President of Kazakhstan Kassym-Jomart Tokayev’s State of the Nation Address, September 1, 2020

**KAZAKHSTAN IN A NEW REALITY: TIME FOR ACTION**

The work of the next session of Parliament begins at a challenging time.

Our country continues to confront the pandemic that threatens the entire global community.

We have joined all our efforts to protect the life and health of our citizens.

At this critical time, our friendly people have rallied together as one.

The fight against coronavirus was conducted thanks to the essential features of our people. It showed the importance of mutual assistance, compassion and readiness to jointly confront an unprecedented disaster.

I express my sincere gratitude to doctors, law enforcement officials, military personnel, volunteers, entrepreneurs, conscientious citizens and all concerned for the steadfastness and responsibility they have demonstrated. You have been a vivid example of resilience and great commitment. I consider this a manifestation of genuine patriotism.

In such difficult conditions, our main task is to maintain social and economic stability, employment and income for the population.

Two packages of emergency anti-crisis measures have been adopted. More than 4.5 million Kazakhs, who temporarily lost their income, have received assistance in the amount of 42,500 tenge ($1.1billion). More than 450 billion tenge ($1.1 billion) have been allocated for these purposes. In neighbouring states and even in other developed countries this kind of assistance has not been provided.

Over a million people have received food and household packages.

On the initiative of the Leader of the Nation, the Chairman of the Nur Otan party, more than 550,000 families were covered by the one-off financial support from the Birgemiz Fund.

The pandemic has become a stress test for all states. They are undergoing many difficulties in combatting the virus. One moment the situation stabilises, and the next moment new outbreaks appear.

The government has learned from its mistakes, and managed to reorganise, literally on the run.

The main thing is that we did not hide anything from our citizens, we speak openly about our losses. We tell the truth no matter how bitter these losses may be. This distinguishes Kazakhstan from some other states.

The improvement in the epidemiological situation, however, is no reason for complacency. The fight goes on. According to the forecast of the World Health Organisation, it will take at least two years to defeat the pandemic.

The coming months will be devoted to increased mobilisation. We must be ready for this.

We must act not when a problem appears, but take measures in advance, and work thoughtfully.

All decisions must be based on evidence-based forecasting.

The Government is introducing targeted restrictions and an adaptive quarantine mechanism. A Comprehensive Programme to fight the pandemic will be developed.

All the State’s obligations in the social sphere and in terms of supporting the economy will be fulfilled. For these purposes, 1 trillion tenge ($2.4 billion) has been allocated from the National Fund.

Indexation of social payments will continue. By 2023, it is planned to allocate over 1 trillion ($2.4 billion) tenge to this end.

There is no doubt that we will overcome the current difficulties. But we must not forget about the long-term development of our state in the new geopolitical circumstances around us.

Today, the world has plunged into the deepest recession in a century. The restoration of the global economy, according to experts, will take at least 5 years.

Meanwhile, the competitiveness of future leading states emerges in these times of crises and fundamental change. Kazakhstan must find its decent place in the new world.

Thanks to the far-sighted policy of our First President – Leader of the Nation, Nursultan Nazarbayev, a solid foundation has been created for economic development, and the country has earned its name on the world stage.

In the context of a new global order being forged, it is essential we give substantial impetus to reforms, the quintessence of which is the Plan of the Nation and the Five Institutional Reforms.

It is our duty to ensure a decent life for our citizens, protect their rights, strengthen the rule of law, and reinforce the fight against corruption.

So, what is our plan of action?

A NEW MODEL OF GOVERNMENT

Reforms in this area should be carried out systematically.

Let us start by changing the approach to public administration, human resources policy, the decision-making system and the responsibility for their implementation.

In the context of a pandemic and crisis, the current public administration system is operating at full speed. Solving operational tasks takes time and resources. But in no case should you lose sight of the distant horizon. I have therefore decided to create an Agency for Strategic Planning and Reform, which will report directly to the President.

Such a body did exist in the past and indeed successfully carried out the tasks it was assigned. Now it will once again become the central link in the entire system of state planning. The reforms developed by the Agency must be specific, realistic and, most importantly, mandatory for all government agencies.

A Senior Presidential Council for Reform is being established, the decisions of which will become obligatory. In the interests of greater integrity in assessing the rapidly changing situation, the Statistics Committee is being transferred to the Agency.

It has so evolved that in the system of state planning, the state apparatus acts as the main planner, executor and evaluator. This is not right.

The state planning system should ensure the mobilisation of all human resources and involve the private sector and society as full partners at all stages: planning, execution, evaluation.

We must stop drawing up state programmes with a large number of indicators. It is time to move on to a new format, one of concise national projects, understandable to all citizens. In terms of goal-setting, the result should hold primacy over the process.

Carrying out such radical reform will require revision of the activities of the entire state apparatus. Synergy in the planning and implementation of reforms takes on particular significance here.

It will require a rebooting of the entire system of the civil service. The pandemic and the transfer of most government officials to working remotely showed that the state apparatus can and should be reduced.

I instruct that there should be an acceleration in the timing of the reduction of the state apparatus and quasi-public sector empolyees. This year they should be cut by 10%, and next year by another 15%. Thus, we will solve the problem of reducing officials by 25% in 2021. Depending on the results and taking into account digitalisation, we will then decide on further reduction necessity.

The funds thus saved will increase the salaries of the remaining employees. Low-paid public service is too expensive for society. Misunderstanding of this issue leads to negative selection, loss of competencies, initiative and, most importantly, to corruption. Therefore, from July 1, 2021, a factor-point scale should be introduced. This will lead to increased responsibility and motivation of civil servants.

We are in dire need of new personnel - professionals with fresh views and initiatives. The civil service cannot be allowed to turn into an exclusive caste.

At the same time, it is important to ensure continuity and institutional memory without letting professional and ethical demands fall. Here I would like to touch upon the question of the institution of executive secretaries.

With the introduction of this institution, it was assumed that their unchanging nature would release ministers from administrative and personnel work and ensure the stability of the apparatus. In fact, however, this did not happen. Moreover, there are frequent cases of lack of mutual understanding between ministers and executive secretaries. As a result, the common cause suffers.

Only one person should bear an overall responsibility - a minister appointed by the President. It follows therefore that the institution of executive secretaries should be abolished, their responsibilities being assigned to the heads of staff in the various the ministries.

