



IPI Speaker Series

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Terje Rød-Larsen:

Ladies and gentlemen, good morning everybody and thank you for coming so early on a Friday morning, trailing through the horrible traffic of Manhattan this week of September. I was late myself so if any of you were so, you are forgiven.

It is our great pleasure this morning to host Yerzhan Kazykhanov, Foreign Minister of the Republic of Kazakhstan. The Foreign Minister I know very well is no stranger to the United Nations, having been Kazakhstan's permanent representative to the UN between 2003 and 2007.

Excellency, my dear friend, it is indeed an honor to welcome you to IPI. You know as well from your time in New York and also from your time in Vienna where IPI has a newly established office, you were ambassador to Austria between 2009 and 2011 and a very close friend of IPI's Vienna office.

IPI worked closely with Kazakhstan in the buildup of the OSCE Summit in Astana last December and it is now supporting its chairmanship of the Organization of Islamic Cooperation. And I had the pleasure in that capacity to visit your capital, Astana, just a couple of months ago.

I was very impressed; when I was in Astana it was my first time. How truly amazing the capital has grown out of the steppe within 13 years and how Kazakhstan has emerged as a growing player on the world stage just 20 years after its independence. And I hope I will be able to attend your celebrations later this year to celebrate your 20 years of statehood.

I must say I was also impressed by the dynamism of Kazakh diplomacy under your able stewardship, Mr. Minister, chairing the OIC, the OSCE and also the Shanghai Cooperation Organization within a span of 12 months. That is, I must say, very impressive.

We are now looking forward to hearing more about Kazakhstan's foreign policy and your country's ambition for the future. With these words it's my great pleasure to give you the floor, Mr. Minister. You have the floor.

Kazykhanov:

Thank you, Terje. Thank you very much. It's a great pleasure seeing old friends here in this room and it is great honor for me to be here today with IPI, an institute which has played such an important role in supporting the United Nations in promoting peace, security and conflict resolution. Practical support and rigorous research you provide together with the opportunities for informed debate remain as crucial today as when the institute was founded in 1970.

My own links to this institute stretch all the way from my years as a permanent representative here in New York when I attended a number of interesting meetings and now we are continuing our close cooperation with IPI. In my new capacity as a foreign minister I'm pleased to all the support and assistance that IPI is providing us in chairing the OIC and also as it was when we were chairing the OSCE—another organization.

Well, as you rightly mentioned, Terje, we will mark the 20th anniversary of independence in December this year and we believe there is a great deal to celebrate. While we still have many challenges to overcome we are very proud of what we have already achieved socially, politically and economically and the reputation of our country is growing as a successful, stable and respected state world wide.

Of course our history did not begin with independence. You know that Central Asia has long been a theater for major movements of people. Waves of migration have moved back from east to west and from across the region and the region became a meeting place of ideas and people. You know that many centuries ago, for example, Arabs brought to our region world religion; Islam later our region became a part of so-called great game competition between powerful rivals and parse and finally we became part of Russia and the Soviet Union.

It is worth to mention that Kazakhstan managed to get out of the Soviet Union without complex or territorial losses and we haven't had any interethnic problems, any clashes, any conflict situations over the period of 20 years preserving stability and ethnic accord in the country unlike some other countries in our region and you know that very well.

But we were left to build our own dependence practically from scratch having huge inflation, poor economy and the economy was in desperate shape. What has been made in the period of 20 years under the leadership of President Nazarbayev our first president, that is remarkable.

It is worth to mention that Kazakhstan is the multi-ethnic and multi-confessional country. We have more than 130 ethnic groups living in our country in peace and accord and we're trying to sense—to show this example to the rest of the world that we—our experience can be shared in some other regions on the planet.

We have good relations with our neighbors—great neighbors Russia and China and at the same time we have also a very good relations with the United States and the European union countries. It is worth to mention that the border between the Russian Federation of Kazakhstan stretches as long as 7,500 Km. This is the longest continental border between two countries; they border even longer than the border between Canada and the United States. We have 120 check

points and we have 2,000 Km with China. So you can imagine the total length of the borders of Kazakhstan is about 14,000 Km. We are the ninth largest country in the world in terms of the land mass after Denmark. Everybody's asking me why Denmark? I said because of the Greenland.

