



S&T International Cooperation Network for Eastern European and Central Asian Countries
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Analysis of the DCEC instrument

1. Basic Information

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Abstract:

D2.7 Analysis of the DCEC instrument and its priorities in order to identify S&T relevant fields of action for Central Asia

There are 15 the EU papers have been carefully read and analyzed to prepare the D2.7. List of the analyzed papers are attached (Please see Annex 1).

In accordance to the point 10 of the Regulation No. 1905/2006 of the European Parliament and the Council of 18 December 2006 “Establishing a financing instrument for development cooperation” the Development Cooperation and Economy Cooperation Instrument (DCECI) is changed to the **DCI**, e.g. **Development Cooperation Instrument**.

DCI became the legal basis for EU-Central Asia development co-operation, replacing the previous TACIS Programme (the EU Technical Assistance Programme to the Commonwealth of Independent States), implemented through geographical and thematic programmes.

DCI foresees number of call for proposals in the field of food, health care and human rights with some S&T aspects. But main field of the DCI’ interests is supporting social and economy reforms in the region.

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Executive Summary

The European Union (EU) has edged closer to Central Asia, geographically, politically and economically. Central Asia has a centuries-old tradition of bringing Europe and Asia together.

The diplomatic relations between the EU and Central Asian countries, which began over 15 years ago, have developed to an active and comprehensive long-term partnership. The EU has provided substantial assistance to the region amounted to over €1,3 billion. It covers cooperation on democratic reform, economic modernization, regional cooperation, energy, water, environment and the common threats, like terrorism, drugs and human trafficking.

The EU “Establishing a financing instrument for development cooperation” has adopted on 18 December 2006 for number of countries, including Central Asia, **Development Cooperation Instrument (DCI)** instead of previously launched Development Cooperation and Economy Cooperation Instrument (DCECI).

DCI became the legal basis for EU-Central Asia development co-operation, replacing the previous Technical Assistance Programme to the Commonwealth of Independent States (TACIS). DCI proposals and projects are not devoted for research and technology development. DCI workprogrammes include S&T aspects only in case to research special background for the social and economy needs.

The European Union and Central Asia cooperation

In a globalised world of 21 century, the time has come for a new partnership between the EU and Central Asia. Therefore, the EU has adopted a new cooperation strategy towards the region: **“The EU and Central Asia: Strategy for a New Partnership”** (2007-2013) (Please see attached – Annex 3). The document determines the form and priorities of cooperation between the EU and Central Asian countries, based on their specific needs, analyses the political and economic situation in the region and puts ground for an effective dialogue.

An indicative budget of €719 million has been earmarked for Central Asia by the Strategy Paper to assist the region in sustainable economic development and poverty reduction, and to facilitate closer regional co-operation both within the region and between Central Asia and the EU. This assistance is programmed at both regional and national levels, focusing on three priorities areas:

- Central Asia regional co-operation and good neighbourly relations (30-35% of total budget)
- Reducing poverty and increasing living standards (40-45% of total budget)
- Promoting good governance and economic reform (20-25% of total budget)

The Strategy provides an overall framework for EU relations with Central Asia and builds on the results in the implementation of various agreements, EU assistance programmes and other initiatives taken by the EU to engage with countries of Central Asia. The Strategy defines EU priorities for its cooperation with the region as a whole, including in the fields of human rights, rule of law, good governance and democracy, education, economic development, trade and investment, energy and transport, environmental policies, common threats and inter-cultural dialogue, but states that implementation of these should be tailored to the specific requirements and performance of each Central Asian country. The Strategy also calls for intensification of political dialogue with all five countries of Central Asia, including holding of regular meetings at Foreign Minister level and convening annual meetings of EU Heads of Mission in the region.

Along the comprehensive EU Strategy, there are essential bilateral framework documents between the EU and its Central Asia partners, including Partnership and Co-operation Agreements and a number of sector-specific agreements.

