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## **CICA's Istanbul Summit Marks New Age in Asian Security Dialogue**

The 3<sup>rd</sup> Summit of the Conference for Interaction and Confidence-Building Measures in Asia (CICA) held in Istanbul on June 8 is a huge step forward for what began as a bold initiative voiced by President Nursultan Nazarbayev at the UN General Assembly in



Participants of the CICA summit pose for family photo.  
Photo by Getty Image

1992. For the first time, the CICA summit took place outside Kazakhstan, with the presidency in the forum being officially transferred to another member-state, Turkey. The Summit also saw two more states – Iraq and Vietnam - joining a conference as full members, bringing a tally of membership to 22.

President Nazarbayev's idea behind the CICA initiative was to bring Asian nations into a common framework for a dialogue and cooperation in the name of stronger security and greater trust between the nations of the world's largest and most populous continent.

First formal meetings took place following seven years of preliminary talks, which did meet occasional scepticism. Diplomatic efforts resulted in the first CICA summit in Almaty in 2002, followed by another one four years later but in the same place. It is also where the conference's Secretariat was established a few years ago. An expanding international staff, a growing number of member-states and events all around Asia, and now a summit in Turkey, clearly proves that the Kazakh initiative has been embraced by most Asian nations.

Speaking in Istanbul, President Nazarbayev stated it is critical to enhance dialog in CICA's military-political track of activities. "Efficient implementation of CICA's diplomatic instruments,

including confidence-building measures, can help diminish the risk of incidents like the one we witnessed last week in the eastern Mediterranean. We urge all sides of the conflict to engage in a constructive dialogue, which is vital for security and stability in the region”, he said.

Nazarbayev stressed the cooperation between CICA and OSCE should bring the development of a continental platform of security for the entire Eurasian landmass. He also noted establishing working relations with SCO, OIC, and the Central Asian Regional Informational and Coordination for Centre for combating the illicit trafficking of drugs (CARICC) would benefit the CICA a good deal.

Passing the presidency baton of CICA to Turkish President Abdullah Gul, Nazarbayev stated Turkey had a unique historical, political, and cultural experience for advancing the most complex process of building trust and cooperation in Asia.

“I am confident that the Turkish presidency would actively work toward advancing a concept of indivisible cooperative security in Asia through expanded dialogue and seeking consensus”, he concluded,

The day before the CICA summit, the Kazakh OSCE chairmanship arranged a special event focusing on security and economic co-operation in Eurasia in the 21<sup>st</sup> century that gathered ministerial level participants from the OSCE’s Asian and Mediterranean Partners for cooperation. OSCE Chairperson-in-Office, Kazakhstan’s Secretary of State and Foreign Minister Kanat Saudabayev attended this meeting and said the OSCE and CICA should cooperate more intensively for regional security and prosperity.



President Nursultan Nazarbayev of Kazakhstan poses for a photo with President Abdullah Gul of Turkey and Prime Minister Vladimir Putin of Russia at Ciragan Palace during the CICA summit in Istanbul, June 8, 2010.

Photo by the Foreign Ministry

potential could be the engagement with Afghanistan, said Saudabayev. "Today it is becoming clear that the problem of Afghanistan cannot be resolved only by military effort. Afghanistan's authorities need a firm support in the socio-economic rehabilitation and the democratic development of the country. It is natural that such support should emanate in the first place from the partners of Afghanistan in the OSCE and the CICA," he added.

In this regard, Saudabayev invited his colleagues to discuss within the framework of this event and the upcoming Summit the establishment of the OSCE - CICA Forum, which could become an ongoing dialogue platform between the two structures, where pressing issues of security and cooperation in the huge Eurasian continent, including the recent tragic incident in the Mediterranean can be discussed and examined.

Saudabayev also read out a message by President Nazarbayev to the forum participants.

In his message the Kazakh leader reiterated his sincere commitment to the strategic goal of creating a unified Euro-Asian zone of security and cooperation.

"If we don't take urgent joint measures, a new wave of financial and economic crises can emerge. We think the OSCE and CICA, as the largest regional alliances of Eurasia, should redouble their efforts to develop economic co-operation in the interest of all participating States," he noted.

"Kazakhstan as the OSCE Chairmanship in 2010 will further step up efforts for strengthening the co-operation between the two structures and the two continents, to

give it more substance via a permanent exchange of ideas and practical experience."