Yes we were chairing last year the organization OSCE, and it was a great experience for Kazakhstan. We are members of the OEC since 1994 and you know, OEC has a broad agenda as three baskets: political, economic and humanitarian. We had to deal with many issues starting from nuclear non-proliferation, conventional arms in Europe, protracted conflicts, Transnistria, Nagorno-Karabakh, and Kosovo and so on and so forth.

Of course we were involved in many humanitarian discussions that have taken place in the area that OSCE covers and as they say, from Vancouver to Vladivostok. That was the first time that the country to the east of Vienna—namely Kazakhstan—was chairing this important organization and we were the first from the CIS to chair that. In two years time another CIS country which is the Ukraine, will assume the chairmanship that they will be the second country from our region.

Now we are chairing another important organization which is called the Organization of Islamic Cooperation. Previously this organization used to be known as the Organization of the Islamic Conference. During the meeting in Astana, in our capital, in the end of June the name—the organization got the new name and a new logo. It means that the agenda of the organization has been expanded and the organization deals with many issues, the political issues of course, the Middle East problem and other conflicts in the Islamic ummah. But economic issues as well have equal attention and also humanitarian issues.

With all this development in the regions the weight and the importance of the OIC is growing. Today I will be chairing the OIC ministerial coordinating meeting of the United Nations and we will have very extensive discussions on many issues happening in the Islamic world.

While Kazakhstan has been hit by the economic crisis, you know that our economy depends much on the mineral resources; the hydrocarbons oil and gas and having a 10% gross in 2007. In 2008 our economy went down to 1% gross. But after 2 years of recovery we managed to get a good result so last year and this year our economy show the 7% gross which is fine.

What happened we followed the Norwegian model in the late 1990s when the president said to Kazakh citizens, try to live as if we don't have oil and gas. All the revenues from oil and gas has been sent to the so-called oil fund or we call it fund of future generations. So this fund has accumulated up to \$80 billion already and some money has been taken from that fund to bail out the economy during the crisis so that we had a soft landing during the crisis.

Now the situation is fine. We have a GDP per capital income \$10,000 which is good results. If you take some Eastern European countries, for example Bulgaria or Romania they have—we matched them and we have an ambitious plan to increase the per capital income by 2016 up to \$15,000. The government of Kazakhstan launched their ambitious industrialization program which is until 2020 and we have plans to build around 500 new industrial enterprises and double our GDP. So if our current GDP is \$150 billion, hopefully it will become \$300 billion GDP of the country.

Of course we attract a lot of investments and the United States, one of the biggest investor to Kazakhstan economy. We have European countries also investing and we think that the US interest and European interest in Kazakhstan are in the investments that have been already made so the amount of investments exceeded \$120 billion already over the period of 20 years. One should recognize that most of the investments go to the oil and gas sector but we're trying to encourage our foreign partners to diversify investments and to concentrate on industrialization, innovation, new technologies, agriculture and so on and so forth.

Kazakhstan is a middle income country. We understand and we are working hard to try not to fall into the middle income country trap. For that we are making industrial breakthroughs in our economy. About 15 years ago the President and the government launched a program which is called Bolashak in Kazakh which in English it means future.

Government subsidized institutions of students studying abroad, so every year we send hundreds and hundreds of students to the major universities abroad fully covering their tuition and now we have a good number, thousands of those who graduated universities. We still have around 3,000 students studying in the west and most of them in the United States. These young people are coming back to Kazakhstan and they are joining their ministries and agencies; national companies having a good experience; having studied in the west and we think that's a great asset for Kazakhstan and helps us a lot.

We think that in order to boost the economic operation with the west and attract new technologies, it is important to think about the Visa regime and me in the foreign ministry, we announced that we will lift the Visa regime for the OECD member states in all there are 34 countries who are members of the OECD and starting from the next year we will start this program and we believe it will increase the number of business visits to Kazakhstan and tourism; so on and so forth.

What we are trying to do, we are trying—the European Union and western countries also too—to provide equal treatment to Kazakhstani citizens. I had a very good meeting yesterday with Madame Ashton discussing these issues.

