

TC-info

ACTION Mr. Wu

REPUBLIC OF KAZAKHSTAN

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COPY

SS6/CdC

Mr. Feltman

Ms. Clark

OHRLLS

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(email)



NOV 25 2014

14-10914

OFFICE OF THE SECRETARY-GENERAL

PERMANENT REPRESENTATIVE TO THE UNITED NATIONS

#1013

22 November 2014

(Rel Co Log:  
14-10911)

Excellency, *Dear Deputy Secretary General!*

It is my great pleasure to forward to you my communication, dated 21 November 2014 to the Secretary-General of the United Nations, Mr. Ban Ki-moon, notifying him about the State of the Nation Address, titled "Nurly Zhol – Path to the Future" of President Nursultan Nazarbayev of Kazakhstan, delivered on 11 November 2014. The National Address is also attached for your review and whatever action you deem necessary within the UN.

A copy of the Address is also sent to Under-Secretaries-General, Mr. Wu Houngho and Mr. Gyan Chandra Acharya.

As is evident, the "Nurly Zhol" complements the earlier national programme, "Kazakhstan Strategy 2050", whereby our country hopes to be ranked among the top leading countries of the world. Both these measures have been conceived and based on the guidelines of the United Nations on various thematic issues, after serious review of related UN platforms of action, resolutions and reports. Each sector of development in these two strategies, will be implemented in close consultation and coordination with the specific UN agencies constituting the UN Country Team in Kazakhstan and the respective Departments of the Secretariat, UNDESA and OHRLLS.

The "Nurly Zhol" points to not just socio-economic advancement, but also promotes social peace and stability, makes Kazakhstan an oasis of peace for the region. These strategies also present a blueprint for other countries of Central Asia and the surrounding region making us today even stronger in our commitment to hosting the UN Regional Hub in Almaty and thus provide a wide based platform for UN's important work in the Eurasian region. With so many new threats emerging – military, social and economic, climate change, as well as the escalation of terrorism by non-state actors, the Hub will serve as a focal point to keep Central Asia safe with timely preventive interventions.

H.E. Mr. Jan Eliasson  
Deputy Secretary General  
United Nations  
New York

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305 East 47th Street, 3rd Floor, New York, NY 10017, USA

KAZAKHSTAN FOR THE UNITED NATIONS SECURITY COUNCIL 2017-2018

We would most warmly welcome your comments, and be available for any discussions if deemed necessary by you.

To conclude, let me reiterate how proud Kazakhstan is to be a member of the United Nations, and also pledge our full support for its mandate and programmes.

Please accept, Excellency, the assurances of my highest consideration.

Sincerely  
*with best wishes*



**Ambassador Kairat Abdrakhmanov**

*Enclosed: 1 document*

ACTION Mr. Wu

REPUBLIC OF KAZAKHSTAN

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COPY DSG/CAC

Mr. Feltham  
Mr. Clark  
OHRLLS  
ATM/LM  
AG

(email)



NOV 25 2014

14-10911

OFFICE OF THE SECRETARY-GENERAL

PERMANENT REPRESENTATIVE TO THE UNITED NATIONS

#1012

(Rev'd with letter  
to the DSG, 14-10914)  
Excellency,

21 November 2014

Dear Secretary General!

I am honoured to forward to you the State of the Nation Address, titled "Nurly Zhol – Path to the Future" of the President of Kazakhstan, H.E. Nursultan Nazarbayev, which was delivered on 11 November.

The Address reflects the current continuing political and economic situation in the world, with its still prevailing financial and economic downturn that threatens the development of many countries globally. Kazakhstan is no exception and is therefore taking timely measures to respond to these challenges, and yet assuring a steady path of progress throughout its history since Independence in 1991. The country is therefore, as of 1 January 2015, launching a new large scale development programme with structural reforms to maintain fiscal stability despite the threats that beset us, like other Member States.