An area where co-operation between the two structures has a good

As Kazakhstan is active in two major regional structures of the continent – the CICA and the OSCE, it presumes the necessity to deepen interaction between nations and regional associations as we are witnessing the intertwining of Asian and European trends in world politics and economy.

In this respect, Kazakh President Nazarbayev does not exclude the possibility of creating in the long run of a “unified platform for security and trust throughout the Eurasian space”.

The President of Kazakhstan welcomed the fact that the CICA quickly adapts to a changing world and consistently promotes cooperation with the OSCE. This special event for the Asian and Mediterranean partners of the OSCE, many of which are full members or observers of the CICA, can be a first example of such cooperation.

The OSCE Secretary General Marc Perrin de Brichambaut, high level officials from the OSCE Troika - Greece, Kazakhstan and Lithuania, as well as the OSCE Parliamentary Assembly President Joao Soares participated in the event.

As part of the Summit, the attending heads of states and governments held a number of bilateral meetings in Istanbul. President Nazarbayev first met with Turkish President Abdulla Gul and discussed the agenda of the CICA Summit, as well as issues of bilateral cooperation. The Kazakh President also held bilateral meetings with other counterparts, including presidents Mahmoud Ahmadinejad of Iran, Mahmoud Abbas of the Palestinian National Authority, Gjorge Ivanov of FYR Macedonia, Prime Ministers Vladimir Putin of Russia and Recep Erdogan of Turkey.

Saudabayev has also held several bilateral meetings with his fellow foreign ministers Ruslan Kazakbayev of Kyrgyzstan, Audronius Azubalis of Lithuania, Gombojav Zandanshatar of Mongolia, and Secretary General of the Economic Community Organization (ECO) Mohammad Yahya Maroufi.

The Conference on Interaction and Confidence-Building Measures in Asia (CICA) is an inter-governmental security forum in Asia which initiated by President Nursultan Nazarbayev in 1992. CICA Member States include Afghanistan, Azerbaijan, Egypt, India, Iran, Israel, Jordan, Kazakhstan, China, Korea, Kyrgyzstan, Mongolia, Pakistan, Palestine, Russia, Tajikistan, Thailand, Turkey, UAE, Uzbekistan, and now Iraq and Vietnam.

The CICA offers an opportunity for Asian nations to address modern challenges to international peace and stability and set out the vision to tackle them.

## Foreign Investors Urged to Contribute into Training Kazakh Personnel



President Nursultan Nazarbayev urged the Foreign Investors' Council meeting on July 4, 2010, to take the most active part in shaping a class of Kazakh professionals to work with them in future.

Photo by Sergey Bondarenko and Bolatbek Otarbayev

Chaired by President Nursultan Nazarbayev, the 23<sup>rd</sup> plenary meeting of the Foreign Investors' Council convened on June 4, in Almaty where its participants talked over the international companies' contributions to providing Kazakh economy with qualified personnel. Discussing the current situation on the nation's labour market, the President defined the main goals.

Addressing the leading foreign investors in the country, Nazarbayev noted that the implementation of anti-crisis measures last year created 23 training centres around the country that provided hundreds of thousand Kazakh citizens with training and retraining so that many of them have obtained jobs by getting new profession.

During the last five years 2.5 trillion KZT of the state budget were allocated toward a national education system. During these years, under the “Bolashak” Presidential program of educating bright youth in the world’s highest-ranked universities about 6,000 Kazakhs obtained degrees and 30,000 more are still continuing their education. Last the year the government opened dozens of “Intellectual schools” nationwide to educate children, selected by special tests, in new progressive programmes. Moreover, this year the “New University of Astana” is about to admit its first students.

"Our new international university in Astana, in cooperation with renowned foreign universities will educate world-class employees in engineering, natural sciences, medicine and business," Nazarbayev stressed, and called upon the foreign investors to financially support the University.

Under the "Business Roadmap - 2020" programme next year all its three major components, which are staff training, mid-career education and internships (“youth practice”), are planned to be implemented.

Speaking to the international business community in Kazakhstan, President Nazarbayev highlighted that given the huge task of implementing the State Program of Accelerated Industrial and Innovative Development it is vital to address the following issues.

First, Kazakhstan needs a sizeable increase in a number of jobs available for its citizens. In this regard, Nazarbayev has asked foreign companies in signing labour contracts with Kazakhstan's middle managers and skilled employees in balance ratio of the foreign labour force to observe the proportion of no less than 90% to 10%. For senior managers, this figure can be defined at the level of 70% to 30%.

