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EUROPE-ASIA DEVELOPMENT COOPERATION

Abstract: The basic aim of the article is to discuss the issue of development cooperation between European Community and Asian countries, to indicate areas of the cooperation, institutions involved, past and present activities in that field. Europe, claiming to be the world's largest ODA donor, implements its world-wide policies in terms of economic cooperation, promotion of democracy and good governance as well as environmental issues also refer to development assistance in Asia. When considering European approach to Asian countries in terms of development assistance, it is necessary to identify two groups of states: Asia and Central Asia. Although being internally diverse, they have some common factors and indicators allowing particular countries to be grouped together. For each region different strategy was adopted and different actions are being implemented to meet particular needs.

Key words: European Union, aid, assistance, development, DCI.

1. Introduction

The vast continent of Asia is strongly diverse economically, politically and culturally. It consists of number of states being at different levels of economical and social development ranging from the Least Developed Countries to world's most developed economies. The diversity is consequently reflected in approach towards development assistance. Large number of Asian states are world's development aid receivers although there are also donor countries providing globally significant amounts of development aid. Two Asian countries are members of Development Assistance Committee: those are Korea and Japan. Further six are non-DAC donors¹, many of them being both aid receivers and aid providers. All those Asian donor countries provide significant share of aid to Asian developing economies, nevertheless they are not the only aid providers in the region. The region of Asia, with one third of world's population, a significant share in world's GDP creation and wealth in natural resources, is an essential partner of European Community (EC).

¹ According to OECD DAC these countries are: Chinese Taipei, Israel, Kuwait, Saudi Arabia, Thailand, and United Arab Emirates.

The EU, which claims to be world's largest development assistance provider, intends to strengthen and deepen its relationship with Asia due to including in its external policy development cooperation with Asian countries.

The aim of the article is to discuss the issue of development cooperation between European Community and Asian countries, to indicate areas of the cooperation, institutions involved, past and present activities in that field and to present up-to-date development of cooperation strategies.

2. Eligible countries

The European approach towards Asia in terms of external cooperation relates to particular regions and groups of countries instead of the continent as a whole. It is due to enormous political and economical diversity among Asian countries, that prevents from simple geographic approach. Therefore there are two sub-regions distinguished: Asia (this term refers to Southeast Asian countries) and Central Asia (referring to former Soviet Central Asian Republics). The full list of countries belonging to one of these groups is presented in Table 1. When discussing Europe-Asia development cooperation these two sub-regions are to be taken into consideration. There are separate development cooperation policies towards other developing Asian countries in the Gulf region (Iran, Iraq, Yemen) and Europe neighbourhood countries (Russia, Armenia, Azerbaijan, Georgia, Israel, Jordan, Lebanon, Syria) that are not to be discussed in the article. East Timor has been qualified as a Pacific not Asian country and therefore is not taken into further consideration.

Table 1. Asian developing countries eligible to receive Europe Aid

Asia	Central Asia
Afghanistan*, Bangladesh*, Bhutan*, Cambodia*#, China, DPR Korea, India, Indonesia, Laos**#, Malaysia#, Maldives*, Mongolia, Myanmar#, Nepal*, Pakistan, Philippines#, Sri Lanka, Thailand#, Vietnam#	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan

* Least Developed Countries, # ASEAN countries.

Source: author's own work based on http://ec.europa.eu/europeaid/where/asia/index_en.htm.

3. Financing instrument for development cooperation – DCI

Due to the fact that Asian and Central Asian countries do not belong to ACP group, the development assistance provided them by the Community is not covered by the European Development Fund. When previous agreements with Asian and Central Asian countries expired (TACIT and ALA programmes) the need arose to create a new instrument. Such instrument was established by the European Parliament and the Council by regulation 1905/2006 of 18th December 2006. It was called Development

Cooperation Instrument (DCI) and came into force on 28th December 2006 merging previous geographic and thematic instruments on development cooperation. The financial perspective of the instrument is seven years (2007-2013) and the overall budget for the period is € 16,897 million. It consists of three main components. These are:

1. The geographic programmes: provide support to 48 countries in five different regions: Latin America, Asia, Central Asia, Middle East and South Africa. The actions within the programme differ from country to country and the component is based on particular needs and bilateral and multilateral agreements with aid receivers. Although the priorities of support are specified for each country separately, there is a group of common issues. Those are: implementation of policies aimed at poverty eradication and at the achievement of the MDGs, particular attention to primary education and health, promotion of social cohesion, combating all forms of group-based discrimination and supporting an active civil society. Specific priorities were added in terms to particular regions. In Asia it is pursuing MDGs in the field of health, including HIV/AIDS, and education; addressing governance issues to help build an active and organised civil society, and to enhance the protection of human rights, including the rights of the child. In Central Asia it is fighting against HIV/AIDS. The overall DCI budget for geographic programmes is € 10,057 million.²

2. The thematic programmes: encompass cooperation activities that are not geographically specific. Not only the countries indicated in the first component of DCI are eligible but also ACP countries as well as those under the European Neighbourhood Policy (ENPI). There are five areas of activities within this component: investing in people, the environment and the sustainable management of natural resources, non-state actors and local authorities, the improvement of food security and cooperation in the area of migration and asylum.³ The DCI budget for this component is € 5596 million.

