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COMMON COUNTRY ASSESSMENT

KAZAKHSTAN

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UNITED NATIONS

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Abbreviations and Acronyms

| | |
|----------------------|--|
| ADB | Asian Development Bank |
| ARI | Acute Respiratory Infections |
| CCA | Common Country Assessment |
| CEDAW | Convention on the Elimination of All Forms of Discrimination against Women |
| CIS | Commonwealth of Independent States |
| CRC | Convention on the Rights of the Child |
| DFID | Department for International Development, UK |
| DHS | Demographic and Health Survey |
| EMIS | Education Management Information System |
| EU | European Union |
| GDP | Gross Domestic Product |
| GTZ | German Agency for Technical Cooperation |
| HIV/AIDS | Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome |
| IDU | Injecting Drug User |
| HMIS | Health Management Information System |
| ICCPR | International Covenant on Civil and Political Rights |
| ICESCR | International Covenant on Economic, Social and Cultural Rights |
| ICT | Information and Communication Technologies |
| IDA | Iron Deficiency Anemia |
| IDD | Iodine Deficiency Disorders |
| IDUs | Injecting Drug Users |
| IEC materials | Information, Education and Communication materials |
| IFIs | International Financial Institutions |
| ILO | International Labor Organization |
| IMCI | Integrated Management of Childhood Illnesses |
| IMR | Infant Mortality Rate |
| ISA | Air Pollution Indicator |
| KZT | Tenge (Kazakhstan national currency) |
| MCH | Maternal and Child Health |
| MDGR | Millennium Development Goals Report |
| MDGs | Millennium Development Goals |
| MIS | Management Information System |
| MMR | Maternal Mortality Ratio |
| NGO | Non-Governmental Organizations |
| ODA | Official Development Assistance |
| PHC | Primary Health Care |
| SME | Small and Medium Enterprises |
| SPAs | Specially Protected Areas |
| STI | Sexually Transmitted Infections |
| SW | Sex Workers |
| TB | Tuberculosis |
| TWG | Technical Working Group |
| U5MR | Under-five mortality Rate |
| UN | United Nations |
| UNAIDS | UN Joint Program on HIV/AIDS |
| UNCT | United Nations Country Team (UN Agencies resident in a country) |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNDPi | United Nations Department for Public Information |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNFPA | United Nations Fund for Population Activities |
| UNGASS | United Nations General Assembly Special Session |
| UNHCR | United Nations High Commission for Refugees |
| UNICEF | United Nations Children's Fund |
| UNIFEM | United Nations Development Fund for Women |
| UNODC | United Nations Office for Drugs and Crime |
| USAID | United States Agency for International Development |
| USD | US Dollars |
| USI | Universal Salt Iodisation |
| VAT | Value Added Tax |
| WB | World Bank |
| WHO | World Health Organization |
| WTO | World Trade Organization |

SECTION I

1.1. Introduction

The main purpose of the present document, the second Common Country Assessment for Kazakhstan, is to analyze country's development situation, identify key development issues and underlying causes. This analytical exercise lays foundation for the UNDAF, which will shape the UN development assistance to Kazakhstan in 2005-2009.

Focusing primarily on the national development priorities and the Millennium Development Goals, the CCA draws largely on the Millennium Development Goals Report (MDGR) for Kazakhstan, which was produced jointly by the Government of Kazakhstan and the UN Country Team (UNCT) in 2002. While identifying key development challengers, the MDGR, however, was not meant to carry in-depth analysis and recommendations. Hence, this was undertaken through the CCA process, building on the MDGR data and assessment as well as extending coverage to governance and human rights areas, which the MDGs do not cover.

The UN Country Team initiated the CCA process early in the fall of 2002 with the establishment of the CCA Inter-Agency Technical Working Group (TWG) to lead the process and facilitate involvement of all UNCT members, existing UN Theme Groups and local stakeholders. Comprised of representatives from 6 UN agencies (UNAIDS, UNDP, UNICEF, UNIFEM, UNFPA and WHO) and chaired by UNICEF Area Representative, the CCA group developed and proposed to the UNCT drafts of indicators framework, Work Plan and outline of the report. Following a consensus within the UNCT on the methodology and timetable of the process, each resident UN agency individually or in collaboration with other UNCT members jointly drafted the analytical chapters most relevant to their mandates and involved in the process their respective national partners from civil society, Government and donor community.

The Working Group performed quality checks of all drafts and comments received from the Expanded UN Theme Groups (containing NGOs, donors, Government participants). Furthermore, there were discussions with IMF, World Bank and IOM along the way. The revised CCA was circulated through the Ministry of Foreign Affairs to all relevant national counterparts. In February 2003, the UNCT held a meeting with the Government on the draft CCA, which resulted in a constructive discussion of the draft and substantive inputs to it from the relevant agencies and ministries.

In April 2003, a draft CCA was sent for review to the respective regional UN offices and upon the receipt of their feedback, all resident UN Agencies (UNAIDS, UNDP, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNIFEM, UNODC, ILO and WHO) convened in a retreat to discuss the comments and the follow-up actions. The current version of the CCA benefited from the decisions of the retreat and the subsequent UNCT write-shops, and represents a consensus assessment by the UN Country Team of Kazakhstan's development situation.

1.2. International Cooperation

From the first days of independence, Kazakhstan clarified its immediate priorities, which mostly derived from the process of transformation from a one-party system with a command economy to a democratic system with a market economy. Major donors gradually increased the volume of assistance every year and, in co-operation with the Government, designed their assistance programmes to focus on progressive development and democratic practices. However, the immense scope of the political, economic and social transformation facing the young nation placed a heavy burden on the citizens. The quality of life has deteriorated, particularly for vulnerable groups, children, women, the elderly, and especially the poor, whose numbers have increased.

In 1997, the first year of economic stabilization in Kazakhstan, a national vision until 2030 was initiated with support from UNDP. Providing the basis for sustainable poverty-reducing growth over the long term, this strategy underlay the whole range of medium and short-term development programmes. The successful implementation of Kazakhstan 2030 requires significant correction of the growing macro-economic and structural imbalances and thus a more selective approach to attracting external assistance.

The donors had to redesign their programmes in line with the national development priorities, rather than to their own as was the case earlier. Thus, in response to the evolving "transition" challenges, the UNCT has significantly expanded its intervention in such areas as social protection and human development, good governance, democracy and participation, and environmental protection.

As country ownership of development policies and country leadership in development programmes are essential for success, donor and international financial institutions are now working more closely with the national partners to ensure that their programs in Kazakhstan fit to local priorities and needs. In 2002, the official development assistance (ODA) to Kazakhstan amounted to USD 155 million, 71% of which was disbursed through the International Financial Institutions (IFIs), 22% - through the bilateral donors, 5% - through multilateral organisations and 2% - through international organisations¹. Loans accounted for 65% and technical assistance grants represented 35% of total ODA.

Analysis of assistance by thematic focus illustrates that donors view *Governance* as a priority area for assistance. It accounts for nearly 46% of total allocations in 2002. Technical assistance in this field includes good governance, public administration and public sector management activities, human rights and empowerment of civil society, policy formulation and general statistics. As seen from the Table below, USAID, EU-TACIS, UNDP, DFID and UNICEF are the major development partners. Donor projects on Governance are implemented in almost all regions of Kazakhstan, largely concentrated in oblast centres.

Economic reform is the second important field, where a large portion of grants is concentrated – 38%. The largest aid providers in this sector are bilateral donors and international financial institutions. Economic reform assistance targets very few regions and is concentrated in the oblast centres.

Environment is the third priority sector attracting 6% of total donor allocations in 2002. It covers environmental policy planning and legislation, management and sustainable use of natural resource, including water and land. USAID, EU-TACIS and UNDP are again the main donors in the environment sphere. Technical assistance here focuses on the oblasts with unfavourable environmental conditions and oblasts where active mining is significant.

Donor interventions in *Poverty reduction* cover a wide spectrum of issues from policy formulation, social legislation and administration to poverty assessment, quality and access to social services. They account for 3% of total assistance allocations in 2002 and 9% of total commitments respectively. Allocations and commitments for Poverty are expected to grow as many donors and the UN system are focusing on poverty-reduction. Poverty grants are mostly concentrated in oblast centres and cities, with only partial coverage of rural areas.

Finally, *Gender* issues are dealt with largely by the UN specialised agencies. These include promotion of women's rights, elimination of violence against women and women empowerment. Although share of Gender allocations made up only 1% of total assistance, in most cases this issue is cross-cutting through other development priorities and mainly the Poverty reduction initiatives.

Table 1. Donor Assistance in Priority Areas (Total commitments in 2001-2005, thousands USD²)

| | Governance | Economic reform | Environment | Poverty | Gender |
|--------------|------------|-----------------|-------------|---------|--------|
| ADB | 700 | | | 6 240 | |
| DFID | 3 685 | | 11 | 21 | 6 |
| EU-TACIS | 18 246 | 5 915 | 939 | 2 641 | |
| GTZ | 4 263 | 17 887 | 329 | 8 657 | |
| UNDP | 9 597 | | 1 890 | 2 935 | 597 |
| UNFPA | 2 489 | | | | 196 |
| UNICEF | 3 489 | | | *4 100 | *623 |
| UNIFEM | | | | | 1 142 |
| USAID | 85 000 | 78 000 | 14 000 | | |
| Other donors | 5201 | 8352 | 867 | 677 | 550 |
| Total | 132 670 | 110 154 | 18 036 | *25 271 | *3 114 |

Source: UNDP report "Donor Assistance in Kazakhstan, An overview 2002", Almaty, 2003 (*corrected amount by UNICEF as of May 2003)

On the whole, it needs to be emphasised that donor assistance in Kazakhstan reinforces national efforts to accelerate transition in a wide range of areas. The daunting array of challenges facing Kazakhstan necessitates an integrated and comprehensive approach, which brings together the diverse development actors. The neutral status of United Nations system makes a significant difference in this respect.

The ability to bring together governmental authorities and NGOs, donors, interested individuals and institutions constitute one of the UN system's significant comparative advantages. In the first capacity, the

¹ UNDP report "Donor Assistance to Kazakhstan. An overview 2002", Almaty, 2003

² The totals exclude WB data, as well as allocations and commitments for regional programs

UN system as a whole helps ensure that all development stakeholders are included in a consultative process designed to identify, develop, and implement the most appropriate policies and activities to the strategic benefit of the Republic of Kazakhstan. The CCA is an important instrument of this cooperation. It analyses the national development situation and identifies key development issues with an emphasis on the Millennium Development Goals and international conferences, summits and conventions.

Assisting Kazakhstan to translate important globally shared values into national policies and programmes the UN Country Team actively applies such comparative advantages, as comprehensive information resource, experience with transition issues acquired in numerous countries and proven ability to build local capacities. Since 1990, Kazakhstan has participated in a number of UN-sponsored conferences and is party to many international declarations and plans of actions that have emerged from these international meetings.

The Program for Poverty Reduction in 2003-2005 was recently developed by the Government jointly with the World Bank, Asian Development Bank and UNDP. Aimed at significant reduction of poverty by 2005 through productive employment, improved access to social services, better conservation of natural resources and good governance this Program deeply correlates with all eight globally shared goals set at the Millennium Summit. In response to the commitments made at the International Conference on Population and Development and the 4th World Conference on Women in Beijing Kazakhstan in close cooperation with the United Nations agencies and funds developed and adopted the National Action Plan on the Advancement of Women (1999) and the National Program on Mother and Child Health Protection for 2001-2005. The National Program on HIV/AIDS prevention for 2001-2005 and the Strategy on Combating Drug Abuse and Illicit Traffic in the Republic of Kazakhstan for 2000-2005 also reflect some of the key provisions of the Millennium Declaration.

Tangible progress towards the MDGs should encourage additional national and external resources. It is also clear that the Government capacity to plan, manage, and effectively absorb external assistance needs further improvement. In this situation, UN can play a leading role by encouraging efficient aid coordination and facilitating accountability and the sharing of information among all the development partners.

Further improvement of international cooperation relies upon more systematic and results-oriented programming of donor contributions, based on comprehensive needs assessment and effective coordination, to avoid duplicative and inefficient use of resources. More regular meetings of the development partners and the exchange of information on current situations and the implications for the future, would in this respect help Kazakhstan, in a timely and effective manner, to adjust its cooperation policy to the changing economic, social and political needs of the Republic, and to continue participating in collaborative activities and integrated programs. In that regard, the Expanded UN Theme Groups and the periodic Donor Meetings facilitated by the Resident Coordinator should continue to prove useful.

SECTION II

2.0. 1. Kazakhstan Development Context through the Prism of Millennium Development Goals

Since the first days of independence, Kazakhstan demonstrated rapid progress in establishing the foundations of civil society, eliminated former totalitarian models and developed democratic processes. Passing through several stages of economic transformation, the country managed to achieve macro-economic stabilization. At the same time, insufficient attention to social priorities during the thorough overhaul of economic and political systems led to severe decline of human development of the population.

Impressive economic growth observed in recent years driven by the oil sector, and strongly supported by a favorable external environment, started contributing to improvement of the living standards in Kazakhstan. A healthy economy that provides decent jobs will in fact be a major solution in this respect. Restructuring and capacity building in the health, social protection and education sectors, in turn, will provide a background for economic development and social stability. In addition to being a benefit in itself, a healthy and well-educated labour force will attract private sector investments and generate a more favourable business climate. Moreover, given the oblast-to-oblast as well as rural-urban disparities, it will be prudent for the Government to focus on spatial distributive policies so that a decent standard of living can be enjoyed throughout the country, without further distortions to an already uneven population density.

As experience of Kazakhstan has shown, existing regional disparities have not always been justified by fiscal deficit and often occurred as a result of: a) low institutional capacity and limited powers of local administrations; and b) lack of civil society involvement in decision-making. In this respect, good

governance measures should first of all stimulate positive change in the system of public administration. It is also vital that a strategy of participation be developed to facilitate effective coalitions of state, private sector and civil society. This means delegating authority to the oblasts and citizens to provide them with the opportunity to gain knowledge and experience, make decisions and be held accountable for their actions.

Further development in Kazakhstan is therefore focused on narrowing the gap between the wealthy and the poor, as well as on enhancing human security by reducing vulnerability; improving delivery of social services; and strengthening institutional capacities of the state along with participatory development of civil society. Building on the Millennium Development Goals (MDGs), national development priorities, as well as on the ten-year experience of UN agencies in Kazakhstan and their proven comparative advantage, the UN Country Team has identified a set of the most crucial themes for analysis clustered in three closely interrelated groups.

These analytical clusters are *Poverty Reduction and Human Security*, including poverty, economy, employment, demography, environment, vulnerable groups and drugs and crime; *Improving the Quality of Life*, including health, malnutrition, HIV/AIDS, education and culture; and finally *Governance and Participatory Development*, covering governance, information and communication, and gender.

The following sub-sections elaborate the development situation in Kazakhstan from a multitude of angles within those clusters, with the MDGs as a common analytical foundation for the entire exercise. The data below provides a brief status of the MDGs in Kazakhstan, their linkages with the national development priorities and likelihood of achieving each MDG by 2015³.

Income poverty

| | |
|----------------------|--|
| MDG: | Eradicate extreme poverty and hunger |
| MD Target: | Halve the proportion of people whose income is less than one dollar a day |
| National Goals: | - Ensure the growth of real income of population; - Introduce a viable social insurance system; and - Promote employment for socially vulnerable strata of population ⁴ |
| National Target: | By end 2005 reduce the proportion of poor to 18% ⁵ |
| National Indicators: | - Poor (those with income below subsistence minimum) in the country - 29.4% (2001) and 34.5% (1999); Baseline (1990) - data unavailable - GDP growth: +13.5 % (2001); + 9.8 % (2000); + 2.7% (1999); Baseline (1990) - 100% |

Available data demonstrates that from 1999 to 2001, the years of sustainable economic growth in Kazakhstan, 1% of GDP growth provides for 0.75% of poverty reduction. This means that with the 9.5% growth observed in 2002 and the 7.5% annual growth expected for the coming years, the probability of halving the proportion of poor people by 2015 is quite high. At the same time, positive economic trends did not provide for significant reduction of disparities and inequalities. Poverty distribution throughout the country ranges from 2% in capital city to almost half of the population in Zhambul Oblast (2001); rural poverty is almost twice as much as urban.

Environment

| | |
|------------------|---|
| MDG: | Ensure environmental sustainability |
| MD Target: | Reverse the loss of environmental resources; |
| National Goals: | - Reduce share of people without sustainable access to safe drinking water; and - Improve monitoring of the environment and status of water supply ⁶ - Ensure sustainable supply of fresh water of guaranteed quality ⁷ |
| National Target: | By 2005, reduce number of people without access to potable water from 15% to 6% in urban areas and from 29% to 15% in rural areas ⁸ |
| Indicators: | - Ratio of area protected to maintain biodiversity to total surface area - 4.52% (2002) - Emission of industrial pollutants, thousand tons – 2,327.6 (1998); 3,097.4 (1995) Baseline (1990) - data unavailable |

³ Source: Millennium Development Goals Report Kazakhstan, Almaty, 2002

⁴ Kazakhstan 2010 – Strategy of Employment and Social Protection

⁵ Program for Poverty Reduction in 2003-2005

⁶ Kazakhstan 2010 – Strategy of Health Reform

⁷ National Program “Fresh Water”, 2002-2010

⁸ Program for Poverty Reduction in 2003-2005

Present environmental changes are a product not so much of natural events but the result of exceedingly high levels of resource extraction, over-exploitation of agricultural resources, wastewater discharge and such. In its turn, any modification of the environment has important social and economic consequences that affect the quality of life of population. This suggests that reducing poverty is essential for arresting environmental degradation and reversing the loss of environmental resources. Given the target year of 2015, the latter seems beyond Kazakhstan's grasp, since the modernization of mineral extraction and production technologies will be very costly.

Health

MDG: Reduce child mortality
 MD Target: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate
 National Goal: - Improve health of women and children⁹
 National Target: By 2005, reduce infant mortality from 20 to 19 per thousand live births¹⁰
 National indicator: - Under-5 mortality rate per 1,000 live births - 22.8 (2001); Baseline (1990) - 34
 - Infant mortality rate per 1,000 live births -19.4 (2001); Baseline (1990) - 26.4

Building on the existing annual rate of decrease, it appears unlikely that the identified target could be reached by 2015 in Kazakhstan, especially taking into account considerable under-registration of infant deaths, poor access to quality pre-natal care in rural areas, high level of infections accompanying pregnancy, and overall low quality of delivery management.

MDG: Improve maternal health
 MD Target: Reduce by 75% the maternal mortality ratio by 2015
 National Goals: - Improve health of women and children¹¹
 National Target: By 2005, reduce maternal mortality from 60.9 to 50.6 thousand live births¹²
 National indicator: - Maternal mortality per 100,000 live births- 48.6 (2001); Baseline (1990) - 55.0
 - Births attended by skilled health personnel 97.8%; Baseline (1990)-99.0%

Given that the Women's Health Index is 20 percent, and the health status of many women of reproductive age is worrisome, it seems unlikely that this MDG will be reached by 2015. Moreover, access to and quality of reproductive health services still require improvement.

MDG: Combat HIV/AIDS, malaria and **other major diseases**
 MD Target: Reverse the incidence of malaria and other major diseases
 National Goals: - Increase availability of qualitative health care for broad strata of population,
 - Strengthen prevention measures through health promotion and protection¹³
 National Target: By 2010, reduce tuberculosis mortality by half¹⁴
 National indicator: - **TB** incidence per 100,000 population -155.7 (2001); Baseline (1990) - 65.8

Although the mortality rate from **TB** declined in the period 1998-2001, it remains more than twice the rate in 1990. Even with a very significant acceleration in the annual rate of decrease in **TB** incidence and mortality, it seems unlikely that the target could be reached. The main causes of **TB** illness and death are associated to the low socio-economic status of the population, inadequate hygiene and environment situation, limited access to health care and nutritional deficiencies.

HIV/AIDS

MDG: Combat HIV/AIDS, malaria and other major diseases
 MD Target: Have halted by 2015 and begun to reverse the spread of HIV/AIDS
 National Goals: Primary health care institutions shall provide quality services in reproductive health, prevention and treatment of HIV/AIDS¹⁵

⁹ Kazakhstan 2030 – Long Term Priority 4

¹⁰ Program for Poverty Reduction in 2003-2005

¹¹ Kazakhstan 2030 – Long Term Priority 4

¹² Poverty Reduction Program for 2003-2005

¹³ Kazakhstan 2010 – Strategy of Health Reform

¹⁴ Kazakhstan 2010 – Strategy of Health Reform

¹⁵ Kazakhstan 2010 – Strategy of Health Reform

National Target: By 2005, the level of awareness of consumers of injection drugs and persons dealing with commercial sex and young people on the ways of HIV/AIDS prophylaxis shall reach 99%

National indicator: - Registered HIV cases: 3,093 (2002)
- Share of 15-29 year olds among registered HIV cases: 69%
- Level of HIV-prevalence among injecting drug users: 3-4% (2002);
Baseline (1990) - data unavailable

The spread of HIV/AIDS in Kazakhstan has been significantly increasing in the last 3-4 years, which challenges feasibility of the MDG by 2015 unless the effective national policies and sufficient resources are being employed for HIV/AIDS prevention and treatment.

Nutrition

MDG: Eradicate extreme poverty and hunger

MD Target: Halve the proportion of people who suffer from hunger

National Goals: - Improvement of nutrition¹⁶

National Target: - Increase productivity and profitability of agrarian production¹⁷
- Improve children's health through quality and balanced nutrition¹⁸

National indicator: Share of population with income below food basket cost - 11.3% (2001) and 12.7% (1997); Baseline (1990) - data unavailable

Available data suggests that people who have an income below the food basket cost are the most likely to suffer from inadequate nutrition. Since the food basket indicator, as well as those related to child malnutrition are responsive to economic growth, and given the positive economic trends observed in recent years, the likelihood of this target being achieved is high.

Education

MDG: Achieve universal primary education

MD Target: Ensure that children will be able to complete a full course of primary schooling

National Goals: - Improve access of the population to quality education at all levels and stages
- Ensure constitutional right of citizens to complete compulsory secondary education and improve the quality of such education¹⁹

National Target: By 2010, all children of school age, including those of specialized teaching, shall pass through the Program of secondary education²⁰

National indicator: - Enrolment ratio in primary education: Girls – 99.1%; Boys – 98.8%; Baseline (1990): Girls – 98.5%; Boys – 99.1%;
- Literacy rate of 15-24 year-olds: Women – 99.9%; Men – 99.9%; Baseline (1990): Women – 99.5%; Men – 99.5%

Although this goal has been achieved in Kazakhstan, the main current concern is the quality of education, teaching materials, language difficulties, shortage of teachers, as well as access to primary and secondary schooling in rural and remote areas.

Gender

MDG: Promote gender equality and empower women

MD Target: Eliminate gender disparity in primary and secondary education by 2005 and at all levels of education no later than 2015

National Goals: Create conditions and develop effective mechanisms to increase women's participation in social and political life, and to advance their status²¹

National indicator: - Female share in secondary schools – 49%, Universities – 54%,
Post-graduate schools – 51% (2000); Baseline (1990) - data unavailable

¹⁶ Kazakhstan 2030 – Long Term Priority 4

¹⁷ Kazakhstan 2010 – Agro-Industrial Policy

¹⁸ State Program “Health of Nation” for 1998-2008

¹⁹ Kazakhstan 2010 – Strategy of Educational Reform

²⁰ Kazakhstan 2010 – Strategy of Educational Reform

²¹ National Action Plan on Improving Status of Women in the Republic of Kazakhstan

Enrolment rates at all levels of education are close to equal and women comprise almost 50% of all employees. However, women predominate in low-paid sectors and among the self-employed. Such labor market discrimination is unlikely to be eliminated quickly. Significant increase in women's promotion to senior public and private sector posts is also not likely in the immediate future.

2.0.2. Analytical Clusters

This part of the CCA provides an analysis of the main development issues grouped in three clusters that facilitates linkages among the individual issues and for each presents status analysis, root causes, national response and challenges for the future.

Thematic area 1: Poverty Reduction and Human Security. This thematic area embraces poverty, economy, employment, demography, environment and vulnerable groups. The focus is on challenges to human security in Kazakhstan that emerges from income inequality; lack of economic diversification; low investment in development of human capital; sharp decline in the birth rate coupled with high child and maternal mortality; losses in biodiversity and growing levels of environmental pollution; and social "orphanhood" and isolation of certain groups of population. These issues deserve specific attention as they have direct implications on sustainability of economic growth, poverty reduction and human security.

Thematic area 2: Improving the Quality of Life. This thematic area covers the issues of health, nutrition, education and culture. Ensuring balanced nutrition, education and health for all, as well as wide access to cultural facilities are desirable goals. They are essential to lead long, healthy and creative lives and to enjoy decent living standards and freedoms, to possess dignity, self-respect and respect for others.

Thematic area 3: Governance and Participatory Development. This cluster includes issues and tools that form the bedrock of sustainable development, such as good governance, information and communication, and gender equality. These issues have been put in a separate cluster for special emphasis as governance and participation are indispensable conditions for sustainable development and critical for poverty reduction and improving quality of life.

2.1. POVERTY REDUCTION AND HUMAN SECURITY

2.1.1 Economic Growth as Engine of Transition

Kazakhstan continues to reap the benefits from early structural reforms and prudent macroeconomic management. Led by the oil sector, and strongly supported by a favorable external environment, country's GDP grew by 9.5% in 2002. The rising sea of economy lifted many boats, with poverty, employment and wages all being positively affected. Currently, conditions are favorable for strong macroeconomic performance to continue in 2003 and beyond (see Annex for the estimated figures until 2010). Annual growth of economy should average 7.5% for the coming years. The National Oil Fund is expected to more than double, reaching \$4 billion in 2004.

The maintenance of a strong fiscal position played a major role in containing the aggregate demand and inflationary pressures. While it was laudable that high oil prices did not lead to a spending boom, the continuing low-level public sector investment is not accelerating the economic and social reforms required to pull wide sections of the population out of transition-induced hardships. A comparison of budget expenditures on some social areas shows the low outlays in Kazakhstan in 2001 (as % of GDP):

Table 2

| | Kazakhstan | CIS | OECD |
|---------------------------|------------|-----|------|
| Social Security & Welfare | 5.7 | 8.1 | 15.6 |
| Education | 3.2 | 4.5 | 5.3 |
| Health | 1.9 | 2.5 | 5.6 |
| Housing | 0.9 | 1.3 | 1.7 |

Source: World Bank Regional Office, Almaty

Recently, the non-oil growth has been quite dynamic and broad based. Non-oil sectors have shown a positive performance since 2000 and could grow by about 7% in 2002. Prospects for diversification are reasonable given the good performance in food processing and other manufacturing sectors (e.g., textiles,

leather, wood processing, publishing, and plastics). But these activities are starting from a very small base.

Success in diversification of national economy hinges on progress in: (1) facilitating international and internal trade; (2) improving access to knowledge and technology; and (3) reducing the cost that inspections, licensing, reporting and other procedures imposes on SMEs. The extent to which access to finance constraints diversification—particularly for SMEs—needs further exploration.