Second, there is a need to develop a system of regional centres for training and retraining in conjunction with economy’s demands. The industrial system of certification and qualification of specialists should be implemented, and the list of grants and scholarships should be expanded to meets the demand in specialists needed by companies in all sectors of the Kazakh economy.

Third, academic programs of higher education and vocational training need to be modernised to meet demands of the age.

"It's high time to actually implement international standards in our country. The foreign investors are able to assist higher and secondary special educational institutions in proceeding to world education standards. The ministries should cooperate with them," Nazarbayev stressed.

Fourth, the country is need of expanding the national system of training specialists at a level of technical schools for various branches on the request of foreign companies operating in Kazakhstan.

Fifth, the President asked the foreign investors “to enhance the possibility of Kazakh employees to do internships in prestigious and technologically advanced companies abroad”.

Sixth, according to Nazarbayev, in partnership with the foreign investors it is necessary to establish effective training and professional development for teachers, professors, scientific personnel and technical personnel of all branches of the PAIID.

Seventh, he also noted that "it is high time to create a system of continuous monitoring of current and prospective requirements of Kazakh labour market", which should take into account international labour market trends and encourage internal migration of the Kazakh population.

President Nazarbayev wound up his speech by saying that these 7 points are addressed to the Government, all ministries and departments, so that they cooperate with all members of the Foreign Investors Council in changing the situation in Kazakh labour market.

In his speech at the Council, Minister of Education and Science Zhanseit Tumbabayev noted that with the participation of employers and international experts 144 programmes for technical and vocational education and 110 programmes in higher education were updated. The material base of a number of public schools is also being improved.

The Foreign Investors’ Council (FIC) is an advisory body established by the Order of President of Kazakhstan Nursultan Nazarbayev (30 June, 1998) to promote direct dialogue between the Government of Kazakhstan and foreign investors in order to efficiently address key issues related to their investment activities in the country, to improve the investment climate of Kazakhstan for the benefit of foreign investors, local and national companies, the economic development and wealth of the country and its people.

The FIC is chaired by the President of the Republic of Kazakhstan, who supervises its activities, including approval of the Agenda and chairmanship at the Council's plenary sessions.

## Kazakh Gold and Currency Reserves Continue to Grow in 2010

Kazakhstan's financial reserves experienced a solid growth of almost 15 percent in the first five months of 2010 to reach a total of US\$ 54.7 billion including the assets of the National Fund also known as the "oil fund". Gold and currency reserves controlled by the National Bank increased to US\$ 28.8 billion as of the end of April. This figure serves as yet another indicator of a recovery of the banking sector and the economy of Kazakhstan from the crisis.

The announcement came on July 2 at a traditional monthly press conference in Almaty by National Bank Governor Grigory Marchenko, as he presented the agency's report on the status of international reserves and monetary aggregates.

Marchenko attributes the growth mostly to the faster than expected recovery of prices on international commodities markets, which benefitted Kazakhstan's exports. Since the National Fund of Kazakhstan is formed of mostly oil revenues, the government's ability to use reserves for either anti-crisis measures or long-term investment in infrastructure is largely determined by the situation in extractive industries.

In the first quarter of the year a notable influx of capital into the country was registered as well, reflecting the recovering the Central Asian nation's attractiveness for investors. According to the National Bank, the net flow of foreign direct investment in the Kazakh economy amounted to US\$ 3 billion in the first quarter of 2010 and the net outflow of direct investment abroad constituted US\$ 0.3 billion only.

In addition, since the beginning of the year the money stock grew by 8.4%, and in April this indicator increased by further 3.2% amounting to 8.0 billion KZT due to the growth of net external assets of the banking system. The amount of cash in circulation grew by 4.8%. In April 2010 this indicator grew by 6.6% and amounted to 957.6 billion KZT.

Individual and corporate deposits in the nation's banking system increased by 8.9% and now amount to 7.0 trillion KZT.

The inflation in the first five months of 2010 reached seven percent, which is a little higher than 6.2 percent in the analogous period of the previous year.

Speaking of Kazakhstan's banking sector, Marchenko expressed his view that the latest agreement between BTA bank and its creditors on restructuring the bank's debt was a major success. He stressed, however, confirms that government control over the bank cannot be a long-term solution, so seeking private investors would continue.