3. ACP Sugar Protocol countries: this component is dedicated to aid the adjustment process of 18 ACP sugar producing countries which are affected by the market conditions caused by the European Common Market Organization for sugar. The budget for this component is € 1244 million.

The general framework for all DCI components was provided by Millennium Development Goals and European Consensus on Development. DCI reaffirms that the objectives of EU policy on development are poverty reduction, sustainable social and economic development and the smooth and gradual integration of developing countries into the world economy.⁴

² *Development Cooperation Instrument, Euroresources*, http://www.euroresources.org/guide_to_population_assistance/european_community/dci_1.html.

³ Development Portal EU, <http://www.developmentportal.eu/wcm/subsite/snv1v2/content/view/53/81/>.

⁴ Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation, *Official Journal of the European Union* L 378/41.

4. EC development cooperation with Central Asian countries

The term Central Asian countries refers to five Republics: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Due to its special location, the region has been over the history a bridge between Far East and Europe. Enumerated countries, although being diverse, have many common features. All of them are post-Soviet republics which gained their independence at the beginning of 1990s, being now at different level of implementation of market economy and democracy consolidation. Because of the long period of Russian governance of the region, the strong economical, infrastructural and political ties with others Soviet republics were created that have been lasting up to now. Moreover these landlocked countries are heavily dependent on its larger neighbours: Russia, China and Iran. The economic collapse at the beginning of 1990s resulted in human misery and economic deprivation. Adopting different policies and due to different internal conditions, the republics are diverse in terms of human and economic development, nevertheless there are common challenges facing them as well. Those are: consolidation of democracy and protection of human rights, threat of terrorism, strengthening judiciary administration and rule of law, corruption, reduction of poverty. Furthermore improvements ought to be introduced in public sector, employment and social policy, and trade and investment climate. All Central Asian republics are developing countries and are qualified by DAC as aid recipients. Therefore economic and political cooperation between them and EC must take into consideration development objectives.

European relations with Central Asian countries began soon after the Soviet Union had broken-up and those countries had gained independence. To support introduction of market economy and reinforce democracy in 12 former Soviet countries, TACIS programme (*Technical Assistance for the Commonwealth of Independent States*) was launched in 1991. The programme expired in 2006 and was replaced by DCI (Central Asian countries) and European Neighbourhood Policy (East European countries and Russia). Simultaneously at bilateral level Partnership and Cooperation Agreements (PCAs) were negotiated with each country separately. These agreements cover the issues of customs, trade, economic relations as well as human rights and rules of law. Although PCAs are framework for cooperation on bilateral level, some issues require wider perspective at regional level.⁵

Currently cooperation with Central Asian region is based on two major documents: *EC-Regional Strategy Paper for Assistance to Central Asia 2007-2013* and *The EU and Central Asia: Strategy for a New Partnership*. According to the former the core objectives of EU cooperation in Central Asia are:

- to ensure the stability and the security of the countries of the region,
- to help eradicate poverty and increase living standards in the context of Millennium Development Goals,

⁵ J. Borowiec, K. Wilk, *Integracja europejska*, AE, Wrocław 2005.

Table 2. EU assistance for Central Asia for 2007-2013

Programme	Field of action	Aim	Budget
Baku Initiative on Energy and Transport	energy & transport	to develop sustainable energy, transport networks and to support energy security	€ 37 million
Central Asia Environment	environment	to enhance environmental protection and resource use	€ 16.2 million
Central Asia Investment Facility (CAIF)	energy & environment	to promote additional investments and develop key infrastructure with a priority on the energy and environment sectors	€ 20 million
European Education Initiative	education & research	to support modernisation of the education sector, with a focus on higher education institutions and development of vocational training programmes	under preparation
EU Rule of Law Initiative	governance	to support core legal and institutional reforms, with a focus on the judiciary system	under preparation
Border Management Programme for Central Asia (BOMCA)	governance	to enhance border security, facilitate legal trade & transit, support integrated border management practices in line with international standards	€ 8 million
Central Asia Invest	small and medium-sized enterprises development	to promote sustainable economic development of SMEs	€ 10.4 million
Central Asia Drug Action Programme (CADAP)	governance	to monitor the fight against drug trafficking (narcotics control) and reduce drug abuse and dependence	€ 5 million
TEMPUS	education & research	to support reform and modernisation of higher education institutions and systems	€ 25 million
Central Asian Research and Education Network (CAREN)	education & research	to provide high-capacity internet connection for research and education	€ 5 million
Avian and Human Influenza Facility (AHIF)	health	to combat the threat of avian and human influenza	€ 4.5 million
Erasmus Mundus – Partnerships (Action 2)	education & research	to promote mobility of students and academics and exchange between universities	€ 24 million

Source: author's own work based on *Map on EU Regional Programmes, 2009*, http://ec.europa.eu/europeaid/where/asia/regional-cooperation/index_en.htm.