There are two broad problems that need to bear in mind regarding industry. Oil-gas production is concentrated around the Caspian Sea and tends to employ relatively small numbers of highly skilled workers which the local job markets finds hard to meet. Those mining and mineral-processing industries which recovered are in specific corners of the country and do not offer much possibility for hiring new workers from around the country. The other major problem is that almost all of the industrial company towns that have owed their vibrancy to nearby light and heavy-industry will never be feasible again, as re-optimization within the sovereign Kazakhstan cannot match those USSR's economic or defense needs dictated their creation and maintenance.

Agriculture sector is only slowly recovering. Given that 44% of the population lives in rural areas yet that agriculture accounts for only 9% of GDP, it is evident that reform of this sector should open up productive employment to reduce poverty and urbanization. As in most CIS countries, agriculture had to adjust to rapid institutional changes, market-based pricing, non-subsidized transport, and the loss of the captive 'Soviet' market. This led to a contraction that lasted until 1998: grain production dropped from 30 million tons in 1992 to 6.5 million in 1998 (representing an average annual contraction of 20%). Livestock also suffered during the last decade. The cattle stock fell from 9 million in 1992 to 3.9 million in 1998 (representing an average annual contraction of 11%).

Agriculture has shown clear signs of recovery since 1998, particularly for the grain sub-sector. Grain production has increased on average by 46% per year during 1998-2002. Wheat production in 2002 has again reached 18 million tons, a level, which is probably not far from the country's sustainable potential, although external and stable sources of demand and supply are to be found to avoid excessive accumulation of inventories. Recovery in other crops, and in the livestock sector, has, however, been much slower. Kazakhstan's agricultural sector now faces key challenges, one of which is to find new markets for its wheat as Russia, its current market, is achieving self-sufficiency.

Progress towards reducing poverty, improving the quality of life for all citizens and instilling a true democratic way of life will require an active coalition of Government, civil society, private sector and the donor community. However, a healthy economy that provides decent jobs will be the best and the major sustainable solution. Businesses—both foreign investors and domestic companies—must understand that it is in their interests that poverty be reduced in Kazakhstan. These companies will benefit directly from well-trained and productive workers. They will benefit from a broad range of prosperous consumers in the country. And they will find it much more secure to operate in an environment in which there is not a large number of disgruntled poor people forming a natural audience for extremists and demagogues.

National Policies

As correctly noted by the Government in the "Recommendations on the 2004-2006 Indicative Plan for Socio-economic Development," Kazakhstan's shift from its pre-2000 survival strategy into an accelerated development phase brings major challenges. The foremost policy issue is the appropriate management of the very large projected increase in oil revenues: macroeconomic imbalances need to be avoided, resources used efficiently, and an equitable distribution of benefits achieved across society as well as between current and future generations.

2.1.2 Who and Where are the Poor?

Despite favorable economic growth of the recent years, transition processes negatively affected the standards of living of Kazakhstani population, and the levels of poverty and inequality in Kazakhstan are a cause of great concern. Poverty as a many-faceted problem has been foremost in the minds of the national leaders as well as the donor community.

The proportion of people living below subsistence level decreased from 35% in 1996 to 27% in 2002 (with subsistence minimum being equal to KZT 4,596 in 2001, or a little above \$1 a day at the official exchange rate. The majority of the poor are children (35%), low-paid employed population of working age (30%) and unemployed (29%), followed by pensioners (6%) - Annex, Table 3 refers. Women outnumber men among

the poor. For example, in 1999 44.9% of all women in Kazakhstan were living below subsistence minimum, while for men it was 33.2% (for regional distribution please refer to Annex, Chart 11). Income inequality has continued to increase. In 2001, the wealthiest 10% of the population received 26% of the national income, while the poorest 10% received only 2% (for Gini coefficient, please see Annex, Table 2).

Incidence of poverty varies across the country. In 2001, the proportion of people living below subsistence level varied from 2% in the capital, Astana City, to 48% in Zhambyl Oblast (please refer to Annex, Table 7). The high incidence of poverty in the two richest regions and home to substantial oil and gas wealth of Kazakhstan (Mangistau – 46% and Atyrau – 41%) illustrate the present inability of the oil sector to act as an engine of productive employment and broad-based growth. In addition, a low number of beneficiaries of social assistance in these oblasts suggest the ineffectiveness of the state's support to the poor citizens. An analysis of basic needs shows the biggest number of affected people to be found in Southern regions of Kazakhstan.

Rural poverty is almost twice as much as urban (38% and 20.4% respectively in 2001). In addition to the income dimension, poverty in rural areas is further exacerbated due to degradation of the physical infrastructure resulting in social alienation of the rural residents from remote areas, lack of access to free and quality health care and education, poor access to land and credit resources as well as to healthy drinking water. Other factors contributing to rural poverty are ineffective and inefficient local governance and lack or absence of sound community-driven initiatives aimed at reducing poverty. Environmental disasters also affect the rural poor.

Main income sources of the poor households are wages, pensions and social assistance from the state as well as in-kind income from individual land plots. The average per capita income of population remains low. In 2001 it was equal to KZT 7,317. The proportion of social transfers in income increased from 10% in 1998 to 12% in 2000. However, the value of social payments is inadequate.

The current social safety system includes state social benefits (due to disability, loss of breadwinner and old age), special state social benefits (14 types) and targeted social assistance to the poor. Since 1999, a series of reforms were undertaken to monetize the social benefits, simplify benefit structures and target social assistance to the poor. However, there is still an issue of effectiveness and efficiency of the safety net Program in terms of size of benefits, coverage and eligibility criteria.

The minimum pension is higher than the minimum wage (KZT 4,000 and KZT 3,484 respectively in 2001), and both are lower than the subsistence minimum. The average pension equals about 25 % of the average wage (KZT 4,945 and 17,303 respectively in 2001).

National Policies

Recognizing that poverty is one of the most prominent problems, the Government has made considerable efforts in designing and implementing pro-poor policies. The Law on Subsistence Minimum (1999) established the official poverty line as a criterion for the state targeted social assistance. The first Poverty and Unemployment Program (2000-2002) placed particular emphasis on employment generation and state targeted social assistance for the poor. The Concept of Social Protection (June 2001) introduced new principles. The Law on State Targeted Social Assistance (2002) created a mechanism for the provision of targeted state social assistance. The Parliament has approved a number of amendments to social legislation in the past few years. The Program for Poverty Reduction for 2003-2005 was approved in March 2003. The Program aims at reducing the number of poor by 2005 to 18% of the total population, through productive employment, increase in real income, improved access to health and educational services and greater involvement of civil society in decision-making.

Nevertheless, there is still a wide gap between the vision to reduce poverty and focused actionable Programs. As many as 75 programmes related to poverty reduction are currently implemented with little effective coordination both at central and local levels.

A serious constraint to poverty reduction efforts is caused by the absence of a sound poverty monitoring system with appropriate institutional framework and statistical indicators, both at central and local levels to track effectively the progress of poverty reduction, and to record the achievements of the national and local anti-poverty strategies.

2.1.3 Employment

During the transition period, the general unemployment rate has increased as high as 13.5% in 1999. Then the situation stabilized to a certain extent (please see Annex, Chart 6), however, the “real” unemployment rate is estimated to be much higher.

While the real wages increased by 5.5% in 2000, the low remuneration levels in civil service, agriculture, education and health sectors remain an issue of concern. Average wage differed greatly among sectors (as much as a factor of 7) and among regions (by as much as a factor of 3.6) in 2000. The proportion of wages (which is the main source of income) in overall income declined from 74% in 1998 to 71% in 2000.

The proportion of women among paid workers fell from 45.8% to 42.2% during 1998-2000. Although the principle of equal pay for work of equal value is observed and confirmed by the ratification of the corresponding ILO Convention by Kazakhstan, women’s average salary as a percentage of men’s decreased from 75.8% in 1998 to 58.7% in 2001. This happens not because women are paid less than men for similar jobs, but for the reason that women predominate in low paid jobs in the state sector: for instance, women comprise over two thirds of employees in education (74.6%) and health care (81.5%). Women comprise the majority among the self-employed (52.3 %), who are not entitled to any social benefits, assistance or support.

Young people are particularly vulnerable in terms of employment, and hence poverty. They face social and economic challenges leading to high unemployment rate among the youth and their under-employment, particularly in rural areas. Currently, the education system is not adjusted to the requirements of the labor market.

An increase in the number of sex workers (presently estimated to 20,000) can be seen as an indication of the difficulties of women to get access to regular employment. Unemployment and lack of prospects for young people is also the main reason for the dramatic increase in a number of injecting drug users, currently estimated at 250,000. This high number of vulnerable populations is a key factor in the current HIV/AIDS epidemic²².

As a result of more active policy, a number of unemployed involved in public works has considerably increased during the last four years. For the period 1998-2002, the number of workers in public works more than tripled: from 39,900 to 134,000. Most of them were occupied in planting trees and shrubs, and in cleaning housing and communal services. Remuneration in public works varies by region but is not lower than the minimum wage: in 2002, average was KZT 4,449²³.

In Kazakhstan, small and medium-sized firms account for 20%²⁴ of total employment. A poor legal and regulatory environment is one of the main inhibitors of growth in the SME sector. Lack of entrepreneurial skills is another major impediment. Access to capital and premises, and a poorly developed information system, also pose problems.

National Policies

Kazakhstan has so far ratified 16 ILO Conventions, including eight identified as fundamental human rights at work. ILO Convention No. 111, on preventing discrimination in employment and occupation, ratified in 1999, created the obligation under international law to develop national legislation in compliance with fundamental principles and rights at work.

The Law on Employment and the National Programme for Fighting Poverty and Unemployment for 2000-2002, and its Action Plan, consider public works promotion one of the most effective means to fight poverty.

Numerous governmental decrees and programs, as well as some international interventions in the SME sector, have been implemented. An institutional framework has been established at national and local levels. Some progress has been made with the recent reduction of the social tax on enterprises to 21 % of the enterprise wage bill, and VAT from 20% to 16%.

²² UNAIDS

²³ Data of the Ministry of Economy and Trade of the Republic of Kazakhstan

²⁴ According to official statistical data the number of employed at small enterprises increase from 2.3% in 1996 to 8 % in 1999.

Several laws “On Labor”, “On Social Dialogue” and “On Collective Agreements” determine the general framework of labor relations, and wage regulation in particular. State intervention is limited to setting the level of the minimum wage and minimum standards of compensation, but allowing enterprises to determine conditions and levels of remuneration²⁵.

2.1.4 Demography

Since 1992, population has steadily decreased, due to the reduced fertility rate, reduced life expectancy at birth, particularly in men, and emigration. With an area of 2.7 million square kilometers and population of 14.8 million people (January 1, 2003), Kazakhstan has an average density of 5 persons per square kilometer. The most densely populated areas are the southern, eastern and northern regions of the country, while its central and western regions have a very low population density. Rural population constitutes 43.5 %, although it exceeds 65% in the south of the country. Representatives of more than 100 ethnic groups reside in Kazakhstan: Kazakhs (56% of the total population in January 2002), Russians (28%), Ukrainians (3.3%), Uzbeks (2.6%), Germans (1.8%), Tatars (1.6%), Uighurs (1.5%), Byelorussians (0.7%), Koreans (0.7%), Azerbaijanis (0.6%) and Turks (0.6%) and others (2.5%).

The crude birth rate in 2002 was slightly higher than that in 2001 (15.4 and 14.9 newborns per 1,000 of population, respectively), while the total fertility rate was below replacement level. In 2002, that rate was 1.9 as compared to the 2.17 necessary for population replacement. Although the crude birth rate in Kazakhstan has started to recover during the last three years, the rate continues to be considerably lower than at 1991.

The crude death rate was 10.2 per 1,000 people in 2002. It has remained relatively stable during the last few years, while life expectancy, particularly for men, is still very low. In the Census year (1999), life expectancy at birth was 59.8 for men and 71.3 for women. The difference between male and female life expectancy increased from 9.8 years in 1991 to 11.7 years in 1996²⁶. The difference reduced slightly to 11.5 years in 2000, but still far exceeded the natural difference of five years. The main reason for the growing gap is mainly attributed to male deaths caused by cardio-vascular diseases and external factors (accidents, intoxication, traumas). High mortality rates are unlikely to stabilize unless the overall quality of life is improved. The average life expectancy of men in Kazakhstan is 3 years lower than that in developing countries and 11 years lower than that in developed countries²⁷.

Although the birth rate has declined sharply, the age structure of Kazakhstan is still favorable from the economic point of view, as the proportion of working age population was 69.4 % in 2002. However, the decline of the fertility rate has narrowed the population pyramid, and the ageing of population is likely to accelerate, since the ‘boom’ generation born after World War II is approaching retirement, while the number of those under the age of 15 is low. The male/female ratio was 92.9 in 2002 - a disturbing statistics, since, in combination with the lower life expectancy in men, it indicates a growing female skew in the structure of the population.

Recent migration processes in Kazakhstan had affected the demographic situation. The official policy is to attract immigrants of Kazakh origin. So far, more than 42,000²⁸ families have arrived. The immigrants rely completely on local authorities for their accommodation and other necessities, who because of budget limitations, are unable to satisfy all the returnees.

According to official statistics, from 1992 to 2002, net emigration was 2.1 million; mostly Slavic ethnic groups (50% of emigrants) followed by Germans. There are two main emigration routes: north (to Russia and other CIS countries) and west (to the countries of Europe and America). Emigration fell from 88,200 in 2001 to 62,200 in 2002 still following the same pattern - other CIS countries, especially the Russian Federation (66.6 %) as their destination.

Due to uneven regional development, rural-urban disparities and consequent urbanization, internal migration has increased. The urban population has grown to 56.5% of the total population. In 2002, internal migration involved 274,300 people – an increase of 15,098 over 2001. Internal migration can alter reproductive behavior, since urbanization usually leads to a decrease in fertility rates. Therefore, growing urbanization is an important factor on national demography.

²⁵ State regulation is stricter for state-owned enterprises

²⁶ Women and Men in Kazakhstan, 2002

²⁷ Agency on Migration and Demography in Kazakhstan

²⁸ As of January 2003

Demographic data are routinely collected through a 10-yearly census of population and the system of civil registration. Health statistics, including reproductive health and family planning, are generated by the Ministry of Health. Since Kazakhstan defines live birth somewhat differently from WHO, estimates of birth and mortality rates are lower than had the WHO definition were followed. The data collection system is quite extensive but analysis remains weak and some important, internationally recognized indicators are not used at all.

National Policies

Government has paid significant attention to population policy: Strategies 2030, 2010, and Concepts on Migration and Demography have been developed. In addition, the Government Program of Action for 2002-2004 plans to develop a National Population and Migration Policy Program for 2004-2010.

However, institutional capacities are still underdeveloped, and that reduces program development and implementation. Kazakhstan lacks professional demographers and researchers to provide policy makers with objective data for population trends and projections.

2.1.5 Environment

Kazakhstan continues to suffer from the poor Soviet-era environmental practices, and in some respects the situation has deteriorated. Environmental degradation through land, air and water pollution has yet to be addressed; poor irrigation practices continue to cause salinization over wide tracts of arable land; cost-effective water supply of potable water to the population is not fully available to the population, and the depletion of soil fertility and the threat of water and wind erosion are prevalent. Kazakhstan has to deal with these broad range of environment problems.

Biodiversity. The average annual rate of deforestation in Kazakhstan is about 1.9% of the total forest area. 125 species of animals and 400 species of plants are facing the threat of extinction in Kazakhstan. The well-known Aral Sea disaster and the increasingly contaminated Caspian Sea basin are the primary threats to biodiversity. The total area of reserves and natural monuments comprises less than 1% of the country's territory.

Desertification and land degradation. Dry lands and desert cover 180 million hectares, or about 66% of Kazakhstan's territory. Among the main causes of desertification are: agricultural activities (soil erosion, loss of humus), mismanaged irrigation, the mining industry, forest fires and overgrazing. Every year, 10-15% of arable land in Kyzylorda Oblast turns to wasteland due to dysfunctional irrigation systems. Already, 20-25% of the pastures to the south of the Aral Sea have been destroyed in the same way. Given the country's size, and the extent of the problem, addressing these problems is a mammoth task.

Water Resources. Local resources supply 56% of Kazakhstan's water needs – the rest comes from Kyrgyzstan, Uzbekistan, China and Russia. In 2000, 14% of the urban and 27% of the rural population did not have access to satisfactory drinking water. Half of the population drinks water that falls below international standards of salinity and hardness, while 5% of the population drinks water that does not meet bacteriological standards.

The lack of access to clean water and sanitation is an underlying cause of diarrhoea and other diseases. The quality of ground water has deteriorated due to the dumping of industrial, municipal, and run-off wastewater. Agriculture accounts for 75 % of all water consumption in Kazakhstan. Irrigation methods are very water-intensive, and half of the used water soaks into the ground, causing water logging and salinization. There are currently no economic or administrative incentives in place to economize water resources, which result in a considerable wastage. The privatization of state and collective farms have not led to improvements in irrigation practices.

Irrational irrigation practices and improper regulation of river water flows have caused a shortage of water in small and large rivers in the Ili, Syrdria, Ishim, and other basins.²⁹ The volume of the Aral Sea shrank by a half in less than one generation, due to excessive cotton cultivation by the littoral states of Kazakhstan and Uzbekistan, and it has become a dead sea. A similar catastrophe could occur in Lake Balkash if current trends continue unabated.

Air Pollution. Significant levels of pollutant and greenhouse gases are generated in Kazakhstan, the largest producer of green house gases in Central Asia. Air pollution levels in such cities as Ust-Kamenogorsk, Shymkent, Aktobe, Rider, and Almaty exceed the levels allowed by international

²⁹ Economic Commission for Europe, 2000

standards. The use of outdated technology in industrial and energy complexes, and coal-based energy production are the main causes of air pollution

Municipal and Industrial Waste. More than 20 billion tons of industrial waste has accumulated in Kazakhstan. Every year over 85 tons of toxic waste is generated primarily, in Karaganda, Eastern Kazakhstan, Kostanai, and Pavlodar oblasts. Mining and the metallurgical industry are the principal contributors of that. As there is no modern facility for municipal waste collection, recycling or incineration, about 97% of that is disposed of by the landfill method.

National policies

Kazakhstan signed the Convention on Biodiversity in 1994 and has complied with a number of regulations and implementing biodiversity conservation projects with donor support. The Government has adopted the National Plan of Action on Desertification (2002 - 2011), which integrates measures in both the environmental and socio-economic sectors.

The Concept of Water Sector Development and Water Management Policy to the year 2010 was formulated to improve the existing legislation and management system for the rational use and protection of water resources, to provide the population with access to clean water, and to address the trans-boundary water issues. In 2002, the Law on Air Protection was passed. The Government also has plans to address the growing accumulation of solid hazardous and industrial waste, which creates serious risks to human health. Effort has been made to involve the public in environmental decision making in line with Kazakhstan's ratification of Aarhus Convention.

Despite the efforts of the Government, various gaps and barriers exist in promoting environmental management and conservation in Kazakhstan. The most serious are: lack of capacity and financing to address the environmental problems; a crumbling infrastructure; the use of obsolete technology which results in wastage of water and energy; and the lack of inter-sectoral cooperation.

The massive scale of environmental problems in Kazakhstan and the apparent intractability of issues such as shrinking biodiversity, water and air pollution, desertification, industrial and municipal wastes requires concerted effort from the government and other stakeholders to work together to reverse the deterioration that poses a clear and present danger to the country's sustainable development.

2.1.6 Vulnerable Groups in Need of Special Protection

Certain members of the society tend to be more marginalized than others and disproportionately affected by the hardships of socio-economic transition. In Kazakhstan, vulnerable groups are refugees, returnees, children in institutions and children in conflict with the law.

UNHCR estimates the number of refugees in Kazakhstan to be approximately 18,000, including some 14,000 Chechens, 1,500 Tajiks, 2,230 Afghans, 250 Palestinians, and 40 nationals of other countries.³⁰ However, according to the Agency for Migration and Demography, there are only 643 registered refugees in Kazakhstan. The following major factors account for this discrepancy: there is no solid national legal basis for a refugee protection system; and international obligations regarding refugees have not been fully implemented. Therefore, most refugees and asylum-seekers are not currently recognized as such in Kazakhstan.

At the end of 2002, the total number of ethnic Kazakhs who arrived in Kazakhstan with the intention to settle stood at 250,000 persons. They face major problems in integration to society. At the end of 2002 some 80,000 returnees were still stateless, either de facto or de jure.³¹

Troubled or broken families are becoming more common in Kazakhstan, and lack of protective environment in terms of fulfilling the child's rights and satisfactory protection of children from violence, exploitation, abuse and neglect call for immediate state actions. 'Social' orphanhood is a serious problem. In practice, institutional care placements are used for families experiencing difficulties such as unemployment, single parenthood, child illness or disability, alcohol abuse and drug addiction. Of the very many orphans in the country, only 30 % have actually lost both parents, while the rest are abandoned, or their natural parents have been divested of parental rights.

³⁰ These data were compiled from various sources, including governmental statistics, surveys conducted by UNHCR, and reports from national NGO's.

³¹ Source: Agency for Migration and Demography

The lack of comprehensive social and child welfare policies that address both underlying and precipitating factors has clearly led to an increased reliance on institutional care for children. In 2001, the Ministry of Education and Science co-ordinated 583 children's institutions that accommodated 71,200 children. In 2002 the number of institutions increased by 16 with the number of children in them reaching 73,300. The Ministry of Labour and Social Protection had responsibility for 17 children's institutions accommodating 2,721 children.

Outmoded definitions and screening criteria for children with disabilities result in limited data on their actual number and living conditions and to their continued exclusion from regular school and community life. Challenges remain in respect of the care and education of vulnerable young children and children with disabilities, and the employment of graduates from the special educational institutions for children with limited development abilities.

The total number of registered criminal offences committed by juveniles in Kazakhstan is low in comparison to many countries in Western Europe. Official data for 2000 show that 77,984 juveniles aged 14 to 18 years were sentenced for committing a crime. According to official statistics, there was a consistent decline in the proportion of juvenile offenders, from the 1990 peak figure of 7.2% to 4.7% in 1997. Most juvenile crimes (which constitute 73% of all crimes) were property-related. The juvenile justice system is a challenge for Kazakhstan. It needs reform based on diversionary measures and alternatives to detention or any other form of deprivation of liberty.

National Policies

In order to meet the requirements of international standards and agreements, Kazakhstan has been taking measures designed to protect children. The Law On the Rights of the Child was adopted in 2002, embodying the fundamental children rights guaranteed by the Constitution. The Law On Social, Health and Educational Correctional Support for Children with Limited Capacities, adopted in July 2002, creates a favourable environment for the effective support of children with disabilities, for the solution of problems related to their upbringing and education, and for professional training and the prevention of child disablement.

2.1.7 Drugs and Crime

The trafficking of opiates through Kazakhstan remained high in 2002. Circulation of cannabis group drugs also remained endemic, and is fuelled by a large domestic production. A considerable amount of drugs transits the country on its way to Russia and the West due to "transparency" of its southern borders. The number of registered addicts has almost doubled over the five past years; and over the past ten years, it has risen by more than three and a half times.

In 2002 17.90 tons of drugs were seized, up 44.2% from the 12.41 tons seized in 2001. This increase is mainly due to growing seizures of cannabis and poppy straw. There was a 22.5% increase in heroin seizures, while opium seizures dropped by 62.5%. An increase in seizures of raw materials and drugs manufactured from the ephedra plant was noted recently as well. 182,000 hectares of wild growing ephedra have been revealed in the southern oblasts of the country. The total area of wild growing cannabis in the country is more than 1 million hectares. The largest areas sufficient for an annual production of 145,000 tones of marijuana, or 5-6 tones of hashish were reportedly in Chu Valley. Suspicions are compounded by the high seizures - over 6.5 tons of cannabis reported from Zhambul Oblast in 2002. Opium production survey staff located 1,86 ha still under cultivation of opium poppy following the eradication of 0,68 ha.

The increase in drug trafficking has fuelled drug abuse situation in the country. It has been estimated that more than half of all registered drug abusers in Kazakhstan use opium and heroin, which was not the case until the mid-1990s, when 80% of drug abusers used primarily cannabis products. In 2002, 47,241 drug abusers were registered in Kazakhstan (up 3.8% from 2001), 1,722 of them were under 18 years of age (down 10.6%), and 4,700 were women (up 6.3%).

Drug abuse occurs most frequently among young people in the 15-35 age group, with a particular concentration in the 18-25 age group, dragging people out of the active work life at a stage, crucial for professional learning and development. The average age of drug use initiation is quite low (18.1 years).

Poverty, in its multiple manifestations, and the growing drug issue are closely interlinked. A survey conducted in 2001 by the UNODC revealed that over half of all drug addicts were without employment. Zhambyl oblast, the region with the highest poverty level in the country, reported both the second highest

drug abuse rates in the country, and the third highest seizures. People heavily affected by poverty may also be more likely to seek livelihoods in drug trafficking.

The reported overall incidence of crimes decreased in 2002. There were 12,745 drug related crimes (1,195 women, 177 minors) - 2.1% less than last year. The share of offences such as illicit production, purchasing, storage, trafficking of drugs and psychotropic substances without the purpose to sell represented 69.7 % of all drug- related crimes (down 9.0% from 2001), which continues a decreasing trend already observed in 2001 (down 36.6%). Crimes committed in the state of narcotic intoxication amounted to 10,974, up 6.0% from 10,351 in 2001.

National policies

Kazakhstan acceded to all the three international drug control conventions: Single Convention on Narcotic Drugs amended by the 1972 Protocol; Convention on Psychotropic Substances; and UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Since then, the drug control legislation of Kazakhstan has been considerably improved.

In 2000, the Strategy on Combating Drug Abuse and Illicit Traffic in the Republic of Kazakhstan (2000-2005) was approved. The Strategy stresses the urgent need to elaborate legislative mechanisms for tightening control over drugs and chemicals, and to significantly reduce their diversion into illicit trade and much. A number of relevant measures have been implemented.

In October 2002 the Government established the Commission on Organization of Countermeasures to Drug Addiction and Narco-business, aimed at extending the fight against drug abuse and trafficking to improve coordination of anti-drug activities and cooperation with the law enforcement authorities of other countries.

2.1.8 Poverty Reduction and Human Security: Underlying Causes

Based on the analysis in sections 2.1.1. to 2.1.7., the UN Country Team has identified the following causes of the current poverty and human security problems facing Kazakhstan:

1. Economic growth is currently too dependent on natural resource exploitation. That causes an over-exposure to global demand and price fluctuations. Moreover, the low value-added and limited productive employment opportunities offered by oil, gas and mining sectors does not sufficiently stimulate poverty reduction efforts. Diversification of economic activity and finding the relevant niches in regional and global markets in areas other than oil/gas and other natural resource exports should become a key development objective.
2. There is inadequate investment in human resources. Healthy, well-educated and socially alert people are becoming the key competitiveness asset of countries in the new global economy. Investments in early childhood, primary and specialized education, vocational training would allow the country to come up with the pool of people ready to absorb and implement new technologies – this being the precursor for the economic competitiveness.
3. Negative demographic trends are another important concern for the country.
4. Management of environmental aspects of poverty is another key element for sustainable development and poverty alleviation in Kazakhstan. The environment disasters (Aral Sea, Semipalatinsk, etc.) have caused serious changes in income-generating activities, health status, growing internal migration and fuelling regional disparities.
5. Despite a steady economic growth over the last years, expenditures on the social sector as percentage of GDP are shrinking. The budget needs to be better tuned to the development goals in the social sphere, set in the Strategic Plans 2030 and 2010. Without adequate investment and appropriate management of resources in health and education sectors, the gap between rich and poor would widen.
6. There are significant oblast-to-oblast as well as rural-urban disparities. It will be prudent for the Government to focus on spatial distributive policies so that a decent standard of living can be enjoyed in all corners of this vast country.