As you will see, every aspect of national development has a well conceived and planned strategy: raising national income, economic and industrial growth, the banking system, import, export and trade possibilities, and infrastructure of roads and all forms of transport, communications and technology, and energy, including renewable sources, to mention a few.

At the same time, it is abundantly clear that the "Nurly Zhol" Programme highlights a people centered development. Particular importance is given to retaining high the level of social protection of the vulnerable segments of Kazakhstan population, and not to cut entitlements as is the trend in other countries. To this end the funds accumulated in the National Fund will be allocated, amounting to \$ 9 billion aimed to support employment, small, medium and large scale entrepreneurship. Investments will also be made in the domains of health care, education and social welfare since our President considers people as the most precious and invaluable resource that any country could have. Besides human wellbeing, there is also an unfailing a focus on national and unity harmony and the quintessential elements of the moral and spiritual ethos of our country.

H.E. Mr. Ban Ki-moon

The United Nations Secretary General

New York

EXR/13/001

305 East 47<sup>th</sup> Street, 3<sup>rd</sup> Floor, New York, NY 10017, USA

KAZAKHSTAN FOR THE UNITED NATIONS SECURITY COUNCIL 2017-2018

✓ We will be pleased to receive expert guidance from the various specialized departments and agencies of the United Nations to enable us to go on the “Nurly Zhol”, and to be able to share our best practices and lessons learned with other countries undertaking a similar trajectory.

Most of all, while striving for the country’s advancement, our core principle – Kazakhstan: Only Ahead, also means taking others with us. We are united for global peace, security and development with the other 192 Member States of the United Nations. We also pledge to work closely with Your Excellency and the UN system to achieve, not just for our national goals, but also the vision and objectives of our world Organization, to which we are deeply committed.

Please accept, Excellency, the assurances of my highest consideration.

Sincerely,  
*with best wishes,*



**Ambassador Kairat Abdrakhmanov**

*Enclosed: 1 document*



# **Address of President of the Republic of Kazakhstan Nursultan Nazarbayev to the people of Kazakhstan**

**(11 November, 2014)**

## **Nurly Zhol – The Path to the Future**

**Dear people of Kazakhstan,**

The world is facing new challenges and threats today. The world economy has still not recovered from the consequences of the global financial and economic crisis. The recovery continues at a very slow and uncertain pace, and some countries remain in decline. The geopolitical crisis and the sanctions policy of the leading powers create an additional obstacle for the recovery of the world economy.

From my experience, I feel that the years to come will be a time of global challenges and trials. The entire architecture of the world will be changing. Not all countries will be able to get through overcome these complications in a decent manner. Only strong and viable states, whose people are united, will manage to do that. Kazakhstan, as a part of the world economy and a country located very close to the epicentre of geopolitical tensions, is experiencing negative pressure from all these challenges. We see the results: prices in global markets are dropping, and general economic growth is slowing down.

As is known, forecasts of the development of the global economy for 2014 and the next two years were revised downward by the International Monetary Fund and the World Bank. That means that we would need to revise our own plans, and make adjustments for the coming period. There is no time for hesitation. The measures I will talk about today will be implemented from 1 January 2015. We must promptly take all the possible measures to prevent negative trends.

Today, the Government is already working quickly under my instructions. We have revised the parameters of the Republic's budget for 2015. And this is right, as the drop in prices of our export raw materials has led to the reduction of the flow of money to our income. At the same time, the Government have a tough yet specific task: it must fulfil all social liabilities in full.

In a crisis, as we're seeing the world over, economic policies must be re-evaluated. The sectors that need support are those which create the highest multiplier effect on economic growth and employment. We have already had such an experience. Suffice it to recall our successful anti-crisis measures in 2007-2009. As you see, life makes adjustments to the best laid plans. And we should add new content to the platform of our party based on today's reality.