In June 2008, the European Council and the European Commission have published their Joint Progress Report on the implementation of the EU Central Asia Strategy (Please see attached – Annex 4). The Report concluded that the overall progress on implementing the Strategy has been encouraging. Within a year under review, a significant intensification of political dialogue and practical co-operation in all priority areas indicated in the Strategy has been achieved. The EU remains committed to continue its current efforts and maintain political momentum to implement visible projects exercising sustainable impact on key areas of co-operation.

In line with the Strategy, political dialogue with the countries of Central Asia has intensified significantly over the last year, which in turn has contributed positively to practical cooperation with these countries, especially as regards implementation of the Strategy on the ground. It confirms the readiness of the EU to contribute to the security of the Central Asian countries as well as to developing their energy potential, but also highlighted the growing problem of rational water management use in the region and the importance of engaging in structured human rights dialogues.

As Central Asia is a region facing significant regional challenges which require cross-border cooperation, the need for a regional approach has been duly taken into account while implementing the Strategy in such areas as combating drug trafficking, modernizing border management, dealing with environmental problems, including in particular water management, and fostering energy and transport links. In line with the Strategy, two regional initiatives are being developed: a European Education Initiative for Central Asia, and a European Rule of Law Initiative for Central Asia. Efforts are also underway in order to coordinate closer the EU activities in the region as regards the environment and water management.

Main sectors of regional cooperation:

1. **Human rights, rule of law, good governance, and democratization.** The Strategy recognizes that human rights, rule of law, good governance and democratization underpin long-term political stability and economic development of Central Asia.
2. **Educational and scientific activities.** These activities will foster the international and regional cooperation in the fields of education and research while reforming higher and technical education and training systems as well strengthening the links between the research communities and scientists of the EU and Central Asia (TEIN programme). Initiatives are also foreseen with the scope of strengthening cooperation between people, social partners and civil society organisations of different countries in the region, and between these countries and the EU (TEMPUS programme replaced by ERASMUS-MUNDUS).
3. **Economic development, trade and investment.** The EU supports, including through assistance programmes, WTO membership of all Central Asian countries, encourages Central Asian partners to make better use of the EU Generalised System of Preferences (GSP) and to increase and diversify their economic production and exports. The Central Asia Invest programme was launched by the EC in November 2007 with the aim to promote the development of SMEs in Central Asia, including by institution building actions for business intermediary organizations.
4. **Energy and transport.** Cooperation with Central Asia in the principal fields of transport and energy fields targets the regionalization of policies, the progressive integration of markets and the intensification of links between small and medium European and Central Asian enterprises. There are most important programmes such as Central Asia Invest programme, INOGATE programme, and TRACECA programme. In the field of energy, issues related to energy efficiency, energy saving and renewable remain of key importance. Hydro-energy is high on the agenda as well. Transport is a long-established area of cooperation between the EU and the Central Asia countries, as the extension of the trans-European transport networks and the approximation of transport regulations would facilitate transport and trade flows between the EU and the Central Asia countries.
5. **Environment and water.** Central Asia is suffering an important degradation of soils, needs to preserve its biodiversity and deal with natural resources in a sustainable way. The activities at a regional scale will focus on water, forestry, industrial pollution and climate change, information to the civil society and the strengthening of cooperation. Most important programmes in this field are: Central Asia Environment programme and Forest Law Enforcement on Governance and Trade (FLEGT) programme.
6. **Border Management and Drug Prevention.** Effective border management and anti-trafficking policies are crucial both for security and economic reasons. They also promote healthy cross-border trade. This challenge requires the establishment of new infrastructure and the re-training of customs officials and border guards. To help bring this about, in 2002 the EU has launched its Border Management Programme in Central Asia (BOMCA) and Central Asia Drug Action Programme (CADAP).

