



FINLAND'S DEVELOPMENT COOPERATION

in Eastern Europe and Central Asia, 2014–2017

Wider Europe Initiative

MINISTRY FOR FOREIGN AFFAIRS

Table of contents

Introduction	4
Finland's Development Cooperation in Eastern Europe and Central Asia, 2014–2017, Wider Europe Initiative	5
1. The Green Economy Partnership Programme	7
Aid for Trade	8
From the crisis towards decent and safe jobs	9
Fishery and aquaculture management in Kyrgyzstan	10
Finland's water management programme in Kyrgyzstan and Tajikistan	11
Inter-institutional development cooperation	12
2. Democracy Support	13
Rule of Law and Access to Justice projects in Kyrgyzstan and Tajikistan	14
OSCE cooperation	15
European Humanities University (EHU)	15
Fund for Local Cooperation	16
Appendices	17



- 1 Belarus
- 2 Ukraine
- 3 Moldova
- 4 Georgia
- 5 Armenia
- 6 Azerbaijan
- 7 Kazakhstan
- 8 Uzbekistan
- 9 Turkmenistan
- 10 Kyrgyzstan
- 11 Tajikistan

DEMOCRACY SUPPORT

Focus: the entire region

UNDP: Rule of Law and Access to Justice projects in Kyrgyzstan and Tajikistan
4 MEUR

Fund for Local Cooperation: for the entire region
3 MEUR

OSCE cooperation: for the entire region
2 MEUR

EHU: Belarus
0.5 MEUR

THE GREEN ECONOMY PARTNERSHIP PROGRAMME

Main partner countries: Kyrgyzstan and Tajikistan

UNDP: Aid for Trade for Kyrgyzstan, Tajikistan and Uzbekistan
9 MEUR

SYKE: Water management programme for Kyrgyzstan and Tajikistan
8 MEUR

ILO: From the crisis towards decent and safe jobs for Kyrgyzstan and Tajikistan
4 MEUR

FAO: Fishery and aquaculture management in Kyrgyzstan
1.5 MEUR

Inter-institutional development cooperation in hydrology, climatology and meteorology: for Kyrgyzstan and Tajikistan
4.2 MEUR



Introduction

The Government's Development Policy Programme was adopted in February 2012. In accordance with the Programme, Finland will focus its development cooperation on the least developed countries in Africa and Asia. In the region of Eastern Europe and Central Asia, the particular focus is on Kyrgyzstan and Tajikistan.

From 2014 to 2017 our regional development cooperation in Eastern Europe and Central Asia comprises two parts.

The first element is **the Green Economy Partnership Programme** in Central Asia, which focuses on Kyrgyzstan and Tajikistan, and the second part is **Democracy Support** covering all countries in the region.

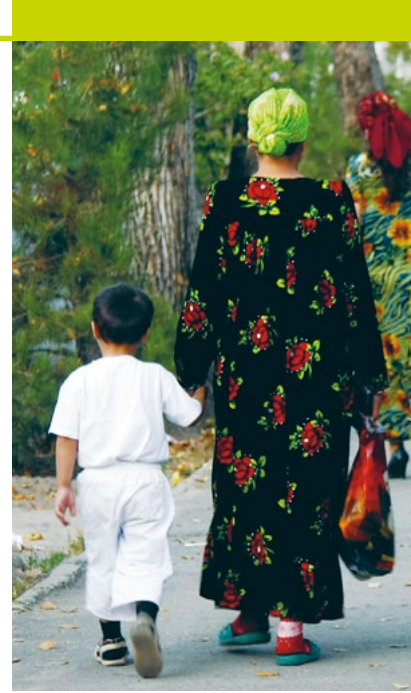
The Green Economy Partnership Programme concentrates on the least developed countries in the region and a limited number of projects resulting in greater aid effectiveness and development impact. All of the countries in the region are young states whose democratic institutions and civil societies need support. Therefore democracy support covers all countries in the region.