On my orders, the Government has completed the development of a new large-scale development programme. Today, as we respond to the challenges we face, I proclaim Kazakhstan's New Economic Policy "Nurly Zhol" (The Bright Road). This is what I devote my state-of-the-nation address for 2015. The policy will have a counter-cyclical character and will be aimed at continuing structural reforms in our economy. What does this mean?

Over the years, when the situation in external markets was favourable, and the price of oil and our export products were at sufficiently high level, we diverted revenues from those exports to the National Fund. One of the main tasks of the National Fund is to increase the resilience of our economy to external shocks, including at the time when the prices of natural resources drop.

We were putting income from extraction and sales of raw materials into this Fund during all these years. We used 10 billion US dollars out of the National Fund to fight the crisis of 2007-2009. As for the rest of the money, we have not spent it. We saved and multiplied it. Now we are in the period when we must use these reserves. They will help overcome uneasy times and stimulate the growth of our economy. These resources are not intended for short-term measures. We will spend them on the transformation of our economy, namely – the development of transport, energy, industrial and social infrastructure, and small and medium businesses.

In February, a decision was made to allocate one trillion tenge from the National Fund to support economic growth and employment in 2014-2015 in two tranches of 500 billion tenge. To finalise the initiated projects and resolve pressing issues, I have instructed the Government to divert the second tranche of 500 billion tenge from the National Fund to the following goals:

First, 100 billion tenge should be additionally allocated to issue easy-term loans to small and medium businesses, as well as large enterprises. This will secure the implementation of projects in the food and chemical industries, engineering, as well as the service sector.

Second, to revive the banking sector and buy out “bad” loans, I have ordered additional capitalisation of the Fund of Problem Loans in the amount of 250 billion tenge in 2015.

Third, to raise new investments, we need to improve respective conditions. For these purposes, I have ordered the government to allocate 81 billion tenge in 2015 to complete the construction of the “dry port” complex, the infrastructure of the special economic zones at Khorgos – East Gate and the National Industrial Petrochemical Technological Park in Atyrau and Taraz.

Fourth, to continue the construction of the EXPO-2017, I have ordered the allocation of 40 billion tenge in 2015 adding to the already allocated 25 billion tenge.

Fifth, on the eve of EXPO-2017, we need to take care of the development of Astana’s transport infrastructure. This year the capital airport will reach its maximum capacity – 3.5 million people. Therefore, to increase its potential, I have ordered the allocation in 2015 of 29 billion tenge on the construction of a new terminal and a reconstruction of the landing strip. This will allow us to increase airport capacity to 7.1 million of passengers per year by 2017.

**Dear people of Kazakhstan,**

In view of the new external risks for the development of our economy, we need new initiatives to stimulate business activity and employment. The Infrastructure Development Plan, which I want to make public today, will become the core of the New Economic Policy. It is intended to last for five years and is to run in parallel with the Second Five Year Term of the

Programme of Accelerated Industrial and Innovative Development. More than 100 foreign companies intend to participate in its implementation. The total investment portfolio will make six trillion tenge, with the state contributing 15 per cent of the total.

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Kazakhstan owns a territory so vast that it would tire the wings of a bird to fly over it. Thus, the plan requires huge funds and hard work. There is a saying: "If you want to know a nation's prosperity, then look at its paths." Road connections are of high importance, not only for travel, but also for the transportation of goods. In ancient times, our big cities were located along the Great Silk Road.

Nowadays, all essential life depends on access to the main highways. Roads are the essence of life, the source of modern existence. All the regions of Kazakhstan need to be closely connected by railroads, highways, and air services. The nine roads, connecting with each other in Astana are like the roots of life, spreading our capital's creative spirit. Improving interconnectivity between the regions will eventually lead to greater domestic well-being. It will strengthen trade and economic ties between regions, together with new markets emerging from inside the country. Therefore, bringing together distant areas and sub-regions is the main focus of today's address.

