Working of arbitration panels

11. The chairperson of the arbitration panel shall preside over all its meetings. An arbitration panel may delegate to the chairperson the authority to make administrative and procedural decisions.
12. Unless otherwise provided for in Chapter 14 (*Dispute Settlement*) of Title III (Trade and Business of this Agreement, the arbitration panel may conduct its activities by any means, including telephone, facsimile transmissions or computer links.
13. Only arbitrators may take part in the deliberations of the arbitration panel, but the arbitration panel may permit its assistants to be present at its deliberations.

14. The drafting of any report shall remain the exclusive responsibility of the arbitration panel and must not be delegated.
15. Where a procedural question arises that is not covered by the provisions of Chapter 14 (Dispute Settlement) of Title III (Trade and Business) of this Agreement and Annexes V to VII to this Agreement, the arbitration panel, after consulting the Parties, may adopt an appropriate procedure that is compatible with those provisions.
16. When the arbitration panel considers that there is a need to modify any of the time limits for its proceedings other than the time limits set out in Chapter 14 (*Dispute Settlement*) of Title III (Trade and Business) of this Agreement or to make any other procedural or administrative adjustment, it shall inform the Parties to the dispute in writing of the reasons for the change or adjustment and of the period of time or adjustment needed.

Replacement

17. If an arbitrator is unable to participate in an arbitration proceeding under Chapter 14 (*Dispute Settlement*) of Title III (Trade and Business) of this Agreement, withdraws from it, or must be replaced because of non-compliance with the requirements of the Code of Conduct set out in Annex VI to this Agreement, a replacement shall be selected in accordance with Article 177 of this Agreement and rule 8 of these Rules of Procedure.
18. Where a Party to the dispute considers that an arbitrator does not comply with the requirements of the Code of Conduct and for this reason should be replaced, this Party shall deliver notification to the other Party to the dispute within 15 days of the date on which it obtained evidence of the circumstances underlying the arbitrator's material violation of the Code of Conduct.
19. Where a Party to the dispute considers that an arbitrator other than the chairperson does not comply with the requirements of the Code of Conduct, the Parties to the dispute shall consult and, if they agree on the need to replace the arbitrator, select a new arbitrator in accordance with Article 177 of this Agreement and rule 8 of these Rules of Procedure.

If the Parties to the dispute fail to agree on the need to replace an arbitrator, any Party to the dispute may request that such matter be referred to the chairperson of the arbitration panel, whose decision shall be final.

If, pursuant to such a request, the chairperson finds that an arbitrator does not comply with the requirements of the Code of Conduct, the new arbitrator shall be selected in accordance with Article 177 of this Agreement and rule 8 of these Rules of Procedure.

20. Where a Party considers that the chairperson of the arbitration panel does not comply with the requirements of the Code of Conduct, the Parties shall consult and, if they agree on the need to replace the chairperson, select a new chairperson in accordance with Article 177 of this Agreement and rule 8 of these Rules of Procedure.

If the Parties fail to agree on the need to replace the chairperson, either Party may request that such matter be referred to one of the remaining members of the pool of individuals from the sub-list of chairpersons referred to in Article 196(1) of this Agreement. His name shall be drawn by lot by the chair of the Cooperation Committee, or the chair's delegate. The decision by the so selected person on the need to replace the chairperson shall be final.

If the so selected person decides that the original chairperson does not comply with the requirements of the Code of Conduct, he shall select a new chairperson by lot among the remaining pool of individuals from the sub-list of chairpersons referred to under Article 196(1) of this Agreement. The selection of the new chairperson shall be carried out within five days of the date of the decision referred to in this paragraph.

21. The arbitration panel proceedings shall be suspended for the period taken to carry out the procedures provided for in rules 18, 19 and 20 of these Rules of Procedure.

Hearings

22. The chairperson of the arbitration panel shall fix the date and time of the hearing in consultation with the Parties to the dispute and the other members of the arbitration panel, and shall confirm this in writing to the Parties to the dispute. This information shall also be made publicly available by the Party in charge of the logistical administration of the proceedings, unless the hearing is closed to the public. Unless a Party disagrees, the arbitration panel may decide not to convene a hearing.

23. Unless the Parties agree otherwise, the hearing shall be held in Brussels if the complaining Party is the Republic of Kazakhstan and in Astana if the complaining Party is the European Union.
24. The arbitration panel may convene additional hearings if the Parties so agree.
25. All arbitrators shall be present during the entirety of any hearings.
26. The following persons may attend the hearing, irrespective of whether the proceedings are open to the public or not:
 - (a) representatives of the Parties to the dispute;
 - (b) advisers to the Parties to the dispute;
 - (c) administrative staff, interpreters, translators and court reporters; and
 - (d) arbitrators' assistants.Only the representatives and advisers of the Parties to the dispute may address the arbitration panel.
27. No later than five days before the date of a hearing, each Party to the dispute shall deliver to the arbitration panel a list of names of the persons who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisers attending the hearing.
28. The arbitration panel shall conduct the hearing in the following manner, ensuring that the complaining Party and the Party complained against are afforded equal time:

Argument

- (a) argument of the complaining Party
- (b) argument of the Party complained against

Rebuttal Argument

- (a) argument of the complaining Party
- (b) counter-reply of the Party complained against

29. The arbitration panel may direct questions to either Party to the dispute at any time during the hearing.
30. The arbitration panel shall arrange for a transcript of each hearing to be prepared and delivered as soon as possible to the Parties to the dispute. The Parties to the dispute may comment on the transcript and the arbitration panel may consider those comments.
31. Each Party to the dispute may deliver a supplementary written submission concerning any matter that arose during the hearing within 10 days of the date of the hearing.

Questions in writing

32. The arbitration panel may, at any time during the proceedings, address questions in writing to one Party or both Parties to the dispute. Each Party to the dispute shall receive a copy of any questions put by the arbitration panel.
33. A Party to the dispute shall deliver a copy of its written response to the arbitration panel's questions to the other Party to the dispute. Each Party to the dispute shall have the opportunity to provide written comments on the other Party's reply, to be delivered within five days of the date of receipt of such reply.

Confidentiality

34. Each Party to the dispute and its advisers shall treat as confidential any information submitted to the arbitration panel by the other Party to the dispute which that Party has designated as confidential. Where a Party to the dispute submits a confidential version of its written submissions to the arbitration panel, the Party shall also, upon request of the other Party, and no later than 15 days after the date of either the request or the submission, whichever is later, deliver a non-confidential summary of the information contained in its submissions that could be disclosed to the public, and an explanation as to why the non-disclosed information is confidential. Nothing in these Rules of Procedure shall preclude a Party to the dispute from disclosing statements of its own positions to the public to the extent that, when making reference to information submitted by the other Party, it does not disclose any information designated by the other Party as confidential.

The arbitration panel shall meet in closed session when the submission and arguments of a Party contain confidential information. The Parties to the dispute and their advisers shall maintain the confidentiality of the arbitration panel hearings where the hearings are held in closed session.

Non-confidential version of the arbitration panel report

35. If the arbitration panel report contains information designated as confidential by a Party, the arbitration panel shall prepare a non-confidential version of the report. The Parties shall be given the opportunity to comment on the non-confidential version and the arbitration panel shall take their comments into account when producing the final non-confidential version of the report.

Ex parte contacts

36. The arbitration panel shall not meet or communicate with a Party in the absence of the other Party.
37. No member of the arbitration panel may discuss any aspect of the subject matter of the proceedings with one Party or both Parties to the dispute in the absence of the other arbitrators.

Amicus curiae submissions

38. Unless the Parties agree otherwise within three days of the date of the establishment of the arbitration panel, the arbitration panel may receive unsolicited written submissions from natural or legal persons established in the territory of a Party to the dispute who are independent from the governments of the Parties to the dispute, provided that they are delivered within 10 days of the date of the establishment of the arbitration panel, that they are concise and in no case longer than 15 pages typed at double space and that they are directly relevant to a factual or a legal issue under consideration by the arbitration panel.
39. The submission shall contain a description of the person making the submission, whether natural or legal, including its nationality or place of establishment, the nature of its activities, its legal status, general objectives and the source of its financing, and shall specify the nature of the interest that the person has in the arbitration panel proceeding. It shall be drafted in the languages chosen by the Parties to the dispute in accordance with rules 42 and 43 of these Rules of Procedure.
40. The arbitration panel shall list in its report all the submissions it has received that conform to rules 38 and 39 of these Rules of Procedure. The arbitration panel shall not be obliged to address in its report the arguments made in such submissions. Any such submission shall be delivered to the Parties to the dispute for their comments. The comments of the Parties to the dispute shall be delivered within 10 days of receipt of the submission, and any such comments shall be taken into consideration by the arbitration panel.

Urgent cases

41. In the cases of urgency referred to in Chapter 14 (Dispute Settlement) of Title III (Trade and Business) of this Agreement, the arbitration panel, after consulting the Parties, shall adjust the time limits referred to in these Rules of Procedure as appropriate and shall notify the Parties of such adjustments.

Translation and interpretation

42. During the consultations referred to in Article 174 of this Agreement, and no later than the meeting referred to in rule 8(e) of these Rules of Procedure, the Parties to the dispute shall endeavour to agree on a common working language for the proceedings before the arbitration panel.
43. If the Parties to the dispute are unable to agree on a common working language, each Party shall make its written submissions in its chosen language. In such a case, that Party shall provide at the same time a translation in the language chosen by the other Party, unless its submissions are written in one of the working languages of the WTO. The Party complained against shall arrange for the interpretation of oral submissions into the languages chosen by the Parties.
44. Arbitration panel reports shall be issued in the language or languages chosen by the Parties to the dispute.
45. Any Party to the dispute may provide comments on the accuracy of the translation of any translated version of a document drawn up in accordance with these Rules of Procedure.
46. Each Party shall bear the costs of the translation of its written submissions. Any costs incurred in the translation of an arbitration panel report shall be borne equally by the Parties to the dispute.

Other procedures

47. These Rules of Procedure are also applicable to procedures established under Articles 174, 184(2), 185(2), 186(3) and 187(2) of this Agreement. However, the time limits laid down in these Rules of Procedure shall be adjusted by the arbitration panel in line with the special time limits provided for the adoption of a report by the arbitration panel in those other procedures.
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ANNEX VI

**CODE OF CONDUCT FOR MEMBERS OF ARBITRATION PANELS AND MEDIATORS UNDER CHAPTER 14
(DISPUTE SETTLEMENT) OF TITLE III (TRADE AND BUSINESS)**

Definitions

1. In this Code of Conduct:

- (a) 'arbitrator' means a member of an arbitration panel effectively established under Article 177 of this Agreement;
- (b) 'candidate' means an individual whose name is on the list of arbitrators referred to in Article 196 of this Agreement and who is under consideration for selection as a member of an arbitration panel under Article 177 of this Agreement;
- (c) 'assistant' means a person who, under the terms of appointment of an arbitrator, conducts research or provides assistance to the arbitrator;
- (d) 'proceeding', unless otherwise specified, means an arbitration panel proceeding under Chapter 14 (Dispute Settlement) of Title III (Trade and Business) of this Agreement;
- (e) 'staff', in respect of an arbitrator, means persons under the direction and control of the arbitrator, other than assistants;
- (f) 'mediator' means a person who conducts a mediation procedure in accordance with Annex VII to this Agreement.

Responsibilities to the process

- 2. Every candidate and arbitrator shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interest and shall observe high standards of conduct so that the integrity and impartiality of the dispute settlement mechanism is preserved. Former arbitrators must comply with the obligations established in rules 15, 16, 17 and 18 of this Code of Conduct.