To implement the above proposals, I am instructing the adoption of a package of amendments to civil service legislation by the end of the year.

Law-making issues should also be reviewed.

During the quarantine, the sluggishness of the legal system gave rise to a "bottleneck" effect. I had to introduce a state of emergency and adopt the so-called "Emergency Decree". But such measures cannot be a systemic response to crisis situations.

The main problem lies in the excessive legislative regulation of the executive branch. We make demands of ministers and governors, but their powers are limited by detailed legal and regulatory norms. This slows down the work not only of the state apparatus, but also overburdens Parliament. Its Chambers are forced to work on detailed rules, which should become the competence of executive bodies.

In a rapidly changing world, slow decision-making becomes a threat to national security. Therefore, within the framework of the Concept of Legal Policy, in changing the legislation, a balance should be ensured between the various levels of legal regulation. We must not hesitate in doing this.

Improving the corporate governance of quasi-state companies is another important problem to be addressed.

There are dozens of national companies and tens of thousands of state-owned enterprises operating in the country. At the same time, large quasi-state organisations are joint stock companies, the purpose of which is to ensure profit. But if part of the state functions is transferred to them, then their activities should be of a purely service, auxiliary, nature for citizens and the economy.

In many joint stock companies a conceptual confusion has occurred. Corporate governance can become an additional bureaucratic procedure.

The reform of the entire quasi-public sector must be continued. Some decisions will be announced today, the rest will be submitted to me in the form of Government proposals.

ECONOMIC DEVELOPMENT IN THE NEW REALITY

The long oil super-cycle appears to be over. We should be prepared for a completely new world market environment.

The creation of a truly diversified, technological economy is not just a necessity for us, but a scenario where there is no other alternative.

At the same time, the economy must work to improve the well-being of the people. We must find a positive answer to the growing public demand for a fairer distribution of benefits arising from the growth of national income and for effective social “lifts".

The new economic course of our country should therefore be based on seven basic principles:

1. Equitable distribution of benefits and responsibilities.

2. The leading role of private enterprise.

3. Fair competition, opening markets for a new generation of entrepreneurs.

4. Increased productivity, complexity and technological efficiency of the economy.

5. Development of human capital, investment in a new type of education.

6. A "Green" economy, environmental protection.

7. Adoption of well-grounded decisions by the state and responsibility to society for them.

In doing so, we must base ourselves on our competitive advantages and real capabilities.

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The most important task facing Kazakhstan is the full deployment of its industrial potential.

Despite successes in this area, we have not yet managed to realise the full potential of the domestic market; about two-thirds of processed goods are imported from abroad.

To ensure the strategic self-sufficiency of the national economy, we must urgently start the development of new procession stages in ferrous and non-ferrous metallurgy, petrochemicals, automotive industry and mechanical engineering, the production of construction materials, food products and other sectors.

The development of a qualitatively new national industry requires a modernised legal framework.

Regulatory and support issues for industry are contained in many disparate pieces of legislation. However, they fail to define cross-cutting goals: there is no link between policies and measures.

There are many laws that govern specific sectors or industries. For example, the Law "On Electricity" or the Law "On Transport".

By the end of the year, a unified Law "On Industrial Policy" should be developed, which will define the basic principles, goals and objectives of the manufacturing industry.

To support industry we also need to improve measures with concrete content. We do not have enough consistency, there is no holistic approach. Because of this, we are dispersing resources on too many projects.

We will continue of course to maintain broad “horizontal” measures in support the industry. At the same time, the Government will have to identify strategically important production facilities, key export priorities, and significantly expand the toolkit of support measures.

For strategic projects, a package provision of grants in kind, concessional financing, partial guarantees and export support mechanisms should be envisaged. Some of the capital expenditure of investors can be recovered by offsetting these against tax liabilities.

It is important to ensure guaranteed procurement from the state, quasi-state sectors and subsoil users.

The main novelty will be the stability of legislative conditions for the entire duration of the project.

It goes without saying that these measures are not exhaustive. The specific level of support will depend on the volume of capital investment and the priority of the project.

In order to fix the agreements between the state and investors, a new instrument will be introduced - a strategic investment agreement.

This initiative should be implemented by the end of the year through elaborating a draft law on economic recovery. The pool of projects that will be included in strategic agreements will be drawn up by the Government by April 2021.

The issue of full access of processing enterprises to domestic raw materials at affordable prices requires a systemic solution.

I instruct the Government to develop regulatory mechanisms by the end of the year to ensure full supply of Kazakh manufacturing industries with raw materials.

Regulated purchasing has a direct effect on industrial development. Their volume is about 15 trillion tenge ($35.7 billion), or a fifth of GDP. The task of the Government and governors is to maximise this potential.

On my instructions, a new law was adopted that improved the procurement system of government agencies. However, procurement by national companies is still non-transparent and inaccessible to ordinary entrepreneurs.

I am instructing that a unified law covering all purchases of the quasi-public sector be developed by the end of the year. All regulated procurement should be carried out as transparent as possible and exclusively through the Single Procurement Window.

Any improvement in legislation will be useless unless there is an appropriate law enforcement practice.

It is not uncommon for cheap and low-quality imported goods to be passed off as domestic produce, which go on to win procurement bids. The register of domestic manufacturers and industrial certificates has not yet become a real barrier for counterfeit manufacturers.

By the end of the year, the Government, together with the Atameken National Chamber, shall submit specific proposals to increase the domestic content.

Our common task in the sector is to increase production in the manufacturing industry by at least 1.5 times over the next five years.

However, significant progress in industrialisation cannot be achieved through industrial policy measures alone. It is imperative that monetary, fiscal and other key policies should not isolated from the needs of the real sector. I will discuss this further.

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A competitive economy cannot be created without a developed agriculture.

In this area, such key problems as limited access to land, lack of available long-term financing and a shortage of professional personnel still remain unresolved.

Measures are urgently needed to develop warehouse and transport infrastructure, in order to avoid being limited by the increasing production of raw materials.

In our country, we can establish 7 large ecosystems for the production and processing of meat, fruits, vegetables, sugar, cereals, oilseeds, dairy products. The fishing industry deserves close attention.

Large projects have a key role to play as the centerpiece of value creation.

Within the framework of vertical cooperation, we should also make effective use of the potential of personal subsidiary plots.