Concerning the situation on currency markets, Marchenko said that in 2010 they were in no way influenced by the National Bank, and the agency would refrain from intervening unless the tenge's exchange rate changes up to 40 points in relation to US dollar.

The latest exchange rate set by the Kazakh National Bank on June 4 is 146.75 KZT to US\$ 1.



With a growing gold and currency reserve the National Bank of Kazakhstan can afford minting golden coins, albeit surely for numismatists first.

Photo by the National Bank of Kazakhstan

## Damoka Saves the World

"Damoka and his friends", a fairytale by Aigul Tulembaeva, is among the few Kazakh works on the delicate edge between fantasy and reality, telling a story of a small winged snow leopard Damoka who lives somewhere high in the mountains.

The book is the continuation of a story written two years ago which captured the hearts of thousands children across Kazakhstan making them eagerly anticipants of the sequel. Today Tulembaeva, a Professor of Economics in the Al-Farabi Kazakh National University and an active

expert sharing her opinion on economic issues in Kazakh and international mass media, as well as her personal website of [www.tulembaeva.kz](http://www.tulembaeva.kz), offers the long-awaited prolongation of the faerie story.



Professional economist and amateur writer Aigul Tulembaeva and the cover of her new book on adventures of Damoka, the little flying snow leopard.

Photos taken from [www.tulembaeva.kz](http://www.tulembaeva.kz)

for their immoral behaviour.

And it is Damoka and his friends who are to save the adults and the entire world from the environmental catastrophe. They join their hands as true friends and genuine partners surpassing the grownups in courage, thus impressing the children and awaking their interest and best feelings. The loftiness of the main characters' spirit harmonizes well with their vertiginous flights and struggle for justice. This way of presenting serious issues is a lot more impactful and makes the implicated meaning more convincing and demonstrative than desperate appeals and tedious calls.

"Kazakhstan and a snow leopard have become inherent things and are indispensably associated with each other. I wanted to make the character a little more vivid and hearty, however. I believe this is the way Damoka has appeared", Aigul Tulembaeva says.

In her educative fairy tale, Tulembaeva shows an indissoluble connection between the people and nature, reflecting the national self-consciousness. Moreover, the readers will find a strong interconnection between the Kazakh history and the contemporary reality.

One may find even some fragments of a legend about Queen Tomyris. (In fact, Tulembaeva earlier wrote an acclaimed recital of a legend of the queen who defeated King Darius of Persia) All of this makes the tale bound to instill in children the sense of duty, true friendship, delicate handling with nature, and other numerous moral values.

Nowadays the world appears to need new heroes, and Damoka can be one of their best representatives revealing such positive character traits as courage, kind-heartedness, true patriotism, and justice. He has become a present-day hero who is sure to attract children's attention and teach them a good lesson. The fairy tale is imbued with a spirit of patriotism and love, which unfailingly brings about warm and positive emotions.

The book has already received some positive responses and reviews from experts and critics, not to mention the young readers who were glad to plunge into the realms of fantasy to follow the snow leopard cub's adventures. In their words, "Damoka and his friends" is highly competitive with the same-genre books, such as *Harry Potter* series, while Aigul Tulembaeva just as Joan Rowling has a good chance to become popular with Kazakh and foreign readers. In fact, Vox Populi plans an English language edition of *Damoka* soon.

Those who have already read the book say it has all it takes to become a symbol of the young independent state, even more so taking into account Kazakhstan's promotion as an active and responsible member of the international community.

"People often ask me what made me write a book for children, and I am not sure I can give a definite answer. Today, however, I can say I will never stop writing, for I see the readers' reaction to my

stories and their warm welcome. And the first question children ask me after they read my fairy tale is what will happen to the main heroes in the future, in the following parts of the story. This is the key stimulus and inspiration for me”, Tulembaeva, herself a mother of two, stresses.