Disclosure obligations

- 3. Prior to confirmation of his selection as an arbitrator under Chapter 14 (Dispute Settlement) of Title III (Trade and Business) of this Agreement, a candidate shall disclose any interest, relationship or matter that is likely to affect his independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceedings. To that end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters.
- 4. A candidate or arbitrator shall communicate, in writing, matters concerning actual or potential violations of this Code of Conduct only to the Cooperation Committee for consideration by the Parties.
- 5. Once selected, an arbitrator shall continue to make all reasonable efforts to become aware of any interests, relationships or matters referred to in rule 3 of this Code of Conduct and shall disclose them. The disclosure obligation is a continuing duty which requires an arbitrator to disclose any such interests, relationships or matters that may arise during any stage of the proceedings. The arbitrator shall disclose such interests, relationships or matters by informing the Cooperation Committee, in writing, for consideration by the Parties.

Duties of arbitrators

- 6. Upon confirmation of his selection, an arbitrator shall be available to perform and shall perform his duties thoroughly and expeditiously throughout the course of the proceedings, with fairness and diligence.
- 7. An arbitrator shall consider only those issues raised in the proceeding and necessary for an arbitration panel report, and shall not delegate this duty to any other person.

8. An arbitrator shall take all appropriate steps to ensure that his assistant and staff are aware of, and comply with, rules 2, 3, 4, 5, 16, 17 and 18 of this Code of Conduct.
9. An arbitrator shall not engage in *ex parte* contacts concerning the proceedings.

Independence and impartiality of arbitrators

10. An arbitrator shall be independent and impartial, avoid creating an appearance of impropriety or bias, and shall not be influenced by self-interest, outside pressure, political considerations, public clamour and loyalty to a Party or fear of criticism.
11. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of his duties.
12. An arbitrator shall not use his position on the arbitration panel to advance any personal or private interests. An arbitrator shall avoid actions that may create the impression that he is in a position to be influenced by others.
13. An arbitrator shall not allow financial, business, professional, personal, or social relationships or responsibilities to influence his conduct or judgement.
14. An arbitrator shall avoid entering into any relationship or acquiring any financial interest that is likely to affect his impartiality or that might reasonably create an appearance of impropriety or bias.

Obligations of former arbitrators

15. All former arbitrators must avoid actions that may create the appearance that they were biased in carrying out their duties or derived advantage from the decision or report of the arbitration panel.

Confidentiality

16. No arbitrator or former arbitrator shall at any time disclose or use any non-public information concerning a proceeding or acquired during a proceeding except for the purposes of that proceeding and shall not, in any case, disclose or use any such information to gain personal advantage or advantage for others or to adversely affect the interests of others.
17. An arbitrator shall not disclose an arbitration panel report or parts thereof prior to its publication in accordance with Chapter 14 (Dispute Settlement) of Title III (Trade and Business) of this Agreement.
18. An arbitrator or a former arbitrator shall not disclose the deliberations of an arbitration panel, or any arbitrator's view at any time.

Expenses

19. Each arbitrator shall keep a record and render a final account of the time devoted to the procedure and of his expenses, as well as the time and expenses of his assistant and staff.

Mediators

20. The disciplines described in this Code of Conduct as applying to arbitrators or former arbitrators shall apply, *mutatis mutandis*, to mediators.

ANNEX VII

MEDIATION MECHANISM UNDER CHAPTER 14 (DISPUTE SETTLEMENT) OF TITLE III (TRADE AND BUSINESS)*Article 1***Objective**

The objective of this Annex is to facilitate the finding of a mutually agreed solution through a comprehensive and expeditious procedure with the assistance of a mediator.

Section A

Procedure under the mediation mechanism*Article 2***Request for information**

1. At any time before the initiation of the mediation procedure, a Party may deliver a written request for information regarding a measure adversely affecting trade or investment between the Parties. The Party to which such request is made shall, within 20 days of receipt of the request, deliver a written response containing its comments on the information contained in the request.
2. When the responding Party considers it will not be able to deliver a response within 20 days of receipt of the request, it shall promptly notify the requesting Party, stating the reasons for the delay and providing an estimate of the shortest period within which it will be able to deliver its response.

*Article 3***Initiation of the procedure**

1. A Party may request that the Parties enter into a mediation procedure at any time, by means of a written request delivered to the other Party. The request shall be sufficiently detailed to present the concerns of the requesting Party clearly and shall:
 - (a) identify the specific measure at issue;
 - (b) provide a statement of the alleged adverse effects that the requesting Party believes the measure has, or will have, on trade or investment between the Parties; and
 - (c) explain how the requesting Party considers that those effects are linked to the measure.
2. The mediation procedure may only be initiated by mutual agreement of the Parties. When a request is made pursuant to paragraph 1, the Party to which the request is made shall accord sympathetic consideration to the request and deliver its written acceptance or rejection to the requesting Party within 10 days of its receipt.

*Article 4***Selection of the mediator**

1. The Parties shall endeavour to agree on a mediator within 15 days of the delivery of the acceptance referred to in Article 3(2) of this Annex.

2. In the event that the Parties are unable to agree on the mediator within the time frame laid down in paragraph 1 of this Article, either Party may request the chair of the Cooperation Committee, or the chair's delegate, to select the mediator by lot from the list established under Article 196(1) of this Agreement. Representatives of both Parties shall be invited, with sufficient advance notice, to be present when the lots are drawn. In any event, the drawing of lots shall be carried out with the Party/Parties that is/are present.
3. The chair of the Cooperation Committee, or the chair's delegate, shall select the mediator within five days of the request made pursuant to paragraph 2.
4. Should the list referred to in Article 196(1) of this Agreement not be established at the time a request is made pursuant to Article 3 of this Annex, the mediator shall be drawn by lot from the individuals who have been formally proposed by one or both of the Parties.
5. A mediator shall not be a citizen of either Party, unless the Parties agree otherwise.
6. The mediator shall, in an impartial and transparent manner, assist the Parties in bringing clarity to the measure and its possible effects on trade, and in reaching a mutually agreed solution.
7. The Code of Conduct for Members of Arbitration Panels and Mediators set out in Annex VI to this Agreement shall apply to mediators, *mutatis mutandis*.
8. Rules 3 to 7 (Notifications) and 42 to 46 (Translation and interpretation) of the Rules of Procedure for Arbitration set out in Annex V to this Agreement shall apply, *mutatis mutandis*.

Article 5

Rules of the Mediation Procedure

1. Within 10 days of the appointment of the mediator, the Party which invoked the mediation procedure shall deliver a detailed, written description of its concerns to the mediator and to the other Party, in particular of the operation of the measure at issue and its effects on trade. Within 20 days of the receipt of this description, the other Party may deliver written comments on the description. Either Party may include any information that it deems relevant in its description or comments.
2. The mediator may decide on the most appropriate way of bringing clarity to the measure concerned and its possible effects on trade. In particular, the mediator may organise meetings between the Parties, consult the Parties jointly or individually, seek the assistance of, or consult with, relevant experts and stakeholders and provide any additional support requested by the Parties. The mediator shall consult with the Parties before seeking the assistance of, or consulting with, relevant experts and stakeholders.
3. The mediator shall not advise or comment on the consistency of the measure at issue with this Agreement. The mediator may offer advice and propose a solution for the consideration of the Parties. The Parties may accept or reject the proposed solution, or agree on a different solution.
4. The mediation procedure shall take place in the territory of the Party to which the request was addressed, or by mutual agreement in any other location or by any other means.
5. The Parties shall endeavour to reach a mutually agreed solution within 60 days of the appointment of the mediator. Pending a final agreement, the Parties may consider possible interim solutions.
6. The mutually agreed solution or the interim solution may be adopted by means of a decision of the Cooperation Committee. Mutually agreed solutions shall be made publicly available. The version disclosed to the public shall not contain any information a Party has designated as confidential.
7. On request of the Parties, the mediator shall deliver a draft factual report to the Parties, providing a brief summary of: (i) the measure at issue; (ii) the procedures followed; and (iii) any mutually agreed solution reached, including possible interim solutions. The mediator shall allow the Parties 15 days to comment on the draft report. After considering the comments of the Parties received within that period, the mediator shall, within 15 days, deliver a final factual report to the Parties. The factual report shall not include any interpretation of this Agreement.

8. The procedure shall be terminated by:
 - (a) the adoption of a mutually agreed solution by the Parties, on the date of the adoption thereof;
 - (b) mutual agreement of the Parties at any stage of the procedure, on the date of that agreement;
 - (c) a written declaration of the mediator, after consultation with the Parties, that further efforts at mediation would be to no avail, on the date of that declaration; or
 - (d) a written declaration of a Party after exploring mutually agreed solutions under the mediation procedure and after having considered any advice and proposed solutions by the mediator, on the date of that declaration.

Section B

Implementation

Article 6

Implementation of a mutually agreed solution

1. Where the Parties reach agreement on a solution, each Party shall take the measures necessary to implement the mutually agreed solution within the agreed timeframe.
2. The implementing Party shall notify the other Party, in writing, of any steps or measures taken to implement the mutually agreed solution.

Section C

General provisions

Article 7

Confidentiality and relationship to dispute settlement

1. Unless the Parties agree otherwise, and without prejudice to Article 5(6) of this Annex, all steps of the procedure, including any advice or proposed solution, are confidential. However, any Party may disclose to the public the fact that mediation is taking place.
2. The mediation procedure is without prejudice to the Parties' rights and obligations under Chapter 14 (Dispute Settlement) of Title III (Trade and Business) of this Agreement, or any other agreement.
3. Consultations under Chapter 14 (Dispute Settlement) of Title III (Trade and Business) of this Agreement are not required before initiating the mediation procedure. However, a Party should normally avail itself of the other relevant cooperation or consultation provisions provided for in this Agreement before initiating the mediation procedure.
4. A Party shall not rely on, or introduce as evidence, in other dispute settlement procedures under this Agreement or any other agreement, nor shall a panel take into consideration:
 - (a) positions taken by the other Party in the course of the mediation procedure or information gathered under Article 5(2) of this Annex;
 - (b) the fact that the other Party has indicated its willingness to accept a solution to the measure subject to mediation; or
 - (c) advice given or proposals made by the mediator.
5. A mediator may not serve as a member of a panel in a dispute settlement proceeding under this Agreement or under the WTO Agreement involving the same matter for which he has been a mediator.

*Article 8***Time limits**

Any time limit referred to in this Annex may be modified by mutual agreement between the Parties.

*Article 9***Costs**

1. Each Party shall bear its own expenses derived from the participation in the mediation procedure.
 2. The Parties shall share jointly and equally the expenses derived from organisational matters, including the remuneration and expenses of the mediator. The remuneration of the mediator shall be in accordance with that provided for a chairperson of an arbitration panel in accordance with rule 8(e) of the Rules of Procedure set out in Annex V to this Agreement.
-

PROTOCOL
on mutual administrative assistance in customs matters

Article 1

Definitions

For the purposes of this Protocol:

- (a) 'customs legislation' means the legal or regulatory provisions applicable in the territories of the Parties, governing the import, export and transit of goods and their placing under any other customs regime or procedure, including measures of prohibition, restriction and control thereof;
- (b) 'applicant authority' means a competent administrative authority which makes a request for assistance pursuant to this Protocol and which has been designated by a Party for that purpose;
- (c) 'requested authority' means a competent administrative authority which receives a request for assistance pursuant to this Protocol and which has been designated by a Party for that purpose;
- (d) 'personal data' means any information relating to an identified or identifiable individual;
- (e) 'operation in breach of customs legislation' means any violation or attempted violation of customs legislation.

Article 2

Scope

1. The Parties shall assist each other, in the areas of their competence, in the manner and under the conditions laid down in this Protocol, to ensure the correct application of their customs legislation by preventing, investigating and combating operations in breach of that legislation.
2. The assistance in customs matters, as provided for in this Protocol, shall apply to any administrative authority of the Parties which is competent for the application of this Protocol. It shall not prejudice the rules governing mutual assistance in criminal matters and shall not cover exchange of information obtained under powers exercised at the request of a judicial authority, except where the communication of such information is authorised by that authority.
3. The assistance to recover duties, taxes or fines is not covered by this Protocol.

