

**Statement by the Secretary of State – Minister of Foreign Affairs of the Republic of
Kazakhstan, Kanat Saudabayev, at the IV Civil Forum**

Astana, November 24, 2009

At the outset, I would like to extend to you all the warm greetings of President Nursultan Nazarbayev to each and every participant and guest of today's Forum.

The State leader - who is on an official trip - has entrusted me with a message which says that Kazakhstan will continue to provide all the necessary conditions for successful development of civil society institutions.

Since the first days of our independence, the development of civil society has been one of the key strands of State domestic policy. More than 25,000 non-profit organizations are in operation today – 13,000 of which form NGOs. In the last year alone, the number of non-government organizations has increased by 10%. More than 550,000 people are involved in the 'third sector'.

The first stage of realization of the Concept of Civil Society Development for 2006-2011, adopted by the decree of our Head of State, is coming to an end this year.

The process of drawing-up an effective legal basis is still taking place within the frameworks of the Concept. The amendments, introduced into the Constitution, raised a ban on State financing of non-governmental organizations. A number of legal acts have been adopted and improved, including those dealing with the Assembly of Peoples of Kazakhstan, local administration, political parties, election and mass media.

These acts have encouraged active cooperation with civil society institutions and made a significant contribution to the process of introducing OSCE standards.

Moreover, today's operating legal basis provides for some tax privileges for non-profit organizations, as well as for a special order of State purchases of NGO social services.

According to the experts, the Kazakh legislative base designed for NGOs is one of the best among those in CIS countries.

State financial support to the 'third sector' has increased significantly since the last Civil Forum took place several years ago.

In spite of the economic situation, and in compliance with the President's wishes, more than 1.2 billion tenge will be allocated in this year's budget to realize social procurement - which is 45% more than in 2008.

Through the request of the Ministry of Culture & Information alone, 206 non-governmental organizations have realized 226 socially significant projects in various spheres this year.

At the same time, the Head of State has asked for support to be given to the republic's ethnic and cultural activity and organizations.

In the next three years, the volume of financing of NGO projects will run to one and a half billion tenge at the national level - and about a billion tenge at the local level. Currently, further infrastructure development of the third sector is taking place.

State bodies have engaged NGOs in the process of working out the draft laws, realization of programmes and organization of public consultations that deal with socially significant problems.

Consultative bodies are functioning at all levels, while the Coordination Council on NGO Cooperation is a body affiliated to the Government.

The executive authorities do not make any important decision unless taking into account public opinion. The Public Chamber, which works under the Mazhilis of Parliament, provides for the public evaluation at the legislative level. In addition, we cooperate extensively with international and foreign non-governmental organizations concerning a wide range of problems.

While preparing for Kazakhstan's future Chairmanship of the OSCE, international organizations have made a significant contribution to the draft programme 'The Path to Europe' and the National Human Rights Action Plan for 2009-2011.

In cooperation with USAID, the World Bank, UNESCO, UNCF, UNDP and other international organizations, the government is implementing a wide range of social programmes on a regular basis.

We are grateful to all our partners for the active participation in the process of civil society development in Kazakhstan. In turn, our country has created the most favorable conditions for their activity. 162 international organizations, giving grants and carrying out various programmes in Kazakhstan, are entirely exempt from tax.

I would like to note that the tasks, which were supposed to be implemented after the realization of the first stage of the Concept, have been resolved. Evidently, NGOs took an active part in the implementation process.

In compliance with directives given by the Head of State, the second stage of the Concept requires tackling the following problems...

Firstly, further improvement of the legal base for NGO activity with due consideration of the achieved level of institutional development.

To begin with, it is necessary to define solutions for simplifying the procedures of registration, liquidation and reorganization of NGOs.

We should rely upon international practice here.

One of the most important and long overdue problems is a qualitative change in the system of social service procurement. The entire method of social service procurement could have been regulated by a single Law 'On social service procurement', instead of the numerous references to the Law 'On state purchases' and an abstractive 'special order' provided by the latter. Apparently, while all State bodies hold competitive tenders on the grounds of Law 'On state purchases', the lowest price is considered to be a corner-stone. The principle mentioned earlier may not be applied in terms of civil society institutions.

At the same time, we should consider the possibility of establishing a State or public (in terms of private-public partnership) Fund for civil initiatives, which could become a single regulator of State social procurement. Consideration of NGO projects, which put in a claim for grant financing, would then involve the members of Civil Alliance, deputies, political parties and general public. Taking into account the transition to a three-year budgeting system, the financing should be a long-term project, aimed at the results.

