



Customs Union Continues Progress Trilaterally at Astana EurAsEC Summit (Belarus joins despite initial reservations, Tajikistan, Kyrgyzstan express interest)

Astana Supports International Efforts to Stabilize, Reconstruct Afghanistan (Kazakhstan ratifies agreement on railway transit of US cargoes for ISAF)

Kazakh Capital Hosts World Math Games Opening on Its Birthday (51st International Mathematics Olympiad to test youth from 100 nations)

Kazakhstan, World Bank Collaborate on Reforming Vocational Education (US\$ 30 million loan to be used for improving technical cadre for the economy)

Customs Union Continues Progress Trilaterally at Astana EurAsEC Summit



Opening the summit of the Interstate Council of EurAsEC President Nursultan Nazarbayev of Kazakhstan called the completion of the Customs Union formation the "major achievement" of the decade history of the organization. Regional integration participants are now eager for the next stage of integration - the creation of the Common Economic Space (CES).

Photo by Akorda.kz

Presidents of Kazakhstan, Russia and Belarus signed on July 5 a Declaration putting the Customs Code into force and making the Customs Union fully operational in the trilateral format. This took place during their meeting in Astana on the sidelines of a summit of the Eurasian Economic Community (EurAsEC), also attended by the new President of Kyrgyzstan, Roza Otunbayeva, and the President of Tajikistan, Imomali Rakhmonov.

With the Customs Union coming into effect on July 6, 2010, another step towards forming a common economic space of former Soviet states has been made.

Opening the meeting, President Nursultan Nazarbayev of Kazakhstan congratulated all the participants with the 10th anniversary of the EurAsEC establishment and called the creation of the Customs Union the EurAsEC's most important achievement so far.

Following the adoption of a joint statement of the heads of state on the entry into force of the Treaty on the Customs Union Customs Code, President Nazarbayev stated: "The Customs Union creates a common market of 170 million people with a \$2-trillion economy, \$900-billion trade and 90 billion barrels of oil reserves." This should help the Kazakh, Russian and Belarusian economies get rid of their national segregation and provide for their more harmonious and better coordinated accession to the World Trade Organization.

Russian President Dmitry Medvedev pointed out that integration processes, including in the framework of the alliance in question, offer ample opportunities for the three partner-nations' technological modernization and socio-economic development.

"We have ratified all treaties and agreements on the Customs Union. I must say we are not an inch behind Russia and Kazakhstan within the Customs Union", Belarusian President Alexander Lukashenka stated two days prior to the Astana Summit, referring to his government's initial reservations about the progress of the trilateral project.

The Customs Union in the trilateral format was to go into effect on July 1, but was delayed over Belarus's objections to export taxes Russia charged for its oil supplies. Despite the fact that Moscow announced the oil tax and export duties on the whole would be waived only on January 2012, when the three countries establish a full-fledged common economic space – a higher integration stage, Belarus has ratified the union's key document, a Customs Code.

Following the meeting, the Customs Union Supreme Body (consisting of three presidents) adopted a decision on implementing the second phase of the Customs Union formation within the EurAsEC. A set of international treaties regulating legal and financial aspects was signed and lots of specific decisions were made, including the international treaties of the Customs Union in the sphere of cooperation in criminal and administrative matters, export control by the Customs Union Member States, on the structure of the Commission Secretariat of the Customs Union in 2011, on the estimate of the Commission expenses, on account of the international obligations of the Customs Union Member States within the EurAsEC in decision-making by the Customs Union bodies.

The Kazakh, Russian and Belarusian leaders have approved documents to establish a “common economic space” by 1 January 2012, a single market for goods, investment, and labour. The Kazakh President has proposed the creation of a common non-cash currency called “yevraz” for the community, which could be helpful in diminishing the member countries' dependence on the volatile global currencies market.

The heads of EurAsEC member states also issued a joint statement in connection with the 10th anniversary of the EurAsEC establishment and adopted a new edition of the EurAsEC Court Statute which regards to enhancing the competence of the Community Court of Justice to hear cases under the Customs Union.

