

Remarks by Talgat Kaliyev
Ministry of Foreign Affairs of Kazakhstan
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Mr. Chairman,
Distinguished guests,

First of all, allow me to thank the IND and the CSIS for organizing this conference. It is a great opportunity to discuss Kazakhstan upcoming OSCE chairmanship.

This conference takes place at the moment when KZ economy goes through may be most serious challenge since gaining independence. The time of high oil prices and cheap loans is a history now. The slogan of the day – learn to save. The GoK had to make a decisive steps to help sinking economy, especially, construction industry. Hundred of thousands people all over the country who invested their money through borrowing from the banks into housing landed into situation when they got nothing – no house, no money. In this situation the GoK had to unsealed the National Fund and to lend banks in return for major share in their assets. These measures proved to have a positive result – construction sites were revived, employment increased. The other significant step was devaluation of national currency Tenge. This measure was highly unpopular but it helped to keep acceptable balance of foreign trade.

The global financial crisis made us to accelerate the search of another model of economic development which should be more adaptive to the volatile world markets. The national program of support of domestic producers was adopted by the GoK.

Fight against corruption became another visible sign of public life in Kazakhstan.

Kazakhstan's basic principles of foreign policy remains the same - a constructive dialogue, pragmatism, strengthening the national and global security, cooperation with partners and international organizations; promoting basic human rights and sustainable development.

The priorities of Kazakh foreign as determined by President Nazarbayev are strengthening alliance with Russia, a strategic partnership with the United States, good-neighborly cooperation with China. Besides, friendly relations and cooperation with Central Asian states are among the highest priorities of our foreign policy.

We continue to strengthen relations with the European Union. The state program «The Path to Europe» which is our reciprocal response to

the European Union's strategy for Central Asia for 2007-2013 and reflects our vision of Kazakhstan's OSCE Chairmanship in 2010.

Kazakhstan will chair the OSCE during a difficult period of Organization's development. Recently the OSCE has been experiencing processes, which witness the deepening of dividing lines and growth of systemic crisis due to a number of internal and international factors. The situation is worsened by the intensification of confrontation between the key participating States on a number of issues.

In these conditions, Kazakhstan, as the chairman, together with other OSCE participating States aimed to strengthen the Organization's potential in order to keep the integrity of the OSCE. Such steps will make the Organization strong, effective and able to adequately respond to growing challenges.

In this context, Kazakhstan intends to be an impartial, neutral, balanced and flexible chairman of the Organization.

Very brief about key points of Kazakhstan foreign policy priorities.

Co-operation within the framework of the Shanghai Co-operation Organization (SCO)

Kazakhstan considers the SCO as efficient instrument of regional stability making accent on economic cooperation.

Program for multilateral trade and economic co-operation and its implementation Plan is being executed were adopted. Such institutes like the SCO Business Council and Inter-banking Union were established. The SCO Forum – the “second track” of the Organization is functioning successfully.

The Treaty of Good-Neighborliness and Friendly Cooperation of the SCO member States and a number of anti-terrorist agreements were signed.

The objective to ensure regional security is still very topical. Despite of undertaken measures by the SCO member states, threats of international terrorism and extremism are demanding more effective efforts by the SCO. Another permanent threat for the SCO states is a political and economic situation in Afghanistan, which is worsened by growing volumes of drug production.

Kazakhstan believes that the Shanghai Co-operation Organization can contribute to resolution of the situation in Afghanistan within the framework of the “SCO-Afghanistan” Contact Group.

There is a plan to develop a common SCO energy market and communication links as a pillars of regional co-operation. The existing pipeline system in the SCO area, which connects Russia, Central Asian countries and China, layed a basis of the common SCO energy space. The SCO has all the components to create an energy community that

will allow to create a sustainable link between producers and consumers through existing and future pipeline network.

Co-operation within the framework of the Commonwealth of Independent States (CIS)

The strengthening of the CIS is one of the important directions of Kazakhstan's foreign policy.

The Framework for Further Development of the CIS and the Plan of general measures for its implementation were developed after the initiative of Kazakhstan and approved in 2007. These documents determined mainstream of long-term co-operation and are aimed to energize the CIS.