#### **Also in the News:**

- “Cobalt-2010”, the first law enforcement training exercise organized for special police branches of Collective Security Treaty Organization (CSTO) member states is taking place on June 7-11, 2010, at the “Kadamovskiy” training facility of the Northern Caucasus regional command of the Russian Ministry of Internal Affairs reported. Representatives of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan are partaking. The special tactical training is aimed at working out mechanisms of joint measures for preventing the activity of terrorist groups, and blocking off the illicit trafficking in arms, drugs and explosive substances.
- The “Samruk Kazyna” National Welfare Fund has made an operational profit of almost US\$ 1 billion in the first quarter of 2010, Managing Director and a member of Board of Directors Kairat Aitekenov said addressing the first International Investment Forum «Astana Invest 2010» on Monday. “Today BTA, Alliance and other banks with the fund’s participation are starting restructuring their debts which provides an opportunity to release the resources. These 141.4 billion tenge are part of the money we assigned for financial institutions in 2009.”
- The first Kazakh motor oil plant has been launched in Shymkent, South Kazakhstan. “Each year Kazakhstan consumes up to 400,000 tons of motor oil, mostly importing it from abroad. By launching the plant we hope to cover about 30% of the domestic demand. The sum of import substitution will exceed US\$ 500 million per year,” the company’s Executive Director Bakhodyr Saidullayev said. The plant’s capacity amounts to nearly 70,000 tons of lubricating oils per year. The entire production cycle is controlled by a modern test-room equipped with analytical facilities of the leading European companies.
- The Kazakh-Canadian joint venture “Inkai” has put into service its main manufacturing facility in South Kazakhstan with an output capacity of 2,000 tons (5.2 million pounds) of uranium per year. The complex includes a processing plant, a satellite-based plant, a primary testing area, a watch based camping ground, and a number of secondary facilities. Co-founders of the “Inkai” joint venture, established in 1996, are the Canadian Cameco Corporation (60%) and the “Kazatomprom” National Atomic Company.
- The Transport Control Committee of the Ministry of Transport and Communication has held a “Clear Air” campaign from April 30 to May 30, 2010. During the campaign 13,403 transport vehicles were checked for violation of environmental standards, including buses, automobiles, freight and motor transport. Around 15 percent of the vehicles turned out to be non-compliant with environmental regulations, exceeding permissible pollutant concentration, with the total sum of fines amounting to more than seven million tenge. The activities are part of the efforts to tackle the negative effects of poorly-maintained cars on air cleanliness in Kazakh towns.
- Graduates of Kazakh schools willing to continue their studies in universities or colleges of the country officially started passing the Unified National Testing (UNT) last Thursday. The examination will last from 4 to 10 June in 154 centers, including 49 cities and 105 regional centers of the country. Out of Kazakhstan’s 138,162 school graduates nearly 80% are passing the test this year. In addition, 3,662 graduates are trying to qualify for “Altyn belgi” (Golden Mark), which is a distinction awarded to *magna cum laude* students.

#### **Things to Watch:**

- On June 9-11, President Nazarbayev participates in the Summit of leaders of the Shanghai Cooperation Organization in Tashkent, Uzbekistan, following which Kazakhstan takes over a rotating one year chairmanship in the alliance.
- On June 9-10, OSCE Chairman-in-Office, Kazakhstan’s Secretary of State and Foreign Minister Kanat Saudabayev will pay an official visit to Denmark. Minister Saudabayev will hold talks

with Deputy Prime Minister, Minister of Foreign Affairs of Denmark Lene Espersen, to discuss the issues of mutual concern and expanding bilateral ties in politics and economy.

- An international conference to take stock and discuss way forward at the 20<sup>th</sup> anniversary of the adoption of the landmark Copenhagen Document will take place in the Danish capital on 10-11 June. Representatives of the OSCE's 56 participating States, civil society groups and experts will attend the conference organized by Kazakhstan's OSCE chairmanship, the Danish government, and the Office for Democratic Institutions and Human Rights (ODIHR). OSCE Chairperson-in-Office Kanat Saudabayev will deliver a welcoming speech.
- On June 11-12, President of the People's Republic of China Hu Jintao is paying an official visit to Kazakhstan at the invitation of President Nursultan Nazarbayev, to discuss the ways on enhancing strategic partnership between the neighbouring nations, particularly in the field of economy and trade.
- Delegation of Paasikivi Society, a nongovernmental organization involved in promoting Finland's foreign politics, will visit Kazakhstan on June 9-13. Members of the delegation will meet officials at the Kazakh Foreign Affairs Ministry, Central Asian Regional Information and Coordination Centre for Combating Illicit Drug Trafficking (CARICC), Institute of Economic Studies, Kazakhstan Institute for Strategic Studies under the President and a few other state agencies and scientific organizations of Astana and Almaty.

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