These projects may relate to very important social functions. This form of work could be used by community centers for the treatment of drug addicts, the socialization of people with disabilities, rendering advice and assistance to oralmans (returnees), education of young people, victims of crimes and many other projects.

The mechanism of state support for NGOs must be consistent with international practice and contribute to the growth of the social efficiency of NGOs. Following this Forum, the relevant state bodies and the Civic Alliance will make proposals on this matter.

In addition, it is necessary to consider avoidance of double taxation on funds of the State social order. NGOs currently receiving budgetary funds on the projects again pay taxes to the budget.

We also require legal recognition of the concept of 'socially responsible business', which would be a good incentive for companies that practice charity. The Ministry of Culture & Information must consider these issues and make suggestions. Also, authorized State bodies should develop and implement quality standards for social services on which to draw conclusions about the effectiveness of social programmes.

Gradually, the State may reduce its presence in the social sphere, freeing up space for non-profit organizations.

In this case, the State will remain first and foremost a structure that sets priorities and funding, monitoring and evaluation of NGO programmes.

Secondly, further institutional development of the 'third sector' is required.

The NGO sector is one of the largest employers in the world – with millions of volunteers. Given the importance of professionalism, the introduction of social marketing and certification activities of NGOs must be expedient to study the possibility of introducing high school discipline and non-profit programme management.

To achieve qualitative growth of NGOs and their effectiveness resource centers could be established and supported.

At this stage of the sector formation in Kazakhstan, the function was performed by international organizations. One of the main objectives of resource centers in the second stage of the Concept should include education and training of NGOs at the local level.

In this regard, the Ministry of Culture & Information in cooperation with akimats could initiate the creation of resource centers at the district level.

According to the statistics, more than half the population of Kazakhstan live in rural areas. There are a number of pilot projects initiated in the rural settlements dedicated to the practice of local government. It is necessary to support them.

It is important to initiate the practice of NGOs in rural areas on issues of concern for the communities: farming, employment, drinking water, youth recreation and women, landscaping and planting of villages etc..

One of the priorities should be the development of volunteerism.

Now the Ministry of Culture & Information is developing a proposal on normative documents regulating this field. All concerned authorities can engage into this work and make appropriate proposals.

Lastly, next year will be the year of Kazakhstan's Chairmanship of the OSCE. As the OSCE Chairman, the Republic of Kazakhstan will promote a series of initiatives in the humanitarian dimension of the Organization. The issues of combating discrimination, the formation of a stable and conflict-free atmosphere in multi-ethnic and multi-religious societies will be spotlighted.

Kazakhstan has vast experience of human security provision, including the issue of organization of effective joint work in the field of State and public institutions. Given this, it is important to ensure the active participation of expert NGOs in elaborating the content of the afore-mentioned initiatives.

In addition, under our Chairmanship it is important to promote our experience. The introduction of European standards and principles of civil society to our practice is also of great importance.

In addition, it is important for us to examine carefully the experience of European countries on the establishment of the national programmes in various fields, to ensure the integration of Kazakhstan's civil society institutions with the international community of non-profit organizations.

In this regard, the active participation of Kazakhstani non-governmental organizations is important in all the activities and projects to be implemented next year.

One of the most significant events in this direction will be the Forum of Leaders of the NGO Sector of OSCE Member-States scheduled for 2010 in Astana.

It is important for us to organize a comprehensive study of the European experience on a wide range of civil society issues. As a result of this work it will be necessary to prepare a detailed analytical report on the application of European experience for the improvement of Kazakhstan's civil society.

The unanimous decision of 55 OSCE member-states on Kazakhstan holding the Chairmanship of this authoritative international organization shows the high esteem in which Kazakhstan is held and the recognition of our achievements in the short period since independence.

The Chairmanship of the OSCE is a great honor and a huge responsibility - not only for State organs but for all the institutions of civil society.

Not accidentally, the President called our Chairmanship a national strategic project. In this regard I call upon all NGOs to show true patriotism, unity, and contribute greatly to the success of Kazakhstan's Chairmanship of the OSCE.

We must fully realize this unique opportunity and show the world a successful democratic Kazakhstan, which makes a worthwhile contribution to strengthening regional and global security, ensuring human rights and freedom.