7. Currently, monitoring of poverty does not adequately reflect its multidimensional nature - the Government is focusing mainly on income characteristics without fully taking into account population's basic needs: availability, quality and levels of access by the vulnerable groups of society.
8. Vulnerable Groups require special attention of the Government. Without appropriate actions they would be further deprived of their inherent rights and would fuel poverty in the long term.

2.1.9. Poverty Reduction and Human Security: Key Challenges:

1. To fully realize that poverty is a multi-dimensional problem – not merely involving income but a host of other economic and social parameters. Setting up an effective poverty assessment and monitoring system with a comprehensive set of poverty indicators, which will reflect the multidimensional character of poverty and its gender-differentiated impact is a first priority.
2. To create productive employment opportunities with more emphasis on development of the agricultural sector and the agro-industries. To reform the education sector so that the human resources are compatible with the market demand in both skills and numbers. Due attention to balancing these efforts region- and gender-wise needs to be paid to avoid further polarisation of society in terms of income and ensure more equitable economic growth.
3. To significantly increase the state budget for education and health care. To give priority to rural communities, addressing access to basic social services, environmental problems and gender-related issues.
4. To improve the social protection system, including the system of targeted social assistance, to provide better services for the poor and vulnerable citizens. To diversify mechanisms for financing the social protection system.
5. With a view to diversifying the economy beyond oil-gas-mining, and preparing for WTO accession to systematically reduce production and trade distortions – to nurture a competitive domestic industry, which currently is not friendly to SMEs and entrepreneurship. To ensure the industrial policy being articulated contains legislation and structures that support private sector-spurred industrialization rather than establishing state-run enterprises
6. To integrate the population concept fully within the framework of national development, targeting both the qualitative and quantitative development of the population through strengthening institutional capacity for articulation and implementation of population policies. To improve data collection and analysis and adoption of internationally accepted definitions of key indicators in the area of demography.
7. To bring national environment legislation into compliance with International Conventions. To provide incentives for water and energy conservation through tariff and tax policies. To improve legislation for use of modern technology that is resource-saving and pollutant-minimizing.
8. To ensure a concerted effort of all development partners - Government at both central and local levels, the private sector, academic and research institutions, NGOs and other civil society organizations, international organizations, the media sector and most importantly, the poor themselves in developing national plans for poverty alleviation.
9. To increase the awareness of the general population of the importance of biodiversity conservation, water use, energy saving, and waste management.
10. To develop a rights-based national policy on children protection, including recommendations for reform of the child protection system with focus on deinstitutionalization and establishment of a cadre of social workers.
11. To ensure the protection of refugees in Kazakhstan, while supporting the development of a responsive asylum system and culture, including the adoption of a national refugee law to strengthen the legal basis of asylum procedures. To translate the 1951 Convention and the 1967 Protocol into concrete actions by the government more effectively.
12. To pay particular attention to the repatriation and reintegration of returnees, to resolve the issue of statelessness and to reduce the number of stateless persons.
13. To orient the penal system towards the rehabilitation of juveniles in conflict with the law. The emphasis should be on restorative justice rather than punishment. To explore and use alternative sentencing options and diversion programs that are in line with international standards, rather than depriving young persons of their liberty.
14. To help young people with behavioral problems and to divert young people from crime. To upgrade the capacity of law enforcement professionals, care providers in institutions, lawyers,

- militia and others, in order to make them more conversant with child rights, psychosocial development, preventive and rehabilitative measures, and more inclined to implement them.
15. To strengthen national capacity for tighter border control, investigation capacities and regional cooperation with a view to decreasing the supply of narcotics.
 16. To reduce drug demand through 1) public advocacy and awareness; 2) better understanding of drug abuse problems and related needs and priorities; 3) diversified interventions in specific areas of drug prevention, treatment and rehabilitation, policy and coordination matters, updated drug abuse information and monitoring systems; 4) appropriate coordination of drug demand reduction and HIV/AIDS prevention activities

2.2. IMPROVING THE QUALITY OF LIFE FOR ALL

2.2.1. Health

2.2.1.1. Health Care System

Health care is delivered through a large and extended network of facilities, which prior to the Soviet collapse, delivered comprehensive although not integrated health services. The system operates at five levels from the primary care level of feldsher- midwives points, through progressively specialized levels of care to national referral level of Republican Scientific Centers. The latter carry out pedagogical, research, policy and administrative functions.

Twenty-five years after Kazakhstan hosted a WHO/UNICEF global conference, which resulted in the Alma-Ata Declaration on Primary Health Care, the primary health care system of the country has regressed and deteriorated due to cost-cutting in health sector and decreasing number of primary health care facilities. The current health care system can be characterized by:

- a centralized, rigid and hierarchical administration of services;
- having excess of physical resources but reduction in the level of real financial resources;
- focused on in-patient hospital services and on curative rather than preventive measures and health education; and
- having low status and limited economic incentives for health professionals, limited choices offered to patients and low consumer influence over the health system.

This unfavorable situation is now changing following the 2001 Government resolution “On improved quality of medical aid offered to the rural population”. There is still a shortage of qualified specialists, health services are not always accessible and affordable for general population, especially those who live in rural areas.

Government expenditure on health care has declined from an already low 2.4% of GDP in 1998 to 1.9% in 2001.³² The 2002 state budget planned to maintain the 1.9% of GDP but it decreased health care expenditure to 8.6 percent of the total state budget, from 8.7% in 2001.³³ The ratio of per capita health care expenditures varied significantly by oblasts as basic health care systems are financed by both the central and local governments. This leads to disparity in the quality of, and access to, health care services. According to the National Agency for Statistics and Analysis, the average salary of health workers in February 2003 was 11,526 KZT (\$76) and of teachers – 14,023 KZT (\$93), which contributes to the demotivation of social service providers and out-migration of professional workers from the country.

After transition to a market-based economy, access to some health services began to require payments, which negatively affects the low-income groups. A rural household survey in 2001 indicated that 66% of patients who received hospital treatment had to borrow money and 20.8% had to sell their cattle and other property.³⁴ In addition to the issue of affordability of medical care, other issues on access and quality of health services and other cross-cutting concerns on nutritional status, access to potable water and sanitation and the emerging HIV/AIDS crisis, need to be analyzed and addressed as they significantly impact the reduction of mortality and morbidity among children, mothers and the whole population.

³² In most developed countries average public health care expenditure is 6-10 % of GDP.

³³ Public Expenditure, 2002, and DHS, 1999

³⁴ Source: UNDP-HDR, Kazakhstan 2002)

2.2.1.2. Mortality

Child Mortality

The Under-five Mortality Rate and Infant Mortality Rate (IMR) are critical indicators of the well being of a country's children³⁵. Official statistics show a steady decline in the IMR from a high rate of 28 per 1,000 live births in 1993 to 19.5 per 1,000 in 2001. However, the 1999 Demographic and Health Survey (DHS) showed a higher figure of 62 per 1,000 live births.

This discrepancy may be partially explained by differences in the definition of live birth. The Government's estimates use protocols established at the Soviet period, at variance from the WHO live birth definition based on the international standard. The most important definitional difference is for pregnancies terminating at a gestation age of less than 28 weeks. As a result of using inadequate protocols for IM the following groups are missed in the official statistics of infant mortality and are registered as stillbirths:

- All newborns with 500-999g weight, if they do not survive for 7 days
- All infants born before 28 weeks of pregnancy, if they do not survive for 7 days
- All infants even those who with weight above 1000g and gestation period over 28 weeks that do not manifest breathing.

Respiratory diseases and perinatal conditions take turns as major causes of infant mortality, followed by infectious diseases and congenital anomalies.

A recent study child mortality shows the following:³⁶

- the early neonatal period accounts for over 62% of all infant deaths;
- infections are the major causes of death in the late neonatal and post neonatal periods; and
- late admissions and referrals, particularly evident in rural areas, raise the issue of access to health care;

The study also showed considerable under-registration of infant deaths, low access to quality pre-natal care, high level of infections accompanying pregnancy that result in delivery/new-born problems, and overall low quality of delivery management. It showed that nearly 50 % of infant deaths are preventable.

Socio-economic characteristics such as residence of parents and mothers' education level cause notable discrepancies in rates of infant and children's deaths³⁷. For example, rural infant rate made up 64 per 1,000 whereas respective urban rate was 44.

Maternal mortality

The Maternal Mortality Rate³⁸ (MMR) reflects a woman's access to and use of health care during pregnancy and childbirth and broader underlying socio-economic factors. According to the official data, there is fluctuating decline of the MMR in the past 10 years: 60.9 in 2000, in 2001 it was 48,6 and 51,8 in 2002 (please refer to Annex, Table 31).

The most important factors contributing to maternal mortality are poor health status and nutrition of women. As a result there is a high rate of complications during pregnancy and births (60% of deliveries are with complications). As it was indicated by the Government, 40% of all maternal deaths could be prevented by improving access and quality of health care.

According to the Ministry of Health, the causes of maternal mortality in 2001 were: obstetric hemorrhages (29,6 %), abortions (23,2 %), gestoses (20,4 %), other complications during pregnancy and delivery (17,6 %), sepsis (8,3 %), extra-uterine pregnancies (0,9 %).

Abortions as a cause of maternal mortality do not only mean induced abortion but a termination of the pregnancy before 27 weeks of pregnancy due to any reasons related to the pregnancy. Nevertheless induced abortions adversely affect a woman's health, reduce her chances for further childbearing and contribute to maternal and perinatal mortality. There is a trend of declining abortion rate in the country; however, there is quite a discrepancy between the data on abortions. The Ministry of Health shows a decline of 41% from 1995 to 1999, while the Demographic and Health Survey gives 18%. Underreporting

³⁵ U5MR is the probability of dying between birth and exactly five years of age expressed per 1,000 live births. Infant Mortality Rate, or IMR, is the probability of dying between birth and exactly one year of age expressed per 1,000 live births. U5MR measures an end result of the development process and is less susceptible than per capita GNP to the fallacy of the average.

³⁶ Study on Causes of Infant and Child Mortality in Kazakhstan (2002)

³⁷ Kazakhstan Health and Demographic Survey, 1999

³⁸ MMR is the annual number of deaths of women from pregnancy-related causes per 100,000 live births.

of abortions and their complications, is a factor that inhibits the accurate assessment and analysis of maternal mortality. Establishment of a management information system (MIS), which would collect disaggregated, verifiable data and compulsory to both private and public service providers appears to be the only solution to fill the existing information gaps.

One of the ways to prevent abortion and increase interval between childbearing in order to reduce the MMR is effective family planning. In Kazakhstan, there is a favorable trend in using modern contraceptives. The current contraceptive prevalence rate is estimated to be 50.7 percent for all women, a 5.6 percent increase since 1999. Despite the expanding family planning services and high awareness on modern contraception (98.6% for women and 99% for men), there is still an unmet need for family planning (8.7%). There is still insufficient access to information on reproductive rights, family planning and access to quality services, as well as availability of contraceptives especially among the poor and vulnerable groups.

2.2.1.3. Morbidity

Child Morbidity

The 1999 Demographic and Health Survey showed that Acute Respiratory Infection (ARI) and diarrhoeal diseases continue to be the leading causes of infant and child illnesses (morbidity). This is confirmed by official statistics, which also show a trend towards increased respiratory infections and diseases of the digestive system amongst children under 18. Only 48 percent of children with ARI or fever were taken to a health facility or health care provider for treatment.

Oral Rehydration Salts or *Rehydron*, are widely known and use in urban areas for children with diarrhoea, but not in rural areas. Available data show that of children suffering from diarrhoea, 32 percent received Rehydron; 57.6 percent received increased fluids; and 47.4 percent never received rehydration therapy³⁹.

In the early months, when the baby is most at risk, exclusive breastfeeding helps to protect against diarrhoea and other common infections. In Kazakhstan, while breastfeeding is almost universal, only 47% of children aged 0-3 months are exclusively breastfed and infants are introduced too early to complementary foods. Only 31% of maternity hospitals have been certified as *baby-friendly* and fully supportive of promoting exclusive breastfeeding. Support for exclusive breastfeeding needs to be strengthened and more advocacy efforts should be aimed at the adoption of the International Code of Marketing Breast Milk Substitutes.

During the 1990s, difficulties were experienced in sustaining the previously high levels of immunization. Routine immunization coverage declined starting in 1993-1994 caused mainly by interruption of vaccine supply and lack of funds to support immunization services, which resulted in increased incidence rates of all vaccine-preventable diseases. From 1993 to 2001, rubella prevalence among adolescents and adults increased from 4.7 to 10.8%. The diphtheria epidemic in 1993-1998 peaked in 1995 with 1,105 cases.

Financial problems constrained the implementation, which led the Government to apply for international support. Technical and financial assistance was given, starting with an Agreement on Vaccine Independent Initiative in 1995, and by 2000, overall vaccination coverage increased to 97 percent. Kazakhstan was the first CIS country to introduce the vaccination of all newborns against viral hepatitis B, and the vaccination of under-5-year-olds against viral hepatitis-A in 1999. The country has started to take a long-term approach in the fight against the disease and the incidence of vaccine preventable diseases has been put under control.

Maternal morbidity

Complications of pregnancies and deliveries as well as post-partum conditions remain one of the main causes of total morbidity and ranks 1st in the structure of maternal morbidity. Despite the slight decline over the past few years, it still remains high (3535 per 100,000 women, 2000). Although antenatal care coverage remains high with 94% of mothers receiving the care from professional health providers and 98.4% of births are delivered at health facilities, quality of care remains wanting. In 1999 only 50% of mothers receiving antenatal care were informed of the signs of pregnancy complications, only 67.8% were weighed and only 37.5% received iron supplements.⁴⁰

Breast cancer is one of the major causes of female mortality. Public awareness of the risks of breast cancer is very low, and self-examination is not common. In 2000, the incidence of breast cancer reached

³⁹ DHS, 1999

⁴⁰ DHS, 1999

33.9 cases per 100 000 women. About 60 percent of women applied for medical aid at the later stages of the disease when no treatment is possible or effective. The amount of women who are being observed after a successful operation does not exceed 3 percent.

2.2.1.4. Nutritional status

Another important determinant of high morbidity is the nutritional status of the population, especially among the more vulnerable groups. Data on nutritional status of the population are scarce and with very limited disaggregation. The Household Budget Surveys of 1997-2001, reported that 11% to 16% of Kazakhstanis had income below the food basket cost which could lead to the conclusion that some children and mothers of these households would be most likely undernourished. In Kazakhstan, the percentages of low-income children with low height-for-age and low weight-for-age were 10 times and almost 4 times higher, respectively, than for the richest quintile.

Micronutrient Deficiencies. Although there is no direct evidence of hunger in Kazakhstan, there is high prevalence of micronutrient deficiencies, also termed as “hidden hunger”, which contributes to increased morbidity and mortality. Documented signs and symptoms of micronutrient malnutrition in Kazakhstan have consistently demonstrated one underlying cause: the average diet of the population does not provide adequate levels of iron, iodine and Vitamin A.

Iron deficiency anemia has been reported to be a nationwide problem for women and children in the country for decades. Moderate to severe anemia declined from 12% to 9% among women and from 39% to 26% among children under three. It was found to be higher among women with two or more births than those with less or no pregnancies, those with average birth interval of less than 24 months, and those using intrauterine device. *Vitamin A deficiency.* Scientific studies have demonstrated that the improvement of Vitamin A status in young children with Vitamin A deficiency leads to an average reduction in mortality rates of about 23%. Recent studies in Kazakhstan have identified Vitamin A deficiency as a problem of serious public health significance for 28.6% of children aged 6 to 60 months. *Iodine Deficiency Disorders (IDD)* has been rising to crisis levels. A household survey revealed that only 29 % of all households were using iodized salt and 40 % of salt labeled as iodized was found to have little or no iodine. A study of the knowledge, attitudes and practices concerning IDD revealed that there is insufficient knowledge about the impact of iodine deficiency on human intellectual development; and despite a good knowledge of IDD issues among health professionals, there is insufficient understanding of effective prevention, particularly the use of iodized salt.

2.2.1.5. Access to Safe Water and Environmental Sanitation.

The fact that diarrhoeal diseases remain a major problem may be attributable to the rapid deterioration of access to safe water and sanitation. In 2000, only about 71% of population had access to safe water and in the rural areas up to 53% of households use water from open surface sources. Only 10% of the rural population has access to centralized sewerage while the rest use pit latrines. Most rural health centers, hospitals and schools also do not have adequate safe water supply and sanitation facilities.

2.2.1.6. Tuberculosis

After 40 years of steady decline, the number of tuberculosis cases in Kazakhstan has recently increased dramatically: 65.8 cases per 100,000 people (1990) and 155.7 cases per 100,000 (2002). The increase has been reported in all oblasts and is especially marked in rural areas.

Although the mortality rate from TB declined in the period 1998-2001, it was still more than twice of that for 1990. Due to intense overcrowding and poor ventilation in penitentiary institutions, TB incidence among prisoners is 30 times higher than that of the general population and the TB death rate is 9 times higher. The main causes of TB illness and death in the general population are associated with low socio-economic status, inadequate hygiene and environment, insufficient safe water and limited access to health care, especially in rural and remote areas, and nutritional deficiencies.

2.2.1.7. Unhealthy Lifestyles

According to the World Health Report 2002, leading risk factors for Kazakhstan related to life style are: tobacco, alcohol, overweight, low fruit and vegetable intake, physical inactivity. According to the data from National Center for Healthy Lifestyle Promotion on average 23.3% of population smoke and among men aged 30-39, 64.5 % are smokers. Alcohol consumption among population is 45.4% and among youth aged 20-29, it is 64.4%. The majority of population does not pay proper attention to physical activity, and on average, only 16% participate in sports. According to WHO Database (2002), Kazakhstan consumes the least fruit and vegetables in Europe.

National Policies:

The Government has created a favorable policy environment for improving quality of life for all by adopting several national development programs.

- Implementation of the Integrated Management of Childhood Illnesses (IMCI) started in 1997 and IMCI Center was established in 2000.
- The Vaccine Independent Initiative, launched in 1995, resulted in the full procurement by 2000 of all vaccines. In 2001, the Government adopted the National Program for Measles Elimination for 2002-2007.
- State Program on Health for the Nation aims at improving health of the general population with focus on reduction of maternal mortality, infant mortality and prenatal morbidity; prevention and treatment of major infectious diseases including TB. The National Program on Mother and Child Health Protection for 2001-2005 included the creation of enabling conditions for the protection and improvement of the health of mother and child, and the reduction of morbidity.
- Government prepared the law on Reproductive Rights and Guarantee of their Practice, which defines the government commitment on reproductive rights and free access to reproductive health care. To improve the reproductive health status of young people, the government issued a resolution in 2001, on Concept of Moral-Sexual Education for Adolescents.
- In July 2002, the Government issued a Decree on Indications and rules of carrying out artificial interruption of pregnancy, which established guarantees by the state for the protection of the reproductive health of the population. Clinical protocols on Reproductive Health were endorsed throughout the country.
- The Concept of Healthy Lifestyle and Healthy Nutrition was adopted in 1999. In June 2002, the State Programme on Food and Agriculture for 2003-2005 was adopted to ensure food security of Kazakhstan. A Government Resolution has been issued on the prevention of Iodine Deficiency Disorders. Plan of Action for preparing the IDD Prevention Communication Campaign was organized in collaboration with UNICEF, ADB and Centre for Disease Control. The government supported the Anaemia Prevention and Control Programme, which initiated flour fortification with a pre-mix containing iron and vitamins in selected Oblasts.
- By 2004, the Program on Strengthening the Fight against Tuberculosis for 2004-2006, drafted by the Ministry of Health will come into force.

2.2.1.8. HIV/AIDS and Sexually Transmitted Infections (STIs)

As of 1 January 2003, there were 3,257 HIV-positive persons registered in Kazakhstan, however the real number is estimated to be 8-10 times higher. The epidemic is so far concentrated, but with the potential to move onto a generalised stage. A 2002 sentinel surveillance conducted in eight Oblasts⁴¹ revealed that the HIV-prevalence among IDU is on average 3-4 percent. This corresponds to the data on HIV prevalence among IDU tested in prison in 2001, which showed a prevalence of 3 percent. According to a recent analysis, the number of IDU in Kazakhstan is estimated at 250 000 people. Matching these data, it can be assumed that there are as many as 7,500-10,000 HIV-positive IDU in Kazakhstan. The virus is being transmitted both through sharing of syringes, and the injection of drugs mixed with blood from common container.

An important indicator for the possibility of rapid spread of the HIV virus is the prevalence of STIs in the population, indicating a high degree of unprotected sex. STIs have become a main health problem in Kazakhstan, ranking second in 2000.⁴² STI figures for 2001 were 140.6 per 100,000 for syphilis, and 89.5.0 and 45.7 per 100,000 for gonorrhoea and chlamydeous (please refer to Annex, Table 41). Recent data showed that the prevalence of syphilis among clients of reproductive health services was on average 1.3 percent⁴³. Half of the respondents in a survey conducted among men who have sex with men in Almaty had had an STI during the last year. Survey shows that 74 % of 15-24 age group correctly identified ways of preventing sexual transmission of diseases but condom use among the same group was only 57 %.⁴⁴ There is still no implementation of syndromic case management of STIs. Patients are instead subjected to hospitalization in specialized clinics, a practice that often causes people to either

⁴¹ Report on Sentinel Epidemiological Surveillance for HIV in the Republic of Kazakhstan, 2002; Ministry of Health, Center of AIDS Prevention Control

⁴² Agency on Health Affairs, 2001-?

⁴³ *ibid*

⁴⁴ Country Report of Kazakhstan on follow up to the declaration of commitment on HIV/AIDS – UNGASS for Jan-Dec 2002, Republican Aids Center, Ministry of Health, April 2003

engage in self-treatment or not seek treatment. This practice is not cost-effective, and is also counter-productive to HIV/AIDS prevention.

Currently, only 1% of persons with advanced HIV-infection receive anti-retroviral therapy, provided free of charge to all HIV-positive pregnant women, children and adolescents.⁴⁵ Reported cumulative number of HIV-positive pregnant women is 130, and of the 45 children born, 4 infants were HIV-positive, 19 seem not to be infected, and 22 are still under observation. In 2002, 18 children were born to 76 HIV-positive women, 10 of them received treatment, the remaining were not treated as the HIV-status of the mothers was identified only after delivery.

There is a lack of youth friendly services, which take into account the particular needs of youth, such as the importance of confidentiality on the part of medical staff and the standard of privacy at the premises. Stigmatized issues often faced by young people are: reproductive/sexual health and substance abuse—both directly influencing vulnerability to HIV/AIDS. Other vulnerable populations in need of special services are sex workers, injecting drug users and people living with HIV/AIDS. These groups are stigmatized to the point that they are often being refused treatment by medical staff, and also risk being reported to the police. The current level of stigma and discrimination, in addition to the lack of medication and other support services diminishes people's willingness to test, thereby not taking appropriate measures to not infect others.

National Policies

A major achievement in the HIV/AIDS prevention work in Kazakhstan has been the adoption of the National Strategic Program on HIV/AIDS prevention for 2001-2005. The Global Fund allocated \$ 22 million to Kazakhstan to support this program. Several ministries have also developed their sectoral HIV/AIDS prevention programs.⁴⁶ Main objectives of the National Program are to have HIV prevalence stabilized by 2005: the level of HIV prevalence among IDUs shall not exceed 5 percent, and to decrease the number of young people joining vulnerable populations (IDU, SW).

The National Strategic Program aims to ensure the participation of vulnerable groups in HIV/AIDS prevention activities, and reflects the provisions of UNGASS⁴⁷ on HIV/AIDS Declaration of Commitment of June 2001. A National Coordination Committee has been established and will be supported by three Technical Advisory Groups on HIV/AIDS-related human rights policy and legislation issues; on youth, vulnerable groups and IEC; and on medical care and support.

Harm reduction interventions among vulnerable groups has become a national policy, through implementation of project activities like needle exchange points, where drug users have access to information materials and preventive means. However, the functioning of the needle exchange points could be subject for revision as the rate of visits is very low. Recently, methadone substitution therapy among injecting drug users was introduced in two pilot sites.

2.2.2. Education and Culture

Kazakhstan inherited from the former Soviet Union a well developed education system. However, as in other sectors, it was affected by the difficulties of the transition period. The key problems manifest themselves in the areas of financing and management, access, and quality of education.

According to the Agency for Statistics, public finance for education dropped from 7.6% of GDP in 1991 to 3.3% in 2000. As a proportion of the state budget, Government spending on education fell by more than 50% between 1990 and 1995, reaching a low of 11.2% in 1998. For disaggregation on education financing by education level please refer to Annex, Table 45.

Inadequate funding and poor managerial and strategic planning capacity have been major obstacles to the implementation of education reforms in Kazakhstan. The main causes of poor management are: absence of reliable data necessary for proper planning and management, a non-functioning education management information system and inefficient and outdated management style. There is a great demand for further improvement of data collection, dissemination and the use of information for better education management and planning.

⁴⁵ ibid

⁴⁶ Ministries of Education, Justice, Interior, Health, Defense, Culture/Information and Labor

⁴⁷ United Nations General Assembly Special Session on HIV/AIDS, 25-27 June 2001

2.2.2.1. Access to Education

Access to quality education is one of the major problems in Kazakhstan. The problem manifests in the form of access inequality in urban and rural areas, insufficient number of teaching-learning materials, and poor physical condition of infrastructure.

Early Childhood Care and Development / Pre-School Education: A psychosocially stimulating environment in the first years of life, as well as good health and nutrition is crucial to the physical and cognitive development of the child. In Kazakhstan however, there is a dearth of information and data collected to fully capture the current situation of early childhood development support and practices. Only 4 % of children in rural areas have access to pre-school education system in comparison to 30% in urban. In Kazakhstan, pre-school education system consists of kindergartens and pre-school courses that are provided for children at the age of 5 and 6, or 1 year prior to entering first grade. Due to the collapse of industrial and agricultural post-Soviet enterprises, which used to heavily subsidize the kindergartens, 82% of all kindergartens have been closed since 1990. The proportion of children enrolled in pre-school education system decreased sharply from 52.2% in 1989 to 10.5% in 1999.

The kindergartens that had been closed are gradually re-opening since 1999. The number of children enrolled in kindergartens has since increased, but is still a low figure of approximately 18% in 2002/2003. This may be largely attributed to the fact that kindergartens are not free and not compulsory. In November 1999, the legislation was amended to make pre-school courses compulsory and free for 5-6 year-old children for one year prior to entering first grade. However, the Government is currently unable to provide all children with access to pre-school courses, due to budget constraints.