Finland's bilateral development cooperation in Eastern Europe and Central Asia has been implemented as the Wider Europe Initiative since 2008. The goal is to promote stability and well-being in the countries of the region. Most projects implemented under the first phase of the Wider Europe Initiative were completed by the end of 2013.

Successful projects under the new Development Policy Programme will be continued. They will be implemented through international expert organisations and under the auspices of inter-institutional cooperation between Finnish state agencies and their counterpart organisations in partner countries.

Terhi Hakala
Director General

Finland's Development Cooperation in Eastern Europe and Central Asia, 2014–2017



*Mother and son in
Dushanbe, the capital
of Tajikistan.
Photo: Laura Rantanen/MFA*

Finland's bilateral development cooperation in Eastern Europe and Central Asia covers the following 11 countries: **Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine** and **Uzbekistan**. Their combined populations total approximately 139 million people.

The 2014–2017 budget for the development cooperation programme in Eastern Europe and Central Asia is approximately **40 MEUR**. Cooperation builds on the results of previous years, the 2012 Development Policy Programme and Guidelines for Finland's Policy on the Eastern Partners of the EU and on Central Asia.

Finland's development cooperation complements the European Neighbourhood Policy and its Eastern Partnership as well as the EU Strategy for Central Asia. Finland influences the formation of the EU development policy at country level and through the EU working groups. The EU's key financing instruments in Eastern Europe and Central Asia are the European Neighbourhood Instrument (ENI) and the Development Co-operation Instrument (DCI), as well as Twinning and Taixex, which are instruments designed for improving the partner countries' administrations and legislation. The EU is the world's biggest development aid donor; Finland's share of the EU's development aid stands at around 1.7%.

Finland's bilateral development cooperation in Eastern Europe and Central Asia comprises two parts:

- 1. The Green Economy Partnership Programme in Kyrgyzstan and Tajikistan.**
- 2. Democracy Support covers all countries in the region.**

The cooperation supports the region's economic, social and environmental sustainability. Moreover, all of the projects promote gender equality, the reduction of inequality and climate sustainability.

The current programme builds on the first phase of the Finland's Wider Europe Initiative, a development policy framework implemented from 2009 to 2013. The Initiative mostly includes programmes that are implemented by international organisations and financing institutions. The financial contribution channelled through the Initiative during its first phase amounted to approximately **60 MEUR**. An evaluation of the Initiative in 2012 found that Finland is making a very significant contribution as a donor in the region. Moreover, the interventions have been demand driven and have positively influenced the lives and livelihoods of the beneficiaries in partner countries.

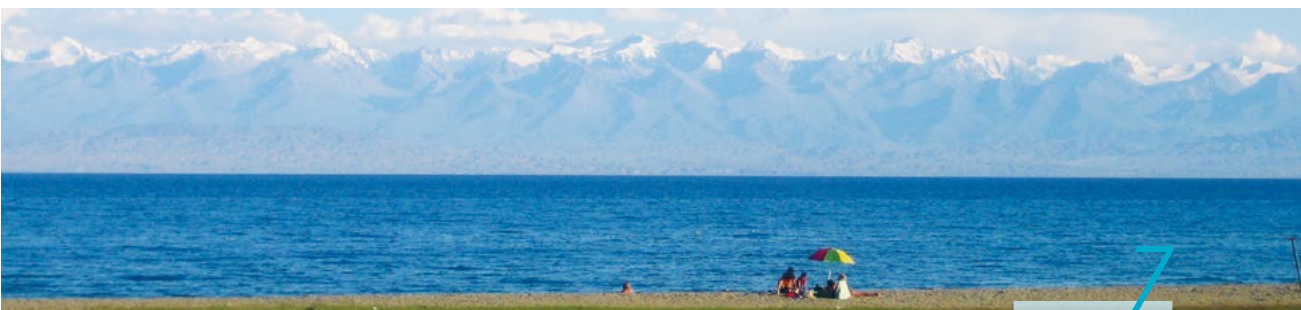
On the basis of the evaluation it was decided that development cooperation in the region would continue from 2014 through 2017 and would incorporate the previous phase's results and lessons learned. In contrast to previous cooperation, assistance is focused on the least developed countries in the region and themes and projects are selected more clearly.