- to facilitate/promote closer regional cooperation both within Central Asia and between Central Asia and the EU, particularly in the energy, transport, higher education and environmental sectors.⁶

It is also mentioned that first assistance priority to achieve is poverty eradication, improvement of living standards and job and education opportunities. It illustrates that EU cooperation with Central Asian countries is based mainly on development assistance.

The Regional Strategy Paper... indicates key issues that need to be addressed over the period covered by the strategy (2007-2013). These are basic fields of development cooperation between Central Asia and EC. These issues concern promotion of Central Asia regional cooperation, especially market integration, environmental issues, customs, border and migration policies as well as fight against organized crime. Poverty reduction and increasing living standards is another key issue mentioned. It consists of rural communities development schemes, support for national sector reform policies and implementation of social protection mechanisms. The final key issue indicated is a promotion of good governance and economic reform. It encompasses promotion of civil society and democratic processes, public service reform as well as market and regulatory reforms. There is a number of programmes designed to implement issues mentioned. A list of them is presented in Table 2.

The support for five Central Asian countries is financed by Development Cooperation Instrument. A budget of € 719 million has been earmarked for the region for the 2007-2013 period. About one third of it is allocated to regional cooperation. The remaining part is to support bilateral cooperation.

5. EC development cooperation with Asian countries

The other region distinguished – Asia – covers 19 developing countries located in Southeast Asia. These are: Afghanistan, Bangladesh, Bhutan, Cambodia, China, DPR Korea, India, Indonesia, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam. This group is much more internally diverse than Central Asian. The forms of governance are ranging from communist regimes to monarchies. The region is strongly influenced by two large economies – China and India. Poverty and social underdevelopment remain basic problems of many of those societies, moreover some are struggling with natural disasters, internal conflicts and human rights abuses. The region is characterized by economic integration, the major international organizations are SAARC (*The South Asian Association for Regional Cooperation*) established in 1985 by South Asian countries and ASEAN (*The Association of Southeast Asian Nations*) of 1967

⁶ European Community, Regional Strategy Paper for Assistance to Central Asia, 2007-2013, http://www.eas.europa.eu/central_asia/rsp/07_13_en.pdf, European Community, p. 7.

origins. The support to regional integration in Asia is a significant part of European cooperation strategy with Asian partners.

Relations between EU and ASEAN were initiated in 1980 when the first cooperation agreement was signed. In 1992 the instrument of financial and technical assistance to the developing countries in Asia and Latin America (ALA) was introduced. Over next years it was financing development cooperation initiatives up to 2006 when it was replaced by DCI. A milestone in terms of Europe-Asia cooperation was an establishment of ASEM in 1996 (Asia-Europe Meeting), an informal organisation of dialogue and cooperation bringing together 27 European and 16 Asian countries. Apart from other issues the matter of sustainable development is being discussed on ASEM meetings which are now main channel of Asia-Europe communication.

The seventh ASEM meeting that took place in Beijing in 2008 resulted in Declaration on Sustainable Development. It is a joint declaration of 16 Asian, 27 European countries, ASEAN Secretariat and European Commission acknowledging the will of international cooperation between Asian and European partners in order to strengthen and contribute positively to sustainable development process globally. Paragraphs of the declaration refer to global commitments of international community, especially in terms of reaching MDGs rather than to Asia-Europe development cooperation. Nevertheless it was stated that ASEM serves as an important complement to efforts at the global level to enhance the global partnership for development.⁷ In conclusion the ASEM partners were encouraged to conduct activities for implementation of the declaration. The contribution to the declaration was ASEM Development Conference that took place in Manila, Philippines in April 2009. The second ASEM Development Conference – “Towards an Asia-Europe Partnership for Sustainable Development”, is planned to take place in Yogyakarta (Indonesia) in May 2010. It is next step forward to create mutually agreed policy on development issues between Asian and European countries and implement concrete poverty reduction initiatives.

Nowadays European Commission framework of development cooperation with Asia region is based on document: *Regional Programming for Asia: Strategy Document 2007-2013*. Promotion of the development of the less prosperous countries in Asia and addressing the root causes of poverty is one out of six general objectives of relations between EU and Asia, according to the strategy. Regional cooperation is focused on three major issues:

- support to regional integration (ASEAN, ASEM, ARF, SAARC),
- policy and know-how based cooperation in: environment, energy and climate change, higher education and support to research institutes and cross-border cooperation in animal and human health,
- support to uprooted people.⁸

⁷ *Beijing Declaration on Sustainable Development*, Beijing 2008, p. 2.