Primary, Secondary and Vocational Education: According to the Constitution, **general** secondary education is obligatory and free of charge. In 1999/2000, the primary school (grades 1-4) and basic secondary school (grades 5-9) enrolment ratio was 96%, while the enrolment ratio at upper secondary school (grades 10-11) was 87%. However, inequity in access to education in Kazakhstan remains as a problem, mainly due to insufficient budget allocation. In 2002, 492 settlements did not have any schools. 593 villages had no primary schools, and 625 villages had no secondary schools. More than 30,000 students had to travel between 5 and 40 km to reach school. Further, even if schools are accessible, not all of them are provided with sufficient number of learning/teaching materials. In particular, schools in rural areas suffer from the shortage of textbooks and teaching manuals/guidelines, especially those published in the national language. One fifth of schools are in need of full repairs, according to government statistics (please refer to Annex, Table 47). These factors pose a threat to true access to quality education.

Certain groups of children, such as children with disability, children in orphanages, street children and repatriates may have even lower access to quality education. Reliable data are not currently available on these groups, indicating a strong need of such data collection. Provision of education to such groups requires a systematic approach with solid legislative framework, which brings in updating of physical facilities and special curriculum development and teachers' training.

Non-formal education. Non-formal education has great potential as an alternative and enhancement to formal educational opportunities, particularly in the area of vocational and life-skills based education. The benefit of people in rural areas is expected to be substantial, since they tend to have less access to formal educational services of good quality, and to information in general.

2.2.2.2. Quality of Education

There is a decline in learning achievement in secondary schools. Latest information⁴⁸ shows that education quality is poor in rural area, in particular, and in schools with national language of instruction. The decline is attributed to problems of content, teaching methods, teachers' professional capacity, and to monitoring and evaluation by educators and administrators.

The content of education is inadequate, and with low relevance to the real world's needs. It is not optimal for providing such skills as critical thinking, decision-making and team-work. It does not have clear reference to life-skills, and does not respond to the requirements of labor market. Despite the Law on Education, which stipulates entry into vocational schools on the basis of primary school enrolment, for example, not all children of senior school age aspire to enroll in grades 10-11. In 2002 the gross enrolment ratio in vocational education was two and a half times lower than in 1991. The main reasons

⁴⁸ Monitoring Learning Achievement Report, 1999

included perceived irrelevance of vocational education to the job market in addition to the problem of cost. This may have implications for employment of the youth.

Current teaching methods are also outdated, and do not optimally facilitate students' learning. Teaching innovations as well as the development of child-centered, gender-sensitive and inclusive curriculum are sorely lacking. Capacity of teaching staff, educators and administrators is very low in revising/adopting school curricula and in practicing innovative teaching methods. Despite the fact that training and re-training of teachers is crucial in this regard, teaching staff's access to such opportunity is very limited particularly for teachers who work in the rural areas. Not many Teachers Upgrading Institutions are adequately equipped with capacity to carry out such training, either. The system of periodic monitoring of the quality of educational programs does not exist in Kazakhstan.

National policies:

The 1999 Law on Education sets out the key principles for the education system, including the right to quality education for all citizens, and defines the salaries of employees in the education sector. The Laws on the Rights of the Child, and on the Social, Health and Correctional Education Support for Children with Limited Opportunities, which were adopted in 2002, provided a basis for the social protection of children with special needs.

2.2.2.3. Culture as a tool for development

Since 1991, culture has gone through several stages of development in Kazakhstan. In 1992-1994 economic and political system of Kazakhstan was in deep crisis accompanied by ideological vacuum. In 1995-1997 the number of cultural facilities sharply declined by 42,7% and remaining ones were in poor conditions.

The ethnic diversity of Kazakhstan has an accompanying cultural dimension. Culture can play a role in a intercultural dialogue for the preservation of peace, with non-formal education as a support for awareness raising on common cultural heritage (25.000 monuments currently registered in Kazakhstan). Intangible heritage (traditional handicrafts, traditional folklore) should be given more attention, since besides its obvious role in the construction of a national identity, it is also a tool for economic development. The improvement of quality for traditional crafts will allow this sector to reach regional and international handicrafts markets, with a focus on income distribution to the producers, mainly located in rural areas.

2.2.3. Improving the Quality of Life: Underlying Causes

Overall the Quality of Life of people of Kazakhstan is hampered by a number of systemic causes and underlying issues that deserve appropriate attention:

1. The access to basic services (health, education, water and sanitation) is believed to influence the overall situation. A number of studies are underway however the following factors could reduce access: the cost of the services and the direct out-of-pocket payments, knowledge of population about services, lack of appropriate infrastructure, lack of user-friendly services (especially for young people).
2. The quality of services is poor in many instances as well. A number of studies and data indicate the poor performance of staff, poor attitudes towards their clients, lack of basic standards and protocols of care, poor monitoring of quality, etc.
3. Overall poor management of social services especially at local level also influences the delivery of those. The main causes are lack of motivation/incentives and accountability among managers, poor skills and capacities, lack of management guidelines and information system.
4. Family knowledge and skills related to satisfying basic needs, and appropriate health, education, and household security practices are tremendously important factors. This area still did not acquire adequate attention from Government and international bodies. Although the major determinants of the poor family practices have been disclosed through our analysis: lack of appropriate media environment, poor capacity for planning and implementation of behavior change programs, continuous deficit of appropriate IEC material, inadequate community participation.

5. Many of the underlying causes driving the current HIV/AIDS epidemic in Kazakhstan can be found in the structure of the health system, already covered in 2.2.1. Today's centralized system is not the best way to deal with a stigmatized and complex disease. HIV/AIDS requires decentralized services, and guaranteed confidentiality, something, which is not always provided. A relatively low level of understanding and tolerance towards vulnerable populations among the general population, as well as policy makers and public service providers, also directly influences the spread of HIV/AIDS, through limiting openness around the issue, essential for increased awareness and adequate response.
6. Vulnerable groups (children in institutions, people leaving with HIV, refugees and returnees...) deserve special attention in terms of fulfilling their Basic Needs. They have to struggle with a number of factors that put them in a more disadvantaged situation. Lack of social security, stigma and discrimination, constraints for employment, lack of friendly services, lack of supportive legislation are just few major issues requiring more focused attention.
7. Appropriate analysis of the interrelation of poverty alleviation activities and satisfaction of basic needs is still a major challenge for the country. Good analytical review of the past development cooperation, its impact on the quality of life and hereto the poverty levels is still a work to be appropriately planned and conducted by the UN system. Better disaggregation of data between rural and urban population, or various geographic areas of the country, gender, age, socio-economic index, etc. is still needed in order to come up with a solid integrated policy framework in this area. This would also allow the Government to better develop the policy for dealing with the more challenging Millennium Development Goals for Kazakhstan: IMR, U5MR, Women's Health, and HIV/AIDS and TB, which have been assessed as unlikely to be met by 2015 (MDG Report, 2002).

2.2.4. Improving Quality of Life for All: Key Challenges

1. To reduce Child Mortality by developing a holistic complex of interventions focused on: access and quality of MCH services, improving IECD family practices and designing special interventions for addressing nutritional problems.
2. To eliminate IDD and substantially decrease IDA (Vitamin A deficiency), and increase exclusive breastfeeding up to 6 months in order to increase children's chances for survival and adequate development. Adequate legal, food processing (USI and fortification of flour), public awareness/demand creation, and monitoring/quality assurance mechanisms have to be implementation.
3. To specifically improve access to and quality of antenatal care and care during childbirth in order to improve women's health and prevent maternal and infant deaths. Policies compliant with the WHO/UNFPA/UNICEF standards on Safe Motherhood have to be developed and implemented nation-wide.
4. To improve the knowledge and skills related to maternal care and reproductive health of health personnel, and to provide support and monitor the implementation of the clinical protocols on reproductive health for the reproductive health service providers.
5. To increase the access to and quality of PHC services with special focus on MCH, reproductive health and family planning services and to improve health management information system (HMIS).
6. To further reduce the vulnerability of particular social groups to HIV infection, which includes increased tolerance towards HIV infected and vulnerable groups through eliminating stigma and discrimination, through increased awareness among the population.
7. To review current legislative acts and internal regulations in order to exclude all discriminatory articles and all measures of a repressive nature targeted against HIV positive and vulnerable groups. Legal measures, which do not provide support and protection, directly and indirectly contribute to the spread of the epidemic through alienating vulnerable groups from preventive measures run by official structures.
8. To provide HIV positive persons with medical and social assistance and to ensure that the proportion of people becoming infected through sexual activity shall not exceed twenty percent of the total number of infected persons. To develop and promote new approaches to provision of services and health and sexual education of young people and to improve mechanisms for the dissemination of healthy lifestyle messages.

9. To take appropriate disparity reduction measures in access by improving EMIS and enhance the quality of education of all levels by improving curriculum content, teaching materials and methods, capacity of pedagogical staff and periodic assessment of learning outcomes and development of indicators.
10. To strengthen vocational education to equip youth with skills required to respond to the needs of the labor market.
11. To strengthen life skills components of formal and non-formal education. Integrate information on HIV/AIDS prevention in the mandatory school curricula.
12. Culture to contribute to the construction of a national identity, through sensitization and preservation of tangible and intangible heritage, with non-formal education as a tool for awareness raising.

2. 3. GOVERNANCE AND PARTICIPATORY DEVELOPMENT

2.3.1. Governance

Although Kazakhstan has made significant progress over the past decade in transforming its economic and political systems and introducing the principles of democratic governance, it is a young nation, which still faces challenges on its way to being a fully democratic society. Establishing democratic government that is both equitable and effective has been one of the difficult and protracted components of Kazakhstan's transition to democracy and market economy.

Governance plays a key role in ensuring economic development and improvement in standard of living. A well functioning state is critical for satisfactory delivery of public services. Since independence, Kazakhstan has introduced political reforms to enable greater participation of citizens in democratic processes through political parties, providing enabling environment for NGO and private sector development; undertaken civil service and public sector institutional reform, and streamlined the executive branch for better effectiveness and efficiency; initiated decentralisation of public administration to oblast level administration; introduced anti-corruption measures, and undertaken measures to protect human rights as a basic ingredient to promote socio-economic development in the country. Many of these reforms are undertaken within the long-term vision "Kazakhstan – 2030", the official development strategy of Kazakhstan launched in 1997, which provides a framework for national plans and sectoral programmes formulation to foster and guide Kazakhstan to realize its substantial potential and to enable its citizens to share in the process. These ideals are further reinforced by government's short-term action plans, and the mid-term Kazakhstan 2010.

While the above measures have contributed to progress, Kazakhstan still faces challenges in the implementation of reform in key governance areas such as development of political parties, parliament, human rights, decentralization, mass media, civil society and NGOs capable of representing diverse interests, providing service to vulnerable groups of the population, and more sensitivity to human rights and gender issues.

Parliament as the legislative branch of power has witnessed considerable development. The new *bicameral Parliament* started functioning in 1996, and is based on the Constitution adopted in 1995. Parliamentarians are beginning to work with their constituents and strengthen their linkages with the electorate. The MPs carry out special Committee sessions in their regions, meet with civil society organizations, and actively strive to introduce changes to internal regulations of the Parliament on political representation in the forthcoming 2004 elections. However, more improvements are still required on the management and administrative capacities of the National legislature as well as regional legislature based on international experience.

Kazakhstan has a presidential form of democracy. President, in accordance with the Constitution is empowered with authority to balance the power of all three branches. In this regard, Kazakhstan is faced with challenges to use the power of all three branches effectively. Budget accountability can be improved through wider public participation in the budget process and a variety of factors that expand the legislature's ability to control the budget.

The role, structure and capacity of the public sector is still evolving in Kazakhstan. At present, inefficient

distribution and overlapping of public management functions between ministries and central and local government structures hinders successful enforcement and implementation of legislative, regulatory and program documents, diminishes government efficiency as regards to allocation and management of public resources, increases the cost of doing business, hinders private sector growth, and directly impacts the accessibility to basic services. In addition, unclear description of functions and responsibilities complicates objective assessment of civil service needs for specialists and training, as well as hampers reorientation of policy makers and civil servants from a top-down hierarchical mentality to one focusing on service delivery. Furthermore, frequent changes of appointments both at the executive branch and the oblast level have contributed to discontinuities in implementation of reforms and programs. Much remains to broaden the reform program, to ensure the sustainable implementation of reform measures, and especially to address issue of administrative corruption.

In all branches of public service, considerable gender disparities remain a major problem undermining the effectiveness of governance. In 2001, there were 11 women out of total 116 members of Parliament (9.5%), compared to 17 out of 114 (14.9%) in 1995. In 2000, only 20 women (11.8%), as opposed to 150 men, held senior Government posts. The general trend is that women are concentrated in lower levels of power and on subordinate positions, and the highest level of decision-making are dominated by men. The reasons for low participation of women are many: women do not have sufficient economic or other resources to participate in politics, and often collateral for nominations is too high for women; the quotas for women's participation in governance and politics were removed, and no other mechanisms to balance the representation of the sexes put in their place. The stereotypes prevent the public (including women themselves) to recognize leadership capabilities of women and, therefore, women are rarely elected/appointed to high positions.

Kazakhstan stands out among other countries in transition for its commitment to promoting human rights. The decision to establish a Human Rights Commission, and Ombudsman Office reflect those. Kazakhstan has ratified a number of key UN human rights Conventions (please see Annex, Tables 52 and 53) but the capacity to meet its obligations under them requires more support. There is a lack of knowledge and awareness on the provisions of these instruments and their application at the national level. The culture and ideology of human rights have not yet become an important factor in behavior and mentality of officials, public institutions and the citizens. Although, the establishment of an Ombudsman Office in 2002 is in the right direction to protect the rights of the people, further steps are required for full conformity with international principles.

An important actor in the governance process, the civil society, is weak. A primary challenge for representative democracy is to find ways to ensure that NGOs can play constructive roles in generating legislative demands, monitoring government policy making and policy implementation, enabling people to participate actively in society, and ensuring that ordinary citizens are motivated to be active in civil society. NGOs can help to democratize the political process, while enabling people to create dynamic solutions to problems of survival and human development. For this to happen, and for civil society to realize its full potential an appropriate legal and regulatory framework is required. While there is positive development in supporting the NGO sector development in Kazakhstan, however, the current legislative framework does not provide the full scope for active role of civil society in development and political process. Furthermore, the capacity of the NGOs is also very limited. Creation of quasi-NGO organized and supported by government, dependence of NGOs on a few individuals, lack of broad constituencies under NGOs undermine their legitimacy as the voice of civil society. The tendency of NGOs to be a "professional grant receivers" from donors also does not offer much prospect for sustainability of NGOs. The NGOs require continued support by the donor community to improve their capacities on the way to become independent and sustainable entities.

National Policies

The Law on Political Parties, of July 2002, marked the beginning of a new stage in the evolution of multi-party democracy in Kazakhstan. It aims to increase the role of political parties in the political life of society and the State.

Civil Service Law (1999) aims to provide the country with a professional civil service based on Western models. The Concept of Regional Policy for 2002-2006 was implemented in December 2001. In February 2003, the "Concept of Power Distribution between the Levels of State Administration and Improvement of Inter-budgetary Relations" was adopted, with the purpose of increasing the efficiency and effectiveness of the Government.

The Law on Not-for-profit Organizations (2001), provides a legislative framework for recognition of the role and place of NGOs in society. However, the absence of a clear definition and typology of NGOs have resulted in some ambiguities. The Concept of the State support for NGOs was adopted in January 2002 with the aim of providing a favorable environment for the sustainable development of NGOs. The Government also established the Permanent Forum in December 2002, for the further democratization of civil society.

The establishment in 2002 of the Ombudsman's Office, and the National Human Rights Center, which aims to assist the independent ombudsman in his activities should contribute significantly to broadening and strengthening the system of human rights protection in Kazakhstan.

As a consequence of the dislocations suffered during the transition, corruption has emerged as a major problem. Despite the publicly stated intentions of the senior decision makers to reduce this serious social disease, it is difficult say that significant progress has been made. UNDP's recent publication "Perceptions of Corruption in Kazakhstan" contains a broad survey that illustrates the extent of the problem.

Despite the progress made in improving the system of governance and democratization of society, there is a need for systematic follow up in democratic transition efforts.

2.3.2. Communication and Information

Mass media development in Kazakhstan attracts a lot of attention from the state as well as from other institutions and organizations. Overall, access to information and public participation in decision making is very low. Currently, there are 1,816 mass media organizations operating in Kazakhstan, including 1,190 newspapers, 485 journals, 126 TV and radio stations, and 15 news agencies. 80 % of them are commercial. Despite the growth in the number of mass media agencies, and the effort of the mass media covering range of issues, the quality of information, professional standards and its reliability is not satisfactory. There are various contributing factors to this – control of mass media by the government and interested groups, lack of exposure, knowledge and understanding on specific issues of democratic governance, lack of training, and access to information etc. Recent changes in media related legislation as well as reported incidents in this area proves crucial importance of this part of civil society and the necessity to support its development through introduction of real partnership between difference actors and raising standards of media.

Information and communication technologies, including telephone lines, tele-/radio networks, cellular communications and Internet, is at a comparatively advanced stage in Kazakhstan (please see the Annex, Chart 13), with rural areas less developed (for instance, telephone density in cities were 21,7 and in rural areas 5,2 phones per 100 citizens at the beginning 2002). Telecommunications are considered as one of the most attractive branches for investment. Practically all segments of the market of communication services show dynamical growth. The basis of telecommunication infrastructure in Kazakhstan is comprised by state and private companies. Currently the information technologies are considered by the state mainly from the commercial point of view, ignoring the important role, which they play in the establishment of a really democratic society. Human approach, i.e. considering the impact of communication on people's participation, involvement into national processes, broadening opportunities etc., is still lacking in the governmental policies towards the information and communication technologies. Absence of such an analyses and policy prevents fully use of technological potential in the development processes.

National policies

The Law on Mass Media, adopted in July 1999, has contributed to the growth of influence of the mass media on social and political processes in Kazakhstan. As this law does not cover the whole spectrum of questions related to the development of the information sector, a new Law on Mass Media is now being developed, which focuses on the protection of the rights of journalists.

Government is drafting the Program on Television and Radio Broadcasting in the Republic of Kazakhstan for 2004-2006 to guide the main dimensions of television and radio broadcasting network development, the tasks and measures for increasing the coverage, the introduction of new technologies and improvement of the quality of transmission.

The Law on Communications adopted in 1996, regulates communications market. Governmental program of Communications development adopted in 2003 for 2003-2005 concern to the technical problems and not sufficiently consider social magnitude of ICT. Society involvement to the National policy process still is very limited, that causes proposal to use ICT as tool for improvement governance, public access to information and freedom of expression.

2.3.3. Gender equality

As reflected across all thematic areas, gender disparities in Kazakhstan are unfavorably affecting women, as regards poverty, governance and decision making, access to health, labor market and many other issues. Yet, high mortality rate among men⁴⁹ indicates that gender imbalances also negatively impact men.

Traditional stereotypes attribute leadership roles and power to a man, whether it concerns family, work or public life. Women are expected to be mainly child-bearers and serve other family members, in addition to their duties at work. Their working capability is perceived to be lower than that of men's. Attitude and treatment towards boys and girls differ, leading to further polarization of roles and strengthening existing inequalities. Shrinking system of social support, fewer and more expensive kindergartens and alternative affordable services negatively affect women's freedom of choice, because women do not have an alternative to staying at home with children, as traditional stereotypes require.

Violence against women is a serious problem, including all kinds of domestic violence. In 2001, almost every fifth registered crime was committed against women, and the real number is estimated to be much higher, as the majority of cases are not reported for cultural and other reasons. The situation is very disturbing in small industrial towns, the so-called depressed areas. Trafficking in women is another form of severe violation of women's human rights. According to the International Organization for Migration, the estimated number of trafficked women in 1999 was about 5,000⁵⁰.

Special attention needs to be paid to the vulnerability of women in the context of HIV/AIDS. Globally, women are counting for a steadily increasing proportion of HIV-positive, and official figures from the Republican Aids Center indicate the same tendency in Kazakhstan. An increasing number of commercial sex workers testify to the effect the socio-economic situation has on women in particular. Women are also often less able to control the context of their sexual contacts, due to either cultural and social values or a lack of information. Violence and trafficking make women especially vulnerable to HIV/AIDS, since they have no power to negotiate safe sex with their partners and no system of assistance is institutionalized.

Legislative base to ensure gender equality and prevent violence against women is still insufficient. In the sphere of employment, for instance, the contract system makes women employees more vulnerable in terms of ensuring their social benefits, and makes remuneration procedures less transparent, thus creating conditions for possible violations of the principle of equal pay for women with jobs equal to men's. Protective laws, on the other hand, make women-employees less preferable to employers, who are not willing to pay maternal and other benefits provided by the law. Formerly existing law and policy mechanisms to regulate women's participation in labor market and politics were removed, and no adequate replacements were made.

National Policies:

Any discrimination on the basis of sex is prohibited by the Constitution. The laws are gender neutral, and special emphasis is placed on the protection of women's reproductive rights. In 1998 Kazakhstan joined the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and was the first country in CIS to ratify the Optional Protocol to CEDAW in 2001. It also ratified a number of other UN Conventions protecting women's rights in different areas⁵¹. The Initial CEDAW Report, successfully presented in 2001, and the follow-up process fostered work for the advancement of women and the promotion of gender equality in Kazakhstan.

Following the commitments made at the 4th World Conference on Women in Beijing, the Government adopted the Policy on the Advancement of Women (1997), and the National Action Plan on the

⁴⁹ See page 13, Demography,

⁵⁰ International Organization for Migration. Quarterly Bulletin. N 23 - April 2001

⁵¹ See Annex, Tables 52,53

Advancement of Women was developed in 1999, covering such areas as improvement of women's health, promotion of women's active participation in social and political life, economic advancement of women and elimination of discrimination against women, as well as the development of gender education. The Gender Policy Strategy is currently being developed as a basis for the observance of gender equality principles in national policies.

2.3.4. Governance and Participatory Development: Underlying causes

There are range of underlying causes of slow progress towards good governance, development of communication and information technology, achieving gender equality and more participation by the civil society.

1. The current legislative framework is still in the process of development and does not fully meet international standards in terms of democratic governance. There are still areas of socio-economic development not covered by appropriate legislation. Moreover, the existing legislative acts sometimes contradict each other. The existing legislation is often not adequately enforced due to the lack of enforcement mechanisms, low awareness of citizens of their legal rights and inadequate capacity of implementers. Another factor is lack of people's involvement in the legislative processes and shortage of experience among law-makers.
2. Inadequate public administration systems also unfavorably affect human development in the country. This is related to the lack of consistency in government policies implementation due to frequent changes in government structures and resulting capacity gap in coordination and implementation of various government programs. There is limited mechanism for transfer of powers and responsibilities both at central and local levels resulting in low capacity of civil servants and low efficiency and effectiveness of public and social services and delivery of the state budget. Insufficient transparency and accountability of public administration system contributes further to the problem.
3. Poor participation of civil society in governance processes is another underlying cause. There is slow change from the deeply rooted mindset of a command and control system to democracy and market economy. The weak capacity of the civil society organizations makes them unable to protect the interests of various social groups and is related to lack of financial support, cumbersome registration processes, stigma attached to some vulnerable groups and overall human capacity.
4. The limited equitable access to information and freedom and independence of media puts limitations for people's willingness and capability to fully participate in political, economic and social life of the country. Absence in Kazakhstan of regulations to enable Public Service Broadcasting results in scant coverage of social issues.
5. Existence of the digital divide and information gap between social groups, and rural and urban communities leads to lack of the basic knowledge for the poor population about ICT in the forms that are accessible with via information service providers: Libraries, Archives. Lack of appropriate local content and language barrier causes limitation of using Internet. High computer and Internet service costs, does not allow to Information service providers publish on the public domain, social, scientific, educational and cultural content. Lack of infrastructure hinders ICT development in rural areas.
6. Continuing gender disparities in poverty, governance, income distribution, access to and control over resources, and access to basic services negatively affect the status of women in Kazakhstan. The main cause for that is the absence of gender differentiated analyses in planning and decision processes. There is absence of gender disaggregated data, lack of analytical tools and skills with policy makers and lack of institutionalized mechanisms ensuring the observance of gender equality in all spheres of social life. Such a situation is nurtured by deeply rooted stereotypes about the secondary role of women in the society, limiting it by reproductive function only. Disproportionate family responsibilities of women aggravated by diminished governmental support in social sphere make it hard for women to compete in the employment market and be more involved in public life at large.

2.3.5. Governance and Participatory Development: Key Challenges

1. State should continue to focus on its core activities, in line with the democratic and economic reforms, trying to achieve excellence in delivery of those core functions
2. State's legislative and implementation capacities should be enhanced.
3. Civil service should continue to become more professional and more user-friendly to its clients.
4. Further devolution of power should be encouraged, taking into consideration more clear responsibilities and accountability lines, ensuring gender balance and delivery capacity at local levels.
5. To ensure an enabling environment for the development of civil society so that it could adequately represent the interests of broad spectrum of constituents. This will improve the demand side of political equilibrium. This will require improvement in legislation, financial support and the establishment the mechanisms for dialogue between Government and NGOs.
6. To improve legal framework and institutional mechanisms to ensuring compliance with the international standards and human rights instruments, such as CEDAW, up to direct application of international conventions ratified by Kazakhstan in legal practice. Ratification of some major international conventions, including ICCPR, ICESCR, and others.
7. Strengthening the professional standards, independence and economic viability of media and information institutions as an important aspect of democratic transformation is needed. The potential of the mass media in further democratization of society is not fully used.
8. To strengthen access to information and public participation in decision making in line with Kazakhstan's ratification of Aarhus Convention and other obligations.
9. To improve the legal base providing for gender equality, up to direct application of the international conventions and introduction of temporary special measures to increase women's participation, including the adoption of Gender Equality Law; increase gender sensitivity of decision makers and strengthen women's leadership skills, promoting women's participation in political parties and advocating for the appointment of women to decision-making positions in executive branches of power.
10. To achieve gender equality in the area of economy and labor through the creation of equal opportunities in the Labor market and promotion of the employment of women, including the re-creation of support infrastructure facilitating women's entry to the labor market (kindergartens, etc.)
11. To eliminate violence against women and children by enacting the laws On the Prevention of Domestic Violence, and On the Changes and Amendments to Certain Legislative Acts pertaining to Trafficking in Women, as well as by specialized training for policemen, judges and prosecutors, medical and social workers, and education specialists and expanding the network of crisis centers
12. Open ICT infrastructure to competition as ICT development is hampered by existing monopolies, and by the lack of state capital investments in ICT, especially in rural areas. Considerable assistance is needed to tackle the information gap between social groups, and rural and urban communities. Efforts should be made to provide the population, especially in rural areas, with basic knowledge about ICT in the forms that are accessible (radio, print, computer classes and Internet clubs).