Presidents of Tajikistan and Kyrgyzstan stated in Astana their countries were seriously considering joining the Customs Union in the future, and Otunbayeva said Bishkek was also interested in Kazakhstan, Russia, and Belarus joining the World Trade Organization as soon as possible, since this would facilitate efforts by Kyrgyzstan, already a member to the global alliance, to deepen economic integration with the Customs Union countries.

President Nursultan Nazarbayev on July 7 signed several laws regulating the activities of the Customs Union, including the law “On ratification of the Agreement on the establishment and application of the order of assignment and distribution of import customs duties/other duties, taxes and charges with equivalent effect of the Customs Union.”

The establishment and implementation of the order of assignment and distribution of customs duties is one of the conditions on which the customs territories unite in a common customs zone and make a decision on the completion of the Customs Union. The distribution of duties will be as following: Kazakhstan will receive 7.33%; Belarus - 4.7%; Russia - 87.97%.

The Kazakh President also signed the law “On ratification of the Protocol amending the Agreement on the principles of levying indirect taxes on exports and imports of goods, works delivery and rendering services in the Customs Union signed on January 25, 2008” and “On ratification of the Protocol on the procedure for levying indirect taxes and monitoring of their payment for exports and imports of goods in the Customs Union.”

The Customs Union members reached an agreement on a unified customs tariff in June 2009 and endorsed a schedule for creating a unified customs territory at that time.

Astana Supports International Efforts to Stabilize, Reconstruct Afghanistan



Presidents Nazarbayev and Obama discussed Kazakhstan's assistance to the International Security Assistance Forces (ISAF) in Afghanistan during their meeting in Washington DC on April 11, 2010.

Keenly aware of challenges to regional security originating from the lack of stability in Afghanistan, Kazakhstan is motivated to develop various projects in support of military operations of the International Security Assistance Force (ISAF) to combat international terrorism and drug trafficking, and is contributing to Afghanistan's humanitarian and economic rehabilitation. In another contribution in resolving the Afghan problem, Kazakhstan this week ratified an agreement on transit of cargo to this country.

President Nursultan Nazarbayev on July 8 signed the law on the ratification of an agreement between the government of the Republic of Kazakhstan and the government of the United States of America on the provision of commercial railway transit of special cargo through the Kazakh territory in the stabilization efforts and restoration of the Islamic Republic of Afghanistan.

According to the agreement, the transit will be carried out on a commercial basis, in other words, the U.S. will pay for services, works, and goods obtained during the transportation of cargo through the territory of Kazakhstan.

Supporting the global fight against terrorism and assisting the ISAF's efforts in Afghanistan, Kazakhstan, as the OSCE Chairman, determines the stabilization of this unstable country as one of the most important priorities of the organization and offers the OSCE to expand its contribution to resolving the Afghan problem through cooperation with Kabul and international organizations working there, such as the UN and NATO, which would change and enhance the international status of the organization.

From the very beginning back in 2001 Astana has supported the military operation of the International Security Assistance Force in Afghanistan (ISAF). Within the framework of Operation Enduring Freedom and in assistance for international efforts to stabilize the situation there, Kazakhstan opened in 2001 a transport corridor for transit of U.S cargoes through its air space towards Afghanistan. Additionally, since 2009, Kazakhstan has cooperated with the U.S. in ensuring ground transportation of non-lethal cargo towards Afghanistan.

As for the opening of an additional air route being discussed lately, the so-called Northern Supply Route will permit the US military to ship cargo through the Kazakh territory to Afghanistan and provide an important alternative to vulnerable routes elsewhere. The understanding to agree on the opening of a direct and faster route over the North Pole for American cargoes heading to Afghanistan was reached at the Nuclear Security Summit in Washington on April 11 between President Nazarbayev and U.S. President Barack Obama. The formal deal is not complete yet as the parties work out the details of an agreement.

The Kazakh Defence Ministry considers sending a group of the Kazakh military representatives to the ISAF headquarters. This will be the first time that the Central Asian military representatives participate in such a mission.