Definition of the Development Cooperation Instrument (DCI)

The point 10 of the Regulation No. 1905/2006 of the European Parliament and the Council of 18 December 2006 “Establishing a financing instrument for development cooperation” has adopted for number of countries, including Central Asia, **Development Cooperation Instrument (DCI)** because amalgamating development cooperation and economic cooperation into one instrument (DCEC) has raised several concerns and questions, main of which is bulkiness of the instrument’ management and realization. Therefore it is necessary to change in the project the abbreviation DCECI to the DCI.

DCI became the legal basis for EU-Central Asia development co-operation, replacing the previous Technical Assistance Programme to the Commonwealth of Independent States (TACIS). For over fifteen years Central Asia have benefited from the EU TACIS Programme.

TACIS is a European Union initiative which supports the process of transition to market economies and democratic societies in CIS countries. A dialogue-driven approach to programming addresses the different needs and priorities of the partner countries. In line with this approach, National Coordinating Units (NCU) has been established in the partner countries to participate more effectively into the programming of the EC technical assistance. Within this period, the EU has provided substantial assistance for the region, amounting to over 1.3 billion Euros, mainly in grant aid.

To make its assistance even more effective, the EU has adopted a package of five new financial instruments for the implementation of external assistance for the 2007 to 2013. The Central Asia is eligible for the following:

- Development Cooperation Instrument (DCI)
- European Instrument for Democracy & Human Rights (EIDHR). Established in 2006, it allows the EU to provide support for the promotion of democracy and human rights worldwide.
- Instrument for Stability (IfS) is meant for providing peacekeeping actions, helping other countries in the fight against organized crime, terrorism and other trans-national threats and for assistance in a nuclear crisis or against the threat of weapons of mass destruction.

DCI covers three main components. The first is to provide assistance to South Africa and 47 developing countries in Latin America, Asia and Central Asia, and the Middle East (only those countries not covered by the European Neighborhood and Partnership Instrument or the European Development Fund). Secondly, it supports the restructuring of sugar production in 18 ACP countries.

Thirdly, it runs five thematic programmes:

- 1) investing in people;
- 2) environment and sustainable management of natural resources including energy;
- 3) non-state actors and local authorities in development;
- 4) food security;
- 5) migration and asylum.

The five DCI thematic programmes support actions in all developing countries (including those covered by ENPI and the EDF), global actions and external projections of as well as global actions and the fleshing out of Commission internal policies.

The main objective of cooperation under the DCI Regulation is the eradication of poverty in partner countries and regions in the context of sustainable development, including pursuit of the Millennium Development Goals (MDGs), as well as the promotion of democracy, good governance, respect for human rights and rule of law. The DCI is implemented through geographic and thematic programmes to integrate these thematic areas and geographic regions: a **geographical programme** for co-operation with countries and regions, and a **thematic programme** to cover issues such as environment, forests, democracy, human rights and health.

Geographic programmes encompass cooperation with partner countries and regions determined on a geographical basis. It is aimed at supporting actions within the following thematic priorities:

- supporting the implementation of policies aimed at poverty eradication and at the achievement of the MDGs;
- addressing the essential needs of the population, in particular primary education and health;
- promoting social cohesion and employment;
- promoting governance, democracy, human rights and support for institutional reforms;
- assisting partner countries and regions in the areas of trade and regional integration;
- promoting sustainable development through environmental protection and sustainable management of natural resources;
- supporting sustainable integrated water resource management and fostering greater use of sustainable energy technologies;
- assistance in post-crisis situations and fragile States.

The measures taken vary according to the specific needs and situation in each country and the region.

Rules on participation in tenders and grant contracts, as well as rules concerning the origin of supplies are set down in Articles 5 and 8 of the EC Regulation “Establishing a financing instrument for development cooperation” (18 December 2006) in accordance with most recent developments concerning the untying of aid. Application forms, guidelines,

Participation at the DCI calls for proposals and calls for tenders is possible following the launch of the calls, which usually is published at the EC Delegation’s website with reference to the EC documents.