CCA Causality Analysis Framework

Structural/Root Causes

ECONOMIC

- Transition from command & control economy to market economy
- Over-reliance on natural resource extraction

POLITICAL/GOVERNANCE

- Cultural transformation required for sustained good governance along democratic principles
- Young governance structures still in the process of establishment and/or early stages of development
- Shortage of human resources that can propel democratic reforms

SOCIO-CULTURAL

- Demographic concerns: inadequate population growth
- Wide variations in socio-economic indicators by region, rural/urban divide and somewhat by gender
- Weakened social infrastructure, which is reforming too slowly

ENVIRONMENTAL

- Huge inventory of environmental problems inherited from the Soviet Union
- Culture of unsustainable resource use that has to be reversed
- Obsolete industrial and agricultural technology and practices that harm environment
- Transboundary issues- especially, of water

Underlying Causes

- Existence of risk factors: Economic growth driven by natural resources Inadequate investment in human resources; Negative demographic trends; Lack of appreciation of multi-dimensional nature of poverty;
- Lack of productive employment opportunities;
- Relatively weak information base: definitions not fully compliant with international ones; data collection and processing not streamlined; information dissemination poor
- Already vulnerability group became more so and joined by new ones due to dislocations following Soviet dissolution

- Abolition of PHC facilities / emphasis on curative services.
- Lack of knowledge about the services. Inadequate community involvement in planning, implementation & monitoring of basic services.
- Stigma & discrimination(HIV/AIDS). Not-user friendly services would lead patients to self –medicate/shy away from services
- High cost of quality services
- Weak capacity of social service workers caused by limited training opportunities
- Demotivated Managers & social service deliverers contributed by low salary and lack of opportunities for advancement
- Outdated management styles and practices and Technical Guidelines
- Weak monitoring and evaluation system / Weak MIS
- Lack of appropriate IEC materials & supportive communication and media environment.
- Poor capacity for planning and implementation of behavior change interventions

- Low budget allocation expenditures for social services.
- Over bureaucratization
- Lack of transparency, accountability
- Lack of consistency of government policies
- Underdeveloped legislation/ Inadequate capacity of lawmakers/implementers
- Political will & policy issues not supportive of social inclusion

Immediate Causes

- High level of Poverty and insecurity especially among the vulnerable groups
- Unhealthy lifestyles leading to alcoholism, drug dependency, etc

- Poor quality and limited access to basic services especially among families in rural areas, stateless persons, refugees:
- Disease & infection risks
 - Inadequate dietary intake
 - Deteriorating quality of education
 - Low % of beneficiaries for Pre-school education
 - Lack of potable water & sanitation facilities
 - Limited access to HIV/AIDS/STI services
- Poor family / community knowledge, skills & practices
Lack of civil society/ community participation.

- Inadequate public administration
- Inability to properly fulfill core government functions
- Weak law enforcement and monitoring mechanism
- Low awareness of citizens of their rights.

Problem Manifestations

- MDGs not in keeping with high economic growth and some not likely to be met by 2015
- Large disparities in the quality of life between rural / urban areas, among Oblasts /Rayons and between gender.
- High Morbidity and Mortality among under 5 children, mothers & men.
- HIV/AIDS and TB cases increasing substantially.
- Public education, information and communication systems not matching the needs of low-income groups.
- Lack of women's participation in social and political life
- Over-reliance on government sector for meeting basic needs.
- Women, children, refugees and returnees most at risk
- Ageing population becoming less productive.
- Continuing environmental degradation: land, air, and water.

SECTION III

3.1. Strategic issues for development cooperation

Priority criteria

The analysis of development situation, provided in the previous section on various spheres, gives an indication of priorities for development cooperation in the years to come. While each of the technical cooperation agencies in Kazakhstan has its distinct mandate and is responsible for implementation of its own respective country program at the direct request of individual government institutions and in line with specific demands of the stakeholders, some strategic goals and shared values consistent with global and national development agenda complement one another and thus incorporate the roots of collaboration.

Based on the assessment of emerging development challenges and in response to the Government's priorities, national follow-up to the Millennium Summit and other international conferences and conventions, the concerted efforts of the United Nations Country Team and other multilateral and bilateral agencies are required, to tackle these key issues in partnership with the national development stakeholders. The Common Country Assessment is an ideal tool in this respect as it clearly maps the critical domains of people, institutions and policies in Kazakhstan, and helps combine the individual strengths of the agencies for the benefit of their partners.

Under the leadership of the Government, the UN Country Team, comprising all the UN agencies resident in Kazakhstan, as well as agencies and specialized funds with no permanent representation there, have identified three strategic areas that provide an orientation and a framework for coordinated development activities in Kazakhstan. In the coming years, the UNCT will focus its activity on those areas where the UN system has acquired broad experience in many countries throughout the world over the last five decades, namely in pro-poor policy development, ensuring quality of life for all, and good governance and participatory development.

The selected strategic areas for cooperation are not intended to be fully inclusive of all the development stakeholders' interventions, but they do represent their explicit common response. They focus on areas of cooperation, which correspond to the principles of effective collaboration, and guide interventions to enhance the relevance, efficacy and efficiency of the development actors' contributions, thereby strengthening national capacity. These areas will be coherently reflected by individual UN agencies in their mandated activities within the UNDAF, which in turn will enable each member of the development community:

- a) to bring to the table its expertise in advocacy and social mobilization, service delivery, resource management, capacity building and provision of technical assistance; and
- b) to act in concert to conceptualize problems, plan, implement and monitor country-owned development programs and projects together.

The remaining part of this section describes in more detail issues earmarked as strategic areas for development assistance in support of the Kazakhstan development priorities and needs within the framework of the Millennium Development Goals and other commitments, targets and programmes of action of the world United Nations-sponsored conferences, summits and conventions.

Framework objectives

The overarching objectives of the development cooperation in Kazakhstan are: pro-poor policy development, ensuring quality of life for all and governance and people empowerment for their full participation in the development of the country. In the past decade, the international development community devoted considerable efforts to support the Government in promoting sustainable development of the country through the achievement of the priority goals and objectives arising from the global agenda. The recently developed Program for Poverty Reduction in 2003-2005 is one of the scores of successful examples of the government, regional and local stakeholders, NGOs and international community cooperation in this sphere.

Building on the Government's long- and medium-term strategic documents, Kazakhstan 2030 and Kazakhstan 2010, this Program recognizes that economic growth coupled with an appropriate pro-poor policy is a precondition for reducing the burden of poverty. As poverty does not depend on income alone, a multifaceted approach to poverty reduction, implicit in the Program, requires that ensuring social equity, good governance and participation are treated as parallel concerns.

Responding to the national needs, donors and other development partners will continue to work closely with the Government to advocate that poor people of the Republic of Kazakhstan remain at the center of the decision-making process, and to ensure that the most vulnerable and disadvantaged groups in the population are included in the benefits of development. The eighth MDG refers to a new global partnership for development, as a means to provide the poor with the opportunities of growth. The global MGD campaign will help increase resources through a more targeted aid and debt reduction. But the success of a campaign at the country level will largely depend on the commitment that is mobilized among the main stakeholders of development.

Focus areas of development assistance

Reduction of poverty and improving the quality of life of the citizens are not problems to be attacked solely for the noble goal of helping the poor out of their lowly conditions and into agreeable standards of living. For many countries, especially for the ex-Soviet republics undergoing transition for the past decade, poverty, diminished quality of life and dislocations in public services emerged as sources of national instability. Hence, the well being of these entire nations themselves may be at stake if the multiple and complex causes of these issues are not determined and unless serious, multi-faceted major programs are focused with dedication to improve the lives of the citizens.

Objective measures of poverty reduction and quality of life improvements are important for monitoring the progress of national policies and programs Kazakhstan's Government has prepared. But also important is the way people in Kazakhstan feel subjectively about society and those in power: the crucial issue is not so much whether or not people are poor and deprived of basic services, but whether they **feel** poor, and whether or not they think it is just or legitimate that they are poor. Thinking about poverty in this sense is much more complicated than measuring individuals' incomes. A person's income does not change if the factory employing her neighbor goes bankrupt. The heightened sense of vulnerability and uncertainty may feel no less unsettling, and could be more of a factor in creating conditions of national instability.

When people feel poor, it is in comparison to something or someone else. Poor compared to a neighbor, or a family member. Or poor compared to what another ethnic group seems to possess. Poor compared to the lifestyle that everyone sees being enjoyed in Almaty, or in the West. Each comparison perhaps assumes a different understanding of the causes of poverty. Each of these comparisons carries implicit or explicit judgments about whether being poor is fair or just. Another important comparison is with the past, or with what it is thought the present should be. At a time when neighbors lose their jobs because their factories have gone bankrupt, it is perhaps natural to recall with fondness the days of the Soviet Union, when unemployment was nearly nonexistent. The genuine achievements of Kazakhstan's decade of independence may make it seem that poverty is much greater than in the past. For instance, Kazakhstan is now open to culture, entertainment, and ideas from the outside world. But people in Kazakhstan may feel that they have become very poor in the last decade simply because they are aware of the prosperity abroad in those countries whose economic and democratic standards they aspire to.

The dislocations caused by the sudden collapse of the old command-barter institutions and the slow establishment of new market institutions caused a large increase in poverty in all post-communist economies. All experienced what might be called "hyper-stagflation," with a sharp and often prolonged economic contraction that threw a large part of the workforce into unemployment or all but unpaid underemployment. The other shock of hyper-stagflation was a burst of inflation that wiped out most people's savings. Few members of society were prepared psychologically or economically. As the economy stabilizes and begins to grow, many people who had been thrown into poverty find new jobs and see their incomes increase. What they experienced might be called "transitional poverty," poverty that lasted for the duration of the transition. They are the fortunate ones. Victims of "structural poverty" are not.

Those experiencing structural poverty cannot adjust to the new economy. It is likely that they face several mutually reinforcing obstacles to adaptation. They may live in depressed regions that cannot attract new investment. They lack the skills and education demanded by the growing sectors of the economy, and lack the money that could pay for more training (if training were available in their region, which is probably not the case). Health problems may block them from finding new work, and they may lack the resources to pay for proper medical care that is now rationed by the market rather than being provided free of charge by the state. Add to this the fact that some of these people may have turned to alcohol or drugs as a way of numbing their personal transitions. In short, those experiencing structural poverty may be very difficult to help.

The problem of structural poverty is even worse than this description of obstacles indicates. The children of the victims of structural poverty are more likely than others to remain poor over the course of their lives. They lack educational opportunities in many regions of Kazakhstan. They are driven to seek low paying work at an early age, and thus do not develop the skills that might help them find better jobs. Worse, they may acquire habits and attitudes that prevent them from escaping poverty. Thus Kazakhstan may be witnessing the coalescing of a permanent “underclass,” seemingly untouched by any economic growth and prosperity enjoyed in the country as a whole. In fact, the growth and prosperity of the rest of the country touches the members of this underclass in a direct and painful way, reminding them that they have lost while everyone else has somehow won. In the experience of most countries, this is a very dangerous development.

It is also important to see poverty reduction as part of economic development. Addressing joblessness partly requires helping the unemployed move to jobs, but even more it means moving jobs to the unemployed. Training and adult education are essential. Reducing poverty requires a coalition of government agencies, NGOs and international donors, domestic and foreign businesses, and educational institutions. Promoting coalitions at a regional and local level highlights the need to decentralize power.

Real progress toward reducing poverty in Kazakhstan is most likely to come not from the government, or international organizations, or NGOs. A healthy economy that provides decent jobs will be the best reduction of poverty. Businesses—both foreign investors and domestic companies—must understand that it is in their interests that poverty be reduced in Kazakhstan.

In order to deliver reduction in poverty and to provide a quality of life that matches the Millennium Development Goals, an effective coalition of state, private sector, civil society, UN system and the rest of the donor community must be established. Good governance and participatory development will be the mechanism through which such a coalition can deliver the citizens out of poverty, into a Kazakhstani society that is equitable, growing with productive employment in diverse sectors of economy and where basic services to uplift the lives of people are available.

3.2. Proposed Areas of Cooperation

Priority area 1: PRO-POOR POLICY DEVELOPMENT

Development cooperation goal: support to policy development and institutional reforms to promote sustainable economic growth, expanded employment opportunities and equitable income distribution, better conservation and management of natural resources

There appears now to be a universally accepted view that a constant and stable increase in economic growth is the most effective measure for poverty reduction. However, world experience shows that the opportunities achieved from the economic growth rarely reach the poor directly. To reveal the potential of economic policies in solving social disharmony problems, the economic growth should have a distinct pro-poor focus. The National Poverty Reduction Program for 2003-2005 clearly demonstrates the Government’s will to take this approach and re-emphasize public investment in human resources development, in order to equip the poor with the human capital needed to enter into and sustain income generating activities.

The donor community needs to support these efforts, while continuing to advocate for poverty-sensitive budgeting, increasing productive employment opportunities, effective conservation and use of natural resources and strengthening policy mechanisms targeting the disadvantaged groups of population, especially those living in the poorest and remote rural areas, to ensure their access to opportunities provided by sustainable economic growth. An active civil society and robust private sector are vital for the success of effective poverty reduction.

Listed below is a mix of strategic issues identified by the development agencies as the areas of their proven technical expertise and comparative advantage in this sphere, notably:

- Enabling environment for **achieving sustainable growth**, effective budgeting and redistribution of resources.
- **Employment generation**, including assistance in implementation of institutional reforms to support development of a small and medium range entrepreneurship, partly supported by micro-credit, and promotion of labor intensive practices.

- Capacity building for better **management of natural resources**, including land, air, and water as well as conservation of biodiversity.
- Strengthening mechanisms ensuring **equal access to, and distribution of resources** so that there is reduced identification of poverty with gender, locality or specific groups of society.

Priority area 2: ENSURING QUALITY OF LIFE FOR ALL

Development cooperation goal: to ensure access to and quality of basic social services, promotion of labor standards and protection to low income and vulnerable groups⁵², especially those in need of special protection

No country has done well in poverty reduction without providing widespread basic schooling and health services, as these are essential to improve the quality of life by breaking the cycle of poverty. Coordinated development assistance therefore is required to meet the immediate needs of Kazakhstan population, to improve standards of living and to reduce poverty, and to ensure that the most disadvantaged or marginalized are reached by health, education and social services and protection. The stakeholders' efforts especially targeting children, women, and vulnerable groups will then have to be aimed at the above dimensions of human development to:

- Ensure access and quality of **education** for those members of population in poverty or at risk of poverty, primarily including children especially those residing in rural areas
- Increase quality of, and access to, basic medical services and preventive **health care**, eliminate micronutrient deficiencies and to address serious health concerns in low-income groups of population. Pay special attention to tuberculosis and HIV/AIDS, as well as substance abuse, which is often closely linked to the social and economic situation.
- Increase household access to safe **water** and adequate **sanitation**

Priority area 3: GOVERNANCE AND PARTICIPATORY DEVELOPMENT

Development cooperation goal: To promote an enabling environment for democratic governance and freedom of expression

Empowerment, participation, equality, sustainability and security are issues directly affecting the lives of the poor and are dimensions of governance that will guide development cooperation activities in the republic. In the future, donor agencies' assistance will be required to support the Government of Kazakhstan in its efforts to improve quality of economic management, regulatory functions, civil service efficiency and distributional policies that affect the overall effectiveness of the Government and its capacity to reduce poverty.

In parallel, the development community will need to promote increased participation of the non-government sector in actions taken to put people at the very center of development. It is equally important in this respect, to ensure that the resource management skills and responsibilities are strengthened at central and local levels; and to support the development of a culture of partnership between stakeholders which is increasingly expected to respond to people's needs.

- **Civil/public service reforms** aimed at strengthening the legal and institutional framework for participation in, and decentralization of decision making
- Strengthening the **capacity** of the decentralized levels of the public administration to take on a greater role in the management of service delivery and social sector budget
- Promotion of **empowerment and participation** of civil society to enable people to participate more directly in improving the governance process and help include those previously excluded from decision-making, particularly the poorest and women.

⁵² Vulnerable groups in need of special protection include refugees, returnees, children in institutions, persons with disabilities and elderly people.

SECTION IV. INDICATOR FRAMEWORK⁵³

Economy:

- GDP (billion tenge)/GDP (US\$ million)
- Annual Growth Rate
- Exports (US\$ million)/Imports (US\$ million)
- Current Account Balance (US\$ million)/Current Account Balance (% GDP)
- Average Annual Consumer Price Increase (%)
- Total Revenue(billion tenge)
- Oil Revenue (billion tenge)
- Total Expenditure (billion tenge)
- Current Expenditure (billion tenge)
- Capital Expenditure (billion tenge)
- Overall Budget Balance (billion tenge)

Poverty:

- Poverty Headcount Ratio/Poverty Depth/Poverty Severity/Human Poverty Index
- Gini coefficient/Assets coefficient
- Categories of Poor
- Beneficiaries of State Targeted Social Assistance
- State Social Benefits
- Poverty Indicators by Oblasts
- Percentage of poor and Size of Subsistence Minimum

Employment

- Official and Total Unemployment
- Female and Male Unemployment
- Average Monthly Salary of Men and Women

Demography:

- Population size and density
- Population composition by ethnicity, age, gender and residence
- Life expectancy at birth
- Crude Birth and Death Rates
- General Growth/Loss of population, including Natural Growth and Migration
- External Migration
- Population Distribution by Oblast as of the beginning 1992 and 2002

Environment

- Quantity and Conditions of Biological Species
- Specially Protected Areas of Republican Significance
- Emission and Capture of Pollutants from Industrial Sources
- Air Pollution by Cities
- Water Use
- Water Intake and Demand Across Sectors of Economy
- Contribution of Cities and Industrial Centers to Water Pollution

Drugs and crime

- Illicit Drugs Cultivation, Production and Seizures
- Registered Drug Addicts
- Crime statistics disaggregated by type

⁵³ Indicators are presented in the text and the Annex

Health

- Health Care Expenditures in National Currency
- Ratio of Per Capita Health Care Expenditures by Oblast
- Numbers of Health Personnel
- Infant and Child Mortality Rates
- Immunization Coverage
- Morbidity Rate of Children 0-14 and 15-17 years of age
- Maternal Mortality Ratio
- Contraception Prevalence among Women
- Proportion of Births Attended by Skilled Personnel
- Rate of Abortions
- TB incidence
- Mortality from TB (excluding prisoners)
- Population with Income Below Food Basket Cost
- Population with Income Below Food Basket Cost by Oblasts
- Malnutrition of children under 5 years of age
- Child malnutrition by region

HIV/AIDS

- Dynamics of HIV Infection Incidents (per 100,000 of tested persons)
- Officially Registered New HIV Cases by gender
- STI incidence

Education:

- Literacy rate of 15-24 year olds by gender
- Adult literacy rate by gender
- Aggregated share of students of all levels of education aged 6-24, %
- Pre-school enrollment
- Public finance of education
- Number of General Secondary schools/Number of students in primary schools/ basic schools
- Number of Up-level students
- Technical conditions of secondary schools

Gender equality and women's empowerment:

- Ratio of girls to boys in school population
- Proportion of seats held by women in national parliament
- Male-female employment by status and types of economic activity
- Number of registered crimes against women
- Share of population below subsistence minimum by region and gender

Information and Communication

- Number of Internet Users
- Users of ICT Services

International legal commitments for human rights

- Status of ratification and reporting under international human rights instruments
- Status of ILO Conventions

Status of the MDGs

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Annex

Disparities Among Oblasts (Provinces) by Relative indicators

Table 1 Kazakhstan – The Situation at National Level by Relative Indicators

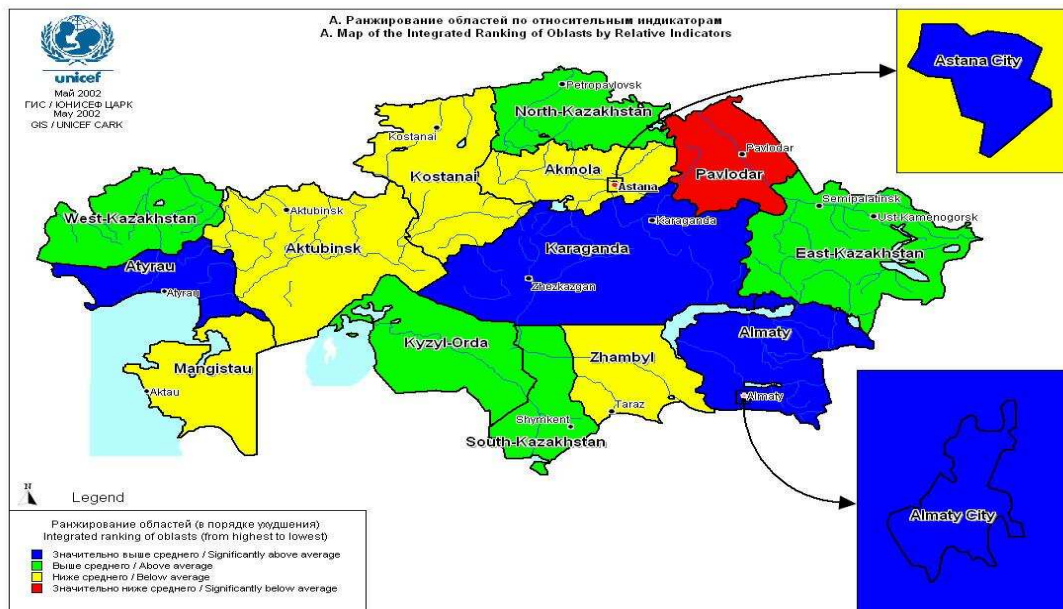
- | | |
|--|---|
| (1) 4.2% of children under 5 are malnourished (DHS1999) | (9) 182.2 Incidence of STD (syphilis) (per 100,000 pop) (CARINFONET, 1999) |
| (2) 13.5% of infants are not vaccinated against measles (DHS1999) | (10) 32.0% of households have no water supply (Agency on Statistics, 1999) |
| (3) 60.3% of pregnant women suffer from anemia (Agency on Statistics, 2000) | (11) 84.0% of 3-5 year-old children are not enrolled in pre-school education (Agency on Statistics, 2000) |
| (4) 65.3 Maternal mortality (per 100,000 live births) (CARINFONET, 1999) | (12) 4.0% of 6-16 year-old children are not enrolled in general education (Agency on Statistics, 2000) |
| (5) 20,549.4 Incidence of respiratory system diseases (per 100,000 pop) (CARINFONET, 1999) | (13) 10.2% of 16 year-old children are not in school (Agency on Statistics, 2000) |
| (6) 153.3 Incidence of active tuberculosis (per 100,000 pop) (CARINFONET, 1999) | (14) 12.8% of the population able to work are unemployed (Agency on Statistics, 2000) |
| (7) 1,288.6 Incidence of circulatory system diseases (per 100,000 pop) (CARINFONET, 1999) | (15) 1,014.1 Incidence of crimes (per 100,000 pop) (Agency on Statistics, 2000) |
| (8) 7.9 Prevalence of HIV (per 100,000 pop) (Agency on Statistics, 2001) | (16) 28.4% of the population have an income below subsistence level (Agency on Statistics, 2001) |

The Situation at Oblast Level

Table 2 Integrated Ranking of Oblasts by Relative Indicators (color coded categories)

| Oblast/City | Colors below refer to the area's category per indicator based on the colored legend in the map. Numbers refer to the corresponding indicator # in the list above (1-16). | | | | | | | | | | | | | | | |
|---------------------|--|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| a) Astana City | 4 | 8 | 10 | 11 | 12 | 13 | 16 | 3 | 6 | 7 | 14 | 15 | 5 | 1 | 2 | 9 |
| b) Karaganda | 2 | 3 | 7 | 10 | 1 | 4 | 5 | 6 | 9 | 11 | 14 | 16 | 8 | 12 | 15 | 13 |
| c) Atyrau | 2 | 5 | 7 | 8 | 9 | 12 | 13 | 15 | 3 | 11 | 4 | 6 | 10 | 1 | 14 | 16 |
| d) Almaty City | 2 | 4 | 6 | 8 | 10 | 11 | 12 | 13 | 16 | 3 | 1 | 9 | 5 | 7 | 14 | 15 |
| e) Almaty | 2 | 8 | 9 | 15 | 1 | 3 | 4 | 5 | 6 | 7 | 10 | 12 | 13 | 14 | 11 | 16 |
| f) South Kazakhstan | 2 | 5 | 7 | 9 | 15 | 1 | 6 | 10 | 12 | 4 | 8 | 13 | 16 | 3 | 11 | 14 |
| g) West Kazakhstan | 2 | 4 | 14 | 5 | 7 | 11 | 13 | 16 | 3 | 6 | 8 | 9 | 10 | 12 | 15 | 1 |
| h) East Kazakhstan | 1 | 14 | 3 | 6 | 8 | 10 | 13 | 16 | 5 | 7 | 9 | 11 | 12 | 15 | 2 | 4 |
| i) Kyzyl-Orda | 2 | 4 | 8 | 9 | 13 | 15 | 1 | 5 | 3 | 12 | 6 | 7 | 10 | 11 | 14 | 16 |
| j) North Kazakhstan | 7 | 8 | 16 | 3 | 4 | 5 | 6 | 13 | 15 | 10 | 14 | 1 | 2 | 9 | 11 | 12 |
| k) Mangistau | 2 | 8 | 9 | 12 | 13 | 10 | 11 | 15 | 5 | 14 | 1 | 3 | 4 | 6 | 7 | 16 |
| l) Aktope | 2 | 5 | 8 | 9 | 11 | 12 | 13 | 15 | 4 | 7 | 10 | 14 | 16 | 1 | 3 | 6 |
| m) Zhambyl | 2 | 3 | 5 | 8 | 1 | 6 | 9 | 15 | 7 | 10 | 4 | 11 | 12 | 13 | 14 | 16 |
| n) Akmola | 3 | 5 | 8 | 7 | 13 | 14 | 15 | 16 | 6 | 11 | 1 | 2 | 4 | 9 | 10 | 12 |
| o) Kostanai | 3 | 5 | 7 | 8 | 11 | 16 | 4 | 6 | 9 | 10 | 14 | 15 | 1 | 2 | 12 | 13 |
| p) Pavlodar | 7 | 10 | 11 | 12 | 16 | 3 | 4 | 5 | 6 | 13 | 14 | 15 | 1 | 2 | 8 | 9 |

Map 1 Integrated Ranking of Oblasts by Relative Indicators



Source: UNICEF CARK, May 2002

Disparities Among Oblasts (Provinces) by Number of Affected Population

Table 3 Kazakhstan – The Situation at National Level by Number of Affected Population