Realizing the Afghan issue could not be solved only militarily, Kazakhstan has called for a comprehensive program of social and economic development of Afghanistan which would encourage the economic self-sufficiency and independence of the country.

Within the OSCE, Kazakhstan puts forward a proposal to develop a non-military aid program to Afghanistan with wide involvement of international business for specific economic projects funded by donors with security provided by the NATO forces, the coalition, the Afghan National Army (ANA) and Afghan National Police (ANP).

This programme could be a meaningful filling of the Afghan theme at the OSCE summit in Astana. The Kazakhs believe the idea of developing and adopting such "non-military programmes" is most likely to win support of the majority OSCE countries as they also seek the "demilitarization" of the Afghan issue.

Moreover, Kazakhstan continues taking active part in the processes of rehabilitating Afghanistan. Over the recent years, Kazakhstan has allocated about US\$ 4 million to rebuild schools, hospitals and roads in Afghanistan. Astana has also delivered to Afghanistan about three thousand tons of wheat, transferred US\$ 1 million to the Special Fund for Islamic solidarity of the Organization of Islamic Conference (OIC), the part of which will be directed to Afghanistan's reconstruction efforts. The year of 2010 will see the start of the Kazakh-Afghan intergovernmental agreement on providing vocational training for one thousand Afghans at the Kazakh universities, and for this purpose Astana has allocated US\$ 50 million.

Kazakhstan, World Bank Collaborate on Reforming Vocational Education

On July 8, the World Bank's Board of Executive Directors approved a US\$ 29.2 million loan for the technical and vocational education modernization project for Kazakhstan. The project's goal is to support improved workforce productivity in key sectors and enhanced skills development capacity in order to meet the demands of key industries and needs of small and medium-sized businesses in Kazakhstan.

The government hopes to use the loan for training the personnel as the State Program for Accelerated Industrial and Innovative Development (PAIID) is being implemented in the Central Asian country.



The World Bank grant will assist in training young Professionals in technical specializations who are in high demand due to implementation of the Programme of Accelerated Industrial and Innovative Development of Kazakhstan in 2010-2014.

Photo by Boris Buzin

According to the World Bank, the project with the total amount of US\$33.2 million, including Kazakhstan's governmental co-financing of US\$ 4 million, will be implemented from 2010 to 2013 by the Ministry of Education and Science. The Bank extends its loan with a four-year grace period at the interest rate equal to 6 months London Interbank Offer Rate (LIBOR), which is an interest rate at which banks can borrow funds from other banks in the London interbank market.

The project will assist Kazakhstan in improving the quality, relevance and efficiency of technical and vocational education through an improved policy framework and institutional capacity for technical and vocational education.

“We hope the project becomes a laboratory of innovation that introduces proven good practices, pilot tests new approaches, and informs future policy development and investment in continuing raising the

competitiveness of the Republic of Kazakhstan,” the World Bank Project Team Leader Dingyong Hou said.

In particular, the project supports the industry-led development of occupational standards, linked with a national qualification framework and institutional accreditation for quality assurance, along with modernization of the governance, management and financing for technical and vocational education. It also focuses on enhancement of institutional capacity of lyceums and colleges for delivering competency based programs to satisfy the demand for new skills for sustained economic growth and accelerated industrial development and innovation.

The World Bank's overall mission in Kazakhstan is to help the Government in achieving diversified and sustainable economic growth and improving the living standards of the population. To date, the Bank has provided 35 loans to Kazakhstan for the amount of more than US\$ 5.2 billion since July 1992.

On the whole, the Kazakh government has been consistently working to secure better conditions for technical education in the country. The government is implementing a sustainable policy to create favourable conditions and provide accessible high-standard education, expand the network of educational institutions, improve their facilities, and increase substantially the funding available for the related educational system.

With the growth of the country's level of economic development, expenditures on education from the State budget have increased appropriately. PAIID represents a new approach to achieving the modernization of the Kazakh economy and pays due attention to the improvement of system of technical and vocational education. This year four pilot integrated sub-programs of business support are to be launched within the new industrial programme, one of which - “2020 Business Road Map”- focuses on the development of industrial infrastructure, service support, and personnel training.