1. The Green Economy Partnership Programme

Prosperity and well-being are generated by people's knowledge and skills as well as by work. However, economic growth in and of itself is not enough; it must also generate equitable human development within the carrying capacity of the environment. Finland promotes an inclusive, green economy that strengthens human well-being, promotes social equality, and is based on the sustainable use of natural resources. Accordingly, the Green Economy Partnership Programme in Kyrgyzstan and Tajikistan bolsters the creation of circumstances that promote responsible entrepreneurship and provide incentives for creating decent jobs. At the same time, activities promoting the rules of working life based on social dialogue, collective bargaining and occupational safety are advanced. Sustainable management of natural resources is especially promoted by strengthening the planning and monitoring of the use of natural resources as well as by preparing for climate change.

The Green Economy Partnership Programme builds on the **UNDP's Aid for Trade programme** and the **ILO's project "From the crisis toward decent and safe jobs"**. The **FAO's project on Fishery and Aquaculture Management in Kyrgyzstan** complements them.

*Finland supports ecological research on Lake Issyk-Kul in Kyrgyzstan and the development of fisheries. Cooperation partners include Kyrgyz authorities as well as Finnish and international expert organisations.
Photo: Ari Mäkelä/SYKE*



*A beneficiary of the Aid for Trade programme,
at a bakery in Tajikistan.*

Photo: Petteri Kokkonen/UNDP



AID FOR TRADE. The UNDP's regional trade development cooperation programme in Eastern Europe and Central Asia, supported by Finland, commenced in 2009. Aid for Trade (AFT) has advanced economic growth by enhancing trade conditions and by improving the countries' trading capacity and competitiveness. The programme specifically focuses on regional trade. The three elements of Aft - improving the skills of trade policy decision-makers, developing institutions that support businesses and promoting the export capacity of agricultural producers - are mutually complementary and collectively bolster the partner countries' trade capacity.

The new phase, which is to be carried out during 2014-2017, focuses on Tajikistan, Kyrgyzstan and Fergana Valley in Uzbekistan. The programme aims to further cooperation and the exchange of information among the countries, increase trade policy competence and tackle trade barriers. Furthermore, export promotion services will be developed for businesses. The competitiveness of small and medium-sized enterprises (SME) and co-operatives in agriculture and the food industry will be advanced by improving the quality and marketing of their products. Concrete actions include providing guidance to farmers and improving their training, supporting the activities of agricultural information and marketing centres, providing microloans, and promoting the certification process of organic farming and fair trade.

The budget for 2014-2017 is **9 MEUR**.



FROM THE CRISIS TOWARDS DECENT AND SAFE JOBS. The International Labour Organization (ILO) has supported the implementation of decent work country programmes in Central Asia and Eastern Europe, with the support of Finland, since 2010.

The new phase, to be carried out during 2014-2017, will advance employment, improve social and health services and develop occupational safety and health in Tajikistan and Kyrgyzstan. The aim is to promote more and better jobs for inclusive growth, including jobs and skills for youth, and to create and extend social protection floors in Kyrgyzstan and Tajikistan. The ILO will carry out the project in a tripartite fashion, i.e. in conjunction with the countries' governments and their employee and employer organisations. Policies and actions that promote the employment of women, youth and people with disabilities will be developed together with local ministries of labour and employment offices. Yet another important aspect is the facilitation of transition from the informal to the formal economy. In order to improve social and health services one of the key goals is to introduce the concept of social protection into the countries' national plans. Authorities will be trained with the intention of promoting occupational safety and health.

The budget for 2014-2017 is **4 MEUR**.

A student doing stone grinding at an adult education centre supported by the International Labour Organization (ILO) in Dushanbe, Tajikistan. Photo: Laura Rantanen/MFA

FISHERY AND AQUACULTURE MANAGEMENT IN KYRGYZSTAN.