A private household can provide an opportunity for millions of villagers to receive income. We need to involve them in the creation of regional food hubs.

We need to be mindful of potential and horizontal cooperation. Without it, there will be no breakthrough in the development of the agro-industrial complex.

Scattered personal subsidiary plots are at present on the brink of survival. There can be no talk of high productivity, product quality, or regularity of commodity deliveries. Hence our low-level competitiveness and the dominance of imports.

With cooperation, all rights to land and assets are retained and at the same time the efforts of many farms in the purchase of raw materials and production and sale of products can be consolidated.

It is no secret that hard rural labour is extremely underavalued, and retailers derive the main profit.

Therefore, within the framework of subsidies and tax remissions programmes, a package of measures should be prepared to stimulate cooperation in the countryside.

Another important question relates to the fact that at the end of next year, the moratorium on certain norms of the Land Code on the Use of Agricultural Lands will come to an end.

Our land will not be sold to foreigners. But the Government has to develop other ways of involving agricultural land as a real driving force of economic growth. Investment in the agricultural sector is critical.

The systemic problems in the agro-industrial complex are lack of professional personnel, as well as the low level of development of agricultural science. Here decisive measures are needed from the executive branch.

Technologically outdated irrigation systems remain a serious barrier. Water loss reaches 40%. For water-scarce Kazakhstan, such indicators are unacceptable.

We need to ensure legal regulation in this area, as well as develop economic incentives for the introduction of modern technologies and innovations.

The current state programme for the development of the agro-industrial complex will be completed next year. I instruct the Government, together with business, to start developing a new National Project for the Development of the Agro-Industrial Complex over a five-year period.

Our main tasks are:

- self-sufficiency in socially significant food products;

- stable increase in the income of millions of rural residents;

- increase in labour productivity by a factor of 2.5;

- doubling the export of agricultural produce.

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The development of the transport and logistics industry remains an urgent issue.

The implementation of the first stage of the “Nurly Zhol” programme has been successful, enabling the capital of the country to connect up with the regions according to the “sunray” principle. A new infrastructure framework for the transport system has been formed, the country's integration into global transport corridors has been ensured and the historical status of Kazakhstan as a connecting link between Asia and Europe has been restored.

However, competition in this area is very high. Alternative projects have appeared in the Central Asian region that could reduce the transit potential of Kazakhstan.

The second stage of "Nurly Zhol" should therefore be aimed at consolidating the leading role of the transport and transit sector of our country.

Kazakhstan's competitiveness should grow due to breakthrough infrastructure projects, attracting new countries and companies, upgrading the level of service and the speed of transit routes.

The task is to reconstruct and load road services with over 24,000 kilometres of roads by 2025, that is, all roads in the country.

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Small and medium-sized businesses are going through difficult times. In fact, they are bearing the brunt of the pandemic.

To overcome the negative economic consequences, tax breaks were provided to more than 700,000 entrepreneurs, payments have been deferred and an opportunity has been given to refinance loans on favourable terms. However, the situation remains difficult.

As an additional aid to small and medium-sized businesses, I am instructing to provide state subsidies for interest rates of up to 6% per annum on all existing loans to SMEs in the affected sectors of the economy. The subsidy will cover a period of 12 months, starting from the moment of the announcement of the state of emergency, that is, from March 16 of this year.

The National Bank is implementing a special working capital replenishment programme for SMEs in the most affected sectors. Previously it was assumed that it would terminate its operation this year.

In the current crisis conditions, I instruct that this programme be extended until the end of 2021, and that its coverage be expanded. For these purposes, an additional 200 billion tenge ($476 million) should be provided, bringing the total volume of the programme to 800 billion ($1.9 billion) tenge.

I also instruct the suspension until the end of the year of charging rent from SMEs for real estate objects owned by government agencies and the quasi-public sector.

In the current conditions, maintaining employment and the population’s income is an absolute priority. It is therefore important over this period to reduce the burden on the wages fund for SMEs in the most affected industries. For this category of business, I instruct that deductions from wages to extra-budgetary funds be suspended for the period until the end of the year.

The next question is business climate. This area needs reform, since the regulatory system remains cumbersome, even punitive.

The basic principles of regulatory policy need to be changed. State regulation can only be justified by protecting the health of citizens and the environment.

Both on a legislative level and in practice, the predominance of essence over form should be fixed: common sense and content should prevail over strict legal norms. The three-year moratorium on inspections provides a good opportunity to introduce such regulation from scratch.

We should start with the most corrupt spheres: architectural and construction activities, sanitary and epidemiological supervision, veterinary medicine, certification and others. I am instructing that a new regulatory framework for small and medium-sized businesses be developed within the next year.

I repeat: any unlawful interference of state structures in entrepreneurial activity, obstruction of the work of businessmen, should be perceived as the gravest crime against the state. In the event of illegal pressure on them by officials, businesses should not hesitate to contact the prosecutor's offices.

Supporting entrepreneurship also means paying special attention to medium-sized businesses, which contain the key components of market success. Such companies should be focused not only on the domestic but also on foreign markets. Their export support should be strengthened.

I instruct the Government to launch an export acceleration programme aimed at medium-sized non-resource enterprises in order to provide targeted support from the concept stage right through to implementation.

The main result of work on the development of SMEs should be an increase by 2025 of its share in GDP to 35%, and the number of employees - to 4 million people.

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Reconfiguring cross-cutting government policies will be a critical factor in the success of our work.

A new approach to monetary policy needs to be taken.

We are faced with a crisis of confidence in the tenge on the part of national and international investors. The low level of economic diversification and high volatility of the exchange rate restrict the inflow of foreign investment, especially in non-resource sectors.

Problems of regulating the foreign exchange market and capital movements also play a negative role. A significant part of export earnings does not even reach the domestic foreign-exchange market, it remains abroad. The Government and the National Bank should motivate exporters to sell foreign-exchange earnings.

The stimulating role of monetary policy needs to be strengthened as well. Today, it is largely constrained by fears of an overflow of funds to the foreign-exchange market. Banks are in no hurry to lend to the real economy, since they have a good opportunity of earning money on the foreign-exchange market and on the instruments of the National Bank.

I am instructing that measures be taken to reorient this liquidity towards lending to businesses and thus putting a stop to currency speculation. The powers and functionality of the Financial Markets Regulatory Agency and the National Bank are sufficient to solve this problem. I expect a significant improvement in the situation by the end of the year.