Usual set of the call papers includes the following documents:

- Application Form
- General Conditions
- Special Conditions
- Guidelines
- Logical Framework
- Budget
- Expenditure Verification
- Legal Entity Form
- Financial Identification Form

The deadline for submission of proposals is usually 3-4 months from the date of publication of the call. Usual partnership in the project includes at least 2 participants: one from the EU and one from the beneficiary country. Usual duration of the project: 12-24 months. Usual funding varies between 100.000 Euro up to 1,5 mln Euros. Mainly the proposals are evaluated by the EC Delegations in locale. In rear cases they invite experts from the EU Member States.

DCI projects analysis

Since 1991, the TACIS instrument addresses the countries in Central Asia as transition countries. The new coverage of the DCI made it necessary to include in the Regulation a "political content" stressing the specific challenges to be addressed to:

- a. promoting constitutional reforms and legislative, administrative and regulatory approximation with the Community, including strengthening of national institutions and bodies responsible for the effective implementation of policies in areas covered in the Partnership and Cooperation Agreements, such as election bodies, parliaments, public administration reform and public financial management;
- b. promoting the development of a market economy and partner countries' integration into the World Trade Organisation, while addressing the social aspects of the transition;
- c. supporting efficient border management and cross-border cooperation to promote sustainable economic, social and environmental development in border regions;
- d. fighting against production, consumption and trafficking of drugs and against other trafficking;
- e. fighting against HIV/Aids;
- f. promoting regional cooperation, dialogue and integration.

At the present time there are 173 ongoing DCI, DDH, and FOOD projects supported by the EU and managed by the EC Delegation in Almaty: 43 regional projects, Kazakhstan – 37, Tajikistan – 51; Kyrgyzstan – 42, from which 29 are DCI projects having more or less connections to educational and scientific issues such as environmental problems (creation of regional environmental center, supporting sustainable development efforts for and by Caspian Coastal communities support in creation and development of water user cooperatives) and supporting in development of high education (“Support to development and monitoring of a quality assurance system for higher education in Kazakhstan”). (Please see attached Annexes – Lists of ongoing TACIS-DCI projects).

Mainly the DCI projects in Central Asia consider problems regarding the Partnership Agreements, social, political and economy development issues regardless scientific and research matters. If we will compare the thematic priorities of DCI and FP7, we will see the following pictures:

DCI thematic priorities:	FP7 thematic priorities:
<ol style="list-style-type: none"> 1. supporting the implementation of policies aimed at poverty eradication and at the achievement of the MDGs; 2. addressing the essential needs of the population, in particular primary education and health; 3. promoting social cohesion and employment; 4. promoting governance, democracy, human rights and support for institutional reforms; 5. assisting partner countries and regions in the areas of trade and regional integration; 6. promoting sustainable development through environmental protection and sustainable management of natural resources; 7. supporting sustainable integrated water resource management and fostering greater use of sustainable energy technologies; 8. assistance in post-crisis situations and fragile States. 	<ol style="list-style-type: none"> 1. Health 2. Food, agriculture and biotechnology 3. Information and communication technologies 4. Nanosciences, nanotechnologies, materials and new production technologies 5. Energy 6. Environment (including climate change) 7. Transport (including aeronautics) 8. Socio-economic sciences and the humanities 9. Security and space 10. Euratom: Fusion energy research, nuclear fission and radiation protection
<p>Common priorities for the both programmes:</p> <ol style="list-style-type: none"> 1. Health 2. Food 3. Energy 4. Transport 5. Environment 	

But aims of the projects funded under DCI very differ from FP7 as well as their approaches and methodologies. General aim of DCI project is support to the local governments and local users.

As example to compare with FP7 projects, we have considered number of TACIS-DCI projects, among of them the following 2 projects.