Kazakhstan is the biggest landlocked country in the world. You know that we belong to the group of the 37 landlocked developing countries and we showed our leadership 10 years ago when we convened an important conference on the needs and problems of the landlocked countries and we still continue to defend the interest of the landlocked countries.

What we think that being in land lock it's important not to rely on one neighbor—on one transit neighbor. It's better to have a kind of multi-vector transportation policy and we are trying to get and secure access to the high seas; to the world markets and we know that last year, Kazakhstan, Russia and Belarus established a so-called customs union. As of the first of July this year all the custom barriers has been lifted with the Russian federation. Our commodities has equal—have equal treatment on Russian and Belarus territory. Customs union is a great experience. So now for the investors when we speak we say that the products produced in Kazakhstan can be sold in the big market of 170 million people. When you take Russia and Belarus combined. So we have excellent investment legislation and we're trying to attract as many investors as possible.

We are building transportation projects. One of them we call Western China/Western Europe. It's a motorway going all the way from China to Europe with 3,000 Km crossing the territory of Kazakhstan. The construction of the Kazakhstan portion of this motorway started last year and by the middle of next year we think that we will complete this construction.

I'll give you an example, the commodities from Urumqi, the western China city, to Europe, to Berlin for example, by road you can bring commodities in eight days. It is much quicker than the sea route of course and so we think that it will attract a lot of attention. We also are expanding our railroad network to the north, to the south and it is very good for the transit potential of my country.

What I want to say, as I was informed by my Ambassador yesterday, Kazakhstan has signed a protocol with the United States on the WTO session. We are still interested in being a member of the WTO and the things are moving in the right direction and we thank our American partners for that.

Speaking about Afghanistan, you know that Afghanistan is our neighbor. We don't have direct borders with Afghanistan but of course Afghanistan remains to be a source of our concern and we provide full support for the multi-national forces and on a bilateral base we are providing a lot of assistance to Afghanistan. We are training Afghani students in Kazakhstan. We know that we have a special program of training a thousand students from Afghanistan and Kazakhstan. We are fully covering all the expenses. So this month we'll receive a second group of 200 Afghan students who are studying Kazakhstan. We are sending fuel to Afghanistan; wheat and we have some projects.

Yesterday I attended a very important meeting co-chaired by Minister Westerwelle and Secretary Clinton on a new strategy which is called New Silk Road, bringing together—focusing on the greater role of the countries of the region and Kazakhstan fully supports that program. We think that we have shared responsibility to help Afghanistan to get out from this difficult situation and we continue to work hand-in-hand with the neighbors of Afghanistan and Afghanistan government.

We are planning to convene an important meeting in Astana in November of this year, on the 15th of November. The contact group on Afghanistan that will pave the way to the Bond conference on Afghanistan that will take place in December.

Of course there is another problem that our region faces, is the trans-boundary water resources. It is worth mentioning that in the period of ten years time glaciers in Pamir in the mountains in Central Asia lost 40% of its volume and it is a very dangerous development linked to the climate change. The glaciers in the mountains are feeding the waters of two big rivers, Amu Darya and Syr Darya but historically known as the Jayhoun and Sayhoun and you know that millions of millions of people depend on the waters of these two big rivers.

Kazakhstan is a downstream country; we have only 60% of our water resources; 40% comes from outside. We took note of the important report that has been prepared by Congress in March this year on the water issue in Central Asia and we also look into Afghanistan as the potential consumer of water resources in our region and we have to—Kazakhstan has been always promoting close cooperation. We have a number of proposals of establishing a water consortium in the region to make water use more predictable.

There is another neighbor that we have, Kyrgyzstan, you know it's our brotherly neighbor and they had a problem last year when there were interethnic clashes in the south part of Kyrgyzstan which triggered tension in the whole region. This year Kyrgyzstan will be facing presidential elections on the 30th of October. We have a long border with this country. We have excellent relations. We understand there are difficult economic difficulties. Kazakhstan has a special program of assistance to Kyrgyzstan. We are buying Kyrgyz electricity. We are providing them with heating fuel, with food and other things and what we want to give to Kyrgyzstan after the presidential elections to preserve stability in the country and we will continue our support to our brotherly nation Kyrgyzstan.