In collaboration with the Kyrgyz Ministry of Agriculture, the Food and Agriculture Organization of the United Nations (FAO) is implementing a project aimed at developing fisheries in Kyrgyzstan. The project supports fishermen and fish farmers, promotes research, education and management in the aquaculture sector, and improves fish processing and marketing. Developing the monitoring of fish stocks in Lake Issyk-Kul and enhancing the management of fish stocks in a manner that involves local communities are important elements of the project.

The goal is to create sustainable fisheries and to maintain the ecosystems of the most important lakes in order to meet domestic fish demand. Simultaneously, this improves the right to food, livelihoods and job opportunities, especially in the Kyrgyz countryside. Fish farming associations that were founded in the previous phase of the project will receive further support so as to strengthen fish processing and distribution chains.

The budget for 2014-2016 is **1.5 MEUR**.

*In collaboration with the Kyrgyz Ministry of Agriculture, the FAO is implementing a fisheries development project.
Photo: Hilikka Lampén/
MFA*



Balanced management of natural resources is the prerequisite for sustainable development and for ensuring human well-being. Climate change poses serious ecological, social and economic threats to the countries and people of Central Asia. At the same time, their own systems aimed at adapting to climate change need support.

The equitable management of water resources prevents conflicts both within and between countries. **FINLAND'S WATER MANAGEMENT PROGRAMME IN KYRGYZSTAN AND TAJIKISTAN** strengthens the sustainable, equitable and rights-based management of water resources. While the goal is to reduce water-related disputes and improve the availability and quality of water, the programme itself trains the partner countries' authorities to generate and utilise reliable water and environment-related monitoring data. At the same time, this broadens the mutual exchange of information between the authorities and provides opportunities for the population to influence decision-making.

The water management programme has been going on since 2009 and it is administered by the Finnish Environment Institute SYKE. Project support to partner countries is channelled through international expert organisations, taking advantage of their special expertise. The United Nations Economic Commission for Europe (UNECE) has a central role.

The budget for 2014-2017 is **8 MEUR**, 1 MEUR of which is earmarked for inter-institutional development cooperation.



*An aqueduct in Ala-Archa, Kyrgyzstan.
Photo: Ari Mäkelä/SYKE*



A geological cooperation project in which paper charts are transformed into digital format. A photo taken in Tajikistan. Photo: Johanna Ketola/MFA

INTER-INSTITUTIONAL DEVELOPMENT COOPERATION projects tap into Finnish know-how and strengthen the local authorities' competence in geology, meteorology and environmental protection through training and by modernising state agencies. Cooperation partners include the Geological Survey of Finland, the Finnish Meteorological Institute and the Finnish Environment Institute.

The projects also strengthen the partner organisations' capacity to cooperate with each other and meet the challenges of climate change.

The budget for 2014-2017 is **4.2 MEUR**, in addition to which the water management programme includes inter-institutional cooperation.

2. Democracy support

Democratic public institutions are indispensable elements of a well-functioning state. They ensure equal treatment of the citizens and lay the foundation for economic and social development and for equitable social policy.

Challenges for the region include shortcomings in democracy, human rights and the rule of law, corruption, and the weak status of women, children and people with disabilities. While the situation varies country by country, civil society, in general, functions under demanding circumstances.

A wide range of tools is used to strengthen democracy and participatory development in these countries.

Long-term cooperation projects in Kyrgyzstan and Tajikistan will include the **UNDP's Rule of Law and Access to Justice projects** aimed at improving the access to and quality of legal services, especially for the most vulnerable groups. Funding of activities based on the **OSCE comprehensive concept of security** will be continued, with a focus on supporting independent human rights institutions and field operations in Central Asia. In addition, support to the Belarusian “university-in-exile”, the **European Humanities University (EHU)**, will continue.

Support to the EU's Eastern Partnership will be channeled through EU financing instruments as well as smaller-scale bilateral projects.