The imbalance between lending to the consumer segment and business also remains a negative factor in the financial sector. Reckless, sometimes irresponsible, lending to consumers, which is fraught with serious social consequences, should be regulated. Lack of financial literacy on the part of citizens should not be a reason for imposing credit products on them.

This year, on my instruction, the legislative and regulatory framework was changed and the requirements for assessing borrowers’ solvency were significantly tightened. Microfinance organisations, pawnshops and other financial institutions that previously issued consumer loans without control came under state regulation. But risks remain. Especially during the crisis and falling incomes.

The Financial Regulatory Agency and the National Bank need to take additional regulatory measures in terms of increasing the responsibility of credit institutions, as well as differentiating and lowering marginal interest rates on loans.

We must in addition increase confidence in monetary policy. It has therefore been decided to create a Monetary Policy Committee within the structure of the National Bank. It will also include independent members.

Since we are talking about the importance of a fair redistribution of national income, then a uniform tax policy should be developed, one which is understandable to all citizens of the country.

Today, about 40 different taxes and fees are levied, administration is complicated and it has moreover a pronounced compulsory character.

I instruct the Government, together with the National Chamber of Atameken, with the involvement of the deputy corps, to revise the Tax Code and by-laws. The goal is to radically simplify the fulfilment of tax obligations and minimise the number of taxes and payments.

We should also think about the differentiation of tax rates as an additional lever for diversifying the economy and replenishing the budget.

In the SME sector, I consider it possible to empower entrepreneurs working in the sectors most affected by the pandemic to pay retail sales tax.

International taxation rules require special attention. They should do maximum to stimulate the influx of foreign investment and the reinvestment of profits in Kazakhstan.

At the same time, reliable control over transfer pricing and capital withdrawal from the country is needed. According to expert estimates, about a third of the country's GDP is in the shadow economy - a huge potential for increasing budget revenues.

Digitalisation of the tax and customs spheres will seriously contribute to combatting the “shadow economy” in all its manifestations. Moreover, corruption is fuelled by the shadow economy.

Therefore, I instruct the Economic Investigation Service of the Ministry of Finance to largely reorient its activities to fighting the shadow economy.

We have to work out a new budgetary policy that is lean and responsible. Only priority areas and projects should be financed. The period of monetary excesses has sunk into oblivion. It is necessary to develop a set of key budget coefficients and rules.

To give a complete picture, it is necessary to introduce the so-called "extended budget", in which, in addition to the state budget, extra-budgetary funds should be taken into account.

The new budget planning system should support national priorities and become a subordinate part of the national planning system.

Government agencies should be given budgetary independence. This will enable swift resolution of problems and move away from collective irresponsibility and red tape.

Demand, however, should also be tightened. To this end, I am instructing that the functionality of the Accounts Committee be strengthened. In order to avoid conflicts of interest, a separate procedure for its financing should be envisaged through the specialised committees of Parliament, and not through the Republican Budget Commission under the Government.

Competition policy is becoming increasingly important. It is necessary to seriously diversify the competitive field, create truly equal opportunities for every entrepreneur and stop monopolising markets.

It is no secret that many market niches are densely "concreted" by far from market methods. Entrepreneurs cannot enter the market, and if they do manage to enter, they are forced to obey private monopolists.

Anti-competitive situations persist everywhere: the market for coal, electricity, oil products, communications, pharmaceuticals, airport services, housing and communal services and logistics. The list goes on.

At regional level, the administrative resource is often the main component of commercial success.

It is essential that we deal with the so-called "monopoly players" - public and private. It is important to accept clear rules: in what cases and in what form they are created, where the profit is spent. Strong public monitoring is needed.

We need to put things in order with exchange trading, and, first of all, in the field of oil products, electricity and coal. Imitation of transparency on the part of large players is unacceptable.

A strong and independent body for the protection and development of competition is therefore required. I am instructing the creation of an Agency for the Protection and Development of Competition which will report directly to the President.

Denationalisation of the economy plays an important role in the development of equal competition.

The central government agencies, governors’ offices and holdings still own about 7,000 non-social facilities.

But the notion that the state is not the best business executive is already an axiom.

The Government needs to adopt a new privatisation plan. The state should cover only social aspects, as well as aspects related to ensuring the security and functioning of the state.

In the quasi-public sector, work should continue to reduce administrative and management personnel, unproductive costs and redundant subsidiaries.

I would also like to touch upon the role of the Baiterek and KazAgro holdings. They have made a significant contribution to the industrialisation and development of the agro-industrial complex and have in addition streamlined the activities of previously scattered financial institutions.

Now, however, we find ourselves in a different reality that requires a change in institutional structure. I consider it expedient to unite these two organisations and create a single development institution with essentially increased financial capabilities.

At the same time, the number of portfolio companies should be reduced by half, and the number of staff should also be reduced by 50%.

It is also necessary to be more active in our approach to the promotion of the economic interests of our state in the international arena, to defend national interests in a pragmatic and professional manner.

We need to maximise for the good of the country the use of extensive opportunities associated with Kazakhstan's participation in the Eurasian Economic Union, as well as in the "Belt and Road" project.

Work on attracting investments and promoting the export of Kazakh goods and services in the newly changing world is fast becoming a priority for the Government.

It is also necessary to effectively use the potential of the Astana International Financial Centre. This platform should become a key tool for attracting direct and portfolio investments.

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Concluding this topic, I want to say that people will not be blessed by the abstract growth of GDP; they need permanent jobs, good roads, hospitals and schools and quality food.

Economic reforms are justified and supported only when they increase the income of a country’s citizens and ensure higher standards of living. We must always keep this in mind.

BALANCED DEVELOPMENT OF THE TERRITORY

It is essential that we substantially restructure our approaches to the country's territorial and spatial development.

Our regions differ in economic and industrial specialisation, living standards, and the quality of public services. Territorial development should therefore be conducted, mindful of the competitive advantages of different regions.

The industrial potential of the south and southeast of the country should be more actively developed. It is here that half of the state's labour resources are concentrated and high-quality jobs are critically important for the development of these regions.

In addition to traditional support for the agricultural sector, substantial attention should be paid to the thorough processing of agricultural products, the development of the food and textile industries, the production of building materials and other industrial sectors.