At the same time, Kazakhstan has a number of educational centres and universities providing special technical education. The Kazakh-British Technical University in Almaty is considered to be a university of the new generation that has set itself the mission of training and educating the research and engineering elite for the country.

In addition, Kazakhstan's new flagship education facility Nazarbayev University, opening its doors to students in September 2010, will also largely concentrate on technical education and natural sciences. The first class will include 500 presidential scholarship students taught by professors from University College London. The university is part of Kazakhstan's long-term strategy to bring its science and educational systems up to international standards. Discussions are ongoing with institutions such as Harvard University, Duke University, University of Wisconsin-Madison, Carnegie Mellon University and the National University of Singapore to provide a wide range of undergraduate and postgraduate programs in Astana from 2011.

Bolashak scholarship is another long running programme managed by the Centre for International Programmes and the Kazakh Ministry of Education and Science. The programme aims to provide an opportunity for the most talented students from Kazakhstan to undertake higher education courses at the best overseas universities, enabling them to acquire the necessary skills and knowledge to build a democratic and prosperous society.

All these programmes and a range of other measures and activities implemented by Kazakh government take into account the existing keen demand for technical specialists and industrial professionals, aiming to achieve the strategic goal and create better conditions for technical personnel training and education.

Kazakh Capital Hosts World Math Games Opening on Its Birthday



For the first time the International Mathematical Olympiad, a major scientific forum for the world youth attended by the brightest kids from nearly 100 countries, is held in Kazakhstan. It is a great honor for Astana and a decent recognition of the contributions by several generations of Kazakh scientists into the development of modern mathematics and brilliant results shown by the nation's young mathematicians in the event's previous editions.

Photo by the official web site of the Olympiad

Hours after the last festivity celebrations of Astana Day on July 6, the young Kazakh capital began hosting the 51st International Mathematics Olympiad (IMO). This year the annual mathematics competition, held on July 6-14, gathered more than 800 participants, including students, observers, teachers, and scientists from nearly 100 countries across the globe. The contest is held in the Baldauren educational sanatory centre in the Burabay resort, with the guidance and observer headquarters located in Astana.

Kazakhstan's Minister of Science and Education Zhanseyit Tuimebayev launched an official opening ceremony in the Palace of Independence, having congratulated all the participants and guests on the significant scientific event on Tuesday.

President Nazarbayev sent a greeting to the contestants saying Kazakhstan, an inheritor of the ancient oriental mathematical schools founded by

such renowned scientists and thinkers as al-Farabi and al-Khwarizmi, is honoured to host the Olympiad.

"This is the first time the International Mathematics Olympiad takes place in Kazakhstan. We see the profound meaning in holding the event in our capital. In fact, it is an acknowledgment of the contribution of a number of generations of Turkic scientists into the development of modern mathematics. Our young mathematicians have regularly participated in a broad range of international Olympiads and contests since early 1992," the message says. In the president's words, holding the Olympiad in Astana will give a new stimulus for the Kazakh youths who got a unique chance to exchange ideas with their like-minded counterparts from all corners of the world.

Andre Deledict, President of "Math without borders" association and a jury member, said: "The international math competition involves thousand of students who are engrossed into the subject. The most important thing is that they are coming to Kazakhstan. It is not just a contest but a bridge of friendship, a festival for all mathematicians of the world and a great event in the world of science."

Joseph Pelikan, Chairman of the IMO organizational committee noted: "There are a lot of smart pupils, and we hope they will succeed. On the whole, I like the organization of the competition. The hosts have made a great effort".

The IMO is the oldest of the International Science Olympiads with the first contest held in Romania in 1959. It was initially founded for eastern European countries participating in the Warsaw Pact, under the Soviet bloc, but eventually other countries participated as well. Because of this Eastern origin, earlier IMOs were hosted only in eastern European countries, and gradually spread to other nations.

The content of the Olympiad ranges from extremely difficult precalculus problems to problems on branches of mathematics not conventionally covered at school and often not at university level either, such as projective and complex geometry, functional equations and well-grounded number theory, of which extensive knowledge of theorems is required.