First one is TACIS project FOOD/2005/017-334, realized in the period 21/09/2005 22/09/2008. The overall objective of the Programme is to support the Government structural reforms, in areas related to food security. This objective is in tune with the Kyrgyz Poverty Reduction Strategy Paper (PRSP) and aims to contribute to the overall effort by Government and society to reduce poverty through sustainable economic growth and development.

The specific objective (purpose) of the Programme is to assist the Government to improve the design, management, delivery and effectiveness of State programmes and services in agriculture and social protection that are aimed at reducing food insecurity.

- Public Finance reform process by promoting institutional and financial improvements towards strengthening public expenditure management.
- In the social sector, the Programme will actively contribute to the process of social policy elaboration and provide the basis for accurate targeting of social services
- The Programme will contribute to improve an economically and environmentally sustainable agriculture based on private initiative.

The expected results are, on one hand, the strengthening of the capacity of the Ministry of Labour and Social Protection (MLSP) and of the Ministry of Agriculture Water Resource and Processing Industry (MAWR&PI) to improve the linkage between MTBF process and the annual budget and particularly the relationship between the sector approach and budget preparation. On the other hand, the intervention in these two sectors will be correlated to the improvement of the public finance management through the implementation of the approved Action Plan by the Ministry of Economy and Finance (MEF) based on platform approach.

And the second one is TACIS/2003/005-619, Supply of Equipment for the project “Support to the Ministry of Agriculture in Creation and Development of Water User Cooperatives in Kazakhstan. The overall objective of the project is to contribute to the development of market relations in the irrigation sub-sector. The target groups of the action are farmers of Water User Cooperatives. The final beneficiary of the action is the Ministry of Agriculture of Kazakhstan.

Estimated result of the project is the properly functioning and equipped SUs to the Water User Cooperatives in the Republic of Kazakhstan. Main activities of the project are delivery and installation of specific water measurement demonstration equipment to the Support Units (SUs) to the Water User Cooperatives in Astana, Taldykorgan, Oskemen, Taraz, Kyzylorda, Chimkent and Almaty.

Both projects being typical TACIS project has no any aim to carry out real research activities. If we consider any FP7 project in the field of Food or Water management matters, we will find that there are main aims for the project is research of scientific and technical issues.

In addition we considered one more project TACIS/2004/016-770, IBPP Kazakhstan- Promotion of sustainable health prevention culture among youth in Kazakhstan. The overall objective of the project is to decrease vulnerability of children/teenagers of Almaty, Astana, Kustanay oblast towards infectious diseases, TB, STD, HIV/AIDS through building capacity of the KazRCS youth and volunteers in local branches. The target group of the action are 60 schools x 630 pupils, 960 street children at police stations, 3 KazRCS branches staff, 225 volunteers/trainers. The final beneficiaries of the action are mothers of schoolchildren, different ministries, state HIV/AIDS centre, and local authorities.

Estimated results of the project are establishment of 3 Health Information and Education Centres (HIECs), friendship hot line, raised awareness, responsible behaviour and sanitary/ hygienic rules abidance, trained volunteers. Main activities of the project are: workshops for ToT and volunteers, youth group, data base on health promotion, training materials, public awareness campaign and

materials/publications, mass media work, health promotion sessions, on-the-job counselling, work with schools, lobbying authorities, and advocacy.

This kind TACIS-DCI project is very similar to FP7 Coordination and Support Actions. For example, FP6-023157 InJoy&Train “East European Co-operation Network for International Joint Training in FP6/FP7 Food, Agriculture and Biotechnology for EU-Kazakhstan-Russia-Ukraine-Armenia-Belarus Countries”, which objectives were The creation and implementation of a network of Research organizations, Multipliers and SMEs in NIS countries specialised in the FP6-FQS and FP7-FAB sector (in connection with the EU).

InJoy&Train was a 24-month Specific Support Action which aims at improving, in quality and quantity, the participation of researchers, multipliers and SMEs from Kazakhstan, Russia, Ukraine, Armenia and Belarus in the “Food, Agriculture and Biotechnology” sector of the 7th Framework Programme (FP7) in European research.