Industrialisation is important not only for solving social issues and raising the level of income; it also forms a new mentality in citizens, adapting them to the modern world. And this is one of the basic factors determining the nation's competitiveness.

A new vision of the development of regions where major metallurgical enterprises operate is required. These are, first and foremost, the East Kazakhstan, Karagandy and Pavlodar regions. These regions could become centres of high-tech, science-intensive industries and technical services.

The western regions of Kazakhstan should become the centre of attraction for investments in the construction of petrochemical complexes, the creation of new production cycles of high added value. The fact that we still do not have petro-chemistry and high-value gas processing is, "does not fit into any door" (is senseless), as the saying goes.

It is especially important to give "a second lease of life" to our single-industry towns. Here, great responsibility is assigned to city-forming enterprises. This task will not be achieved without their active participation.

Almost 30 million people live in the border regions of Kazakhstan and Russia, where there are several million-plus cities. Close interaction with Russian authorities and organisations to promote Kazakh goods and attract investment is a very important factor in the development of Kazakh border regions.

The problem of fully realising the potential of villages remains strategically important. The implementation of the "The Village is the Cradle of the Country" programme, aimed at solving the most acute problems in the countryside, will continue.

A new approach to regional development will help manage the process of urbanisation, thus ensuring the phasing of "migration waves" and avoidance of over-population and social tension in large cities.

THE SOCIAL WELL-BEING OF CITIZENS IS A TOP PRIORITY

The social well-being of citizens is inextricably linked, first of all, with the housing issue.

In market conditions, the affordability of housing for citizens is based on the availability of income and the ability to resolve this problem independently. As part of my instructions, the issue of the population being able to use a part of their pension savings was devised. This is especially relevant now.

Already in 2021, 700,000 Unified Accumulative Pension Fund contributors will be able to use part of their savings for the purchase of housing, medical treatment or for transferring it to the management of financial companies. I instruct the Government, together with the National Bank, to adopt all the necessary regulations and carry out preparatory work by the end of this year.

This reform will also become an effective tool for “whitewashing” labour relations, creating incentives for participation in the pension system.

Effective social support will be provided to citizens with insufficient income to resolve housing issues independently.

This year the programme "5-10-25" came into operation. 390 billion tenge ($928 million) was allocated. The implementation of this programme must be constantly monitored by the Government.

The housing problems of those on the waiting list need to be resolved more quickly. Currently local governments are building rental housing for them on their own budget. Due to budgetary and procurement procedures, this is a lengthy process. The time has come to make changes to this scheme.

Funds should be directed not only to construction, but also to subsidising rent. In the first year, the coverage of this measure will increase 10-fold, more than 100,000 families will receive specific assistance. I have instructed Otbasy Bank to streamline this work, which is being created on the basis of Zhilstroysberbank. The bank's management bears personal responsibility in this matter.

In terms of the construction of individual housing, the Nurly Zher programme is being implemented at a slow pace. This is mainly due to the low rates of development of territories, since, according to the legislation, land can be provided only if there is water and electricity supply.

A house is not only housing; it can become an economic aid for low-income citizens, especially for large families. The Government and local governing bodies are obliged to accelerate the provision of communications for plots for social private houses, including through public-private partnerships.

I ask members of Parliament to take the solution of this important problem "under their wing". Is it the case that we cannot provide affordable housing for rural workers, force employers to build rented accommodation by subsidising costs and thus ultimately improve the quality of life of our many fellow citizens?!

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The family and the demographic situation is a matter of serious concern.

Unfortunately, every sixth family in Kazakhstan cannot have children. Opinion polls show that about 20% of Kazakhs consider this a substantial reason for divorce.

The UN forecasts for the growth of the population of Kazakhstan in comparison with our neighbours in Central Asia are disappointing. I instruct the Government to launch a special "Longing for a Baby” programme starting 2021. We need to increase the number of quotas for IVF programmes to 7,000, that is, seven-fold.

Special attention should be paid to issues relative to the safety and protection of children's rights.

We have significantly increased criminal liability for sexual abuses against minors. But the problem remains acute.

Such criminals deserve more severe punishment, without the right to pardon and early release. They should be kept in maximum security facilities.

Each such case should be under the special control of the Office of the Prosecutor. Inaction or negligence on the part of social or law enforcement agencies will be severely punished.

Overall, we need a new paradigm of social policy.

The social security sphere is regulated by 17 laws and dozens of bylaws. This has led to the complexity and fragmentation of regulation. The result is a blurring of the responsibility of the state and a lack of understanding by citizens of their own rights. I instruct the Government to start developing a Social Code for the country.

Measures should be taken to digitalise welfare payments. To this end, there is a need to introduce a digital citizen’s "social wallet", as well as create an appropriate distribution system.

Our society will have to change its perception regarding the value of labour, and teach the young generation to value work, not to separate it into the prestigious and non-prestigious.

Unfortunately, young people want to get rich quick, hence their passion for lotteries and betting. Inappropriate anecdotes about immigrant workers and a derogatory attitude towards their work have become popular in everyday life.

During these troubling months, we saw first-hand the enduring value of work. A huge effort has been made by junior medical personnel, utility and service workers. This is a real feat of labour. The people who carried it out will not be left without the attention of the State.

ACCESSIBLE AND QUALITY EDUCATION

In connection with the coronavirus pandemic, the vast majority of schoolchildren and students in the world have switched to distance learning. This entails a completely different style and content of work.

The government's miscalculations in organising distance learning are well known.

There is still essentially no operational online platform. Teachers, students and their parents have to use WhatsApp for days.

There is an urgent need to develop a unified educational online platform complete with a full set of all the necessary functions for a full-fledged educational process.

At the same time, quality education implies traditional lessons, communication with teachers and peers. We need therefore to consider procedures for returning to the traditional form of full-time education in compliance with epidemiological requirements. This is especially important for schools.

In addition to addressing pressing issues, we need to develop systemic measures to ensure equality of opportunity for children. Our children should receive quality education, regardless of where they live and the language in which they are being taught.

One of the main problems of our education is the low salaries of teachers.

I have already made a decision to increase the salaries of teachers by 25% as from January 2021. This will be increased in the future.

For these purposes, an additional 1.2 trillion tenge ($2.8 billion) will be allocated over the next three years.