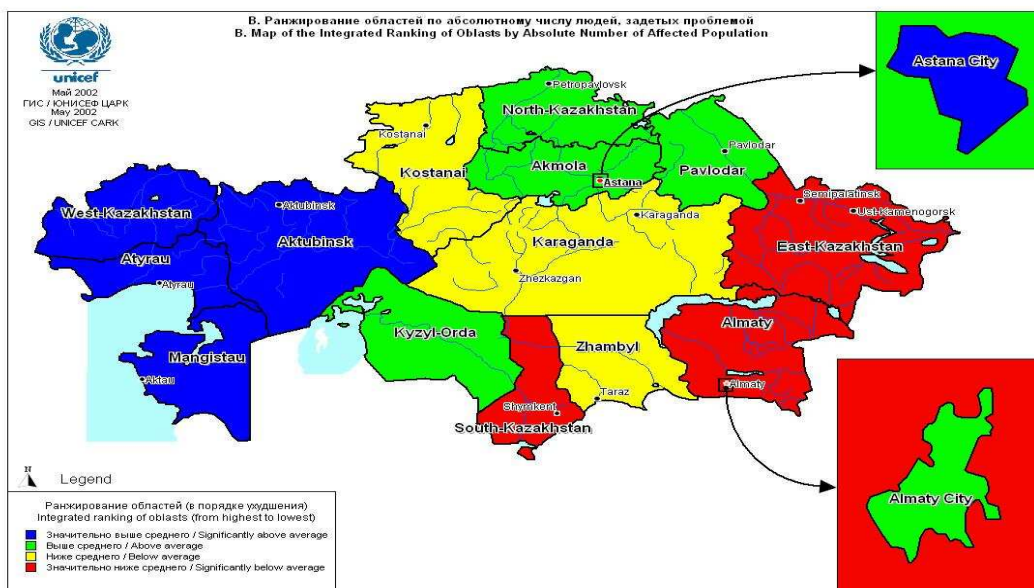
- | | |
|--|--|
| (1) 47,475 children under 5 are malnourished (DHS1999) | (9) 27,289 cases of STD (syphilis) (CARINFONET, 1999) |
| (2) 29,001 infants are not vaccinated against measles (DHS1999) | (10) 1,394,916 households have no water supply (Agency on Statistics, 1999) |
| (3) 135,419 pregnant women suffer from anemia (Agency on Statistics, 2000) | (11) 578,935 3-5 year-old children are not enrolled in pre-school education (Agency on Statistics, 2000) |
| (4) 137 maternal deaths (CARINFONET, 1999) | (12) 43,684 6-16 year-old children are not enrolled in general education (Agency on Statistics, 2000) |
| (5) 3,055,500 new cases of respiratory system diseases (CARINFONET, 1999) | (13) 28,666 16 year-old children are not in school (Agency on Statistics, 2000) |
| (6) 22,800 new cases of active tuberculosis (CARINFONET, 1999) | (14) 906,400 people able to work are unemployed (Agency on Statistics, 2000) |
| (7) 191,600 new cases of circulatory system diseases (CARINFONET, 1999) | (15) 150,790 crimes registered (Agency on Statistics, 2000) |
| (8) 1,171 cases of HIV (Agency on Statistics, 2001) | (16) 4,215,112 people have an income below subsistence level (Agency on Statistics, 2001) |

The Situation at Oblast Level

Table 4 Integrated Ranking of Oblasts, by Number of Affected Population (color-coded)

| Oblast/City | Colors below refer to the area's category per indicator based on the colored legend in the map. Numbers refer to the corresponding indicator # in the list above (1-16). | | | | | | | | | | | | | | | |
|---------------------|--|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| a) Atyrau | 3 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 2 | 4 | 16 | 1 |
| b) Mangistau | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 2 | 3 | 4 | 16 | 1 |
| c) Astana City | 3 | 4 | 5 | 6 | 7 | 8 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 9 | 2 | 1 |
| d) Aktobe | 5 | 8 | 12 | 13 | 2 | 3 | 4 | 7 | 9 | 10 | 11 | 14 | 15 | 16 | 1 | 6 |
| e) West Kazakhstan | 3 | 4 | 14 | 2 | 5 | 6 | 7 | 9 | 10 | 11 | 12 | 13 | 15 | 16 | 1 | 8 |
| f) North Kazakhstan | 3 | 4 | 5 | 7 | 8 | 16 | 6 | 11 | 13 | 14 | 15 | 1 | 2 | 10 | 12 | 9 |
| g) Almaty City | 1 | 2 | 4 | 6 | 8 | 10 | 11 | 12 | 13 | 16 | 3 | 9 | 5 | 7 | 14 | 15 |
| h) Kyzyl-Orda | 4 | 8 | 9 | 13 | 14 | 15 | 3 | 5 | 11 | 16 | 6 | 7 | 10 | 12 | 1 | 2 |
| i) Akmola | 3 | 5 | 8 | 4 | 6 | 7 | 11 | 13 | 14 | 15 | 16 | 1 | 2 | 10 | 12 | 9 |
| j) Pavlodar | 16 | 3 | 4 | 5 | 7 | 10 | 11 | 12 | 13 | 1 | 2 | 6 | 9 | 14 | 15 | 8 |
| k) Kostanai | 3 | 4 | 5 | 7 | 8 | 11 | 16 | 1 | 2 | 6 | 9 | 13 | 14 | 15 | 10 | 12 |
| l) Zhambyl | 8 | 3 | 5 | 9 | 15 | 4 | 6 | 7 | 10 | 11 | 13 | 14 | 16 | 1 | 2 | 12 |
| m) Karaganda | 1 | 2 | 3 | 4 | 10 | 5 | 7 | 8 | 9 | 11 | 16 | 6 | 12 | 13 | 14 | 15 |
| n) East Kazakhstan | 1 | 2 | 8 | 3 | 4 | 6 | 11 | 13 | 14 | 16 | 5 | 7 | 9 | 10 | 12 | 15 |
| o) Almaty | 8 | 3 | 4 | 5 | 6 | 9 | 11 | 14 | 15 | 1 | 2 | 7 | 10 | 12 | 13 | 16 |
| p) South Kazakhstan | 5 | 7 | 8 | 15 | 1 | 2 | 3 | 4 | 6 | 9 | 10 | 11 | 12 | 13 | 14 | 16 |

Map 2 Map of the Integrated Ranking of Oblasts by Number of Affected Population

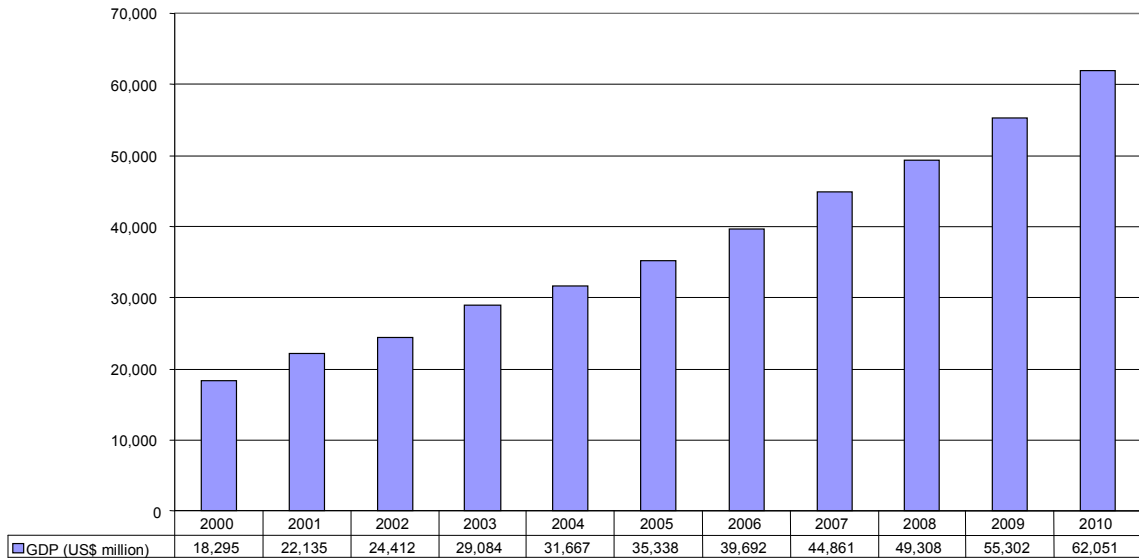


Source: UNICEF CARK, May 2002

ECONOMY

Chart 1

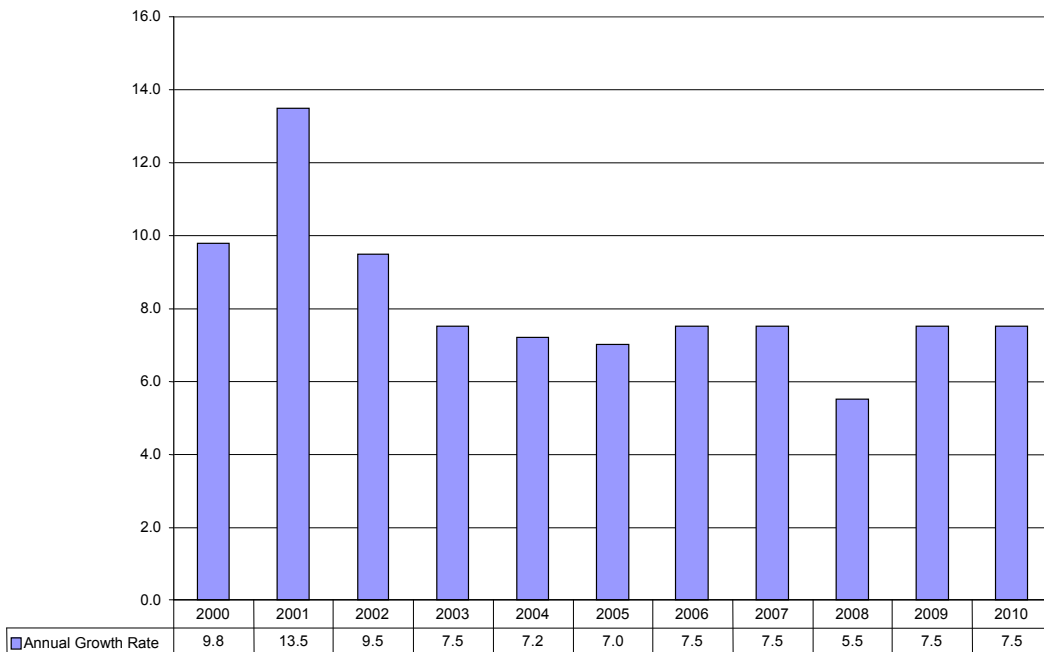
GDP (US\$ million)



Source: IMF, Concluding Statement, 2003 Article IV Consultation

Chart 2

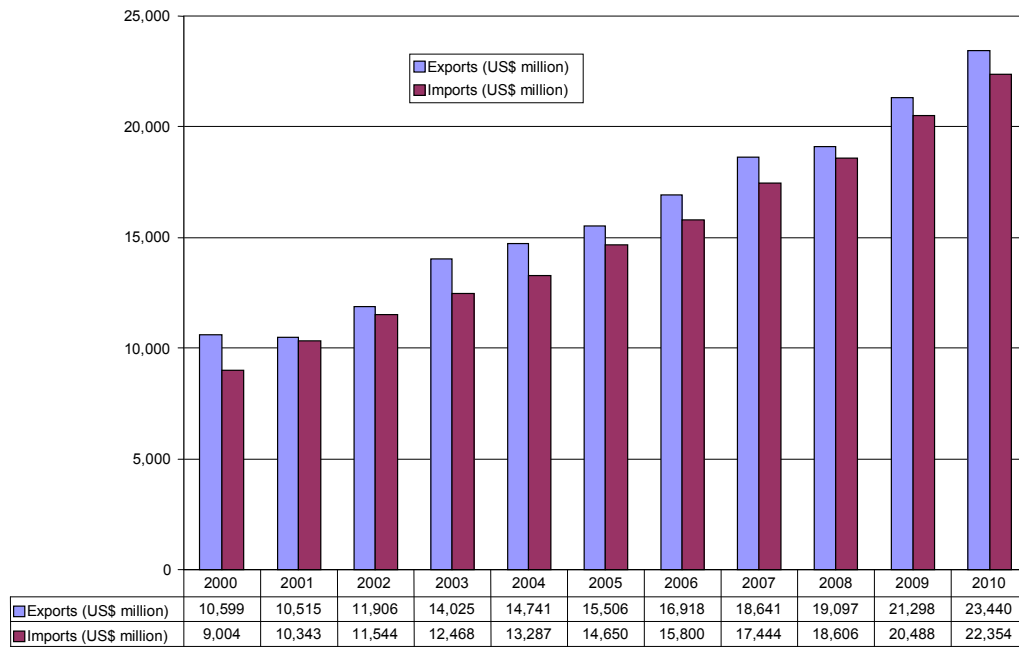
Annual GDP Growth Rate (%)



Source: IMF, Concluding Statement, 2003 Article IV Consultation

Chart 3

Exports and Imports



Source: IMF, Concluding Statement, 2003 Article IV Consultation

Table 5

SELECTED MACROECONOMIC & FINANCIAL INDICATORS (2000 - 2010)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GDP (billion tenge) | 2 600 | 3 251 | 3 747 | 4 319 | 4 655 | 5 143 | 5 719 | 6 399 | 6 963 | 7 732 | 8 588 |
| GDP (US\$ million) | 18 295 | 22 135 | 24 412 | 29 084 | 31 667 | 35 338 | 39 692 | 44 861 | 49 308 | 55 302 | 62 051 |
| Annual Growth Rate | 9,8 | 13,5 | 9,5 | 7,5 | 7,2 | 7,0 | 7,5 | 7,5 | 5,5 | 7,5 | 7,5 |
| Exports (US\$ million) | 10 599 | 10 515 | 11 906 | 14 025 | 14 741 | 15 506 | 16 918 | 18 641 | 19 097 | 21 298 | 23 440 |
| Imports (US\$ million) | 9 004 | 10 343 | 11 544 | 12 468 | 13 287 | 14 650 | 15 800 | 17 444 | 18 606 | 20 488 | 22 354 |
| Current Account Balance (US\$ million) | 592 | -712 | -447 | 360 | 204 | -452 | -178 | -127 | -925 | -692 | -521 |
| Current Account Balance (% GDP) | 3,2 | -3,2 | -1,8 | 1,2 | 0,6 | -1,3 | -0,4 | -0,3 | -1,9 | -1,3 | -0,8 |
| Average Annual Consumer Price Increase (%) | 13,3 | 8,3 | 5,9 | 6,4 | 5,0 | 5,0 | 4,7 | 4,5 | 4,2 | 4,0 | 4,0 |
| Total Revenue(billion tenge) | | | 848 | 1 212 | 1 129 | 1 203 | 1 336 | 1 489 | 1 562 | 1 713 | 1 923 |
| Oil Revenue (billion tenge) | | | 165 | 338 | 287 | 269 | 284 | 283 | 246 | 252 | 298 |
| Total Expenditure (billion tenge) | | | 776 | 921 | 1 002 | 1 144 | 1 275 | 1 493 | 1 527 | 1 668 | 1 853 |
| Current Expenditure (billion tenge) | | | 649 | 763 | 828 | 878 | 949 | 1 080 | 1 126 | 1 229 | 1 381 |
| Capital Expenditure (billion tenge) | | | 126 | 157 | 174 | 246 | 287 | 316 | 345 | 382 | 427 |
| Overall Budget Balance (billion tenge) | | | 54 | 175 | 99 | 28 | 26 | 21 | -6 | 0 | 0 |

Source: IMF, Concluding Statement, 2003 Article IV Consultation

POVERTY

Table 6
Income Poverty in Kazakhstan (%)

| | Poverty Head Count Ratio (share of population living below subsistence level) | Gini Coefficient | Assets coefficient | Poverty Depth Index | Poverty Severity Index | Share of population living below food basket cost | Human Poverty Index | | |
|------|---|------------------|--------------------|---------------------|------------------------|---|---------------------|------|-------|
| | | | | | | | Overall | Men | Women |
| 1996 | 34.6 | 0.319 | - | 32.9 | 5.2 | | | | |
| 1997 | 38.3 | 0.338 | 10.2 | 31.6 | 3.1 | 12.7 | | | |
| 1998 | 39.0 | 0.347 | 11.3 | 32.8 | 3.8 | 16.2 | 31.0 | 32.7 | 32.2 |
| 1999 | 34.5 | 0.340 | 11.0 | 39.7 | 5.5 | 14.5 | 28.1 | 30.1 | 29.1 |
| 2000 | 31.8 | 0.343 | 11.9 | 32.4 | 4.0 | 11.7 | | | |
| 2001 | 28.4 | 0.348 | 11.3 | 27.1 | 3.0 | 11.3 | 23.9 | | |

Source: Agency for Statistics

Table 7
Categories of the Poor in Kazakhstan*, 2002, %

| Categories of the Poor | Total | Including residents of: | |
|--------------------------------------|-------------|-------------------------|-------------|
| | | Urban areas | Rural areas |
| Working-age population, total | 59.2 | 60.8 | 58.2 |
| <i>By employment status:</i> | | | |
| Employed | 30.5 | 31.4 | 29.9 |
| Unemployed | 28.7 | 29.4 | 28.3 |
| <i>By gender:</i> | | | |
| Women aged 16-57 years | 29.6 | 31.0 | 28.7 |
| Men aged 16-62 years | 29.5 | 29.7 | 29.4 |
| <i>By age:</i> | | | |
| Youth aged 15-24 years | 22.7 | 22.0 | 23.2 |
| Children, total | 34.5 | 32.2 | 36.0 |
| <i>By gender:</i> | | | |
| Girls | 17.1 | 15.9 | 17.8 |
| Boys | 17.4 | 16.3 | 18.2 |
| Pensioners, total | 6.3 | 7.0 | 5.8 |
| <i>By gender:</i> | | | |
| Women aged 58 and above | 4.5 | 5.2 | 4.1 |
| Men aged 63 and above | 1.7 | 1.8 | 1.7 |

* The poor are those who live below the subsistence minimum.

Source: Household budget survey, 2001, Agency for Statistics

Table 8

Beneficiaries of State Targeted Social Assistance in 2002*, %

| | |
|--------------------------|------|
| Children under age of 18 | 56.4 |
| Unemployed | 18.3 |
| Employed | 6.9 |
| Pensioners | 2.2 |
| Disabled | 1.8 |
| Students | 1.3 |
| Others** | 13.1 |

*These are poor citizens living below official poverty line, which is equal to 40% of subsistence minimum.

Source: Information and Analysis Center, the Ministry of Labor and Social Protection

Table 9

Beneficiaries of State Targeted Social Assistance Across the Regions, 2002*

| | |
|-------------------|------------------|
| Kazakhstan | 1,137,303 |
| South Kazakhstan | 164,593 |
| Almaty | 132,528 |
| Kyzyl Orda | 130,585 |
| Karagandy | 89,789 |
| Aktobe | 89,455 |
| East Kazakhstan | 88,316 |
| Atyrau | 82,788 |
| Zhambyl | 82,782 |
| West Kazakhstan | 56,440 |
| Pavlodar | 55,243 |
| Akmola | 42,546 |
| North Kazakhstan | 37,125 |
| Mangistau | 32,110 |
| Kostanay | 31,474 |
| Almaty city | 18,664 |
| Astana city | 2,865 |

*These are poor citizens living below official poverty line, which is equal to 40% of subsistence minimum.

Source: Information and Analysis Center, the Ministry of Labor and Social Protection

Table 10

State Social Benefits, 2001, tenge

| Type of benefit | Average amount of benefit for all categories | Average amount of benefit for women | Average amount of benefit in rural areas |
|-------------------------------------|--|-------------------------------------|--|
| State social benefit | 3,581 | 3,581 | 3,581 |
| Age-based | 2,325 | 2,325 | 2,325 |
| Disability-based | 3,153 | 3,084 | 3,029 |
| Due to loss of breadwinner | 4,371 | 4,302 | 4,486 |
| <i>Special state social benefit</i> | | | |
| From national budget | 3,040 | 2,612 | 3,113 |
| From local budget | 2,114 | 2,524 | 4,256 |

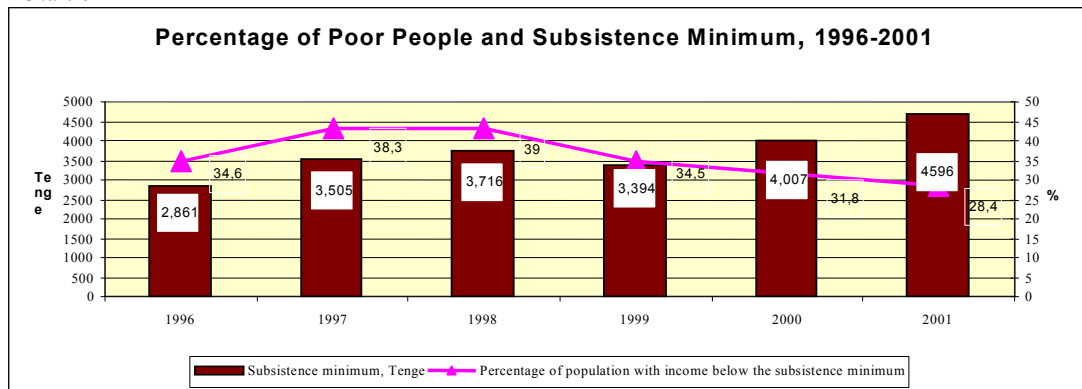
Source: Statistical Yearbook 2002, Agency for Statistics

Table 11
Poverty Indicators Across the Regions, 2001

| Oblasts | Poverty Head Count Ratio (share of population with income below the subsistence minimum), % | | | Subsistence Minimum, Tenge | Poverty Depth Index, % | Poverty Severity Index, % |
|-------------------|---|-------------|-------------|----------------------------|------------------------|---------------------------|
| | total | men | women | | | |
| Kazakhstan | 28.4 | 48.4 | 51.6 | 4,596 | 27.1 | 3.0 |
| Zhambyl | 48.4 | 49.1 | 50.9 | 3,755 | 25.6 | 4.5 |
| Manghistau | 46.2 | 48.4 | 51.6 | 6,047 | 33.6 | 6.7 |
| Atyrau | 41.0 | 51.1 | 48.9 | 5,365 | 33.5 | 6.3 |
| Almaty | 39.3 | 48.6 | 51.4 | 4,446 | 29.3 | 4.6 |
| Kyzyl Orda | 38.5 | 51.5 | 48.5 | 3,977 | 21.8 | 2.7 |
| South Kazakhstan | 38.4 | 48.7 | 51.3 | 3,685 | 25.3 | 3.5 |
| Aktobe | 29.4 | 46.7 | 53.3 | 4,580 | 30.6 | 4.0 |
| West Kazakhstan | 28.3 | 47.8 | 52.2 | 4,236 | 21.9 | 2.1 |
| Kostanay | 26.2 | 47.6 | 52.4 | 4,296 | 33.0 | 3.9 |
| Karagandy | 22.5 | 47.0 | 53.0 | 4,875 | 25.4 | 2.2 |
| East Kazakhstan | 22.1 | 48.0 | 52.0 | 4,568 | 27.4 | 2.5 |
| Akmola | 20.4 | 49.2 | 50.8 | 4,723 | 25.3 | 2.0 |
| Pavlodar | 16.1 | 48.8 | 51.2 | 4,583 | 26.2 | 1.7 |
| North Kazakhstan | 10.0 | 46.9 | 53.1 | 4,616 | 22.2 | 0.8 |
| Almaty city | 5.5 | 40.8 | 59.2 | 4,974 | 17.9 | 0.3 |
| Astana city | 2.2 | 42.2 | 57.8 | 4,635 | 22.3 | 0.1 |

Source: Agency for Statistics

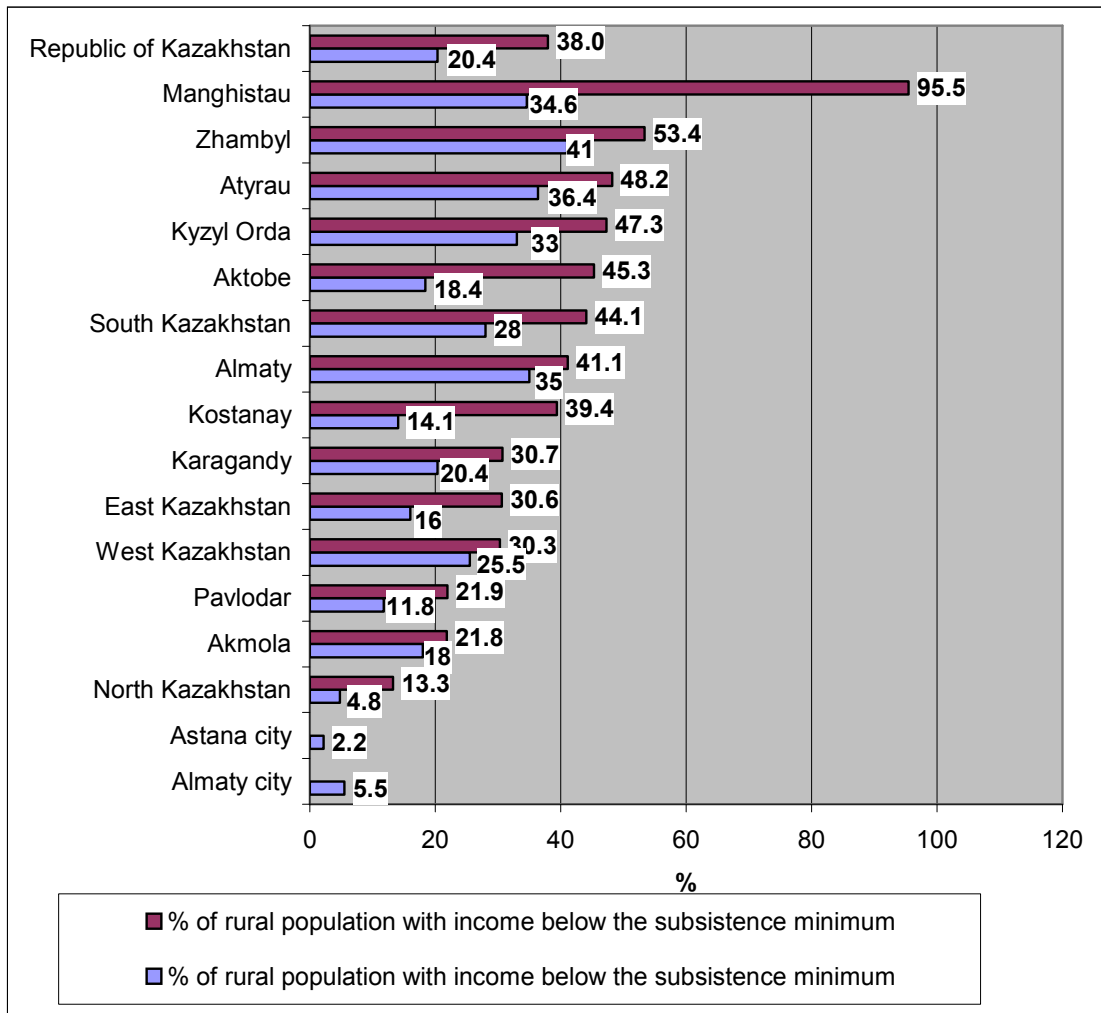
Chart 4



Source: Agency for Statistics

Chart 5

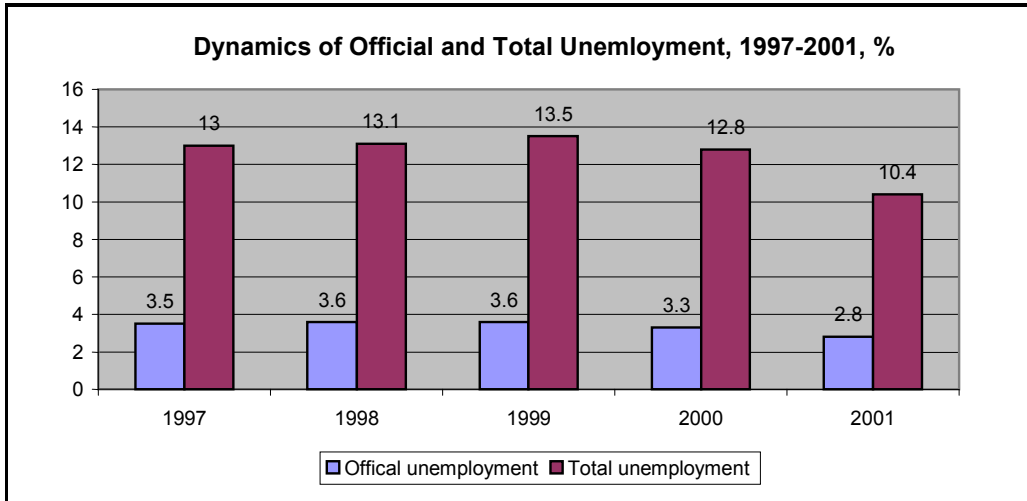
Poverty in Urban and Rural Areas, 2001



Source: Agency for Statistics

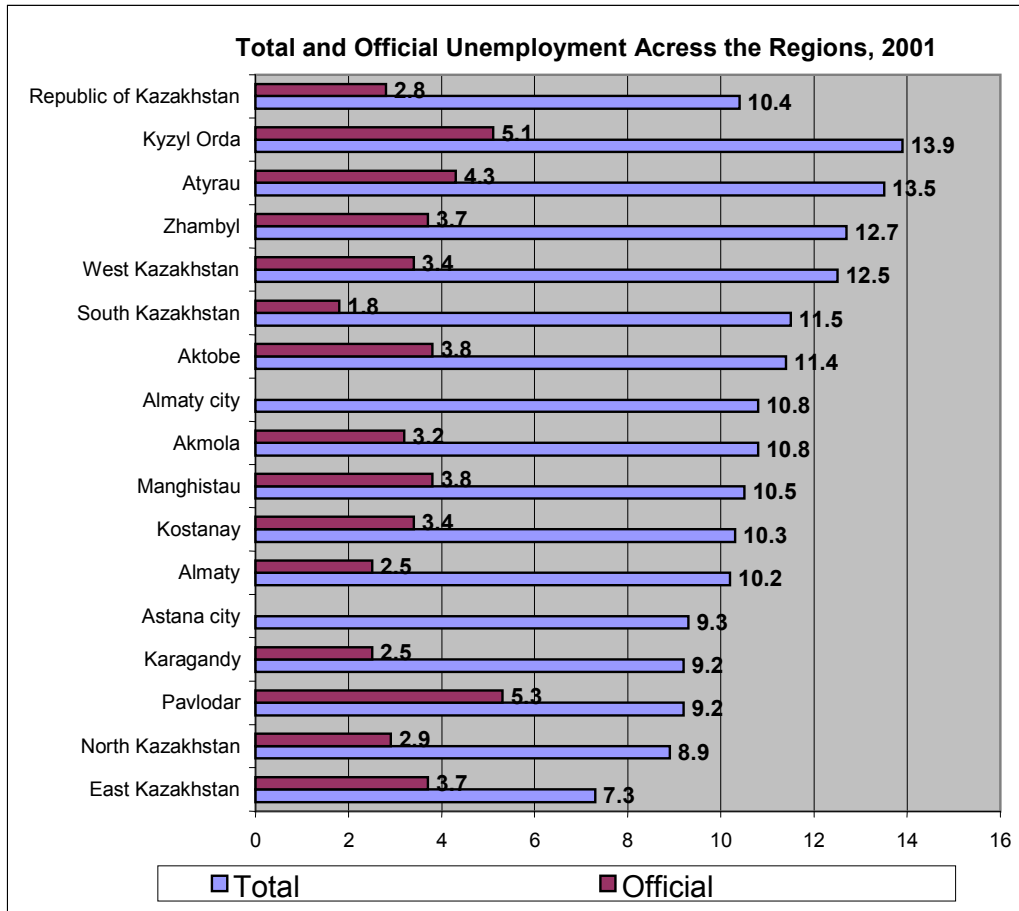
EMPLOYMENT

Chart 6



Source: Agency for Statistics

Chart 7



Source: Agency for Statistics

Chart 8



Source: Agency for Statistics

Table 12

Average Monthly Salary of Employed Men and Women, Tenge

| | 1998 | 1999 | 2000 | 2001 |
|--|--------|--------|--------|--------|
| Average monthly nominal salary, including: | 9,683 | 11,864 | 14,374 | 17,303 |
| Men | 10,904 | 14,304 | 17,603 | 21,511 |
| Women | 8,260 | 9,485 | 10,819 | 12,635 |
| as % of salary of men | 75.7 | 67.6 | 61.5 | 58.7 |