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First, the transport and logistics infrastructure will be developed around regional hubs, connected through Astana as the central hub and backbone, by highways, railways and airlines. But first, we need to implement the main road projects. They are Western China to Western Europe; Astana to Almaty; Astana to Ust-Kamenogorsk; Astana to Aktobe to Atyrau; Almaty to Ust-Kamenogorsk; Karaganda to Zhezkazgan to Kyzylorda; Atyrau to Astrakhan.

It is also necessary to continue the creation of a logistical hub in the east and marine infrastructure in the west of the country. The large-scale ferry site from Kuryk and the railway line from Borzhakty to Yersai will contribute to the growth of exports to the west through ports in the Caspian Sea. I have ordered the Government to work on the construction or rental of terminals at dry and sea ports in China, Iran, Russia and the EU.

Second – the development of industrial infrastructure. The implementation of infrastructure projects will generate a big demand for construction materials, products and services for transport, communication, energy, housing and utility areas.

So, initially, we need to complete our work on the creation of infrastructure in existing special economic zones. The Government and the akims (governors) need to work in a timely manner to fill those zones with concrete projects. In addition, they need to explore the possibility of constructing new industrial zones in regions aimed at developing production facilities of Small and Medium Enterprises (SMEs) and raising extra investments. Tourism infrastructure is a separate track and its main advantage is the opportunity to create jobs. The creation of one job here costs 10 times less than in the industrial sector.



Third, the development of energy infrastructure. Extensive work has been carried out within the framework of the industrialization programme in energy in the past five years. Nevertheless, limited transmission systems create a deficit of electric energy in the southern regions of the country and of natural gas in the central and eastern regions. We need to focus on two projects: to construct high voltage lines Ekibastuz – Semey - Ust-Kamenogorsk and Semey – Aktogai – Taldykorgan - Almaty. This will create a balanced energy supply from Kazakh power plants to all regions of the country.

Fourth, the modernization of housing and utilities infrastructure and water and heat supply networks. The total demand for investments is more than two trillion tenge with an annual allocation of more than 200 billion tenge from all sources of funding until 2020. Today, we see significant interest in investing in the modernization of housing and utilities from the European Bank for Reconstruction and Development, the Asian Development Bank, the Islamic Development Bank and private investors. We need to ensure their maximum involvement through the provision of long-term investment rates. Such projects should be co-funded by the state to prevent a significant increase in rates. We should allocate up to 100 billion tenge each year to accelerate the level of modernization in our heat and water supply systems, in addition to the funds already envisaged in the budget.

Fifth, strengthening the housing infrastructure. The formation of urban centres is accompanied by a significant cross-flow of the population. This creates pressure on the labour market and city infrastructure, including on the housing fund. Therefore, our approach to the construction of rental housing should be revised. The state will construct social housing and provide to the population for long-term renting with the right to buy it. The provision of housing directly, without mediators, with low-interest loans will allow us to reduce the cost of acquisition. No first instalment and low mortgage interest will make housing more affordable for various strata of the people of Kazakhstan. Therefore, we will additionally increase funding of construction of rental housing to the amount of 180 billion tenge during 2015-2016.

Sixth, developing the social infrastructure. We must resolve the issues of unfit unsatisfactory schools and the three-shift education, as we set out in our election platform. The funds envisaged in the three-year budget do not let us to resolve this problem by 2017. I have therefore ordered the Government to allocate another 70 billion tenge. Another matter is the lack of kindergartens. I intend to allocate an additional 20 billion tenge to reduce the deficit of admission in preschools within 3 years. Akims must deal with this as much as possible and attract the private sector.

Ten higher education institutions were defined within the framework of the programme of industrialisation, based on which the link between science, the economic sectors and personnel training will be ensured. I have instructed the Government to create the material and technical framework of these education institutions, allocating up to 10 billion tenge by 2017.