We took note of that recently European Commission approved the start of negotiations between Azerbaijan and Turkmenistan on a so called Trans Caspian gas pipeline. This follows unsuccessful negotiations on the stages of the Caspian Sea and you know that we have five littoral states and Kazakhstan intends to carefully weigh all their pluses and minuses of this plan including political and economic consequences.

We always say that Kazakhstan stands for the so-called multi-vector pipeline policy. We have oil pipelines going to China; we have to Russia, we have a Trans-Caspian transportation line shipping tankers to Baku to the so-called Baku-Ceyhan pipeline and we first look into the feasibility of any project and then policy stands second.

We are following very closely the developments in North Africa and the Middle East and today at the General Assembly, President Abbas will be addressing the United Nations and we will start our OIC Ministerial meeting at 10:00 and we also will invite President Abbas to address the ministers of the OIC; the OIC Ministerial about who will be speaking about the Palestinian issue.

It is interesting to mention that the OEC members are under our chairmanship, stretch a helping hand to our brothers in Somalia. In August this year we convened an emergency meeting and managed to raise the pledges of the countries to Somalia, and now we have more than \$500 million that has been sent to Somalia and the OIC has a physical presence in the region. We are working with other agencies, UNICEF and European Union to help countries in the whole of Africa.

There are some changes in the OIC. We established for the first time the Human Rights Commission under the auspices of the OIC. We now launched the election observation missions under the OIC and we are looking forward for very important elections that will take place in Tunisia and Egypt and Kyrgyzstan as I mentioned. There are many other issues that we will be discussing today and I'm glad that Kazakhstan is sharing this process and our chairmanship in the OIC will continue until June next year.

Well a few words about the United Nations. Kazakhstan has always been a great supporter of the United Nations. We have excellent relations with the UN and we put forward our candidature for the non-permanent membership of the Security Council in 2016. You know that our position, we stand for the expansion of the Security Council in two categories; permanent and non-permanent members and we support the role of the general assembly. Yesterday it was an important meeting of our president with Ban Ki-moon and Ban Ki-moon visited Kazakhstan twice.

Kazakhstan has made an enormous contribution to the non-proliferation. As I mentioned in the beginning, we will be marking not only the 20th anniversary of independence but also the 20th anniversary of the closure of the Semipalatinsk nuclear testing ground in Kazakhstan. You know there was more than 500 nuclear explosions conducted in my country and we are proud that upon the initiative of Kazakhstan the 29th of August, the day of the closure of Semipalatinsk Nuclear Polygon was pronounced as the day to ban the nuclear tests in the world.

Non proliferation issue remains on the top of our international agenda, and we are working hand-in-hand. One of the issues that we think deserves great importance of the international community, the upcoming—the possible convening of the conference on the nuclear weapon free zone in central—in the Middle East. You know that in 2006 five countries of Central Asia signed an agreement on nuclear weapon-free zone in Central Asia which we believe is a great contribution to the overall efforts to reduce the number of nuclear weapons in the world.

Well I think that Terje I have spoken quite long and I can cover some other issues but I think that we have to give some time for the questions and thank you very much again, and I will be happy to answer your questions. Thank you.

Rød-Larsen:

Actually my dear friend, listening to your wonderful tour of an exceptional country, I wish you had spoken longer and I think this is the first time I've ever said that at this platform.

Now I appreciate very much that wonderful tour through your country and along the borders of your country and along the future multi-ways of your country because I believe that Kazakhstan is at the core geopolitically. At Eurasia, it's basically the border between Europe and Asia and Eurasia is, as I see it, geopolitically the most important area of the globe. So it was really a pleasure listening to you.

There was one thing which you didn't mention and I'd love to ask you a question about it. That is that Kazakhstan, I know initiated a Conference on Interaction and Confidence Building Measures in Asia, CICA, I believe it's called. And in an exceptional country it's an exceptional organization because I believe besides the United Nations this is the only organization which has both Iran and Israel as a member. Can you say a few words about it?

Kazykhanov:

Yeah this conference on interaction and confidence building measures, an initiative that has been first proposed by our president during the 47th session year, the United Nations. The idea is—was that we have to have an organization in Asia that will bring together all Asian countries and to start building confidence measures among the countries.