Article 3

Assistance on request

1. At the request of the applicant authority, the requested authority shall provide the former with all relevant information which may enable it to ensure that customs legislation is correctly applied, including information regarding activities noted or planned which are or could be operations in breach of customs legislation.
2. At the request of the applicant authority, the requested authority shall inform the former of:
 - (a) circumstances (facts and conditions) of export of goods from the territory of a Party and import into the territory of the other Party, specifying, where appropriate, the customs procedure applied to the goods;
 - (b) circumstances (facts and conditions) of import of goods into the territory of a Party and export from the territory of the other Party, specifying, where appropriate, the customs procedure applied to the goods.
3. At the request of the applicant authority, the requested authority shall, within the framework of its legal or regulatory provisions, take the necessary steps to ensure special surveillance of:
 - (a) natural or legal persons in respect of whom there are reasonable grounds for believing that they are or have been involved in operations in breach of customs legislation;

- (b) places where goods are stocked in respect of which there are reasonable grounds to suspect that operations in breach of customs legislation take place;
- (c) goods transported or intended for transportation in respect of which there are reasonable grounds to suspect that operations in breach of customs legislation take place;
- (d) means of transport carrying goods in respect of which there are reasonable grounds to suspect that operations in breach of customs legislation take place.

Article 4

Spontaneous assistance

The Parties shall assist each other, at their own initiative and in accordance with their legal or regulatory provisions, if they consider that to be necessary for the correct application of customs legislation, in particular by providing information pertaining to:

- (a) activities which are or appear to be operations in breach of customs legislation and which may be of interest to the other Party;
- (b) new means or methods employed in carrying out operations in breach of customs legislation;
- (c) goods known to be subject to operations in breach of customs legislation;
- (d) natural or legal persons in respect of whom there are reasonable grounds for believing that they are or have been involved in operations in breach of customs legislation;
- (e) means of transport in respect of which there are reasonable grounds for believing that they have been, are, or may be used in operations in breach of customs legislation.

Article 5

Delivery and notification

At the request of the applicant authority, the requested authority shall, in accordance with the legal or regulatory provisions applicable to the latter, take all necessary measures in order to deliver any documents or to notify any decisions, originating from the applicant authority and falling within the scope of this Protocol, to an addressee residing or established in the territory of the requested authority.

Requests for delivery of documents or notification of decisions shall be made in writing in an official language of the requested authority or in a language acceptable to that authority.

Article 6

Form and substance of requests for assistance

1. Requests pursuant to this Protocol shall be made in writing. They shall be accompanied by the documents necessary to enable compliance with the request. When required because of the urgency of the situation, oral requests may be accepted, but must be confirmed in writing immediately.
2. Requests pursuant to paragraph 1 shall include the following information:
 - (a) the applicant authority;
 - (b) the object of and the reason for the request;
 - (c) the requested measure;
 - (d) the legal or regulatory provisions and other legal elements involved;

- (e) indications as exact and comprehensive as possible on the natural or legal persons who are the target of the enquiries;
 - (f) a summary of the relevant facts and of the enquiries already carried out;
 - (g) any other relevant information that is needed to execute the request.
3. Requests shall be submitted in an official language of the requested authority or in a language acceptable to that authority. This requirement shall not apply to any documents that accompany the request under paragraph 1.
4. If a request does not meet the formal requirements set out in paragraphs 1 to 3, its correction or completion may be requested; in the meantime precautionary measures may be ordered.

Article 7

Execution of requests

1. In order to comply with a request for assistance, the requested authority shall proceed, within the limits of its competence and available resources, as though it were acting on its own account or at the request of other authorities of that same Party, by supplying information already in the authority's possession, by carrying out appropriate enquiries or by arranging for them to be carried out. This shall also apply to any other authority to which the request has been addressed by the requested authority when the latter cannot act on its own.
2. Requests for assistance shall be executed in accordance with the legal or regulatory provisions of the requested Party. In case the request cannot be executed, the requesting Party shall be informed of this without delay.
3. Duly authorised officials of a Party may, with the agreement of the other Party and subject to the conditions laid down by the latter, be present in the offices of the requested authority or any other concerned authority in accordance with paragraph 1 to obtain information relating to activities that are or may be operations in breach of customs legislation which the applicant authority needs for the purposes of this Protocol.
4. Duly authorised officials of a Party may, with the agreement of the other Party and subject to the conditions laid down by the latter, be present at enquiries carried out in the latter's territory.

Article 8

Form in which information is to be communicated

1. The requested authority shall communicate results of enquiries to the applicant authority in writing together with relevant documents, certified copies or other items.
2. This information may be in a computerised form.
3. Original documents shall be transmitted only upon request in cases where certified copies would be insufficient. These originals shall be returned at the earliest opportunity.

Article 9

Exceptions to the obligation to provide assistance

1. Assistance may be refused or may be subject to the satisfaction of certain conditions or requirements, in cases where a Party is of the opinion that assistance under this Protocol would:
- (a) be likely to prejudice the sovereignty of the Republic of Kazakhstan or that of a Member State of the European Union which has been requested to provide assistance under this Protocol; or

(b) be likely to prejudice public policy, security or other essential interests, in particular in the cases referred to under Article 10(2) of this Protocol; or

(c) violate an industrial, commercial or professional secret.

2. Assistance may be postponed by the requested authority on the grounds that it will interfere with an ongoing investigation, prosecution or proceeding. In such a case, the requested authority shall consult with the applicant authority to determine if assistance can be given subject to such terms or conditions as the requested authority may require.

3. Where the applicant authority seeks assistance which it would itself be unable to provide if so requested, it shall draw attention to that fact in its request. It shall then be for the requested authority to decide how to respond to such a request.

4. For the cases referred to in paragraphs 1 and 2, the decision of the requested authority and the reasons therefor must be communicated to the applicant authority without delay.

Article 10

Information exchange and confidentiality

1. Any information communicated in whatsoever form pursuant to this Protocol shall be of a confidential or restricted nature, depending on the rules applicable in each Party. It shall be covered by the obligation of official secrecy and shall enjoy the protection extended to similar information under the relevant laws of the Party that received it and the corresponding provisions applying to the institutions of the European Union.

2. Personal data may be exchanged only where the Party which may receive them undertakes to protect such data in a manner that is considered adequate by the Party that may supply them.

3. The use, in administrative or judicial proceedings instituted in respect of operations in breach of customs legislation, of information obtained under this Protocol is considered to be for the purposes of this Protocol. Therefore, the Parties may, in their records of evidence, reports and testimonies and in proceedings and charges brought before the courts, use as evidence information obtained and documents consulted in accordance with the provisions of this Protocol. The competent authority which supplied that information or gave access to those documents shall be notified of such use.

4. The information obtained under this Protocol shall be used solely for the purposes set out in this Protocol. Where a Party wishes to use such information for other purposes, it shall obtain the prior written consent of the authority which provided the information. Such use shall then be subject to any restrictions laid down by the latter authority.

Article 11

Experts and witnesses

An official of a requested authority may be authorised to appear, within the limitations of the authorisation granted, as an expert or a witness in administrative or judicial proceedings regarding matters covered by this Protocol, and may produce such objects, documents or certified copies thereof, as may be needed for the proceedings. The request to the official shall be made by the applicant authority and must indicate specifically before which administrative or judicial authority the official will have to appear, on what matters and in what capacity (title or qualification).

Article 12

Assistance expenses

The Parties shall waive all claims on each other for the reimbursement of expenses incurred pursuant to this Protocol, except, as appropriate, for expenses related to experts and witnesses, and those related to interpreters and translators who are not public service employees.

*Article 13***Implementation**

1. The implementation of this Protocol shall be entrusted, on the one hand, to the customs authorities of the Republic of Kazakhstan and, on the other hand, to the competent services of the European Commission and the customs authorities of the Member States of the European Union, as appropriate. They shall decide on all practical measures and arrangements necessary for its application, taking into consideration the rules in force in particular in the field of data protection.
2. The Parties shall consult each other and subsequently keep each other informed of the detailed rules of implementation which are adopted in accordance with the provisions of this Protocol.

*Article 14***Other agreements**

1. Taking into account the respective competencies of the European Union and of the Member States of the European Union, the provisions of this Protocol shall:
 - (a) not affect the obligations of the Parties under any other international agreement or convention;
 - (b) be deemed complementary to agreements on mutual assistance which have been or may be concluded between individual Member States of the European Union and the Republic of Kazakhstan; and
 - (c) not affect the provisions of the European Union governing the communication between the competent services of the European Commission and the customs authorities of the Member States of the European Union of any information obtained under this Protocol which could be of interest to the European Union or to the Member States of the European Union.
 2. Notwithstanding paragraph 1 of this Article, the provisions of this Protocol shall take precedence over the provisions of any bilateral Agreement on mutual assistance which has been or may be concluded between individual Member States of the European Union and the Republic of Kazakhstan insofar as the provisions of the latter are incompatible with those of this Protocol.
 3. In respect of questions relating to the applicability of this Protocol, the Parties shall consult each other in order to resolve the matter in the framework of a regular dialogue on customs matters between the Parties.
-

New EU-Kazakhstan Enhanced Partnership and Cooperation Agreement



K A Z A K H S T A N

CASPIAN
SEA

UZBEKISTAN

KYRGYZSTAN

Benefits for Kazakhstan

Cooperation
in education,
culture and
media

Better
protection for
consumers

More
opportunities
for small and
medium
companies

More jobs

Environment
protection
and climate
change

More
efficient use
of energy

Agriculture
and rural
development

Development
of renewable
energy
sources

Reliable
business
environment

Strengthened
rule of law



Council of the European Union

PRESS
EN
PRESS RELEASE
490/15
22/06/2015

Council conclusions on the EU Strategy for Central Asia

1. Considering Central Asia as a region of strategic importance, the European Union has committed to establish a strong, durable and stable relationship with the five Central Asian countries. Eight years after the adoption of the Central Asia Strategy, the Council welcomes the substantial progress achieved in developing the EU's relations with Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan as well as with the Central Asian region as a whole. Highlighting the significant mutual interest in increased political and economic cooperation, the Council reaffirms the EU's commitment to a relationship based on the principles of responsibility and ownership, which is aimed at fostering the stable, secure and sustainable development of the region.

2. The main objectives and priority areas of the 2007 EU Strategy for Central Asia remain pertinent. In implementing the Strategy the EU will take into account the lessons learnt and the changes in the region as well as the altering geopolitical situation around it. The Council calls for strengthening trade and energy links between the EU and Central Asian countries and reinforcing cooperation on security and stability, including sustainable management of natural resources. It emphasises the fundamental importance of democratisation, respect for human rights and the rule of law, and socio-economic development, all of which are essential elements of the Strategy.

[Full text of the Council conclusions on the EU Strategy for Central Asia](#)

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EU – Council of Europe Joint Programme
“Support to the Kazakh authorities in improving the quality and efficiency
of the Kazakh justice system”

Astana, Tuesday 28 June 2016 – 09:00-13:00 pm
Radisson Blue Hotel

**Address at the conference on the role and objectives of the Commissioner for Human
Rights in the modernising society by
Ambassador Traian Laurentiu Hristea**

Dear Commissioner Shakirov,

Dear Mr Rogov,

Right Honourable members of the Senate and Mazhilis,

Your Excellencies ladies and gentlemen,

Dear colleagues,

Distinguished guests,

I am very honored to welcome you all at the occasion of this conference, organised under the Joint Programme of the European Union and the Council of Europe entitled “Support to the Kazakh authorities in improving the quality and efficiency of the Kazakh justice system” in co-operation with the Office of the Commissioner for Human Rights of the Republic of Kazakhstan and the Office of the High Commissioner for Human Rights Regional Office for Central Asia.