We need to solve the problem of the all-round development of children before they enter school. I have set the task of ensuring that by 2025 there will be 100% coverage of pre-school education and teaching for children under six years of age.

Merely building state kindergartens will not solve this problem. We need to attract private business, find new forms of support, including a voucher- financing mechanism. Parents will be able to choose any kindergarten or school and pay with a voucher from the state.

Experts reasonably argue that state support only for gifted schoolchildren would increase the societal distance between children. This would be unacceptable.

In this regard, the state will support the so-called "ordinary" schools. It will also help bridge the gap between urban and rural areas in education.

In order to increase the level of citizens’ literacy and digital knowledge, I instruct the Government to develop a Concept of Lifelong Education. This document should ensure the active introduction of alternative options for non-formal education, recognition of the results of independent learning and the certification of professional skills.

We must also reorient the entire vocational education system towards the formation of competencies that are in demand in the labour market.

The main thrust here will be on preparing a new wave of entrepreneurs. The subject "Fundamentals of Entrepreneurship" should therefore be studied at all levels of education - from schools to universities.

It is essential that we pay the most serious attention to sports and the creative potential of the younger generation.

In times when there is a shortage of funds, it makes no sense to support professional sports clubs entirely at the expense of the state. Billions of tenge from the state budget and quasi-state companies are being spent inefficiently.

Priority should be given to mass sports, physical education and, of course, to children. In each region, sports facilities should be opened in large district centres.

We also need to resume the activity of "children's circles", where representatives of the young generation can learn the basics of creativity and handicraft.

Modern realities can be so dangerous for children: their energy and curiosity need therefore to be guided in the right direction. After all, children are the future of our state. This will be a criterion by which we will evaluate the work of governors.

I should like to say a few words about the quality of education. Last year, I ordered the closure of educational institutions involved in the "printing" of diplomas.

The implementation of this is challenging because of the resistance of influential people involved in this lucrative educational business. But the problem needs to be solved. This issue should be taken under special control by the Prime Minister.

I would also like to touch upon the issue of the development of science.

Here we need a fresh look, new approaches, reliance on international experience.

I instruct the Government to provide internships in leading research centres of the world for 500 scientists annually, as well as provide 1000 grants for young scientists for research under the Zhas Galym project.

An important source of funding and support for science is through the largest enterprises, especially in the raw materials sector.

The current norm on the deduction of 1% of capital investments for the development of science and technology is not transparent. Often these funds are simply redistributed within companies. I instruct the Government to ensure the centralisation of collection and distribution of these funds through the budget, based on national scientific priorities.

A good move on the part of big business would be to take over the "patronage" of regional universities in terms of their scientific activities.

We need a separate programme document on the scientific and technological development of the country. Its primary task will be to attract science to solving problems at national level.

DEVELOPMENT OF THE HEALTHCARE SYSTEM

The pandemic crisis has taught us a lot. For example, to appreciate the work of a doctor. But health workers were once on the periphery of state attention.

It goes without saying that given the importance of the medical profession, it must be supported financially. I instruct the allocation of 150 billion tenge ($357 million) for the payment of incentive bonuses to medical workers for the second half of the year under the soon-to-be revised budget.

We are doing this now during the crisis, and we must continue to do so on a systematic basis. By 2023, wages for medics and health care workers will be twice the national average wage.

The issues of the supply of medicines has been resolved, but the domestic pharmaceutical industry needs to be set on a secure footing. All basic medicines and medical devices must be manufactured in Kazakhstan. This is a national security issue. From next year I expect concrete results in this area.

Another issue is the development of medical infrastructure.

By the end of the year, 13 new hospitals focusing on infectious diseases will be built in various regions of the country. And by 2025, 20 modern multi-functional healthcare facilities will be commissioned. This means an inflow of about one and a half trillion tenge of investments in health care.

On the initiative of the Leader of the Nation, two multi-disciplinary medical centres will appear in Nur-Sultan and Almaty. They will become the flagships of our medicine, growth points for innovation and the development of applied medical science.

The government will have to radically reconsider approaches to the organisation of primary health care. It should become more mobile and accessible to a wide range of the population, including those living in the countryside.

Measures should be taken to revive the transportation of medicine to remote regions. To create effective rural health care within three years, we will need to provide all rural villages with feldsher-obstetric stations and medical outpatient clinics.

The pandemic has acutely pointed to the issue of training doctors in rare specialties: epidemiologists, infectious disease specialists, intensive care staff, pulmonologists, and cardiologists. I instruct the Government to draw up a long-term forecast (10 years) of staffing medical institutions.

Measures for the further development of national health care will make it possible to fully equip all medical organisations with the necessary equipment, to update the hospital beds fund by 50%, replace outdated infrastructure, and increase life expectancy to 75 years.

ECOLOGY AND PROTECTION OF BIODIVERSITY

Environmental protection and ecological development are at the forefront of Kazakhstan’s agenda. The whole civilised world is dealing with this issue, and we should not lag behind this main trend.

A draft for a new Environmental Code has been developed to solve a number of systemic problems. I ask Parliament to consider and adopt this important document by the end of the year.

I instruct the government to start implementing practical measures to improve the environmental situation. Long-term plans for the conservation and sustainable use of biological diversity should be approved.

Over the next five years, more than two billion trees will be planted in the countryside and 15 million in cities and towns. This initiative will lead to a large-scale greening of our country.

There is the now acute issue of building up a green belt around the capital.

Legislatively and normatively, it is essential to protect the national parks and other natural resources of Kazakhstan, as well as to toughen up the criminal and administrative prosecution of citizens who commit offences in this area.

We must equally pay due attention to the ecological education of the younger generation in schools and universities. The "Together for a Cleaner Kazakhstan” environmental campaign, designed to strengthen environmental values ​​in society, should be carried out on a systematic basis.

An important task is the active development of a culture of ecological tourism within the country.

In the medium term, economic growth should become increasingly green. The foundations for deep de-carbonisation should therefore be laid now. I instruct the Government, in cooperation with the scientific community and the private sector, to develop a package of proposals for "green growth".

The government, together with the civil sector, will also have to develop a draft law on the protection of animals. The attitude to animals is a measure of the civilisation of any state, and we are far from perfect in this regard.

A FAIR STATE THAT PROTECTS THE INTERESTS OF CITIZENS

No aspect of socio-economic development can be successfully implemented without the rule of law and guaranteeing the safety of our citizens.