Seventh, we need to continue the work to support small and medium businesses and business activities. As of today, the 100 billion tenge from the National Fund aimed at supporting and crediting small and medium enterprises has been fully used. This allowed us to create more than 4,500 jobs. The demand for these funds exceeded the supply by 23 billion



tenge. The unprecedented conditions providing credit for businesses at six per cent for 10 years were created. There were no such conditions in our country before. We should continue our work to develop small and medium businesses as a driver of economic growth and increase their share to 50 per cent of GDP by 2050. Therefore, we need to use credit facilities for small and medium businesses more effectively, availing of the account of the ADB, EBRD, and the World Bank for the total amount of 155 billion tenge in 2015-2017.

**Dear people of Kazakhstan,**

The situation in the world economy makes it sufficiently hard to achieve our goals without extra financial resources.

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That is the reason why we established the National Fund. It was mainly aimed to providing stable social and economic development, and protecting our country's economy from unpredictable circumstances. Right now, it is high time to use this fund for our needs. Kazakhstan should avoid repeating the mistakes of other countries. We have to use our internal resources for economic growth efficiently.

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I have made the decision regarding additional allocation of three billion US dollars from the National Fund for the period from 2015 to 2017. I have directed the Government to prepare respective decisions for the allocation of funds from the National Fund and to take into account the required funds in the draft national budget for 2015 within a week. The Government should also undertake measures and ensure effective and rational use of these funds.

The commission created by me will strictly monitor the effective use of the funds and report to me personally. I will request a report about every tenge spent. Special responsibility is imposed on all the akims. Nur Otan must actively get involved into this work and to establish strict party control at all levels.

I am entrusting the Government with ensuring that National Fund resources are allocated efficiently and appropriately to the relevant areas. Every tenge will be under strict control. Nur Otan should take an active part in it, and monitor it closely for the party.

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The investments from the National Fund must be accompanied by structural reforms in the economic sectors. We need to ensure joint implementation of projects with international financial organizations. For instance, the World Bank, the Asian Development Bank, the EBRD and the IDB are ready to allocate about 9 billion dollars for 90 priority projects. The allocated funds should support investment activities, prevent a drop in population's income and stimulate the creation of new jobs. This will result in sustainable economic growth in the short and medium terms.

Our education, health care and agricultural development programmes will continue, with a substantial discussion about this at the first extended meeting of the Government next year. The New Economic Policy, “Nurly Zhol” is our global step on the path to become one of 30 most developed countries of the world.

All the necessary conditions for successful work have been created. Administrative reforms have been carried out, and the new structure of the Government and executive power is working. Every minister knows what to do. We removed redundancy and unnecessary links in management. Akims have the necessary scope of authority. The regions have everything – programmes, resources, finances. Everybody is responsible for their area of work. They now need to knuckle down and set to work.

The New Economic Policy “Nurly Zhol” will become a driver of the growth in our economy during the coming years. 200,000 new jobs will be created by the construction of roads alone. And this means greater employment and growth of income for the population. “Nurly Zhol” will create a multiplier effect in other economic sectors: production of cement, metal, machinery, bitumen, equipment and related services. Roads are lifelines for Kazakhstan. Life has always emerged and developed in our vast expanses around roads. We must create such a transport network that roads, railways and airlines stretch to all directions from Astana. Like arteries from the heart. Like rays from the sun.

The new lines built by the people of Kazakhstan will renew our economy and community. They will firmly link all the corners of our country with its centre. Cargo traffic will accelerate and increase. The volume of transit through the country will grow. Our citizens will drive on modern and quality highways, and will be able to get to any region speedily and safely. Social infrastructure will improve, new and modern schools and hospitals will provide high-quality services. Finally, this will affect the welfare and the quality of life of each citizen of Kazakhstan. And the main thing is, that all of this will remain in our land as wealth of our future generations.