Let me first recall that the European Union praises its co-operation with both its partners, the UN and the Council of Europe, in protection and promotion of human rights worldwide. I would like to give special thanks to the Council of Europe, our core partner in the implementation of the Joint Programme and its work carried out during last two years of the programme implementation in strengthening Kazakh national human rights institutions in protection and promotion of human rights and fundamental freedoms within the Republic of Kazakhstan.

The EU and human rights

Ladies and gentlemen,

The European Union is founded on a strong engagement to promote and protect human rights, democracy and rule of law worldwide.

Sustainable peace, development and prosperity cannot exist without respect for human rights. The European Union is, and will remain, a vocal advocate on human rights, and lends its full support to the UN and Council of Europe human rights systems, which plays a critical role in the promotion and protection of universal human rights norms and standards and in the monitoring of their compliance. This commitment underpins all internal and external policies of the European Union. It is affirmed in the EU Strategic Framework and Action Plan for Human Rights and Democracy, which guides European Union's actions in this area.

Within EU borders, those principles are embedded in the EU founding treaties, reinforced by the EU Charter of Fundamental Rights adopted in 2000, which became binding for all EU MS with the entry into force of the Lisbon Treaty in 2009. Outside EU borders, the Lisbon Treaty [Art 21] stipulates that the Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity and respect for the principles of the United Nations Charter and international law.

The EU policy for supporting National Human Rights Institutions

The national human rights institutions play an important role in the human rights architecture at the national level of the EU member states, through, monitoring compliance, conducting research, initiating preventive measures, and awareness-raising. The European Union puts special emphasis on ownership by, and co-operation with these institutions, which is stated among others in the EU Action Plan on Human Rights and Democracy 2015-2019.

Worldwide, the European Union, through the European Instrument for Democracy and Human Rights¹ aims at enhancing the respect, implementation and observance of human rights and fundamental freedoms. This instrument also aims to strengthen their protection, promotion and monitoring mainly through support to relevant civil society organisations, human rights defenders and victims of repression and abuse.

The European Union sees human rights as universal and indivisible. It actively promotes and defends them both within its borders and when engaging in relations with non-EU countries. The European Union actively engages countries from all regions on initiatives that genuinely contribute to the protection and promotion of human rights.

¹ See EIDHR Regulation 2014-2020 and Annex 5 of the EIDHR Annual Action Program 2014

The EU and the Republic of Kazakhstan

The European Union and the Republic of Kazakhstan have been partners since the country's independence. The cooperation is underpinned by the Enhanced Partnership and Cooperation Agreement which entered into force on 1 May 2016 and further enlarges relations and deepens a cooperation based on the sharing of common values.

As such, the European Union and the Republic of Kazakhstan have always expressed their commitment to strengthen the promotion, protection and implementation of fundamental freedoms and human rights, and the respect for democratic principles, the rule of law, and good governance, as well as the strong adherence to the following principles in their cooperation.

The European Union acknowledges the significant efforts made by Kazakhstan in recent years to promote and protect human rights, including through the Commissioner for Human Rights, the National Preventive Mechanism and other human rights institutions established within the country. However, there is still a space for improvement and further reform of the national human rights protection mechanisms through expanding the mandate of the national human rights institutions all over the country. Thanks to the 1,7 mln EURO joint project with the Council of Europe the staff of Ombudsman Institution is provided with training on the efficient handling of complaints concerning human rights violations, an essential aspect to measure in the process in this field.

Ladies and gentlemen,

Let me **conclude** my address and insist that **political will and commitment by all partners** are fundamental for the further strengthening the role, mandate and capacity of the office of the Commissioner for Human Rights and other human rights institutions in the Republic of Kazakhstan.

We believe that the joint programme with Council of Europe is timely for Kazakhstan and I wish to express here my confidence that the close co-operation between your institutions, the European Union Delegation and the Council of Europe, will prove itself efficient and effective and will strengthen the essential role and mandate of the Commissioner for Human Rights.

I wish then all a successful conference and look forward meeting you again during future common activities.

Thank you very much for your attention.

**MEMORANDUM OF UNDERSTANDING
ON CO-OPERATION IN THE FIELD OF ENERGY
BETWEEN THE EUROPEAN UNION
AND THE REPUBLIC OF KAZAKHSTAN**

Having regard to the Communication of the Commission to the Council and the European Parliament on the Development of Energy Policy for the Enlarged European Union its neighbours and Partner Countries of 13 May 2003,

having regard to the Commission's Green Paper on a European Strategy for Sustainable, Competitive and Secure Energy of 8 March 2006,

having regard to the Conclusions of the Brussels European Council meeting of 23/24 March 2006 which underlined, inter alia, the importance of opening new gas supply routes from the Caspian region,

recalling the conclusions of the Ministerial Conference in Baku on 13 November 2004 on Energy Co-operation between the European Union, the Caspian Littoral States and their neighbouring countries in which the participants agreed on the mutual interest for:

- Supporting the gradual development of regional energy markets in the Caspian Littoral States and their neighbouring countries;
- Enhancing the attraction of funding for new infrastructures;
- Embarking on energy efficiency policies and programmes;
- Making progress towards a gradual integration between the respective energy markets and the European Union,

recalling that, as a result of the Ministerial Conference, four working groups have been created at a regional level covering:

- The harmonisation of the legal, regulatory and institutional framework;
- Enhancing the safety and security of energy production, transportation and supplies;
- Sustainable development;
- Investment attraction and project facilitation,

recognising the key role of Kazakhstan as a major gas and oil producer in the Caspian Sea region, and the mutual interest of both the European Union and the Republic of Kazakhstan for enhancing co-operation in the energy sector to increase the security of energy supplies and the predictability of energy demand.

*

Whereas

- The energy sector is strategic for the economic and social development of Kazakhstan and also constitutes a substantial actual and potential external source of revenue. Enhancing consistency with the European Union's internal energy market would offer significant benefits in terms of the stability and attractiveness of the regulatory and investment framework for both International Financial Institutions and the private sector, with possibilities for further development of the resource base and enhancing internal and regional interconnections.
- An enhanced energy co-operation with the European Union could address more specifically those areas not already covered by the regional co-operation, as well as focus more clearly on those issues of particular mutual interest. This could also include improving the safety and environmental aspects of the maritime transportation of oil across the Caspian Sea.
- The European Union and the Republic of Kazakhstan will collaborate in improving the transit of hydrocarbon resources from Central Asia towards the European Union markets.

Recognising the necessity to adopt a comprehensive and balanced approach and taking into account that many issues of common interest are already addressed at a regional level, the Republic of Kazakhstan and the European Union express their readiness to cooperate on the elaboration of two roadmaps concerning enhancement of energy security and industrial cooperation respectively.

1. Road map for enhancing energy security

- 1.1 The European Union and the Republic of Kazakhstan will regularly exchange information on the development of policies that may have an impact on the production, processing, transportation and use of all energy resources, with a focus on energy security.
- 1.2 The European Union and the Republic of Kazakhstan will regularly consult on energy scenarios in order to have a joint understanding of possible future developments including, in particular, plans to expand production capacity and the energy transportation system as well as possible future trends in energy demand within the European Union.
- 1.3 In view of the importance for the European Union to diversify its energy supplies and for the Republic of Kazakhstan to diversify its energy markets and supply routes, both sides will cooperate in implementing the appropriate conditions to facilitate the development of new energy transportation infrastructure of mutual interest (ex. the Odessa - Brody - Plock oil pipeline) and, where necessary, to promote the upgrading of the existing infrastructure of mutual interest. Maritime safety issues and in particular the definition of navigation routes should be promoted under this roadmap.
- 1.4 The European Union and the Republic of Kazakhstan will cooperate in producing short reports on factual actions developed in the context of this Memorandum of Understanding.

2. Road map for enhancing industrial co-operation

Recognising the common interest in attracting further investment into the energy sector in Kazakhstan, the Republic of Kazakhstan and the European Union intend to:

- promote the co-operation between European Union and Kazakh companies in the energy sector through events such as joint conferences and seminars,
- develop and introduce alternative energy sources, as well as ecologically clean and energy saving technologies,
- examine, together with European Union companies engaged or potentially interested in becoming involved in the Kazakh energy sector, opportunities to make the investment climate even more attractive,
- investigate the possibilities for increasing industrial co-operation, both in the upstream and the downstream as well as in the field of energy efficiency, energy saving and renewables, including through development and introduction of alternative sources of energy as well as environmentally clean and resources saving technologies.

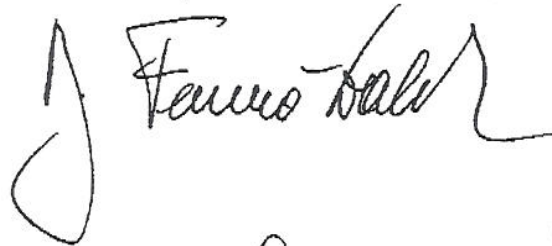
Final considerations

In case of need for specialised expertise, European Union technical assistance may be used as a support in carrying out the practical work under this Memorandum of Understanding.

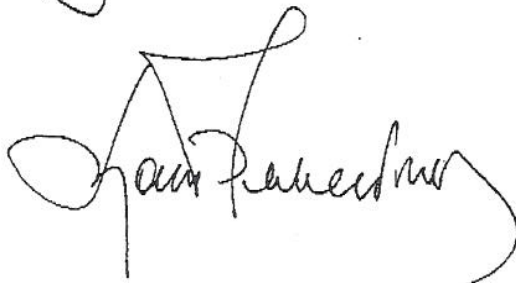
The present document is a document that records political intent alone and provides for no legal commitment.

Done in Brussels on the fourth day of December 2006, in the English and Kazakh languages.

**On behalf
of the European Union**



**On behalf
of the Republic of Kazakhstan**





European Union, Trade in goods with Kazakhstan

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Important note:
Unless otherwise mentioned all figures for "EU" concern the European Union of 28 members
for all indicated years.

European Union, Trade with Kazakhstan

Key Figures

Indicator	Unit	Period	Imports	Exports	Total trade	Balance
Last year	Mio euros	2015	16,243	6,209	22,452	-10,033
Rank as EU partner		2015	23	39	31	
Share in EU trade	%	2015	0.9	0.3	0.6	
Annual growth rate	%	2014 - 2015	-31.9	-8.0		
Annual average growth rate	%	2011 - 2015	-8.2	0.9		

Imports 2015

Exports 2015

AMA/NAMA product Groups

Product	Value Mio €	% Total	Product	Value Mio €	% Total
Agricultural products (WTO AoA)	168	1.0	Agricultural products (WTO AoA)	345	5.6
Fishery products	43	0.3	Fishery products	4	0.1
Industrial products	16,032	98.7	Industrial products	5,860	94.4
Total	16,243	100.0	Total	6,209	100.0

SITC product Groups

Product	Value Mio €	% Total	Product	Value Mio €	% Total
Primary products	15,397	94.8	Primary products	459	7.4
Manufactures	565	3.5	Manufactures	5,660	91.2
Other products	37	0.2	Other products	52	0.8
Other	244	1.5	Other	39	0.6

Top 5 - HS sections

Product	Value Mio €	% Total	Product	Value Mio €	% Total
V Mineral products	14,261	87.8	XVI Machinery and appliances	1,974	31.8
XV Base metals and articles thereof	536	3.3	VI Products of the chemical or allied industries	1,075	17.3
XIV Pearls, precious metals and articles thereof	508	3.1	XV Base metals and articles thereof	987	15.9
VI Products of the chemical or allied industries	396	2.4	XVII Transport equipment	533	8.6
XXII Not classified	255	1.6	XVIII Optical and photographic instruments, etc.	319	5.1