A "Listening State" is, in fact, essential to the concept of building a "Fair State". It is not enough just to hear and see the problems of citizens, the main thing is to respond to them both correctly and objectively.

There is a lot of work ahead to develop new standards for serving the interests of citizens. The law enforcement and judicial systems play a key role in this respect. Reforms are absolutely necessary here.

Reality is changing rapidly. The more security forces rely on best practices, the more likely they are to fit into the context of international practice.

The current situation in the country imposes new requirements on law enforcement agencies, which must meet the demands of citizens.

However, due to the inertia of the past, an accusatory bias still prevails in the work of the law enforcement system. There are frequent cases where citizens are unfairly drawn into the orbit of criminal prosecution.

Operational officers, who detect crimes, and investigators, who make procedural decisions, both report to the same superiors, for whom the main task is to solve the crime and send the case to court. But the rights and freedoms of citizens should not suffer for the sake of indicators.

As for the prosecutor's supervision, this comes too late. Prosecutors become acquainted with the circumstances of a case only before being sent to court.

The criminal sphere should be modernised, following the example of the developed OECD countries. We need a model that ensures timely protection of citizens' rights and meets high international standards. I consider it necessary to introduce to Kazakhstan a three-tier model with a clear division of powers.

The police must identify crimes and those involved, collect and consolidate evidence.

The prosecutor is obliged to give an independent assessment of the evidence collected, stop any violations of the rights of citizens, prevent the involvement of conscientious citizens in the criminal process and to support the prosecution in court.

The court will consider complaints against the actions of the authorities and issue a final verdict on cases.

This approach will strengthen the system of checks and balances, and create effective filters at every stage.

I emphasise again: legality and fairness must be ensured by default. It must be remembered that the fate of people depends on mistakes in criminal cases.

From 2021, it should be legally imposed on the prosecutor in criminal cases to agree on key procedural decisions affecting human rights and freedoms.

It is important to ensure the stability of criminal procedure legislation. Frequent adjustments have a negative effect on law enforcement and do not allow for the development of uniform investigative and judicial practice.

Decisions regarding the application of legislation are often made without proper analysis and forecasting, based on the convenience of law enforcement officers. It is therefore necessary to develop new concepts of "administrative" and "criminal" offenses. Society and the legal community will understand the logic of establishing punishment for offences.

Throughout the progressive world, the institution of the police is developing on the basis of a service model. We also announced the transition to such a model, but so far the work has led to only fragmentary results.

The time has come for a more holistic reform of the local police service on the principle of “police at a walking distance”, where the key role is assigned to the district inspector.

It is necessary to raise the status of the district inspector legislatively, provide him with all the opportunities for productive work. He must be recognizable, accessible, authoritative for citizens, and actively defend citizens' rights.

It is important to teach law enforcement officers to conduct an open dialogue with people. This should become a priority in the system of training and selection of personnel.

Much is said about the development of video surveillance systems, but at the same time, the premises of the law enforcement agencies often remain "blind" zones. I instruct the introduction of continuous video surveillance in penitentiary institutions and police offices.

The structure of the Ministry of Internal Affairs needs to be revised, freeing it from non-core functions, which will increase the efficiency of this important department.

Considering that we have entered the era of natural and man-made disasters, I believe it is necessary to recreate the Ministry for Emergency Situations.

There are also problems in crime prevention work. It is necessary to reorient the supervision of the prosecutor's office to effectively address the problems faced by citizens and businesses.

It so happens that as soon as a respectable investor appears on the horizon, law enforcement and regulatory authorities immediately rush to check him. The government and Parliament will have to protect business legislatively from excessive interference by law enforcement agencies.

The current thresholds for bringing businesses to criminal liability for tax violations require revision. Any investigative actions against registered entrepreneurs can only be carried out with the approval of a court or a prosecutor. This option should also be considered.

An important criterion for the rule of law is impartial and fair justice. The court must be adversarial and the judge free from prosecution. For this, it is necessary to ensure equality between lawyer and prosecutor.

Building public confidence in the courts should be a priority. Its achievement is possible only through the joint efforts of the state and the judiciary itself.

The judiciary should not be a closed corporation. The Supreme Judicial Council and the Supreme Court should intensify efforts to recruit new professionals to administer justice. The judicial system needs specialists in the field of taxation, use of the subsoil, intellectual property and corporate law.

The selection of judges should be accompanied by media coverage so that the public knows on what merits individual candidates are hired.

It is also necessary to develop alternative ways of resolving disputes, which will make it possible to find compromises without the participation of the State. Such institutions have worked well in developed countries.

Almost ten years ago we adopted the Law on Mediation. But until now, not a single State body has been involved in its development, there is no intelligible state policy. This state of affairs should be corrected.

A representative Commission for the reform of law enforcement and the judicial system is being created under the Presidential Administration.

The fight against corruption is becoming more systemic. More attention has been paid to the causes of corruption, and preventive work is being conducted.

It has become necessary of now to conduct an anti-corruption analysis of regulations and work processes in government agencies and the quasi-public sector to identify corruption-creating factors.

At the same time, the fight against corruption should not cause officials to lose independence, initiative and efficiency due to the fear of being held accountable.

Supporting the institution of public control as an alternative to state control, we must create an appropriate legal framework. I instruct there to be developed and adopted a Law "On Public Control", designed to ensure openness and accountability to society of state bodies and the quasi-public sector.

It is essential to further enhance the role of public councils by involving them in the work of procurement commissions. The creation of public councils in the quasi-public sector should also be envisaged. The relevant legislation is before Parliament and should be adopted by the end of the year.

At the same time, representatives of different social groups should be widely involved in the composition of Public Councils. For example, it is necessary to create the necessary conditions for the participation of people with disabilities in the work of such structures, which should always be at the forefront of ​​special attention by the state.

It is extremely important to create a single information resource, where information on the financial and economic activities of quasi-state structures, the use of budgetary funds and other relevant data will be available to society.

Openness of information on decisions of state bodies will facilitate constructive dialogue with civil society. It is desirable that the legislation on access to information be passed before the end of the current session.

I also consider it advisable to introduce new anti-corruption tools. From 2021, a new anti-corruption restriction should be introduced for civil servants, deputies and judges regarding their ownership of accounts and holdings of cash and valuables in foreign banks.