**Dear people of Kazakhstan,**

There is large and important work in front of us. We must be united to pass this global exam. We must strengthen trust among all the people of Kazakhstan! Be tolerant to each other! These are keys to Kazakhstan’s future. Interethnic harmony is oxygen. We never notice it, when we breathe, we do it automatically – we just live. We must safeguard our unity and our interethnic harmony. No outsider can come and do this for us. Our young grow in a new and independent country. The younger generation did not witness interethnic war or conflict, the devastation of 1990’s. Many people perceive stability and comfortable life in Kazakhstan as something given since their birth.

For what are stability and harmony? It is family welfare, safety, a roof over our head. Peace is the joy of paternity and maternity, health of parents and happiness of our children. Peace is stable work, wages and feeling confident about the future. Peace and stability are the achievement of our entire population, which must be protected and reinforced by everyday hard work. I always say: the young are the foundation of our future. The state has opened up all the

doors and all the paths to the new generation! Nurly Zhol is where our creative and dynamic young can invest their efforts and develop!

Next year, we will solemnly celebrate 20 years since the adoption of the Constitution and the creation of the Assembly of the People of Kazakhstan. When we celebrate these dates, we should make the people of Kazakhstan spiritually stronger, united, and even more tolerant. I am convinced that our core principle – Kazakhstan, Only Ahead! – will sound in a new way and will acquire a deeper meaning at this new important turn of our history! I wish success and reaching new heights to all of you, because they will raise our Homeland even higher!

**Dear fellow citizens,**

We are united by our national idea – Mangilik Yel (Eternal Nation), making its way to the independent development of “Nurly Zhol”. To follow this path we need to work hard, and to unite our efforts on the way to a brighter future. The Eternal Nation is a unifying force and an inexhaustible source of energy. It is the basis for not only the “Kazakhstan 2050” Strategy, but also the strong ideological foundation of Kazakhstan’s Statehood in the 21st century! The Eternal Nation is itself the source of a new form of Kazakhstan Patriotism. It is a great principle for the entire society of Kazakhstan.

Adoration for our historical past, pride for today’s fortunes, and faith in our blossoming future – are all covered by the powerful concept of “Mangilik Yel” (The Eternal Nation). Love for the fatherland is respect for the great legacy of our ancestors, keeping it as safe as the apple of your eye, making a contribution to its development, and passing it on to future generations. This is the ultimate goal of all Kazakhstan.

The foundation of the idea of the Eternal Nation runs very deep. Thirteen centuries ago, the sage Tonykok stated the “Eternal Nation is the goal of all Turkic people.” This means that our national idea, just as the roots of our nationhood, originates from our ancient history. The unity of the people, that’s what makes a viable national idea. Where there is no unity, and instead discord flourishes, no national ideas can ever come to life. Unity and prosperity are the main reasons for the great success achieved by Kazakhstan.

Today, through our eagerness for stability, we have managed to make great strides forward. Humiliating nobody, denying nobody’s language or cultural heritage, while giving all citizens equal opportunities, helps us strengthen the stability of our own country. National unity must be our main treasure to pass on to future generations. We must nurture the concept of national values in the mind of every young person.

The year 2015 is the year of many commemorative dates of historic and solemn significance for our nation. They are: the 550th Anniversary of the Kazakh Khanate, 20 years of the Assembly of the People of Kazakhstan and Constitution of Kazakhstan, and the 70th Anniversary of the Great Victory in the Great Patriotic War. These historic dates play a special role to initiate the younger generation to a new sense of Kazakhstan patriotism. We have therefore declared 2015 as the Year of the Assembly of the People of Kazakhstan because the nation’s solidarity and unity, as well as peace and stability are of the utmost importance to us.

The nation's unity is the key for all our achievements. Kazakhstan's development today is a model for the entire world. The 20th Anniversary of our Independence and the International Exhibition EXPO-2017 will demonstrate our capacities. I wish everyone of you success and a bright future along our great journey "Nurly Zhol"!

*Astana, November 11, 2014*