Top 5 - SITC sections

Product	Value Mio €	% Total	Product	Value Mio €	% Total
3 Mineral fuels, lubricants and related materials	14,249	87.7	7 Machinery and transport equipment	2,498	40.2
6 Manufactured goods classified chiefly by material	1,027	6.3	6 Manufactured goods classified chiefly by material	1,246	20.1
5 Chemicals and related prod, n.e.s.	396	2.4	5 Chemicals and related prod, n.e.s.	1,144	18.4
10 Other	244	1.5	8 Miscellaneous manufactured articles	816	13.2
2 Crude materials, inedible, except fuels	143	0.9	0 Food and live animals	249	4.0

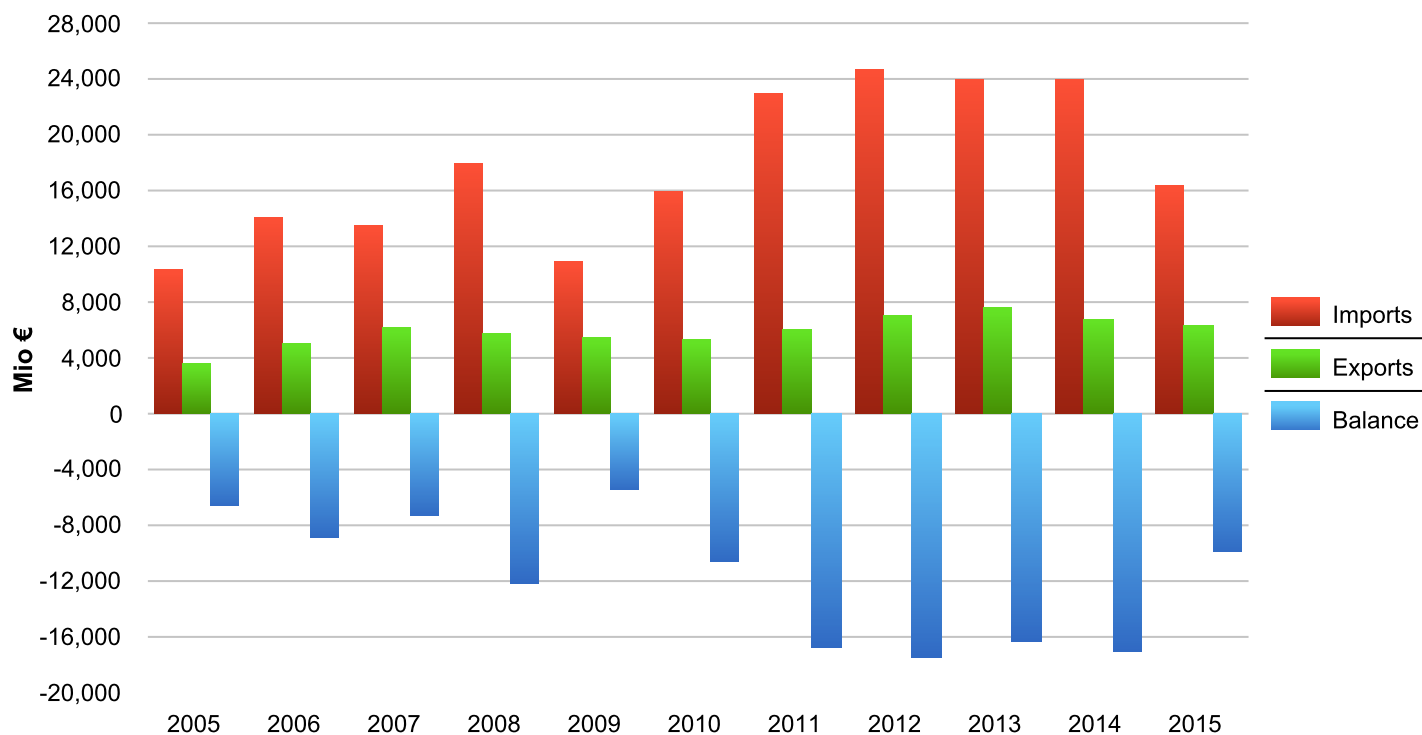
% Total: Share in Total: Total defined as all products

% Growth: relative variation between current and previous period

European Union, Trade with Kazakhstan

Total goods: EU Trade flows and balance, annual data 2005 - 2015

Source Eurostat Comext - Statistical regime 4



Total goods: EU Trade flows and balance

Source Eurostat Comext - Statistical regime 4

Period	Imports			Exports			Balance Value Mio €	Total trade Value Mio €
	Value Mio €	% Growth*	% Extra-EU	Value Mio €	% Growth*	% Extra-EU		
2005	10,275		0.9	3,584		0.3	-6,692	13,859
2006	13,979	36.0	1.0	4,973	38.8	0.4	-9,005	18,952
2007	13,371	-4.4	0.9	6,040	21.5	0.5	-7,331	19,412
2008	17,890	33.8	1.1	5,683	-5.9	0.4	-12,207	23,574
2009	10,834	-39.4	0.9	5,319	-6.4	0.5	-5,515	16,152
2010	15,909	46.9	1.0	5,236	-1.6	0.4	-10,673	21,145
2011	22,920	44.1	1.3	5,985	14.3	0.4	-16,935	28,905
2012	24,555	7.1	1.4	6,925	15.7	0.4	-17,629	31,480
2013	23,865	-2.8	1.4	7,472	7.9	0.4	-16,393	31,338
2014	23,859	-0.0	1.4	6,748	-9.7	0.4	-17,111	30,607
2015	16,243	-31.9	0.9	6,209	-8.0	0.3	-10,033	22,452

* % Growth: relative variation between current and previous period

% Extra-EU: imports/exports as % of all EU partners i.e. excluding trade between EU Member States

European Union, Trade with Kazakhstan

Trade flows by SITC section 2015

Source Eurostat Comext - Statistical regime 4

	Imports				Exports			
	Value Mio €	% Total	% Extra-EU	% Growth*	Value Mio €	% Total	% Extra-EU	% Growth*
Total	16,243	100.0	0.9	-31.9	6,209	100.0	0.4	-8.0
0 Food and live animals	93	0.6	0.1	7.5	249	4.0	0.3	-11.1
1 Beverages and tobacco	1	0.0	0.0	138.5	45	0.7	0.1	-22.2
2 Crude materials, inedible, except fuels	143	0.9	0.2	-33.2	58	0.9	0.2	-0.7
3 Mineral fuels, lubricants and related materials	14,249	87.7	4.4	-35.9	71	1.1	0.1	-22.0
4 Animal and vegetable oils, fats and waxes	0	0.0	0.0	-100.0	4	0.1	0.1	-17.3
5 Chemicals and related prod, n.e.s.	396	2.4	0.2	-8.4	1,144	18.4	0.4	-6.2
6 Manufactured goods classified chiefly by material	1,027	6.3	0.6	138.3	1,246	20.1	0.6	92.6
7 Machinery and transport equipment	46	0.3	0.0	-37.7	2,498	40.2	0.3	-27.4
8 Miscellaneous manufactured articles	8	0.1	0.0	-29.0	816	13.2	0.4	-6.2
9 Commodities and transactions n.c.e.	37	0.2	0.1	204.2	40	0.6	0.1	-12.8
Other	244	1.5	n.a.	n.a.	39	0.6	n.a.	n.a.

Trade flows by SITC product grouping 2015

Source Eurostat Comext - Statistical regime 4

SITC Rev. 3 Product Groups	Imports				Exports			
	Value Mio €	% Total	% Extra-EU	% Growth*	Value Mio €	% Total	% Extra-EU	% Growth*
Total	16,243	100.0	0.9	-31.9	6,209	100.0	0.4	-8.0
Primary products	15,397	94.8	2.8	-32.6	459	7.4	0.2	-12.3
- Agricultural products (Food (incl. Fish) & Raw Materials)	211	1.3	0.1	-39.4	353	5.7	0.3	-12.7
- - Food	197	1.2	0.2	-14.8	308	5.0	0.3	-12.6
- - - of which Fish	43	0.3	0.2	-13.5	4	0.1	0.1	-25.2
- - Raw materials	14	0.1	0.1	-36.3	45	0.7	0.2	-1.9
- Fuels and mining products	15,186	93.5	3.9	-32.8	106	1.7	0.1	-15.4
- - Ores and other minerals	25	0.2	0.1	-47.1	3	0.1	0.0	3.0
- - Fuels	14,249	87.7	4.4	-35.9	71	1.1	0.1	-22.0
- - - of which Petroleum and petroleum products	13,925	85.7	5.8	-35.9	70	1.1	0.1	-22.1
- - Non ferrous metals	912	5.6	2.5	188.1	32	0.5	0.1	1.7
Manufactures	565	3.5	0.1	-55.3	5,660	91.2	0.4	-9.0
- Iron and steel	87	0.5	0.3	17.3	791	12.7	2.3	597.8
- Chemicals	396	2.4	0.2	-8.4	1,144	18.4	0.4	-6.2
- - of which Pharmaceuticals	1	0.0	0.0	-30.1	668	10.8	0.5	0.4
- Other semi-manufactures	20	0.1	0.0	-40.5	397	6.4	0.3	-15.4
- Machinery and transport equipment	46	0.3	0.0	-37.7	2,498	40.2	0.3	-27.4
- - Office and telecommunication equipment	14	0.1	0.0	109.4	315	5.1	0.4	-23.2
- - - Electronic data processing and office equipment	2	0.0	0.0	-8.4	119	1.9	0.5	-32.9
- - - Telecommunications equipment	12	0.1	0.0	165.9	187	3.0	0.5	3.3
- - - Integrated circuits and electronic components	0	0.0	0.0	-52.0	9	0.2	0.1	-82.5
- - Transport equipment	9	0.1	0.0	-78.5	524	8.4	0.2	-53.6
- - - of which Automotive products	1	0.0	0.0	3.5	203	3.3	0.1	-51.9
- - Other machinery	23	0.1	0.0	-13.1	1,638	26.4	0.5	-21.2
- - - Power generating machinery	8	0.1	0.0	-47.9	143	2.3	0.3	-55.5
- - - Non electrical machinery	12	0.1	0.0	32.7	1,206	19.4	0.6	-8.1
- - - Electrical machinery	4	0.0	0.0	48.3	289	4.7	0.3	-35.2
- Textiles	8	0.1	0.0	22.1	27	0.4	0.2	-18.6
- Clothing	2	0.0	0.0	-30.9	174	2.8	0.7	-15.0
- Other manufactures	6	0.0	0.0	-28.7	629	10.1	0.4	-6.3
- - of which Scientific and controlling instruments	3	0.0	0.0	-2.8	241	3.9	0.4	-4.7
Other products	37	0.2	0.1	203.8	52	0.8	0.1	1.5
Other	244	1.5	n.a.	n.a.	39	0.6	n.a.	n.a.