⁸ *Regional Programming for Asia: Strategy Document 2007-2013*, http://eeas.europa.eu/asia/rsp/07_13_en.pdf, p. 8.

Table 3. EU assistance for Asia for 2007-2013

Programme	Field of action	Aim	Budget
EU-Asia Policy Forum	education & research	to promote the EU's understanding of Asia and contribute to strengthened EU-Asia relations	€ 0.8 million
Aid to uprooted people	uprooted people	to assist uprooted people in finding durable solutions: return, resettlement in a third country, local integration	€ 112 million
Highly Pathogenic and Emerging Diseases (HPED)	health	to strengthen the regional capacity to control emerging infectious diseases and improve epidemic and pandemic preparedness	€ 20 million
SWITCH-Asia	environment + small and medium-sized enterprises development	to promote sustainable consumption and production	€ 90 million
Trans-Eurasia Information Network (TEIN)	education & research	to provide high-capacity internet connection for research and education	€ 12 million
Support Programme for the EU FLEGT Action Plan in Asia (FLEGT Asia)	environment	to support the implementation of the EU Forest Law Enforcement Governance and Trade (FLEGT) Action Plan in Asia by promoting sustainable forest management and the fight against illegal logging	€ 6 million
Avian and Human Influenza Facility (AHIF)	health	to combat the threat of avian and human influenza	€ 51.4 million
Erasmus Mundus – Partnerships (Action 2)	education & research	to promote mobility of students and academics and exchange between universities	€ 120 million

Source: author's own work based on *Map on EU Regional Programmes*.

Further to these priority areas particular thematic programmes and instruments are being implemented. The activities planned meet the criteria for Official Development Aid eligibility established by the DAC. The current list of development programmes is presented in Table 3.

For the period 2007-2013 € 5,187 million have been allocated to Asia. Out of this amount 81% is dedicated to development assistance to particular countries, 16% to regional assistance and 3% as a reserve.

6. Conclusions

Development assistance has become a global issue and it cannot be perceived solely as an extension of country's political and economic interest. Yet when global alignments in that area are being undertaken, such as MDGs, the need of multinational and inter-regional development cooperation is getting even more important.

Profound interest of an external policy of European Community in Asia in recent years as well as Asian significant progress in development and economic integration create foundation for cooperation on various fields. An example of such an area is development assistance. Although both Asian and European countries are member states of DAC or are non-DAC donors offering development assistance to both Europe and Asia, the establishment of Asia-Europe partnership on development is at very initial stage.

Nowadays European development cooperation with Asian countries, divided into two regions (Asia and Central Asia), is mainly based on donor-recipient relation. EC implements its world-wide policies in terms of economic cooperation, promotion of democracy and good governance as well as environmental issues when undertaking development activities also in Asia. These activities are on the basis of two regional strategies: *Regional Strategy Paper for Assistance to Central Asia 2007-2013* and *Regional Programming for Asia: Strategy Document 2007-2013* both being financed by Development Cooperation Instrument.

It is highly probable that different approach towards EC-Asia development cooperation has been initiated beginning from the seventh ASEM meeting that took place in Beijing in 2008. It resulted in the common Declaration on Sustainable Development between ASEAN and EU countries which with regard to MDGs and global development challenges introduce partnership relations between Asian and European participants. The follow-up activities undertaken in that field like ASEM Conferences on Development hold promise of establishing development cooperation between Asia and Europe based on partnership.

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EUROPEJSKO-AZJATYCKA WSPÓŁPRACA W OBSZARZE ROZWOJU

Streszczenie: Podstawowym celem artykułu jest przedstawienie współpracy rozwojowej pomiędzy Wspólnotą Europejską a krajami Azji. Artykuł wskazuje obszary tej współpracy, instytucje odpowiedzialne, a także przeszłe i obecne działania w tym temacie. Europa, będąc największym na świecie dostawcą pomocy rozwojowej, poprzez działania pomocowe realizuje swoją politykę w obszarze współpracy gospodarczej, promocji demokracji i rządów prawa oraz w kwestiach środowiskowych, także w Azji. Rozważając podejście UE do kwestii pomocy rozwojowej dla Azji, należy wyróżnić dwa regiony: Azję i Azję Środkową. Pomimo wewnętrznego zróżnicowania istnieją czynniki wspólne dla krajów regionu. Dla każdego z wymienionych regionów przyjęta została osobna strategia w obszarze współpracy rozwojowej i podejmowane są różne, dostosowane programy pomocowe.