Source: Agency for Statistics

DEMOGRAPHY

Table 13

Key Demographic Indicators

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|-------|------|------|------|------|------|
| Population density, people per sq. km. | 5.8 | 5.7 | 5.6 | 5.5 | 5.4 | 5.5 | |
| Population size, mln people | 15.7 | 15.5 | 15.2 | 14.9 | 14.8 | 14.8 | 14.8 |
| Children, % | 32.1 | 31.6 | 31.2 | 30.7 | 29.6 | 29.3 | |
| Employable population, % | 55.5 | 55.9 | 57.0 | 56.8 | 58.0 | 58.3 | |
| Aged population age, % | 12.4 | 12.5 | 11.8 | 12.5 | 12.4 | 12.4 | |
| Rural population, % | 44 | 44 | 44 | 44 | 44.2 | 43.6 | |
| Urban population, % | 56 | 56 | 56 | 56 | 55.8 | 56.4 | |
| Men, % | 48 | 48 | 48 | 48.1 | 48.2 | 48.2 | |
| Women, % | 52 | 52 | 52 | 51.9 | 51.8 | 51.8 | |
| Kazakhs, % | 49.4 | 50.6 | 52.0 | 53.4 | 55.0 | 55.1 | |
| Russians, % | 32.9 | 32.2 | 31.4 | 30.0 | 28.9 | 28.3 | |
| Other, % | 17.7 | 17.2 | 16.6 | 16.6 | 16.1 | 16.6 | |
| Natural population growth, per 1000 population | 5.6 | 4.7 | 4.5 | 4.4 | 4.6 | 4.9 | |
| Birth rate, per 1000 population | 16.3 | 15.2 | 14.8 | 14.2 | 14.7 | 14.9 | 15.4 |
| Mortality rate, per 1000 population | 10.7 | 10.4 | 10.2 | 9.8 | 10.1 | 10.0 | 10.2 |
| Migration growth, mln people | - 0.3 | - 0.4 | -0.3 | -0.1 | -0.1 | -0.1 | |
| Life expectancy at birth | 63.6 | 64.4 | 64.5 | 65.5 | 65.4 | 65.6 | |
| Including Female | 69.7 | 69.9 | 70.4 | 71.6 | 71.3 | 71.7 | |
| Male | 58.0 | 58.5 | 59.0 | 60.3 | 59.8 | 60.2 | |

Source: Agency for Statistics

Table 14

General Growth of Population and Components, thousand people

| Year | General Growth of Population (+)/(-) | Including: | | | |
|------|--------------------------------------|----------------|--------|--------|-----------------|
| | | Natural Growth | | | Migration Loss* |
| | | | Births | Deaths | |
| 1996 | -195.2 | 87.1 | 253.2 | 166.0 | -282.3 |
| 1997 | -292.4 | 72.2 | 232.4 | 160.1 | -364.6 |
| 1998 | -230.4 | 68.1 | 222.4 | 154.3 | -298.5 |
| 1999 | -61.7 | 65.9 | 211.8 | 145.9 | -127.6 |
| 2000 | -54.1 | 69.0 | 218.5 | 149.4 | -123.2 |
| 2001 | -22.4 | 73.2 | 220.7 | 147.6 | -95.5 |

Additional statistics furnished by the CIS countries are included.

Source: Agency for Statistics

Table 15

External Migration

| Year | Total | | | Including: | | | |
|------|----------------|-------------|-----------|-----------------|-----------|-----------------|-----------|
| | | | | CIS Countries * | | Other Countries | |
| | Migration Rate | Immi-grants | Emigrants | Immi-grants | Emigrants | Immi-grants | Emigrants |
| 1996 | -175,538 | 53,874 | 229,412 | 51,236 | 155,672 | 2,638 | 73,740 |
| 1997 | -261,388 | 38,067 | 299,455 | 35,530 | 239,318 | 2,537 | 60,137 |
| 1998 | -203,039 | 40,624 | 243,663 | 38,340 | 193,866 | 2,284 | 49,797 |
| 1999 | -128,355 | 37,102 | 165,457 | 35,366 | 120,724 | 1,736 | 44,733 |
| 2000 | -123,195 | 33,621 | 156,816 | 31,575 | 117,426 | 2,146 | 39,390 |
| 2001 | -95,478 | 48,115 | 143,593 | 44,882 | 102,375 | 3,233 | 41,218 |

Additional statistics furnished by the CIS countries are included.

Source: Agency for Statistics

Table 16

Population Distribution by oblast January 1992 and 2002

| Oblast/City | Population ('000 people) | | Population in 2002 in % to 1992 | Proportion | | Proportion 2002 in % to 1992 |
|-------------------------------------|--------------------------|-----------------|---------------------------------|--------------|--------------|------------------------------|
| | 1992 | 2002 | | 1992 | 2002 | |
| Akmola oblast including Astana City | 1369.1 | 1213.5 | 88.6 | 8.3 | 8.2 | 98.4 |
| Akmola oblast | 1,070.4 | 719.9 | 67.3 | 6.5 | 4.9 | 74.7 |
| Aktubinsk oblast | 740.4 | 669.7 | 90.5 | 4.5 | 4.5 | 100.4 |
| Almaty oblast | 1,662.2 | 1,558.2 | 93.7 | 10.1 | 10.5 | 104.1 |
| Atyrau oblast | 432.9 | 450.2 | 104.0 | 2.6 | 3.0 | 115.4 |
| East-Kazakhstan oblast | 1,777.3 | 1,485.5 | 83.6 | 10.8 | 10.0 | 92.8 |
| Zhabyl oblast | 1,042.2 | 980.6 | 94.1 | 6.3 | 6.6 | 104.4 |
| West-Kazakhstan oblast | 651.1 | 602.6 | 92.6 | 4.0 | 4.1 | 102.7 |
| Karaganda oblast | 1,692.8 | 1,350.8 | 79.8 | 10.3 | 9.1 | 88.6 |
| Kyzylorda oblast | 592.4 | 606.6 | 102.4 | 3.6 | 4.1 | 113.7 |
| Kostanai oblast | 1,253.5 | 938.8 | 74.9 | 7.6 | 6.3 | 83.1 |
| Mangistau oblast | 340.2 | 332.4 | 97.7 | 2.1 | 2.2 | 108.5 |
| Pavlodar oblast | 956 | 758.9 | 79.4 | 5.8 | 5.1 | 88.1 |
| North-Kazakhstan oblast | 917.9 | 691.6 | 75.3 | 5.6 | 4.7 | 83.6 |
| South-Kazakhstan oblast | 1,889.3 | 2,045.4 | 108.3 | 11.5 | 13.8 | 120.2 |
| Astana City | 298.7 | 493.6 | 165.2 | 1.8 | 3.3 | 183.4 |
| Almaty City | 1,134.4 | 1,136.1 | 100.1 | 6.9 | 7.7 | 111.2 |
| Kazakhstan | 1,6451.7 | 1,4820.9 | 90.1 | 100.0 | 100.0 | 100.0 |

Source: Agency for Statistics

ENVIRONMENT

Table 17

Biodiversity Indicators (quantity and conditions of species)

| Taxon\ Biota Species | Total Species | Endemic Species | Flag Species | In the Red Book\ % of Total | Biodiversity density – number of species per 10 000 km ² |
|----------------------|-----------------|-----------------|--------------|-----------------------------|---|
| Mammals | 178 | 4 | 15 | 40\ 22 % | 0.65 |
| Birds | 396 partitioned | 0 | 15 | 56\ 14% | 1.50 |
| Amphibians | 12 | 1 | 1 | 3\ 25 % | 0.042 |
| Reptiles | 49 | 0 | 1 | 10\ 20 % | 0.18 |
| Freshwater fish | 104 | 0 | 5 | 17\ 16 % | 0.38 |
| Higher plants | 6000 | | 36 | 207\ 4% | 22.2 |

Sources: Red Book of the Republic of Kazakhstan, International Red Book, World Conservation Monitoring Center Report 2000-2001

Table 18

Characteristics of Specially Protected Areas (SPAs)

| | Quantity | Area, mln. ha | Ratio of the protected area to the territory of Republic, % |
|--|---|---------------|---|
| Total SPAs | 104 | 12.33 | 4.52. |
| State Nature Monuments | 26 | 0.006 | - |
| National Nature Reserves | 9 | 0.95 | 0.34 |
| National Parks | 7 | 1.4 | 0.51 |
| Reserve Zones | 5 | 4.4* | 1.61 |
| Nature Reserve (zakaznik) | 57 | 5.58** | 2.0 |
| SPAs with area of more than 100 000 ha | 21 | | |
| SPAs with area of more than 1 mln ha | 4 including Reserve Area of the Caspian Sea | | |
| Objects of the Ramsar Convention (globally important wetlands) | 3 | | |
| Objects of Global Nature legacy | 0 | | |
| Transboundary SPAs | 0 | | |
| Biosphere reserves\ zapovednik | 0 | | |
| Marine SPAs | 0 | | |

*Reserve zone of the Caspian Sea is not included

**Almaty and Rakhman Springs Zakazniks are represented in the National Parks area

Source: "Main Types of Specially Protected Areas of RK", EcoStan News Magazine, #1, 2003

Table 19

Emissions and Capture of Pollutants from Industrial Sources (thousand tons)

| | 1995 | 1997 | 1998 |
|--|----------|----------|----------|
| Total emitted pollutants | 3,097.4 | 2,368.7 | 2,327.6 |
| Including: Particles | 1,085.1 | 668.4 | 687.4 |
| Pollutant gases and liquid pollutants: | 2,012.3 | 1,700.3 | 1,640.3 |
| Sulfurous anhydride | 1,132.9 | 987.1 | 983.3 |
| Nitric oxide | 233.4 | 155.3 | 159.5 |
| Carbon oxide | 446.0 | 408.7 | 360.5 |
| Ammonia | 2.1 | 1.1 | 1.2 |
| Captured and mitigated emissions | 22,751.2 | 16,413.4 | 16,766.5 |
| % of total emitted pollutants | 88 | 87 | 88 |

Source: Center for Environment Pollution Monitoring

Table 20

List of Cities According to Levels of Air Pollution

| City | ISA ₅ * | | Sectors of Industries that contribute to air pollution |
|--------------------------------|--------------------|-------------|--|
| | 2000 | 2001 | |
| Ust Kamenogorsk | 17.8 | 14.2 | Nonferrous metallurgy, energy industry |
| Almaty | 9.9 | 13.1 | Energy industry, transport |
| Shymkent | 10.0 | 11.8 | Nonferrous metallurgy, chemical industry, oil refineries |
| Aktobe | 10.0 | 8.5 | Ferrous metallurgy, chemical industry |
| Taraz | 7.8 | 6.7 | Chemical industry |
| Petropavlovsk | 6.8 | 5.1 | Energy industry, instrument-making industry |
| Karaganda | 4.6 | 4.6 | Energy industry, coal mining industry, transport |
| Aktau | 4.6 | 4.4 | Chemical industry |
| Semipalatinsk | 4.0 | 3.3 | Energy industry, construction |
| Kostanai | 2.9 | 3.2 | Energy industry |
| Pavlodar | 2.3 | 2.7 | Oil refineries, energy industries |
| Atyrau | 2.5 | 1.8 | Oil refineries |
| Astana | 2.7 | 1.3 | Energy industry, transport |
| Uralsk | 1.4 | 1.2 | Energy industry |
| Average in the Republic | 6.90 | 6.09 | |

* Air Pollution Indicator

Source: Center for Environment Pollution Monitoring

Table 21

Main Indicators of Water Use, mln m³/year

| | 1995 | 1996 | 1997 | 1998 |
|--------------------------------------|-----------|--------|-----------|-----------|
| Withdrawal | 28,807 | 26,483 | 24,978 | 23,118 |
| Total demand | 23,434 | - | 19,447 | 16,804 |
| Recycling water demand | 88,33 | - | 67,70 | 60,52 |
| Treated water discharge | 257 | - | 266 | 254 |
| Sewage water discharge w/o treatment | 203 27 | - | 165 23 | 169 25 |

Source: Water Resources Committee

Table 22

Water Intake and Demand Across Sectors of Economy (first half of 2002)

| Sectors | Water Intake, mln. m ³ | Water Demand, mln. m ³ |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Industry | 2,934.6 | 2,046.3 |
| Agriculture | 7,022.0 | 4,971.8 |
| Utility companies | 656.5 | 4,52.4 |
| Other sectors | 108.21. | 76.2 |
| Total | 1,0721.3 | 7,546.7 |
| In relation to the first half of 2001 | Decreased by 1092.0 (9.2%). | Decreased by 546.0 (6.7%). |

Source: Water Resources Committee

Table 23

Contribution of Cities and Industrial Centers to Water Pollution

| Monitoring Stations | Water pollution index | | Water Quality |
|--|-----------------------|------|---|
| | 1999 | 2000 | |
| River Ural, Atyrau City | 1.01 | 0.73 | II category, clear |
| River Irtysh, Ust-Kamenogorsk City | 1.02 | 1.61 | III category, medium level of pollution |
| River Bukhtarma, Zyryanovsk City | 0.94 | 1.5 | III category, medium level of pollution |
| River Ulba, Tishin Mine | 8.61 | 4.41 | V category, polluted |
| River Ulba, Ust-Kamenogorsk City | 1.39 | 2.34 | III category, medium level of pollution |
| River Tikhaya, Leninogorsk City | 8.12 | 6.21 | VI category, highly polluted |
| River Breksa, Leninogorsk City | 10.1 | 7.13 | VI category, highly polluted |
| River Glubochanka, Belousovka Village | 2.75 | 4.38 | V category, muddy |
| River Glubochanka, Glubokoe Village | 3.79 | 4.88 | V category, muddy |
| River Krasnoyarka, Predgornoe Village | 12.2 | 8.25 | VI category, highly polluted |
| River Irtysh, Pavlodar City | - | 1.04 | III category, medium level of pollution |
| River Ilek, Alga | 11.65 | 5,14 | V category, muddy |
| River Ilek, Aktyubinsk City | 7.42 | 3.75 | IV category, polluted |
| River Ishym, Petropavlovsk City: 0,2 km above city | 0.67 | 0.81 | II category, clear |
| 4,8 km below city | 0.69 | 0.81 | II category, clear |
| River Ishym, Astana 3 km above city | 0.70 | 0.77 | II category, clear |
| within city | 1.01 | 1.04 | III category, medium level of pollution |
| 8 km below city | 1.03 | 1.37 | III category, medium level of pollution |
| River Nura, Temirtau | 2.12 | 3.69 | IV category, polluted |
| River Kara Kengir, Zhezkazgan City | - | 6.89 | VI category, highly polluted |
| Lake Balkash, Bertys Bay | 4.64 | 7.21 | VI category, highly polluted |
| Lake Balkash, Small Sary Shagan | 2.85 | 4.43 | V category, muddy |
| River Small Almatinka, Almaty City | 2.49 | 1.78 | III category, medium level of pollution |
| River Talas, Taraz City | 0.68 | 1.10 | III category, medium level of pollution |
| River Badam, Chimkent City | 2.7 | 2.61 | IV category, polluted |
| River Syr Darya, Shardarin Reservoir, Shardara City | 2.44 | 2.81 | IV category, polluted |

Source: Institute of Power Engineering

DRUGS AND CRIME

Table 24

Illicit Drugs Cultivation, Production and Seizures

| | | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | |
|--|-------------|-------|------|-------|---------|--------|--------|--------|--------|
| Illicit Drugs Cultivation (ha) | Opium poppy | | | 10 | 2 | 1,86 | n/a | n/a | |
| | Cannabis | | | 342 | 1,978 | n/a | n/a | n/a | |
| Illicit Drugs Production (tons) | Opium poppy | | | 0.5 | 0.074 | n/a | n/a | n/a | |
| | Cannabis | | | 148.8 | 1,462.7 | n/a | n/a | n/a | |
| Illicit Drugs Seizures (kg) | Heroin | | | 61 | 54.3 | 262.4 | 136.7 | 167.7 | |
| | Opium | | | 639 | 170 | 136 | 36.2 | 13.6 | |
| | Hashish | | | n/a | n/a | n/a | 276.2 | 192.7 | |
| | Cannabis | herb | | | 16,625 | 10,438 | 10,527 | 11,789 | 17,072 |
| | | resin | | | 716.2 | 145.5 | | | |

Source: UNDCP, Committee on Combating Drug Abuse and Drug Trafficking under the Ministry of Justice.

Table 25

Registered drug addicts

| | 1996 | 1997* | 1999 | 2000 | 2001 | 2002 |
|--------------|------|--------|--------|--------|--------|--------|
| Drug addicts | | 23,940 | 36,735 | 38,320 | 45,505 | 47,241 |

Source: General Prosecutor's Office

Table 26

Crime statistics per 100,000

| | 1996* | 1997* | 2001** | 2002** |
|-------------------------------|--------------|------------|------------|------------|
| Homicide (including attempts) | 16 | 16 | n/a | 13 |
| Rape | 12 | 10 | n/a | 10 |
| Robbery | 12 | 17 | n/a | 16 |
| Burglary | 54 | 54 | n/a | n/a |
| Theft | 432 | 343 | n/a | n/a |
| Total crime | 1,114 | 984 | 939 | 834 |

* 1995 population estimate/**2000 population estimate

HEALTH

Table 27

Health Care Expenditures (in million tenge)

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|------|------|--------|--------|--------|--------|--------|
| Public health care expenditures | | | 36,409 | 44,825 | 54,323 | 62,238 | 70,840 |
| As % of GDP | | | 2.1 | 2.2 | 2.1 | 1.9 | 1.9 |
| Health care expenditures as % of total state budget | | | 8.5 | 10.0 | 9.4 | 8.7 | 8.6 |

Source: Review of Public Expenditures in the Social Sector, 2002

Table 28

Ratio of per capita health care expenditures (as measured against national average)

| Oblast/City | 2000 | 2001 | 2002, revised plan |
|-------------------------------|------|------|--------------------|
| Republic of Kazakhstan | 1.00 | 1.00 | 1.00 |
| Akmola | 1.16 | 1.21 | 1.23 |
| Aktobe | 0.87 | 0.96 | 0.76 |
| Almaty | 0.45 | 0.49 | 0.59 |
| Atyrau | 2.84 | 1.22 | 0.96 |
| East Kazakhstan | 1.05 | 1.09 | 1.07 |
| Zhambyl | 0.76 | 0.92 | 0.90 |
| West Kazakhstan | 1.25 | 1.41 | 1.34 |
| Karaganda | 0.89 | 0.89 | 0.89 |
| Kyzyl Orda | 1.64 | 2.04 | 1.63 |
| Kostanai | 0.90 | 1.01 | 1.08 |
| Mangystau | 1.85 | 1.60 | 1.53 |
| Pavlodar | 0.89 | 1.12 | 1.13 |
| North Kazakhstan | 0.92 | 0.95 | 1.01 |
| South Kazakhstan | 0.94 | 0.82 | 0.91 |
| Almaty City | 1.14 | 1.20 | 1.18 |
| Astana City | 0.99 | 1.05 | 1.13 |

Source: Survey of Public Expenditures in the Social Sector, 2002

Table 29

Numbers of Health Personnel, 1998-2001

| Type | 1998 | 1999 | 2000 | 2001 |
|---|----------------|-----------------|-----------------|-----------------|
| Physicians (per 10,000 persons) | 53,181 34.3 | 50,560 33.9 | 48,953 33.0 | 51,289 34.6 |
| Paediatricians (per 10,000 persons) | 6,769 4.4 | 6,063 4.1 | 5,781 3.9 | 5,866 4.0 |
| Gynaecologists (per 10,000 persons) | 3,485 2.2 | 3,622 2.4 | 3,462 2.3 | 3,552 2.4 |
| Medical personnel-not doctors (per 10,000 persons) | 12,434 77.7 | 110,368 74.1 | 106,554 71.8 | 109,392 73.8 |
| Accoucheurs/Midwives (per 10,000 women) | n.a | 8,065 5.4 | 7,695 5.2 | 8,094 5.5 |

Source: Ministry of Health, 1999-2002

Table 30

Infant mortality per 1,000 live births

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|
| 27.3 | 24.2 | 21.4 | 20.2 | 19.6 | 19.4 | 17 |

Sources: Ministry of Health; 2002 – Agency on Demography and Migration

Table 31

Infant and Child Mortality Rates (per 1,000 live births)

| Years preceding survey | Period | Neonatal mortality | Post-neonatal mortality | Infant mortality | Child mortality | Under-five mortality |
|------------------------|----------------|--------------------|-------------------------|------------------|-----------------|----------------------|
| 0-4 | 1994-99 | 33.6 | 28.3 | 61.9 | 10.1 | 71.4 |
| 5-9 | 1989-94 | 24.6 | 25.1 | 49.7 | 7.3 | 56.7 |
| 10-14 | 1984-89 | 29.3 | 25.7 | 54.9 | 11.8 | 66.1 |

Source: Kazakhstan Demographic and Health Survey, 1999

Table 32

Immunization Coverage, (percent coverage)

| Year | BCG | DPT3 | Polio3 | Measles | Mumps | Hepatitis B |
|------|------|------|--------|---------|-------|-------------|
| 1995 | 90 | 93 | 94 | 95 | 13 | |
| 2001 | 98.3 | 95.8 | 96.7 | 99.8 | 100.8 | 97.4 |

Source: Ministry of Health and UNICEF

Table 33

Morbidity rate of children 0-14 years old (per 100,000 of the 0-14 year-olds)

| | 1996 | 1997 | 1998 | 1999 | 2000 |
|--|----------|----------|----------|----------|----------|
| Infectious and parasitic diseases | 4,765.0 | 4,912.8 | 4,759.5 | 3,555.2 | 4,002.9 |
| Respiratory infections | 33,685.0 | 3,4025.6 | 40,093.8 | 37,824.4 | 43,228.8 |
| Diseases of the digestive system | 4,184.5 | 3,806.2 | 4,496.5 | 4,692.9 | 4,922.2 |

Source: Agency for Statistics

Table 34

Morbidity rate of children 15-17 years old (per 100,000 of the 15-17 year-olds)

| | 1996 | 1997 | 1998 | 1999 | 2000 |
|--|----------|----------|----------|----------|----------|
| Infectious and parasitic diseases | 2,020.0 | 2,225.8 | 2,105.6 | 1,941.5 | 1,897.1 |
| Respiratory infections | 17,892.9 | 17,762.4 | 20,409.1 | 20,632.0 | 22,923.9 |
| Diseases of the digestive system | 3,696.2 | 3,312.5 | 3,880.8 | 4,576.1 | 4,732.5 |

Source: Agency for Statistics

Table 35

Maternal Mortality Ratio (Maternal deaths per 100,000 live births)

| Year/ Source | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------|------|------|------|------|------|------|------|
| Ministry of Health* | 69.4 | 76.9 | 77.5 | 65.3 | 60.9 | 48.6 | 51.8 |
| TransMONEE UNICEF | 52.9 | 59.0 | 79.1 | 66.6 | 61.6 | | |

*As amended by Ministry of Health in March 2003

Table 36

Contraception prevalence (modern methods), %

| Year | Married women | Sexually active unmarried women |
|------|---------------|---------------------------------|
| 1999 | 53 | 56 |
| 1995 | 46 | 39 |

Source: Kazakhstan Demographic and Health Survey

Table 37

Proportion of births attended by skilled health personnel

| 1996 | 1997 | 1998 | 1999 | 2000 |
|------|------|------|------|------|
| 98.1 | 97.6 | 98.0 | 97.8 | 98.3 |