% Growth: relative variation between current and previous period

% Total: Share in Total: Total defined as all products

% Extra-EU: imports/exports as % of all EU partners i.e. excluding trade between EU Member States



European Union, Trade with Kazakhstan

Trade flows by SITC section 2011 - 2015

Source Eurostat Comext - Statistical regime 4

	Imports				Exports			
	Value Mio €				Value Mio €			
	2012	2013	2014	2015	2012	2013	2014	2015
Total	24,555	23,865	23,859	16,243	6,925	7,472	6,748	6,209
0 Food and live animals	134	106	86	93	245	242	280	249
1 Beverages and tobacco	1	0	0	1	57	56	58	45
2 Crude materials, inedible, except fuels	252	162	214	143	74	75	58	58
3 Mineral fuels, lubricants and related materials	22,693	22,310	22,225	14,249	83	89	90	71
4 Animal and vegetable oils, fats and waxes	0	0	0	0	7	7	5	4
5 Chemicals and related prod, n.e.s.	398	375	432	396	1,166	1,388	1,220	1,144
6 Manufactured goods classified chiefly by material	524	592	431	1,027	719	682	647	1,246
7 Machinery and transport equipment	117	33	74	46	3,535	3,839	3,442	2,498
8 Miscellaneous manufactured articles	7	10	11	8	926	995	870	816
9 Commodities and transactions n.c.e.	76	34	12	37	81	64	46	40
Other	353	244	372	244	31	36	33	39

Trade flows by SITC product grouping 2011 - 2015

Source Eurostat Comext - Statistical regime 4

SITC Rev. 3 Product Groups	Imports				Exports			
	Value Mio €				Value Mio €			
	2012	2013	2014	2015	2012	2013	2014	2015
Total	24,555	23,865	23,859	16,243	6,925	7,472	6,748	6,209
Primary products	23,497	23,012	22,842	15,397	494	497	523	459
- Agricultural products (Food (incl. Fish) & Raw Materials)	289	209	253	211	370	368	398	353
- - Food	279	185	231	197	315	316	353	308
- - - of which Fish	42	50	50	43	9	7	5	4
- - Raw materials	11	23	22	14	55	52	46	45
- Fuels and mining products	23,207	22,803	22,589	15,186	124	128	125	106
- - Ores and other minerals	98	59	47	25	14	12	3	3
- - Fuels	22,693	22,310	22,225	14,249	83	89	90	71
- - - of which Petroleum and petroleum products	22,180	21,735	21,723	13,925	83	89	90	70
- - Non ferrous metals	417	434	317	912	27	27	32	32
Manufactures	629	576	632	565	6,313	6,868	6,141	5,660
- Iron and steel	87	127	74	87	110	98	113	791
- Chemicals	398	375	432	396	1,166	1,388	1,220	1,144
- - of which Pharmaceuticals	2	2	1	1	610	777	665	668
- Other semi-manufactures	11	21	34	20	553	519	469	397
- Machinery and transport equipment	117	33	74	46	3,535	3,839	3,442	2,498
- - Office and telecommunication equipment	5	4	6	14	431	407	410	315
- - - Electronic data processing and office equipment	2	2	2	2	220	226	177	119
- - - Telecommunications equipment	3	2	4	12	193	158	181	187
- - - Integrated circuits and electronic components	0	0	0	0	18	23	52	9
- - Transport equipment	62	3	41	9	1,091	1,337	1,130	524
- - - of which Automotive products	1	1	1	1	355	424	422	203
- - Other machinery	50	27	26	23	1,947	2,063	1,878	1,638
- - - Power generating machinery	34	15	16	8	150	188	225	143
- - - Non electrical machinery	15	10	9	12	1,411	1,521	1,312	1,206
- - - Electrical machinery	1	1	2	4	386	354	341	289
- Textiles	9	9	7	8	30	37	33	27
- Clothing	0	1	2	2	202	222	205	174
- Other manufactures	7	10	9	6	712	764	659	629
- - of which Scientific and controlling instruments	2	6	3	3	248	267	253	241
Other products	76	34	12	37	87	71	52	52
Other	353	244	372	244	31	36	33	39

% Growth: relative variation between current and previous period

% Total: Share in Total: Total defined as all products

% Extra-EU: imports/exports as % of all EU partners i.e. excluding trade between EU Member States

European Union, Trade with Kazakhstan

Trade flows by HS section 2015

Source Eurostat Comext - Statistical regime 4

HS Sections	Imports				Exports			
	Value Mio €	% Total	% Extra-EU	% Growth*	Value Mio €	% Total	% Extra-EU	% Growth*
Total	16,243	100.0	0.9	-31.9	6,209	100.0	0.3	-8.0
I Live animals; animal products	43	0.3	0.2	-14.0	61	1.0	0.2	-23.4
II Vegetable products	145	0.9	0.3	-11.6	114	1.8	0.4	14.2
III Animal or vegetable fats and oils					5	0.1	0.1	-9.9
IV Foodstuffs, beverages, tobacco	10	0.1	0.0	-45.2	167	2.7	0.2	-18.7
V Mineral products	14,261	87.8	4.1	-35.9	74	1.2	0.1	-21.2
VI Products of the chemical or allied industries	396	2.4	0.2	-8.5	1,075	17.3	0.4	-5.3
VII Plastics, rubber and articles thereof	2	0.0	0.0	268.2	152	2.5	0.2	-16.1
VIII Raw hides and skins, and saddlery	9	0.1	0.1	94.1	28	0.4	0.2	-17.0
IX Wood, charcoal and cork and articles thereof	0	0.0	0.0	-58.5	35	0.6	0.3	-22.9
X Pulp of wood, paper and paperboard	0	0.0	0.0	87.2	72	1.2	0.2	-17.5
XI Textiles and textile articles	23	0.1	0.0	-24.2	183	2.9	0.4	-15.8
XII Footwear, hats and other headgear	1	0.0	0.0	35.1	57	0.9	0.6	-23.5
XIII Articles of stone, glass and ceramics	5	0.0	0.0	-2.8	73	1.2	0.4	3.5
XIV Pearls, precious metals and articles thereof	508	3.1	0.9	347.6	26	0.4	0.0	-14.3
XV Base metals and articles thereof	536	3.3	0.5	62.5	987	15.9	1.0	181.4
XVI Machinery and appliances	36	0.2	0.0	6.2	1,974	31.8	0.4	-14.9
XVII Transport equipment	9	0.1	0.0	-77.4	533	8.6	0.2	-51.9
XVII Optical and photographic instruments, etc.	4	0.0	0.0	8.1	319	5.1	0.4	-11.1
XIX Arms and ammunition					8	0.1	0.2	32.1
XX Miscellaneous manufactured articles	0	0.0	0.0	-44.2	203	3.3	0.6	12.6
XXI Works of art and antiques	0	0.0	0.0	-51.0	3	0.0	0.0	32.9
XXII Not classified	255	1.6	1.4	-33.5	62	1.0	0.2	-0.7
AMA / NAMA Product Groups								
Total	16,243	100.0	0.9	-31.9	6,209	100.0	0.3	-8.0
Agricultural products (WTO AoA)	168	1.0	0.0	-17.4	345	5.6	0.0	-11.1
Fishery products	43	0.3	0.0	-13.6	4	0.1	0.0	-13.0
Industrial products	16,032	98.7	0.9	-32.1	5,860	94.4	0.3	-7.8

* % Growth: relative variation between current and previous period

% Total: Share in Total: Total defined as all products

% Extra-EU: imports/exports as % of all EU partners i.e. excluding trade between EU Member States

European Union, Trade with Kazakhstan

Trade flows by HS section 2011 - 2015

Source Eurostat Comext - Statistical regime 4

HS Sections	Imports				Exports			
	Value Mio €				Value Mio €			
	2012	2013	2014	2015	2012	2013	2014	2015
Total	24,555	23,865	23,859	16,243	6,925	7,472	6,748	6,209
I Live animals; animal products	42	51	50	43	87	86	80	61
II Vegetable products	230	113	164	145	86	96	100	114
III Animal or vegetable fats and oils		0	0		5	5	5	5
IV Foodstuffs, beverages, tobacco	7	22	18	10	177	167	205	167
V Mineral products	22,710	22,323	22,247	14,261	97	101	94	74
VI Products of the chemical or allied industries	397	375	432	396	1,057	1,285	1,135	1,075
VII Plastics, rubber and articles thereof	0	0	0	2	223	213	181	152
VIII Raw hides and skins, and saddlery	4	3	5	9	30	39	33	28
IX Wood, charcoal and cork and articles thereof	0	0	0	0	51	54	46	35
X Pulp of wood, paper and paperboard	6	0	0	0	127	99	87	72
XI Textiles and textile articles	20	33	30	23	218	237	217	183
XII Footwear, hats and other headgear	0	0	1	1	70	84	75	57
XIII Articles of stone, glass and ceramics	3	5	5	5	103	97	70	73
XIV Pearls, precious metals and articles thereof	208	241	113	508	57	67	30	26
XV Base metals and articles thereof	443	407	330	536	341	325	351	987
XVI Machinery and appliances	55	31	34	36	2,451	2,504	2,321	1,974
XVII Transport equipment	62	2	41	9	1,098	1,326	1,108	533
XVIII Optical and photographic instruments, etc.	2	6	4	4	349	383	359	319
XIX Arms and ammunition	0	0	0		6	8	6	8
XX Miscellaneous manufactured articles	1	0	1	0	211	209	180	203
XXI Works of art and antiques	0	0	0	0	3	10	2	3
XXII Not classified	364	252	383	255	82	79	63	62
AMA / NAMA Product Groups	2012	2013	2014	2015	2012	2013	2014	2015
Total	24,555	23,865	23,859	16,243	6,925	7,472	6,748	6,209
Agricultural products (WTO AoA)	246	159	203	168	349	351	389	345
Fishery products	42	50	50	43	10	7	5	4
Industrial products	24,267	23,657	23,606	16,032	6,567	7,114	6,354	5,860

Kazakhstan, Trade with World

Total Goods: Trade flows and balance

Source IMF

Period	Imports		Exports		Balance		Total trade	
	Value Mio €	% Growth*	Value Mio €	% Growth*	Value Mio €	% Growth*	Value Mio €	% Growth*
2005	13,976		22,392		8,416		36,369	
2006	18,883	35.1	30,469	36.1	11,587	37.7	49,352	35.7
2007	23,936	26.8	34,851	14.4	10,915	-5.8	58,787	19.1
2008	25,787	7.7	48,410	38.9	22,623	107.3	74,196	26.2
2009	20,389	-20.9	30,976	-36.0	10,587	-53.2	51,365	-30.8
2010	17,848	-12.5	42,976	38.7	25,128	137.4	60,823	18.4
2011	15,217	-14.7	57,843	34.6	42,627	69.6	73,060	20.1
2012	20,822	36.8	66,507	15.0	45,685	7.2	87,329	19.5
2013	22,893	9.9	57,551	-13.5	34,658	-24.1	80,443	-7.9
2014	20,252	-11.5	54,937	-4.5	34,685	0.1	75,189	-6.5
2015	32,204	59.0	31,794	-42.1	-410	-101.2	63,998	-14.9

Total Goods: Top trading partners 2015

Source IMF

Imports			Exports			Total trade		
Partner	Value Mio €	% World	Partner	Value Mio €	% World	Partner	Value Mio €	% World
World	32,204	100.0	World	31,794	100.0	World	63,998	100.0
1 Russia	10,595	32.9	1 EU 28	14,763	46.4	1 EU 28	21,581	33.7
2 China	8,355	25.9	2 China	4,785	15.1	2 Russia	14,501	22.7
3 EU 28	6,817	21.2	3 Russia	3,906	12.3	3 China	13,140	20.5
4 Uzbekistan	920	2.9	4 Uzbekistan	1,044	3.3	4 Uzbekistan	1,964	3.1
5 Turkey	744	2.3	5 Turkey	909	2.9	5 Turkey	1,653	2.6
6 Ukraine	707	2.2	6 Iran	869	2.7	6 USA	1,159	1.8
7 Belarus	520	1.6	7 Kyrgyz Republic	680	2.1	7 Ukraine	1,012	1.6
8 USA	504	1.6	8 Japan	661	2.1	8 Kyrgyz Republic	998	1.6
9 South Korea	451	1.4	9 USA	654	2.1	9 Iran	962	1.5
10 Kyrgyz Republic	318	1.0	10 Tadjikistan	500	1.6	10 Japan	900	1.4
3 EU 28	6,817	21.2	1 EU 28	14,763	46.4	1 EU 28	21,581	33.7