Short-term democracy and human rights projects in the region will receive financing from the **Fund for Local Cooperation**, administered by Finland's diplomatic missions and roving ambassadors. These small-scale projects strengthen civil society in all partner countries.

RULE OF LAW AND ACCESS TO JUSTICE PROJECTS IN KYRGYZSTAN AND TAJIKISTAN

will be implemented in cooperation with the UNDP's regional offices from 2014 to 2017. Special attention will be paid to the most vulnerable people: women in rural areas, children at risk and people with disabilities. The projects are based on the UN human rights conventions and support their implementation. Activities include providing free legal aid in the countryside, improving legal literacy and access to legal services as well as organizing training in human rights.

The projects tailored to both partner countries represent a continuation to the activities supported in Central Asia since 2011, which include training provided by the Venice Commission of the Council of Europe.

The budget for 2014-2017 is **4 MEUR**.

*Cityscape in Dushanbe.
Photo: Laura Rantanen/
MFA*



OSCE COOPERATION emphasises support to independent institutions specialised in human rights as well as to field operations in Central Asia. Finland continues funding the OSCE's extra-budgetary projects carried out by the field operations, independent institutions and the OSCE Secretariat in Eastern Europe and Central Asia. OSCE project cooperation promotes security and stability by supporting civil society, democracy and the status of minorities and women. **2 MEUR** have been earmarked for OSCE project cooperation for 2014-2017.



Finland continues its project cooperation with the OSCE. International election monitoring is a key task of the organisation. A photo taken at the 2013 presidential election in Tajikistan.

Photo: Thomas Rymer/OSCE

THE EUROPEAN HUMANITIES UNIVERSITY (EHU) is a private university, founded in Minsk in 1992. Ever since it was expelled from Belarus in 2004 the University has been located in Vilnius. The EHU offers undergraduate and graduate degree programmes to Belarusian students as well as financial assistance, such as scholarships and grants. Finland has supported the University together with the other Nordic countries and the EU since 2005. The EHU's long-term goal is to return to Minsk and continue activities that promote academic freedom and human rights in Belarus.

Finland's bilateral support for 2014-2016 is **EUR 450 000**.



Finland has supported improving the situation of the visually impaired in Kyrgyzstan through the Fund for Local Cooperation. The photograph was taken at the Blind Olympics in 2013.

Photo: Suvi Kivistö/MFA

Finland has two embassies in the partner countries: one in Kiev, the capital of Ukraine, and one in Astana, the capital of Kazakhstan. In addition, there is a one-person Liaison Office in Minsk, Belarus. In other countries in the region, Finland is represented by a side-accredited ambassador or a roving ambassador based in Helsinki. Finland's embassies and roving ambassadors administer the **FUND FOR LOCAL COOPERATION** which is used in financing the operation of the local civil society. Civil society projects are chosen on the basis of annually identified priorities. The projects are mostly aimed at strengthening gender equality and empowering the most underprivileged in society. The projects usually continue for one year.

For 2014-2017 a total of **3 MEUR** will be earmarked for the Fund for Local Cooperation.

In addition to the aforementioned programmes and projects Finland will provide support to the Early Transition Countries (ETC) fund, administered by the European Bank for Reconstruction and Development (EBRD), as well as to the EBRD's broad reform of its donor funds architecture. The goal of the ETC fund is to improve the conditions of the private sector and, especially, SMEs in Eastern Europe and Central Asia.

Finland's development cooperation in Eastern Europe and Central Asia comprises two parts, the Green Economy Partnership Programme and Democracy Support, whose defined sub-goals are as follows:

THE GREEN ECONOMY PARTNERSHIP PROGRAMME

Promoting decent work in Kyrgyzstan and Tajikistan

- ▶ Labour policy complies with the principles of decent work and meets ILO standards.
- ▶ Cooperation among employers, employees and the government works properly.
- ▶ Occupational safety and health arrangements meet ILO standards.
- ▶ Employment opportunities for women, people with disabilities and youth are improved.
- ▶ Social protection systems are designed to meet the ILO's standards.