Co-operation within the framework of the EuroAsian Economic Community (EurAsEC)

Presently, the Republic of Kazakhstan is providing maximum efforts to form customs union with Belarus, Kazakhstan and Russia in accordance with the decision of heads of the EurAsEC states from August 16, 2006. Particularly, active work is being carried out to form its legal framework in accordance with the Action Plan to 2010.

Common Economic Space (CES)

The Agreement and the Framework to develop Common Economic Space were signed on September 19, 2003 in Yalta by the presidents of Belarus, Kazakhstan, Russia and Ukraine.

The Agreement came into force on May 20, 2004.

The aim of the Agreement is to create a common economic space with free flow of all factors of production and effective co-ordination of macro-economic policy.

Kazakhstan–NATO co-operation

Kazakhstan is interested in fruitful partnership with the Alliance. The key instrument in strengthening co-operation with the NATO is the Individual Partnership Action Plan (IPAP).

The main focus of the IPAP is the practical side of co-operation: deepening of the process of defense reforms, training of peacekeeping forces, enhancement of interoperability, co-operation in the sphere of science, emergency civil planning, and anti-terrorism.

Unlike other programs, the Individual Partnership Action Plan is not simply a set of measures, but it is founded on a concept of

developing relations with the alliance within the framework of the NATO+1 format. At that participation in the IPAP does not contradict with Kazakhstan's activities in the SCO and CSTO and allows to retain balanced approach in relations with other partners.

One of the priorities on the agenda of Kazakhstan – NATO dialogue is Afghanistan, including possible directions of joint work. Important steps in this direction may become conclusion of agreement on railway transit through Kazakhstan's territory to assist the work of the ISAF and possible involvement of Kazakhstan in NATO operation, to be carried out in Afghanistan by sending two military officers of the Republic of Kazakhstan to serve in the ISAF headquarter and a medical detachment to ISAF military hospitals.

Kazakhstan–Russia co-operation

Russian direction of Kazakhstan's foreign policy is defined by the President of the Republic of Kazakhstan Nursultan Nazarbayev as the main priority.

Russia was and remains a significant partner of Kazakhstan due to historic and geo-political factors. Kazakhstan-Russia co-operation is characterized by high level of interaction at all levels and is being developed on rational foundation and principles of equality.

Kazakhstan–US co-operation

Just few weeks ago Kazakhstan Foreign Minister Marat Tazhin visited Washington where he held talks with US officials. Both sides confirmed the strategic partnership between KZ and the US.

Kazakhstan–China relations

Kazakhstan and China are strategic partners that work together to solve issues related to new threats and challenges and also other cross-border matters taking into account each other's interests. Out front is economic co-operation with China. Political dialogue is intended to strengthen this co-operation.

One of the key elements of co-operation in the security sphere is China's guarantee of security and final resolution of border issue with Kazakhstan.

Kazakhstan–Central Asia co-operation

Development of a mutually agreeable mechanism for joint utilization of water and energy resources, deepening of co-operation in the sphere of labor migration and combating new threats and challenges is the key issue in Central Asia.

Meeting of the Heads of Central Asian states took place in Bishkek on October 10, 2008, during which the parties made principle agreements on water and energy resources.

Meeting of the Deputies of Prime-Ministers of Central Asian states took place in Almaty on October 18, 2008, during which the five-sided inter-governmental Protocol on utilization of water and energy resources of the Central Asian region for the 4th quarter of 2008 and 2009 was signed.

Kazakhstan's position on Afghanistan

Kazakhstan is interested in stable and sustainable development of Afghanistan, because threats of international terrorism, drug trafficking and religious extremism emanate from its territory. Peace and security in the region of Central Asia depend on normalization of situation in Afghanistan.

Kazakhstan side believes that international community and the UN must play an active rope in political settlement and rehabilitation of Afghanistan in close co-operation with the government of the Islamic Republic of Afghanistan.

Kazakhstan is the only Central Asian country which has Assistance Plan on Reconstruction of Afghanistan. In 2007-2008 under this Plan Kazakhstan allocated 3 million USD for social needs and infrastructure projects, humanitarian assistance and trainings for law enforcement and border guards in Afghanistan. In 2009-2011 Kazakhstan will allocate additional 5 million USD for projects related to water supply, infrastructure development and supply of grain and other commodities.

Presently, a new Plan of Action to Provide Assistance to Afghanistan for 2009-2011 and also the mid-term educational program for Afghani students to study in Kazakhstan are in the works.

Thanks for your attention.