World trade: excluding intra-region trade

Top partners: excluding region member states

% Growth: relative variation between current and previous period

European Union, Trade with World

Total Goods: Trade flows and balance

Source Eurostat Comext - Statistical regime 4

Period	Imports		Exports		Balance		Total trade	
	Value Mio €	% Growth*	Value Mio €	% Growth*	Value Mio €	% Growth*	Value Mio €	% Growth*
2005	1,183,909		1,049,477		-134,432		2,233,386	
2006	1,368,254	15.6	1,152,485	9.8	-215,768	60.5	2,520,739	12.9
2007	1,450,340	6.0	1,234,482	7.1	-215,858	0.0	2,684,822	6.5
2008	1,585,231	9.3	1,309,147	6.1	-276,084	27.9	2,894,378	7.8
2009	1,235,636	-22.1	1,093,961	-16.4	-141,675	-48.7	2,329,598	-19.5
2010	1,529,387	23.8	1,353,196	23.7	-176,191	24.4	2,882,583	23.7
2011	1,726,698	12.9	1,554,180	14.9	-172,519	-2.1	3,280,878	13.8
2012	1,798,339	4.2	1,684,681	8.4	-113,658	-34.1	3,483,020	6.2
2013	1,687,324	-6.2	1,736,648	3.1	49,324		3,423,972	-1.7
2014	1,692,185	0.3	1,702,915	-1.9	10,731	-78.2	3,395,100	-0.8
2015	1,725,518	2.0	1,791,312	5.2	65,793	513.1	3,516,830	3.6

Total Goods: Top trading partners 2015

Source Eurostat Comext - Statistical regime 4

Imports			Exports			Total trade		
Partner	Value Mio €	% Extra-EU	Partner	Value Mio €	% Extra-EU	Partner	Value Mio €	% Extra-EU
World	1,725,518	100.0	World	1,791,312	100.0	World	3,516,830	100.0
1 China	350,436	20.3	1 USA	371,331	20.7	1 USA	620,306	17.6
2 USA	248,975	14.4	2 China	170,376	9.5	2 China	520,812	14.8
3 Russia	135,569	7.9	3 Switzerland	150,873	8.4	3 Switzerland	253,190	7.2
4 Switzerland	102,317	5.9	4 Turkey	79,129	4.4	4 Russia	209,481	6.0
5 Norway	74,249	4.3	5 Russia	73,911	4.1	5 Turkey	140,732	4.0
6 Turkey	61,603	3.6	6 Japan	56,585	3.2	6 Norway	123,105	3.5
7 Japan	59,770	3.5	7 Norway	48,856	2.7	7 Japan	116,355	3.3
8 South Korea	42,343	2.5	8 United Arab Emi...	48,509	2.7	8 South Korea	90,240	2.6
9 India	39,446	2.3	9 South Korea	47,897	2.7	9 India	77,626	2.2
23 Kazakhstan	16,243	0.9	39 Kazakhstan	6,209	0.3	31 Kazakhstan	22,452	0.6

Total Goods: Top product sections 2015

Source Eurostat Comext - Statistical regime 4

Rank	Imports				Exports			
	Product	Value Mio €	% Extra-EU		Product	Value Mio €	% Extra-EU	
	HS Sections				HS Sections			
1	XVI Machinery and appliances	415,947	24.1		XVI Machinery and appliances	456,164	25.5	
2	V Mineral products	350,795	20.3		XVII Transport equipment	295,356	16.5	
3	VI Products of the chemical or allied in...	165,465	9.6		VI Products of the chemical or allied in...	281,122	15.7	
4	XVII Transport equipment	120,655	7.0		XV Base metals and articles thereof	102,730	5.7	
5	XI Textiles and textile articles	109,428	6.3		V Mineral products	91,653	5.1	
	SITC Sections				SITC Sections			
1	7 Machinery and transport equipment	535,866	31.1		7 Machinery and transport equipment	753,155	42.0	
2	3 Mineral fuels, lubricants and related...	327,213	19.0		5 Chemicals and related prod, n.e.s.	315,929	17.6	
3	8 Miscellaneous manufactured articles	267,507	15.5		8 Miscellaneous manufactured articles	204,345	11.4	
4	5 Chemicals and related prod, n.e.s.	185,383	10.7		6 Manufactured goods classified chiefly...	199,377	11.1	
5	6 Manufactured goods classified chiefly...	183,762	10.7		3 Mineral fuels, lubricants and related...	85,284	4.8	

% Extra-EU: imports/exports as % of all EU partners i.e. excluding trade between EU Member States

% Growth: relative variation between current and previous period

Methodological Notes

HS Sections (Harmonized System)

Section	HS range	Label	Section	HS range	Label
I	Ch. 01 - 05	Live animals; animal products	XII	Ch. 64 - 67	Footwear, hats and other headgear
II	Ch. 06 - 14	Vegetable products	XIII	Ch. 68 - 70	Articles of stone, glass and ceramics
III	Ch. 15	Animal or vegetable fats and oils	XIV	Ch. 71	Pearls, precious metals and articles thereof
IV	Ch. 16 - 24	Foodstuffs, beverages, tobacco	XV	Ch. 72 - 83	Base metals and articles thereof
V	Ch. 25 - 27	Mineral products	XVI	Ch. 84 - 85	Machinery and appliances
VI	Ch. 28 - 38	Products of the chemical or allied industries	XVII	Ch. 86 - 89	Transport equipment
VII	Ch. 39 - 40	Plastics, rubber and articles thereof	XVIII	Ch. 90 - 92	Optical and photographic instruments, etc.
VIII	Ch. 41 - 43	Raw hides and skins, and saddlery	XIX	Ch. 93	Arms and ammunition
IX	Ch. 44 - 46	Wood, charcoal and cork and articles thereof	XX	Ch. 94 - 96	Miscellaneous manufactured articles
X	Ch. 47 - 49	Pulp of wood, paper and paperboard	XXI	Ch. 97	Works of art and antiques
XI	Ch. 50 - 63	Textiles and textile articles	XXII		Not classified

SITC Sections

Section	label	Section	label
	Total	S5	Chemicals and related prod, n.e.s.
S0	Food and live animals	S6	Manufactured goods classified chiefly by material
S1	Beverages and tobacco	S7	Machinery and transport equipment
S2	Crude materials, inedible, except fuels	S8	Miscellaneous manufactured articles
S3	Mineral fuels, lubricants and related materials	S9	Commodities and transactions n.c.e.
S4	Animal and vegetable oils, fats and waxes	Oth.	Other

SITC (rev 3.) Product Groupings

Label	SITC codes	Label	SITC codes
Primary products	0,1,2,3,4,68	-- Office and telecommunication equipment	75,76,776
- Agricultural products (Food (incl. Fish) & Raw Materials)	0,1,2,4,excl.27,excl.28	-- - Electronic data processing and office equipment	75
- - Food	0,1,22,4	-- - Telecommunications equipment	76
- - - Fish	03	-- - Integrated circuits and electronic components	776
- - - Other food products and live animals	0,1,22,4,excl.03	-- Transport equipment	713,7783,78,79
- - Raw materials	21,23,24,25,26,29	-- - Automotive products	7132,7783,781,782,783,784
- Fuels and mining products	27,28,3,68	-- - Other transport equipment	713,785,786,79,excl.7132
- - Ores and other minerals	27,28	-- Other machinery	71,72,73,74,77,excl.713,excl.776,excl.7783
- - Fuels	3	-- - Power generating machinery	71,excl.713
- - - Petroleum and petroleum products	33	-- - Non electrical machinery	72,73,74
- - - Other fuels	3,excl.33	-- - Electrical machinery	77,excl.776,excl.7783
- - Non ferrous metals	68	- Textiles	65
Manufactures	5,6,7,8,excl.68,excl.891	- Clothing	84
- Iron and steel	67	- Other manufactures	81,82,83,85,87,88,89,excl.891
- Chemicals	5	-- Personal and household goods	82,83,85
- - Pharmaceuticals	54	-- Scientific and controlling instruments	87
- - Plastics	57,58	-- Miscellaneous manufactures	81,88,89,excl.891
- - Other chemicals	51,52,53,55,56,59	Other products	891,9
- Other semi-manufactures	61,62,63,64,66,69	Other	Total minus sum of other categories

Statistical Regime

Statistical Regime 4: Total trade including inward and outward processing

COOPERATION AGREEMENT

between the European Atomic Energy Community and the Republic of Kazakhstan in the field of nuclear safety

THE EUROPEAN ATOMIC ENERGY COMMUNITY,

hereinafter referred to as 'The Community',

of the one part, and

the REPUBLIC OF KAZAKHSTAN,

hereinafter referred to as 'Kazakhstan',

of the other part,

both also generally referred to hereinafter as the 'Party' or 'Parties', as appropriate,

RECALLING that a Partnership and Cooperation Agreement between the European Communities and their Member States, on the one part, and the Republic of Kazakhstan, on the other part, was signed on 23 January 1995;

RECALLING that Kazakhstan and the Member States are Parties to the Treaty on the non-proliferation of nuclear weapons and members of the International Atomic Energy Agency;

RECALLING that the Commission of the European Communities, hereinafter referred to as 'the Commission', has responsibilities, *inter alia*, for laying down basic standards for radiation protection, for ensuring their implementation and for collecting and monitoring radiation data at Community level;

RECALLING that protection of the environment and cooperating in this connection with third parties at Community level are of importance;

CONSIDERING that the Commission implements a Community research programme in nuclear safety, including reactor safety, radiation protection, waste management and nuclear plant decommissioning and dismantling, as well as in safeguards for nuclear materials, and intends to develop scientific and technological cooperation with third countries on these subjects with a view to contributing towards internationally accepted nuclear safety principles and guidelines;

CONSIDERING that Kazakhstan operates a nuclear power plant and three research reactors which could be used as a part of a research and development programme to increase the safety of nuclear power plants;

RECALLING that Kazakhstan's regulatory activity for the nuclear sector is intended to ensure the protection of the environment and population in general, as well as the protection of workers, against radiation on the basis of internationally accepted guidelines and principles;

RECOGNISING that the future contribution of nuclear energy to meet the energy needs of Kazakhstan and of the Community, with due consideration for diversification, the economy, the environment and population in general also depends on developing satisfactory answers to the safety related issues aforementioned;

MINDFUL of the various forms of coordinated action on nuclear safety envisaged by the Community and Kazakhstan,

HAVE AGREED AS FOLLOWS:

Article 1

Cooperation under this Agreement shall be for peaceful purposes only and shall, on the basis of mutual benefit, contribute to the improvement of nuclear safety, including the definition and application of scientifically warranted and internationally accepted nuclear safety guidelines.

Article 2

The Parties shall endeavour to promote cooperation in the following areas.

(a) Reactor safety research

Review and analysis of safety issues; identification of appropriate techniques to improve reactor safety, *inter alia*, on the basis of research and development and evaluation studies on nuclear reactors in operation and planned.

(b) Radiation protection

Research, regulatory aspects, development of safety standards, public information, training and education. Particular attention shall be paid to the study of low-dose effects and of remedying contaminated areas, to industrial and medical exposure and post-accident management.

(c) Nuclear waste management

Assessment and optimisation of geological disposal, scientific aspects of the management of long life waste and strategies concerning site recovery.

(d) Decommissioning, decontamination and dismantling of nuclear installations

Strategies for decommissioning, decontamination, and dismantling nuclear installations, in particular radiological aspects.

(e) Research and development on safeguards of nuclear material

Development and evaluation of nuclear material measurement techniques and characterisation of reference materials for safeguard activities and development of the systems of accounting for and control of nuclear materials.

(f) Prevention of illicit trafficking of nuclear material

Cooperation shall relate to the promotion of methods and techniques of control of nuclear material.

Article 3

1. Cooperation shall be implemented in particular through:

- exchange of technical information by means of reports, visits, seminars, technical meetings, etc.,
- exchange of personnel including for training purposes between laboratories and/or bodies involved on both sides; this cooperation may also take place between persons and undertakings established in the respective territories of the Parties,
- exchange of samples, materials, instruments and apparatus for experimental purposes,
- balanced participation in joint studies and activities.

2. To the extent necessary, implementing arrangements to set out the scope, terms and conditions to implement specific cooperation activities, may be entered into by the Parties and/or by bodies which either Party may eventually entrust with the aforementioned activities.

Such implementing arrangements may, *inter alia*, cover financing provisions, assignment of management responsibilities and detailed provisions on dissemination of information and intellectual property rights.