Developing the SME sector, especially in agricultural value chains in Kyrgyzstan, Tajikistan and Uzbekistan

- ▶ Barriers to entrepreneurship have been dismantled and the number of businesses has increased.
- ▶ Production value chains have been strengthened.
- ▶ Barriers to regional trade have been removed and practices have been harmonised.
- ▶ Ecologically, economically and socially sustainable fisheries-based food production and ancillary value chains have strengthened.

Promoting sustainable and equitable management of water resources in Kyrgyzstan and Tajikistan

- ▶ Water resource monitoring systems are comprehensive and reliable, and they meet the needs of sustainable water management.
- ▶ Water management is equitable and practices that promote the participation of local communities have been increased.

Inter-institutional development cooperation in Kyrgyzstan and Tajikistan

- ▶ Digitised mineral resource-related ITC systems are comprehensive.
- ▶ Water quality monitoring systems meet the needs of sustainable water management planning and monitoring.
- ▶ Meteorological services related to climate change risk control are wide-ranging, reliable and customer-oriented, and meet international criteria.

DEMOCRACY SUPPORT

Strengthening the rule of law and human rights so that they meet international standards in Kyrgyzstan and Tajikistan

- ▶ Legislation and its implementation meet the obligations of international human rights conventions.
- ▶ Citizens are increasingly aware of their rights.
- ▶ Access to legal assistance extends to increasingly more people in vulnerable groups.

The EHU's educational activities promote democratisation efforts in Belarus

- ▶ The EHU's operation is secured.

Fund for Local Cooperation

- ▶ Operational environment for civil society improves.
- ▶ Civil society ownership in development increases.

OSCE cooperation

- ▶ Functioning conditions of field operations remain at the present level.
- ▶ Independence of human rights institutions strengthens.

KYRGYZSTAN



Geography

Area: 199 950 km²

Capital: Bishkek

Neighbouring countries:

China, Kazakhstan, Tajikistan
and Uzbekistan

Time zone: UTC+6

People and society

Population: 5.5 million

Ethnic groups: Kyrgyz 65%, Uzbek 14%,
Russian 13%, other 8%

Languages: Kyrgyz (official) and
Russian (official)

Religions: Muslim 75%, Russian
Orthodox 20%, other 5%

Development

UN Human Development Index (HDI)
ranking: 125/187

GDP per capita (PPP) : USD 2 400

ODA per capita: USD 95

Women in parliament: 23%

Life expectancy: 70 years

Trade and economy

Biggest trading partners: Kazakhstan,
China, Russia, Uzbekistan

Exports: gold, cotton, wool, textiles,
meat, tobacco

Imports: oil and gas, machinery and
equipment, chemicals, foodstuffs

Natural resources: hydropower, significant
deposits such as gold, oil, and natural gas

TAJKISTAN



Geography

Area: 143 100 km²

Capital: Dushanbe

Neighbouring countries: Afghanistan,
China, Kyrgyzstan, Uzbekistan

Time zone: UTC+5

People and society

Population: 7.9 million

Ethnic groups: Tajik 80%, Uzbek 15%,
Russian 1%, Kyrgyz 1%, other 3%

Languages: Tajik (official) and Russian

Religions: Sunni Muslim 85%,
Shia Muslim 5%, other 10%

Development

UN Human Development Index (HDI)
ranking: 125/187

GDP per capita (PPP): USD 2 300

ODA per capita: USD 45

Women in parliament: 19%

Life expectancy: 67 years

Trade and natural resources

Biggest trading partners: China, Turkey,
Russia, Kazakhstan, Afghanistan, Iran

Exports: aluminium, electricity, cotton,
fruits, vegetable oil, textiles

Imports: electricity, petroleum products,
machinery and equipment, foodstuffs

Natural resources: hydropower, uranium,
brown coal, gold, silver and other minerals

Unit for Eastern Europe and Central Asia
ita-20@formin.fi



MINISTRY FOR FOREIGN
AFFAIRS OF FINLAND