The Kazakh team of six young members is represented by the students of Zhautykov National School in Physics and Mathematics, the Kazakh-Turkish Lyceum, and regular schools from Taldykorgan and Almaty. During the competition, the young mathematicians are puzzling out numerous intricate math tasks, following which they will have master-classes and excursions around the Burabay national reserve.

In many experts' opinion, there is indeed good reason for Astana's hosting the event this year. Over the years of continuous participation in the Olympiad, young mathematicians from Kazakhstan have won 62 medals, including 8 gold and 17 silver ones. According to the Trends in International Mathematics and Science Study (TIMSS), an international assessment of the mathematics and science knowledge of fourth and eighth-grade students around the world, Kazakh schoolchildren ranked 5th in 2009.

Following the results announcement next week in Astana, the international math competition's winners will receive prizes and grants to study at the world's best universities.

Also in the News:

- President Nazarbayev signed a law "On ratification of an agreement on coming to terms for recurrent technical inspections of wheeled vehicles and the reciprocal acknowledgment of these inspections". The abovementioned agreement was signed in Vienna on November 13, 1997, and its ratification aims at integrating Kazakhstan's commercial and passenger transportation complexes into the international transportation system for increasing the volume of global transportation and minimizing the expenses. It will also allow unifying technical and technological standards of Kazakhstan with the European norms and introduce Euro-2 ecological requirements for vehicles.
- As of the first half of 2010, the assets of Kazakhstan's National Fund account for US\$ 26.5 billion, having increased by 0.4 % in June and by 8.92% since the beginning of the year, the country's National Bank announced on July 7. The Bank's gold and foreign currency reserves have grown by 15.21% year-on-year to date, and amounted to US\$ 26.6 billion. At the same time, the bank's hard currency assets accounted for US\$ 23.9 billion in June, whereas gold assets equaled to US\$ 2.7 billion.
- Kazakhstan has joined the efforts of creating a single DNA bank of the MIA soldiers of the Soviet war in Afghanistan in 1979-1989, now being created in Moscow, by handing over blood samples of close relatives of the deceased in Afghanistan to organizers. "These blood samples will be sent to Moscow for a detailed analysis for comparison with a DNA database of the missing persons," Deputy Head of the Nur Otan party's central office Mukhtar Yerman said in Astana on Wednesday. As of today, twenty Kazakh soldiers who fought in Afghanistan are reported missing in action. According to the Afghan Veterans' Union, on the whole, more than 22,000 Kazakh soldiers took part in the Soviet military operation in Afghanistan, 922 of whom were killed there.
- East Kazakhstan region has started implementing a project titled "Expansion of specially protected natural areas for preservation of Altay-Sayan region", funded by a grant from the German Federal Ministry of the Environment, Nature Preservation, and Nuclear Security. As stated by Oleg Chugunkov, expert of the state campaign "Preservation and stable usage of Altay-Sayan eco-region's biodiversity", the project is focused on saving extra carbon pools, and improving the connection between the western and eastern parts of Kazakhstan's Altay-Sayan region. The expansion of specially protected zones implies enlargement of Katon-Karagai and Markakol national parks, and the creation of a number of new reservation parks.

Things to Watch:

- OSCE Informal Ministerial meeting takes place in Ak-Bulak resort next to Almaty on July 16-17 to discuss the initial outcomes of the European security dialogue known as the Corfu Process, possible agenda of the OSCE Summit proposed by the Kazakh chairmanship, as well as a number of other issues, including stabilizing Kyrgyzstan and Afghanistan.
- Chancellor of Germany Angela Merkel will pay an official visit to Kazakhstan on July 18 to advance political contacts and economic relations between the two countries, as well as the issues of cooperation within the OSCE framework.

- On July 30-31, the First International Livestock Forum “KazMeat & Milk 2010” will take place in Astana. The leading producers of meat and dairy products from Kazakhstan, Russia, Belarus and Europe will gather to discuss issues of attracting investments into the industry. Representatives of the World Bank and World Food Programme are expected to partake in the event. A conference of meat producers will also be held within the Forum.



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