3. In order to minimise duplication of efforts, the Parties shall coordinate their activities under this Agreement with other international activities related to nuclear safety in which they are participants.

Article 4

1. Each Party's obligations under this Agreement shall be subject to the availability of the required funds.

2. All costs resulting from cooperation shall be borne by the Party that incurs them.

3. The financing of industrial activities shall be excluded from the scope of this Agreement.

Article 5

1. Insofar as the Community is concerned, this Agreement shall apply to the territories in which the Treaty establishing the European Atomic Energy Community applies.

2. Cooperation under this Agreement shall be in accordance with the laws and regulations in force as well as with the international agreements entered into by the Parties.

3. Each Party shall use its best endeavours, within the framework of the laws and regulations applicable, to facilitate the accomplishment of formalities involved in the movement of persons, the transfer of materials and equipment and the transfer of currency required to conduct the cooperation.

4. Compensation for damages incurred during the implementation of this Agreement shall be in accordance with the laws and regulations applicable.

Article 6

Utilisation and diffusion of information and intellectual property rights including industrial property, patents and copyrights connected with the cooperation activities under this Agreement shall be in accordance with the Annexes, which form an integral part of this Agreement.

Article 7

Subject to the laws and regulations applicable, the Parties shall endeavour to settle all questions connected with this Agreement through consultations between themselves.

Article 8

1. A Coordinating Committee consisting of members appointed in equal numbers by the two Parties shall be established to supervise the implementation of this Agreement.

2. The Coordinating Committee shall meet as needed, alternately in the Community and in Kazakhstan, for regular sessions in order to:

- review and assess the cooperation under this Agreement and prepare annual reports thereon,
- determine by mutual agreement the specific tasks to be undertaken under this Agreement, without prejudice to the taking of autonomous decisions by the Parties on their respective programmes.

3. If mutually agreeable, extraordinary sessions may be held for dealing with particular topics, or in particular circumstances.

Article 9

1. This Agreement shall enter into force on the date which the Parties, by an exchange of diplomatic notes, specify for its entry into force and shall remain in force for an initial period of 10 years ⁽¹⁾.

⁽¹⁾ This Agreement entered into force on 1 June 2003.

2. Thereafter, this Agreement shall be automatically renewed for five-year periods, unless either Party, by written notice, requests its termination or renegotiation not later than six months prior to the expiry date.

3. In the event of termination or renegotiation, this Agreement shall remain in force in its previous form with respect to cooperation activities effectively entered into prior to the request for termination or renegotiation until the end of such activities and related implementing arrangements or for one calendar year after the expiry of this Agreement in its previous form, whichever is the earlier.

4. Termination of this Agreement shall not affect rights and obligations under Article 6.

Article 10

This Agreement shall be drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish, Russian and Kazakh languages, each text being equally authentic.

Hecho en Bruselas, el diecinueve de julio de mil novecientos noventa y nueve.

Udfærdiget i Bruxelles, den nittende juli nitten hundrede og nioghalvfems.

Geschehen zu Brüssel am neunzehnten Juli neunzehnhundertneunundneunzig.

Έγινε στις Βρυξέλλες, στις δεκαεννέα Ιουλίου χίλια εννιακόσια ενενήντα εννέα.

Done at Brussels on the nineteenth day of July in the year one thousand nine hundred and ninety-nine.

Fait à Bruxelles, le dix-neuf juillet mil neuf cent quatre-vingt-dix-neuf.

Fatto a Bruxelles, addì diciannove luglio millenovecentonovantanove.

Gedaan te Brussel, de negentiende juli negentienhonderdneenennegentig.

Feito em Bruxelas, em dezanove de Julho de mil novecentos e noventa e nove.

Tehty Brysselissä yhdeksäntenätoista päivänä heinäkuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäyhdeksän.


Utfärdat i Bryssel den nittonde juli nittonhundranittionio.

Совершено в городе Брюссель 19 июля 1999 года.

1999 жылдың 19 шілде күні Брюссель қаласында жасалған.

Por la Comunidad Europea de la Energía Atómica
For Det Europæiske Atomenergifællesskab
Für die Europäische Atomgemeinschaft
Για την Ευρωπαϊκή Κοινότητα Ατομικής Ενέργειας
For the European Atomic Energy Community
Pour la Communauté européenne de l'Énergie atomique
Per la Comunità europea dell'energia atomica
Voor de Europese Gemeenschap voor Atoomenergie
Pela Comunidade Europeia da Energia Atómica
Euroopan atomienergiayhteisön puolesta
På Europeiska atomenergigemenskapens vägnar

Атом энергиясы жөнүндөгү Европа Коомдастыгы үчүн
За Европейское Сообщество по Атомной Энергии



Por la República de Kazajistán
For Republikken Kasakhstan
Für die Republik Kasachstan
Για τη Δημοκρατία του Καζακστάν
For the Republic of Kazakhstan
Pour la République du Kazakhstan
Per la Repubblica del Kazakistan
Voor de Republiek Kazachstan
Pela República do Cazaquistão
Kazakstanin tasavallan puolesta
På Republiken Kazakstans vägnar

Қазақстан Республикасы үшін
За Республику Казахстан



ANNEX I

GUIDING PRINCIPLES ON THE ALLOCATION OF INTELLECTUAL PROPERTY RIGHTS (*) RESULTING FROM JOINT RESEARCH UNDER THE COOPERATION AGREEMENT IN THE FIELD OF NUCLEAR SAFETY

I. OWNERSHIP, ALLOCATION AND EXERCISE OF RIGHTS

1. All research carried out pursuant to this Agreement shall be 'joint research'. The participants shall jointly develop joint technology management plans (TMPs) (**) in respect of the ownership and use, including publication, of information and Intellectual Property (IP) to be created in the course of joint research. Those plans shall be approved by the Parties before the conclusion of any specific R & D cooperation contracts to which they refer. The TMPs shall be developed taking into account the aims of the joint research, the relative contributions of the participants, the advantages and disadvantages of licensing by territory or for fields of use, requirements imposed by laws applicable and other factors deemed appropriate by the participants. The rights and obligations concerning the research generated by visiting researchers in respect of IP shall also be addressed in the joint technology management plans.
2. Information or IP created in the course of joint research and not addressed in the technology management plan shall be allocated, with the approval of the Parties, according to the principles set out in the technology management plan. In case of disagreement, such information or IP shall be owned jointly by all the participants involved in the joint research from which the information or IP results. Each participant to whom this provision applies shall have the right to use such information or IP for his own commercial exploitation with no geographical limitation.
3. Each Party shall ensure that the other Party and its participants may have the rights to IP allocated to them in accordance with these principles.
4. While maintaining the conditions of competition in areas affected by the Agreement, each Party shall endeavour to ensure that rights acquired pursuant to this Agreement are exercised in such a way as to encourage in particular:
 - (i) the dissemination and use of information created, disclosed, or otherwise made available, under the Agreement;
 - (ii) the adoption and implementation of international standards.

II. COPYRIGHT WORKS

Copyright belonging to the Parties or to their participants shall be accorded treatment consistent with the Berne Convention (1971 Paris Act).

III. SCIENTIFIC LITERARY WORKS

Without prejudice to section IV, unless otherwise agreed in the TMP, publication of results of research shall be made jointly by the Parties or participants to that joint research. Subject to the foregoing general rule, the following procedures shall apply.

1. In the case of publication by a Party or public bodies of that Party of scientific and technical journals, articles, reports, books, including video and software, arising from joint research pursuant to this Agreement, the other Party shall be entitled to a worldwide, non-exclusive, irrevocable, royalty-free licence to translate, reproduce, adapt, transmit and publicly distribute such works.
2. The Parties shall ensure that literary works of a scientific character arising from joint research pursuant to this Agreement and published by independent publishers shall be disseminated as widely as possible.
3. All copies of a copyright work to be publicly distributed and prepared under this provision shall indicate the names of the author(s) of the work unless an author or authors expressly declines or decline to be named. They shall also bear a clearly visible acknowledgement of the cooperative support of the Parties.

(*) Definitions of the concepts referred to in these guiding principles are set out in Annex II.

(**) The indicative features of such TMPs are set out in Annex III.

IV. UNDISCLOSED INFORMATION

A. Documentary undisclosed information

1. Each Party or its participants, as appropriate, shall identify at the earliest possible moment, and preferably in the technology management plan, the information that it wishes to remain undisclosed in relation to this Agreement, taking account, *inter alia*, of the following criteria:

- secrecy of the information in the sense that the information is not, as a body or in the precise configuration or assembly of its components, generally known among or readily accessible by lawful means to experts in the field,
- the actual or potential commercial value of the information by virtue of its secrecy,
- previous protection of the information in the sense that it has been subject to steps that were reasonable under the circumstances by the person lawfully in control, to maintain its secrecy.

The Parties and the participants may in certain cases agree that, unless otherwise indicated, parts or all of the information provided, exchanged or created in the course of joint research pursuant to the Agreement may not be disclosed.

2. Each Party shall ensure that undisclosed information under this Agreement and its ensuing privileged nature is readily recognisable as such by the other Party, for example by means of an appropriate marking or restrictive legend. This also applies to any reproduction of the said information, in whole or in part.

A Party receiving undisclosed information pursuant to the Agreement shall respect the privileged nature thereof. These limitations shall automatically terminate when this information is disclosed by the owner without restriction to experts in the field.

3. Undisclosed information communicated under this Agreement may be disseminated by the receiving Party to persons within or employed by the receiving Party, and other concerned departments or agencies in the receiving Party authorised for the specific purposes of the joint research under way, provided that any undisclosed information so disseminated shall be pursuant to an agreement of confidentiality and shall be readily recognisable as such, as set out above.

4. With the prior written consent of the Party providing undisclosed information under this Agreement, the receiving Party may disseminate such undisclosed information more widely than otherwise permitted in paragraph 3. The Parties shall cooperate in developing procedures for requesting and obtaining prior written consent for such wider dissemination, and each Party will grant such approval to the extent permitted by its domestic policies, regulations and laws.

B. Non-documentary undisclosed information

Non-documentary undisclosed or other confidential or privileged information provided in seminars and other meetings arranged under this Agreement, or information arising from the attachment of staff, use of facilities, or joint projects, shall be treated by the Parties or their participants according to the principle specified for documentary information in the Agreement, provided, however, that the recipient of such undisclosed or other confidential or privileged information has been made aware of the confidential character of the information communicated at the time such communication is made.

C. Control

Each Party shall endeavour to ensure that undisclosed information received by it under this Agreement shall be controlled as provided therein. If one of the Parties becomes aware that it will be, or may reasonably be expected to become, unable to meet the non-dissemination provisions of paragraphs A and B, it shall immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.

ANNEX II

DEFINITIONS

1. INTELLECTUAL PROPERTY: shall have the meaning found in Article 2 of the Convention establishing the World Intellectual Property Organisation, done at Stockholm on 14 July 1967.
2. PARTICIPANT: any natural or legal person, including the Parties themselves, participating in a project under this Agreement.
3. JOINT RESEARCH: research implemented and/or funded by the joint contributions of the Parties and with collaboration from participants of both Parties, where appropriate.
4. INFORMATION: scientific or technical data, results or methods of research and development stemming from the JOINT RESEARCH and any other information deemed necessary by the Parties and/or participants engaged in the JOINT RESEARCH to be provided or exchanged under this Agreement or research pursuant thereto.

ANNEX III

INDICATIVE FEATURES OF A TECHNOLOGY MANAGEMENT PLAN (TMP)

The TMP is a specific agreement to be concluded between the participants, about the implementation of joint research and the respective rights and obligations of the participants. With respect to IP, the TMP will normally address, *inter alia*: ownership, protection, user rights for R & D purposes, exploitation and dissemination, including arrangements for joint publication, the rights and obligations of visiting researchers and dispute settlement procedures. The TMP may also address foreground and background information, licensing and deliverables.