We were very persistent in pushing this initiative and we are proud to say that now we have 24 member states of this organization. We have our headquarters in Kazakhstan and Kazakhstan has been chairing this CICA process for many years now. We have Turkey presiding over the CICA. Turkey convenes the summit. You're right, this is the only organization outside the UN that brings together Iran and Israel in one table. We have India and Pakistan as well and we are proud to say that we managed to bring them together and delegations of these countries are sitting around one table and discuss issues of the confidence building.

Some say that CICA could be matched with the OSCE as European, now Eurasian organization dealing with the political, economic and humanitarian issues, CICA is the Asian organization but the goals are the same. Thank you.

Larsen: Thank you very much now I will open the floor. I've seen several indicating they want to take the floor. Please can you state your name and affiliation?

Abdullah Alsaidi: Abdullah Alsaidi from the IPI. Mr. Minister thank you for a very illuminating discussion and congratulations on the economic prosperity in Kazakhstan. I noticed when you spoke about the OIC that it is paying attention now to the elections in Kyrgyzstan, Egypt and Tunisia. But you did not speak about those who are struggling for freedom like Syria, Yemen and others. The Arab League is now discussing ways to freeze members of these countries. The Inter Arab Union has taken a decision to freeze the membership of both Yemen and Syria. Where does the OIC stand especially under your wise leadership?

Rød-Larsen: That's a tough question. I think I'd planned actually to have others take the floor but with this question I think I will turn the floor directly to you, Mr. Minister.

Kazykhanov: Thank you Abdullah and we've been working together as permanent representatives here and we like to see you. Yes, you're right and if you look into today's agenda of the OIC coordinating meeting we have Syria as one of the issues of the agenda and certainly we pay attention to the process developments taking place in Syria and Yemen and you know that they always see Secretary General Professor Ihsanoğlu made a number of statements on behalf of the organization as regard to the situation in these countries and certainly we have—we had the discussion at the beginning of this week and in East Istanbul in August about the possibility of great involvement of the OIC in negotiations with the leadership of Syria. We will continue our work until we have divergence of use.

Unfortunately OIC does not have very clear peacekeeping/peace building post conflict rehabilitation mandate. We are planning to strengthen this part of the organization. The organization has little history of being involved in these kinds of situations. We witness the great role of the legal Arab states and I'm planning personally to meet today with the Secretary General of the Arab League and we will exchange views on all these issues as well. Thank you.

Rød-Larsen: Thank you very much. Please?

Miroslav Jenča: Thank you very much. My name is Miroslav Jenča I am a special representative of the Secretary General for Central Asia and Head of Regional Center for Preventative Diplomacy. Thank you very much for this great opportunity to have this discussion about Kazakhstan, Kazakh initiatives and supporting policy that has shown, I would say, spectacular leadership in the last years as far as a generation of ideas. As far as convening power is concerned. OIC Summit was mentioned here that took place after more than 10 years in the OIC and joint declaration was adopted. I remember when we were sitting in the room until late night or midnight waiting for a final decision and it was thanks to Kazakh leadership that it was achieved.

You mentioned, Mr. Minister, also OIC. You have no time to mention maybe also Shanghai Cooperation Organization where a summit took place, tenth summit of this organization in June.

However, I would like to bring the attention a little bit to Central Asia. Kazakhstan and Kazakh President has been known also for proposing closer integration; closer cooperation in Central Asia. As far as Kyrgyzstan is concerned, I would like also to mention I appreciate the cooperation in a special envoy of OIC, United Nations and European Union.

But we see here that despite the common challenges, water-energy nexus, that a more regional approach is needed; however, it is quite difficult to achieve it. Even if he spoke about Afghanistan, so we see initiatives of individual Central Asian countries more than closer cooperation among countries, you know, to come up with maybe some common ideas at the same time.

My question would be, what do you think, Mr. Minister, what have been the lessons learned from regional Central Asian cooperation? Why it has not worked as expected or has it better worked to the expectations? What are the challenges for the future? You mentioned water in 2009, the President of Kazakhstan convened very I think good and successful summit of Central Asian presidents on water issues. The summit of International Fund For Saving Aral Sea. We see that such a meeting is overdue now also. So what would be your answer to the challenges for the future in this corporation? Thank you.