DCI projects do not have special aim to support scientific and technology development projects in general. But if some part of DCI projects will contain research of specific project issues, for example, in the case of HIV/AIDS project, there will be additional research of new antiviral tools or scientific ways to protect volunteers to be infected by HIV/AIDS, it will, from one side to make the project more comprehensive and attractive due its scientific background; from other hand, it will raise cost of the project.

At the same time, there is real possibility to join efforts of two different programmes to solve the common problems. Example of such cooperation is project BOMCA4-2 “Border Management Programme for Central Asia”, jointly funded by UNDP (United Nations Development Program) and TACIS-DCI.

Regarding the coordination and support actions, existing under FP7 and DCI, there is real possibility for Central Asia scientists to submit their proposals to create local thematic networks. But it demands direct connection to the local ministries or state agencies working in this certain field because any DCI projects are considered as technical assistance to the country. Therefore DCI projects must accord and give answer to needs and priorities of local governments.

CONCLUSION

The analysis of DCI programmes in the Central Asia shows that DCI became the legal basis for EU-Central Asia development co-operation, replacing the previous TACIS Programme.

The five DCI geographic and thematic programmes support actions in all developing countries are implemented through the call for proposals. The main objective of cooperation under the DCI Regulation is the eradication of poverty in partner countries and regions in the context of sustainable development as well as the promotion of democracy, good governance, respect for human rights and rule of law.

DCI proposals and projects include S&T aspects only in case to research special background for social and economy needs.

Comparative analyses of different TACIS-DCI and FP7 projects showed that there are 5 common priorities: Health, Food, Energy, Transport, and Environment. But aims and tasks of projects are absolutely different because DCI projects are not research projects. Mainly DCI projects towards to solve the social issues, and to be as tool to support local governments to over social and economy problems.

It does not include the scientific and research development programmes and projects as main purpose of the project. Moreover, consultations with the Delegation of the European Commission to the Republic of Kazakhstan, the Kyrgyz Republic and the Republic of Tajikistan revealed that the staff of the Delegation does not include any official who is responsible for S&T issues within the Delegation and none of the programmes includes S&T matters.

Central Asia researchers can apply DCI calls for proposals and calls for tenders to get support to strengthen the research infrastructures, to create thematic networks, to undertake small-sized research applied to social and economy life challenges.

Most important conclusion of DCI analyses is that DCI is not the instrument for scientific and technology researchers.

Annex 1

List of analyzed papers	
1.	Regulation (EC) No 1905/2006 of the European Parliament and of the Council “Establishing a financing instrument for development cooperation”, 18 December 2006
2.	The EU and Central Asia: Strategy for a New Partnership adopted by the European Council, 31 May 2007
3.	Joint Progress Report by the Council and the European Commission to the European Council on the implementation of the EU Central Asia Strategy, 27 August 2008
4.	The EU Central Asia Indicative Program. Breakdown of commitments by programme (€ millions by budget year)
5.	Erasmus Mundus Programme
6.	DCECI – FERN publications
7.	TACIS – DCI ongoing projects
8.	The EU’s financial toolkit
9.	The European Union Visitors Programme
10.	The EU-Kazakhstan cooperation report
11.	The EU-Kyrgyzstan cooperation report
12.	The EU-Tajikistan cooperation report
13.	The EU-Uzbekistan cooperation report
14.	Central Asia Invest programme
15.	INOGATE Programme (International energy cooperation programme between the European Union, the littoral states of the Black & Caspian Seas and their neighboring countries)
16.	TRACECA Programme: Transport Corridor Europe – Caucasus – Asia
17.	FLEGT Programme: Forest Law Enforcement on Governance and Trade
18.	Central Asia Environment Programme
19.	Central Asia Tempus programme
20.	TEIN Programme (Trans-Eurasia Information Network)