Source: TransMONEE Database 2002, UNICEF

Table 38

Abortions per 100 live and still births

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|
| 75.9 | 66.7 | 65.2 | 63.5 | 60.4 | 61.1 | 61.9 |

Source: TransMONEE Database 2002, UNICEF, 2002 - Agency on Demography and Migration

Table 39

Table 13. TB Incidence per 100,000

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|------|------|-------|------|-------|-------|
| 82.5 | 91.3 | 118.8 | 141 | 153.2 | 155.7 |

Source: Ministry of Health

Table 40

Mortality from TB per 100,000 population (excluding prisoners)

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|------|------|------|------|------|------|
| 34.6 | 37.7 | 38.4 | 30.7 | 26.4 | 24.5 |

Source: Ministry of Health

Table 41

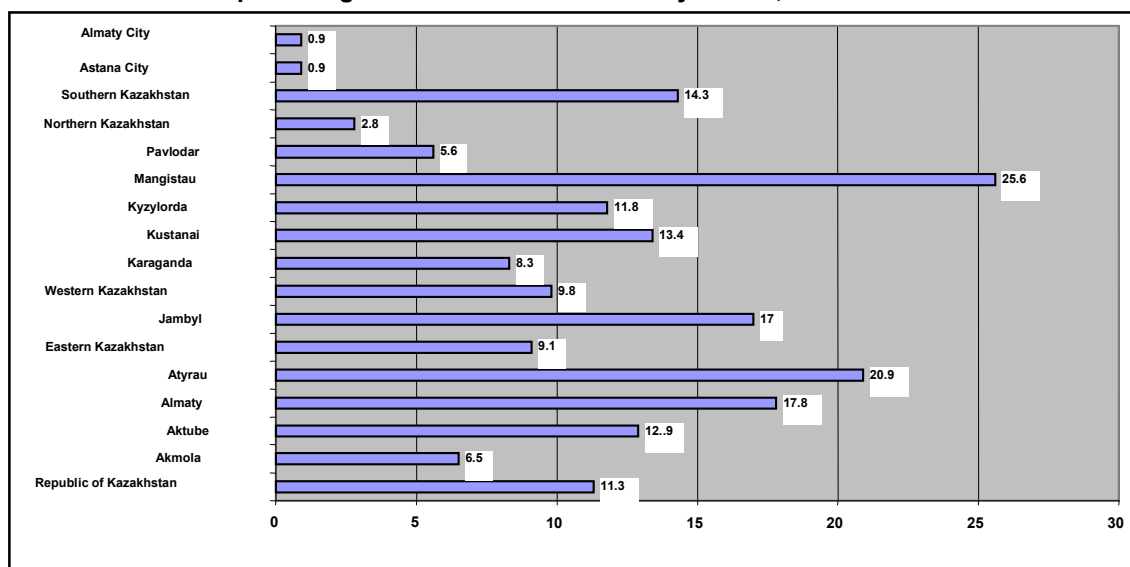
Population with Income Below Food Basket Cost, %

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|------|------|------|------|------|------|
| | 12.7 | 16.2 | 14.5 | 11.7 | 11.3 |

Source: Agency for Statistics

Chart 9

Distribution of People Living Below Food Basket Cost by Oblast, 2001



Source: Agency for Statistics

Table 42

Child malnutrition, national average (% of children under 5 years)

| | Low weight-for height (wasting) | Low height-for-age (stunting) | Low weight-for-age (underweight) |
|-------------|---------------------------------|-------------------------------|----------------------------------|
| 1995 | 3.3 | 15.8 | - |
| 1999 | 1.8 | 9.7 | 4.2 |

Sources: Demographic and Health Survey, 1995; A Decade of Transition, UNICEF (DHS, 1999)

Table 43

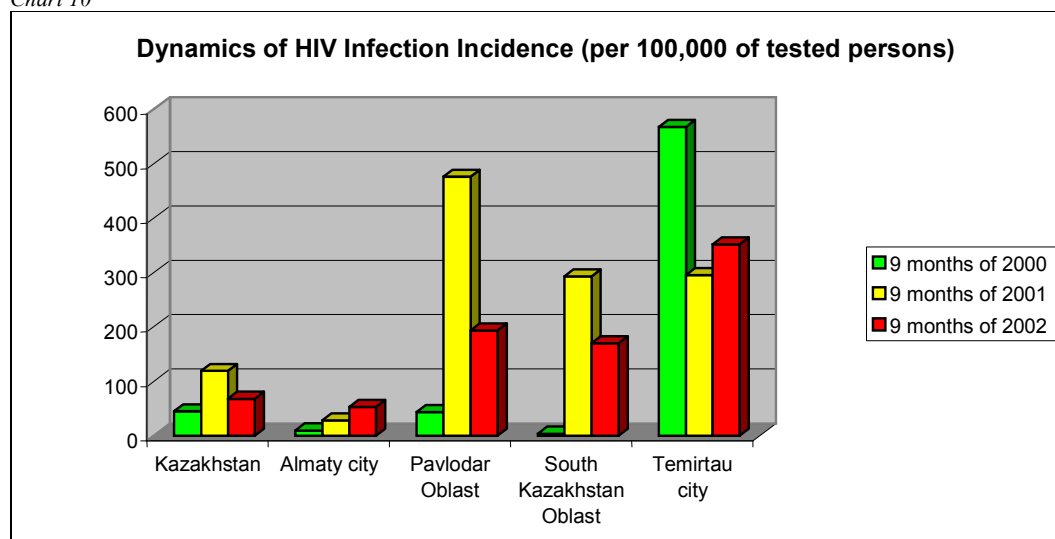
Child malnutrition by region, 1999

| Region | Low weight-for-height (wasting) | Low height-for-age (stunting) | Low weight-for-age (underweight) | | |
|-------------------------|---------------------------------|-------------------------------|----------------------------------|------------------------------------|----------------------|
| | % | % | % | Total number of children 0-59 mos. | Of them malnourished |
| National average | 1.8 | 9.7 | 4.2 | 1,076,285 | 47,475 |
| Almaty City | 2.3 | 6.8 | 4.5 | 60,728 | 2,733 |
| South | 2.3 | 7.8 | 3.9 | 478,291 | 18,653 |
| West | 1.8 | 17.9 | 6.7 | 158,087 | 10,592 |
| Central | 5.5 | 12.5 | 3.4 | 84,055 | 2,858 |
| North | 0.0 | 9.2 | 5.7 | 209,748 | 11,956 |
| East | 0.0 | 9.0 | 0.8 | 85,376 | 683 |

Source: Kazakhstan Demographic and Health Survey, 1999

HIV/AIDS

Chart 10



Source: UNAIDS

Table 44

Officially registered new HIV cases 2000-2002 disaggregated by gender as of Jan'03

| Year | 2000 | 2001 | 2002 |
|--------------------------|------|------|------|
| Number of new HIV | 347 | 1175 | 676 |
| Men | 269 | 950 | 506 |
| Women | 78 | 225 | 170 |

Source: Republican Aids Center

Table 45

STI incidence in Kazakhstan 1996 – 2001

| STI | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|----------------|------|------|------|------|-------|-------|
| Syphilis | 231 | 270 | 231 | 182 | 161,4 | 140,6 |
| Gonorhea | N/a | 91 | 82 | 82 | 88,2 | 89,5 |
| Trichomoniasis | N/a | 139 | 53 | 170 | 192,4 | 175,9 |
| Chlamydiosis | N/a | 20 | 20 | 31 | 38,5 | 45,7 |

Source: Ministry of Health, 2002

EDUCATION

Table 46

Literacy rate

| Year | Age 15-24 | | Age 15 and over | |
|------|-----------|------|-----------------|------|
| | Women | Men | Women | Men |
| 1990 | 99.5 | 99.5 | 97.5 | 97.5 |
| 1998 | 99.9 | 99.9 | 98.9 | 98.4 |
| 2000 | 99.9 | 99.9 | 99.1 | 99.7 |

Source: Education for All, 2000, Kazakhstan Country Report, UNESCO Institute for Statistics, 2002

Table 47

Aggregated share of students of all levels of education aged 6-24, %

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|
| 65.9 | 65.9 | 66.9 | 67.9 | 69.9 | 71.3 | 80.0 |

Source: Ministry of Education and Science of the Republic of Kazakhstan, 2002

Table 48

Pre-school enrollment

| Year | | Number of pre-school organizations | Number of children | Enrolment ratio % |
|------|-------|------------------------------------|--------------------|-------------------|
| 2001 | | 1,167 | 145,375 | 14,9 |
| 2002 | | 1,162 | 153,965 | 18,5 |
| 2001 | Urban | 891 | 132,524 | 26,1 |
| | Rural | 276 | 13,851 | 2,7 |
| 2002 | Urban | 867 | 136,584 | 30,7 |
| | Rural | 295 | 17,381 | 4,5 |

Source: Main Education Indicators, Ministry of Education and Science, 2002

Table 49

Public finance of education, 1998

| Education Level | State budget expenditure % |
|--------------------------------|----------------------------|
| Pre-school education | 5,7 % |
| General Secondary education | 65,3% |
| Technical Vocational education | 3,3% |
| Colleges | 6,1% |
| Tertiary | 14,2% |

Source: "Kazakhstan Pre-school education System at the Doorstep of the 21 Century", Ministry of Education and Science-UNESCO, 2000

Table 50

General Secondary Schools

| Year | No of General Secondary schools | No of students (1,000) | No of students in primary schools | No of students in Basic schools | No of Up-level students |
|------------|---------------------------------|------------------------|-----------------------------------|---------------------------------|-------------------------|
| 2001-total | 8,068 | 3,019.6 | | | |
| Urban | 1,850 | 1,555.2 | | | |
| Rural | 6,218 | 1,464.1 | | | |
| 2002-total | 7,989 | 3,049 | 40,448 | 124,496 | 2,884,111 |
| Urban | 1,807 | 1,565.7 | 15,109 | 25,162 | 1,525,633 |
| Rural | 6,182 | 1,483 | 25,339 | 99,334 | 1,358,478 |

Source: Main Education Indicators, Ministry of Education and Science, 2002

Table 51

Technical Conditions of Secondary Schools*

| Year | Total No of secondary schools | School buildings | % out of Total | Buildings adapted to schools | % out of Total | School buildings with bad technical conditions | % out of Total | Schools requiring full repairing | % out of Total |
|------|-------------------------------|------------------|----------------|------------------------------|----------------|--|----------------|----------------------------------|----------------|
| 2001 | 8,068 | 4,575 | 56,7 | 3,493 | 43,3 | 151 | 1,9 | 1,568 | 19,4 |
| 2002 | 7,989 | 4,647 | 58 | 3,342 | 42 | 187 | 2,3 | 1,783 | 22,3 |

* Schools under supervision of the Ministry of Education and Science

Source: Main Education Indicators, Ministry of Education and Science, 2002

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

Table 52

Ratio of girls to boys in school population, 1998-2000

| Secondary schools | Universities | Post-graduate schools |
|-------------------|--------------|-----------------------|
| 49-51 | 53-54 | 54-60 |
| | | |

Source: Agency for Statistics

Table 53

Proportion of seats held by women in national parliament

| Year | Number of women MPs | % of women MPs out of total |
|------|---------------------|-----------------------------|
| 1995 | 17 | 14.9 |
| 1999 | 13 | 11.2 |
| 2001 | 10 | 9.5 |

Source: Women of Kazakhstan, 2000, National Commission on Family and Women, Feminist League

Table 54

Number of registered crimes including those against women, 2001

| | Registered crimes | | |
|--|-------------------|-------------------------|-------|
| | Total | Including against women | |
| | | | % |
| Total number of registered crimes | 152,168 | 27,680 | 18.19 |
| <i>From the total number of crimes:</i> | | | |
| Crimes against human being | 11,811 | 4,708 | 39.86 |
| Pre-mediated mild health damage | 463 | 159 | 34.34 |
| Beating | 2,149 | 1,411 | 65.66 |
| Torture | 183 | 152 | 83.06 |
| Rape | 1,516 | 1,268 | 83.64 |
| Sexual violence | 328 | 193 | 58.84 |

Source: Agency for Statistics

Table 55

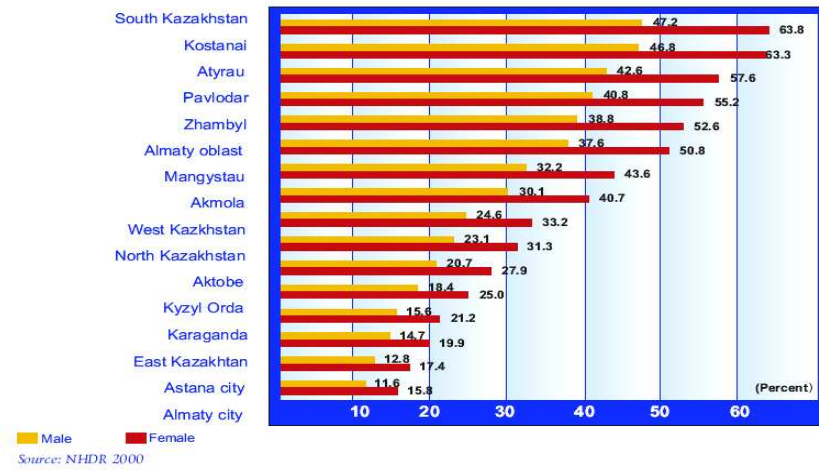
Employment by status and types of economic activity, 2001 (%)

| | Total employed | | including | | | |
|--|----------------|------|-----------------|------|-----------------|------|
| | women | men | Wage employment | | Self-employment | |
| | | | women | men | women | men |
| Total including: | 48.2 | 51.8 | 45.2 | 54.8 | 52.3 | 47.7 |
| Agriculture, hunting and forestry | 46.5 | 53.5 | 26.2 | 73.8 | 52.8 | 47.2 |
| Industry | 31.8 | 68.2 | 31.2 | 68.8 | 50.1 | 49.9 |
| Trade, car and house appliances repairing, | 60.6 | 39.4 | 61.8 | 38.2 | 59.9 | 40.1 |
| Hotels and restaurants | 73.7 | 26.3 | 75.6 | 24.4 | 64.4 | 35.6 |
| Finances | 66.5 | 33.5 | 66.5 | 33.5 | - | - |
| Public administration | 38.8 | 61.2 | 38.8 | 61.2 | - | - |
| Education | 74.5 | 25.5 | 74.6 | 25.4 | 63.8 | 36.2 |
| Public health providing and social services | 80.8 | 19.2 | 81.5 | 18.5 | 64.4 | 35.6 |
| Providing housekeeping service | 64.3 | 35.7 | 72.8 | 27.2 | 63.4 | 36.6 |

Source: Agency for Statistics

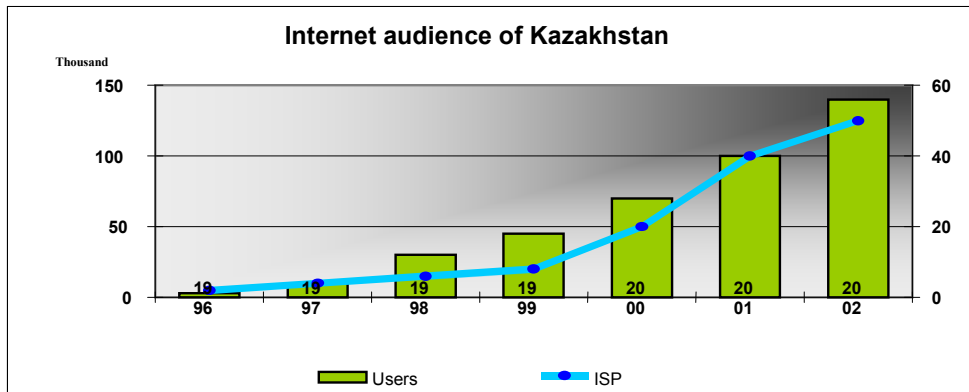
Chart 11

Share of population below subsistence minimum by oblast and gender, 1999



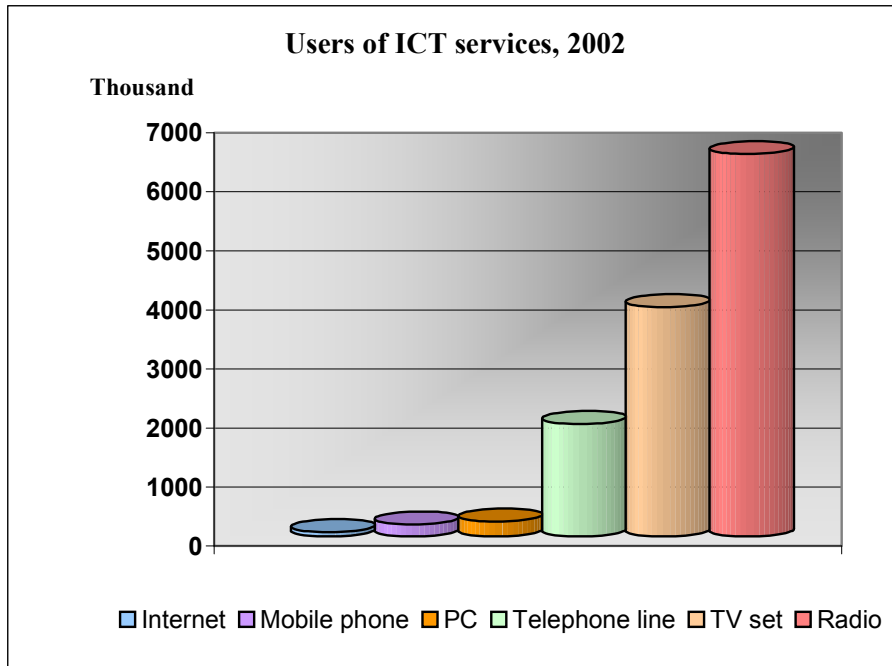
INFORMATION AND COMMUNICATION

Chart 12



Source: Actis Systems Asia and Brief Central Asia

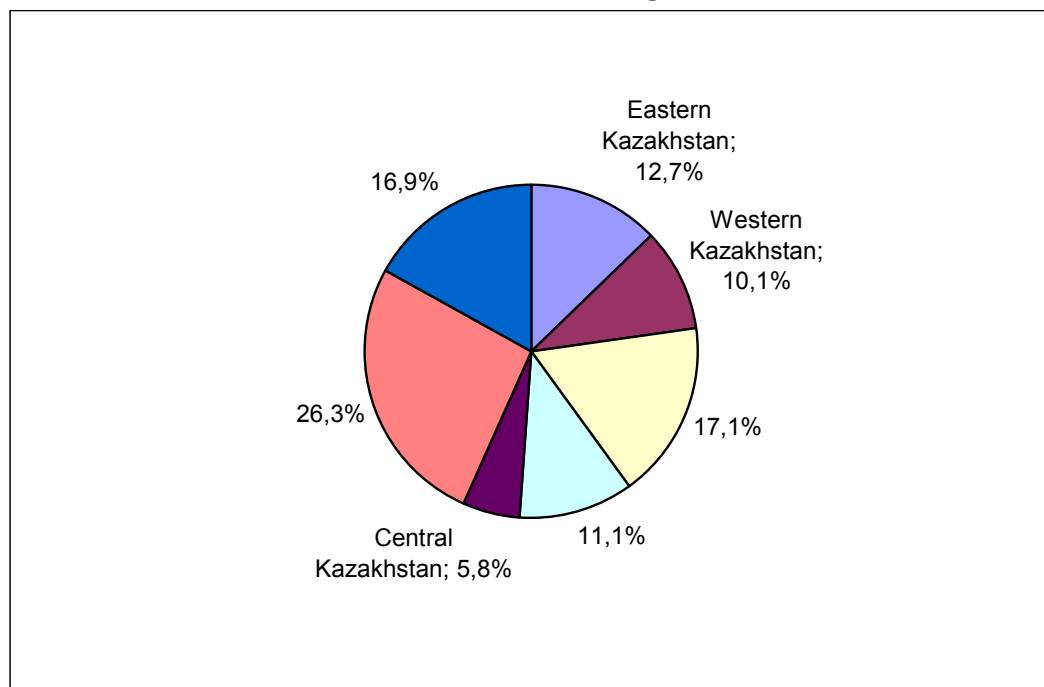
Chart 13



Source: Ministry of Culture, Information and Public Accord

Chart 14

Distribution of an active Internet audience in regions



Source: Actis Systems Asia and Brief Central Asia, May 2001

INTERNATIONAL LEGAL COMMITMENTS TO HUMAN RIGHTS

Table 56

Status of Principal International Treaties for Kazakhstan

| Title | | Date of Adherence | Status of Reporting |
|-------|---|-------------------|--|
| CERD | International Convention on the Elimination of All Forms of Racial Discrimination | 8/1998 | Initial report will be submitted 7/2003 |
| CESCR | International Covenant on Economic, Social and Cultural Rights | N/A | N/A |
| CCPR | International Covenant on Civil and Political Rights | N/A | N/A |
| CEDAW | Convention on the Elimination of All Forms of Discrimination against Women | 8/1998 | Initial report reviewed – 2001 |
| | Optional Protocol to the CEDAW | 4/2001 | |
| CAT | Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment | 8/1998 | Initial report – 2001 |
| CRC | Convention on the Rights of the Child | 8/1994 | Initial report submitted 2002. Will be reviewed 2003 |
| | Optional Protocol to the CRC on the Involvement of Children in Armed Conflict | 7/2001 | |
| | Optional Protocol to the CRC on the Sale of Children, Child Prostitution and Child Pornography | 7/2001 | |
| MWC | International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families | N/A | N/A |

Table 57

Status of ILO Conventions for Kazakhstan

| Convention | Ratification date |
|---|-------------------|
| Fundamental Conventions: | |
| C98 Right to Organise and Collective Bargaining Convention, 1949 | 2001 |
| C105 Abolition of Forced Labour Convention, 1957 | 2001 |
| C29 Forced Labour Convention, 1930 | 2001 |
| C111 Discrimination (Employment and Occupation) Convention, 1958 | 1999 |
| C87 Freedom of Association and Protection of the Right to Organise Convention, 1948 | 2000 |
| C138 Minimum Age Convention, 1973 | 2001 |
| C100 Equal Remuneration Convention, 1951 | 2001 |
| C182 Worst Forms of Child Labour Convention | 2003 |
| Other Conventions: | |
| C88 Employment Service Convention, 1948 | 2001 |
| C148 Working Environment (Air Pollution, Noise and Vibration) Convention, 1977 | 1996 |
| C155 Occupational Safety and Health Convention, 1981 | 1996 |
| C122 Employment Policy Convention, 1964 | 1999 |
| C135 Workers' Representative Convention, 1971 | 2000 |
| C 144 Tripartite Consultation (international Labour Standards) Convention, 1976 | 2000 |
| C81 Labour Inspection Convention, 1947 | 2001 |
| C129 Labour Inspection (Agriculture) Convention, 1969 | 2001 |

Millennium Development Goals in Kazakhstan

Table 58

| Goal 1 | Eradicate extreme poverty and hunger |
|---|--|
| Target 1 | Halve the proportion of people whose income is less than one dollar a day, between 1990 and 2015 |
| National indicator | Proportion of population whose income is below subsistence minimum: 29.4% (2001) 34.6% (1996) |
| Baseline – year 1990 | Data unavailable |
| Likelihood of reaching Target 1 by 2015 | Probable |
| Target 2 | Halve the proportion of people who suffer from hunger, between 1990 and 2015 |
| National indicator | Proportion of population whose income is below food basket cost: 11.3% (2001) 12.7% (1997) |
| Baseline – year 1990 | Data unavailable |
| Likelihood of reaching Target 2 by 2015 | Probable |
| Goal 2 | Achieve universal primary education |
| Target 3 | Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling |
| National indicator 1 | Net enrolment ratio in primary education Girls – 99.1% Boys – 98.8% Total – 99.5% |
| Baseline – 1990 | Girls – 98.5% Boys – 99.1% Total – 98.8% |
| National indicator 2 | Literacy rate of 15-24 year-olds Women – 99.9% Men – 99.9% |
| Baseline – 1990 | Women – 99.5% Men – 99.5% |
| Likelihood of reaching Target 3 by 2015 | ACHIEVED |
| Goal 3 | Promote gender equity and empower women |
| Target 4 | Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015 |
| National indicator 1 | Female proportion of total school population (2000) Secondary schools – 49% Universities – 54% Post-graduate schools – 51% |
| Baseline – year 1990 | Data unavailable |
| Likelihood of reaching Target 4 by 2015 | ACHIEVED |
| National indicator 2 | Proportion of seats held by women in national parliament 11.2% (1999) 14.9% (1995) |
| Baseline – year 1990 | Data unavailable |
| Goal 4 | Reduce child mortality |
| Target 5 | Reduce by two thirds, between 1990 and 2015, the under-five mortality rate |
| National indicator 1 | Under-five mortality rate per 1,000 live births: 22.8 (2001) |
| Baseline – 1990 | 34 |
| National indicator 2 | Infant mortality rate per 1,000 live births: 19.4 (2001) |

| | |
|--|--|
| Baseline – 1990 | 26.4 |
| Likelihood of reaching Target 5 by 2015 | Unlikely |
| Goal 5 | Improve maternal health |
| Target 6 | Reduce by three quarters, between 1990 and 2015, the maternal mortality rate |
| National indicator 1 | Maternal mortality rate per 100,000 live births: 48.6 (2001) |
| Baseline – year 1990 | 55.0 |
| National indicator 2 | Proportion of births attended by skilled health personnel: 97.8% |
| Baseline – year 1990 | 99.0% |
| Likelihood of reaching Target 6 by 2015 | Unlikely |
| Goal 6 | Combat HIV/AIDS, TB and other diseases |
| Target 7 | Halt, by 2015, and begin to reverse, the spread of HIV/AIDS |
| National indicator 1 | Registered HIV cases: 3,093 (October 2002) |
| Baseline – year 1990 | Data unavailable |
| National indicator 2 | Share of 15-29 year olds among registered HIV cases: 69 % (2001) |
| Baseline – year 1990 | Data unavailable |
| National indicator 3 | Level of HIV-prevalence among injecting drug users: 3-4% (2002) |
| Baseline – year 1990 | Data unavailable |
| Likelihood of reaching Target 7 by 2015 | Unlikely |
| Target 8 | Halt, by 2015, and begin to reverse, the incidences of tuberculosis |
| National indicator | TB incidence per 100,000 population: 155.7 (2001) |
| Baseline-year 1990 | 65.8 |
| Likelihood of reaching Target 8 by 2015 | Unlikely |
| Goal 7 | Ensure environmental sustainability |
| Target 9 | Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources |
| National indicator 1 | Proportion of land area covered by forest: 4% |
| National indicator 2 | Ratio of area protected to maintain biological diversity to surface area: 3% |
| National indicator 3 | Carbon dioxide emissions (per capita): 12.2 tons (1996) |
| Likelihood of reaching Target 9 by 2015 | Unlikely |
| Target 10 | Halve, by 2015, the proportion of people without sustainable access to safe drinking water |
| National indicator 1 | Proportion of population without sustainable access to improved water source, urban and rural: 15% and 27% |
| Likelihood of reaching Target 10 by 2015 | Potentially |

Source: "Millennium Development Goals in Kazakhstan", 2002