Rød-Larsen:

Thank you very much. I think that was an arrangement of very interesting questions. So I'm tempted actually to give you the floor right away on this question as well and then go back to the audience.

Kazykhanov:

Thank you, Miroslav, and speaking about the chairmanships in the Shanghai Cooperation Organization, OIC and OSCE, it's—yesterday I had a meeting with Madame Ashton. She said she's really keen to learn what will be the next chairmanship of Kazakhstan. She said she thinks we can all become chairs of the European Union at a certain point.

Yes we are trying to contact—I mean the policy we don't shy of being chairs of many regional organizations and I think it is important we support fully the multi-lateral approach to the many issues in the region. We also appreciate the role of your organization that you're heading, the Preventative Diplomacy Center in Ashgabat and I think that the UN plays a great role in the region and you have our full support in that. You touched upon a very sensitive issue, the issue of integration in Central Asia. You know that President Nazarbayev and leadership always stood for the great integration. Only united can we overcome all the problems and challenges that our region faces and the President called for so-called Central Asian union.

We are working in that direction; although we haven't received much understanding from some of our neighbors we still hope that the time will come when we will unite our efforts and we will be working together. We are ready to work in any formats and we say that if three countries agree to work with Kazakhstan, others will join.

There are a number of different organizations that have different configurations and Kazakhstan is a party to all of them. We are trying to be vocal. We are defending our position. We think that it is important to convene next Aral Sea Saving Fund summit and that is scheduled to take place in Kazakhstan and it could serve as a good platform for the water negotiations among the countries of the region.

You know that there was an important informal summit meeting of the Collective Security Treaty Organization in Astana this summer. We spoke extensively about the regional cooperation during the Shanghai Cooperation Summit and there will be an important CIS ministerial meeting next April in Astana as well. So we will try to continue our negotiations with our neighbors to try to bring together countries of Central Asia. Thank you.

Rød-Larsen: Thank you very much. We are getting close to closing the meeting. We have about five minutes left. So I would love for one more question. There is a gentleman there at the back.

Douglas Gardner: Good morning Excellency. Thanks to IPI for hosting this and thank you for a great presentation. My name is I work at UNDP.

Excellency I wanted to get your views on a meeting the UN is co-hosting with Brazil in June of next year; the United Nations Conference on Sustainable Development. The Brazilians have said this is not a conference on environment per se but on development. With the size of the population growing, the planet staying the same, production and consumption patterns, I'm just wondering Excellency how you view the opportunity of this meeting and what experiences you would bring to the table from Kazakhstan. Thank you.

Kazykhanov: Well thank you very much for your question and I would like to start by saying that these days we have an important conference taking place in Kazakhstan that brought together the ministers of environment of the European countries and the major topic of this conference is the initiative which is called the Green Bridge Initiative. The Green Bridge Initiative, for what it means that we want to unite the efforts taken by the European countries and the Asian countries and try to bridge the corporation in terms of technologies, exchanges of knowledge's because isolated efforts of the European countries and isolated efforts of the Asian countries will not produce results. What Kazakhstan has proposed is we have to build a green bridge between Asia and Europe and we are coming with this initiative to the RIO Conference on the 4th of June next year. We already booked the side events there. Our president is planning to participate in the RIO summit. We have our own proposals on the climate change issue on sustainable development, so I'm sure Kazakhstan will be vocal and we will be speaking at the second committee meetings on those issues and if you follow our statements you will get more information on our position. Thank you.

Rød-Larsen: Then what remains to me is to say thank you for a tour of the truly amazing and unique country. And also thanks to you Foreign Minister. I think everybody who knows you here with me when I say thanks to a unique diplomat representing a country—and I really mean it—at the cross roads between not only Europe and Asia but at a crossroads of world politics which is only exemplified by the chairmanship of the multiple organizations you've been in and that you currently are at. So it was a privilege being with you and I think I have everybody with me when I say good luck into the paths of the future for your country and for the future of Eurasia and the world. You will play a unique role as we've all seen. Thank you so much.