If civil servants or heads of quasi-state organisations have dual citizenship, they are liable to dismissal from their positions.

The Criminal Code needs to be amended in terms of toughening penalties for corruption of law enforcement officials, judges, bribe givers and intermediaries in bribery.

Parole will not be applied to persons who committed corruption offences. It is essential to adhere strictly to the rule of prohibiting persons convicted of corruption from working in the civil service or in the quasi-public sector for life. We must also form at legislative level a system for the protection of persons who report cases of corruption.

It is critical to take new measures to protect human rights. For me, this issue is a priority.

Like the rest of the world, Kazakhstan is also faced with the vulnerability of citizens from bullying on the Internet. First and foremost, children suffer from this. They are especially sensitive to cyberbullying, which, unfortunately, has dire consequences. It is time to take legislative action to protect citizens, especially children, from cyberbullying.

Other measures to protect children's rights need to be strengthened, in particular to accede to the Optional Protocol to the Convention on the Rights of the Child, regarding the procedure for communication.

The issue of improving national legislation to combat torture also remains relevant. This document, which criminalises torture, needs to be brought in line with the provisions of the International Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

The fight against human trafficking is also on our agenda. In this regard, Kazakhstan does not look good in the eyes of the international community. Law enforcement agencies will have to improve the procedure for investigating such crimes. They must be severely punished by the courts. This important task requires coordinated action by government agencies.

I hope for the speedy adoption of the relevant laws in Parliament.

DIGITALISATION IS A BASIC ELEMENT OF ALL REFORMS

Digitalisation is not a fashion trend, but a key instrument for achieving national competitiveness.

First of all, it is necessary to eliminate the digital divide, ensure maximum access to the Internet and high-quality communication for all citizens. Today it is as basic a need as roads and electricity.

Children from socially vulnerable families should be provided with computers and high-quality internet. By the end of this year, each village with a population of over 250 people will have access to the Internet.

We see the problems people face when assigning pensions and benefits. A heap of papers, running in despair from place to place. It is necessary to fully digitalise these processes. “Data” should “run”, not people.

We must strive to abandon the use of paper in interagency cooperation and when communicating with citizens. I instruct you to cancel the most demanded certificates and paper confirmations (30 out of 47) by the end of the year, to provide digital confirmation of information.

There is already a good practice established for addresses, property and other similar certificates. Identity cards, diplomas, licenses must be accepted by government agencies in electronic form.

To simplify the public’s interaction with electronic services, biometrics should be widely used at public service level and in private business.

Working with "data" must reach a new level. Provision of a unified database system and its further development is one of the main challenges of the Government.

Thus far, this work has not been properly developed, including due to the dominance in the IT industry of a number of state-owned and affiliated companies.

Ministries and governors’ offices also have information and analytical or IT structures that protect only narrow departmental interests at the expense of overall strategy.

The development of the IT market, engineering and other high-tech services is not only the creation of added value and jobs within the country; more and more opportunities appear for the export of such services abroad. It is important to unleash this potential.

Interaction between the IT industry and national business is seen as a promising area.

Large state and private companies spend tens of billions of tenge on the design and applications of foreign players. The government should establish mutually beneficial cooperation between industry and the IT sector. This will create digital technology platforms that can drive the digital ecosystem of every industry.

We have passed laws allowing Kazakhstan to become one of the international hubs for the processing and storage of "data". Over the past year alone, more than 80 billion tenge ($190 million) of investments were attracted to digital mining. But we cannot stop here, we should attract the world's digital giants to the country. Otherwise, other states will do so.

We need to bring the volume of investments in this industry up to 500 billion tenge ($1.2 billion) within five years.

CIVIL PARTICIPATION IN GOVERNANCE OF THE STATE

We have set a course for the establishment of the "Listening State". As I said, the essence of this approach is not simply the situational response of government agencies to the daily problems of the population. This is first of all a constant dialogue between the authorities and society.

The National Council of Public Confidence has given a new impetus to the development of public dialogue. It justified its mission by institutionalising the nationwide dialogue process in our country, which resulted in a package of political reforms.

In particular, the Law “On Peaceful Assemblies”, new in its democratic essence, was adopted, amendments were made to the Laws “On Political Parties”, “On Elections”, “On Parliament and the Status of its Deputies”, as well as to the Criminal Code regarding decriminalising Article 130 and humanising Article 174. I am grateful to Parliament for the high-quality and efficient work involved.

This is only the beginning of our reforms in the political sphere and its modernisation will continue. It is necessary to reform practically all the institutions of state power. The main goal of the reforms is to increase the efficiency of the functioning of the entire State.

If we really want to improve the lives of our citizens, then we should involve them in the reform process. Our subsequent political reforms should be aimed at the wider involvement of the public in the government of the country.

For example, opinion polls show an increased demand for the election of rural governors. This important step should be approached carefully and consistently. We need to clearly understand how this system will work in practice. However, the solution of this issue cannot be postponed indefinitely.

The term of office of a number of heads of rural districts will end next year. I believe it is possible to conduct direct elections of rural governors.

In addition to the electivity of local authorities, it will be necessary to decide on the division of powers between levels of government, as well as with local self-government.

An extremely important point is the development of a model for budgetary financing of the regions. This is not only about the “centre-region” relationship, but also about the distribution of funds within the region.

It is essential to strengthen control over the process of approving local budgets, since funds are often not directed to the real needs of the public. Annual renovation of the same streets, senseless spending on image events - all this causes the just indignation of citizens.

With regard to socially significant expenditures on infrastructure and social initiatives, the budgets of districts and villages should go through public expertise, including using online surveys.

We also need to strengthen the financial capabilities of local government. To do this, it is necessary to expand property rights and increase the revenues of the budgets of rural districts. This should be the next stage in the development of “public participation budgets”. By December 1 of this year, the Government will develop a regulatory framework and mechanisms for solving this important problem.

Representative bodies - maslikhats are called upon to monitor the optimal use of local resources. But their opinions are often ignored. This is already a political anachronism.

I also believe it is possible to assign maslikhats with the function of collecting signatures and drawing up petitions on the development of the region or local problems that have not been resolved sometimes for decades.

It will also be necessary to strengthen the audit commissions of maslihats. I instruct the Government and the Accounts Committee to prepare a package of relevant amendments to the legislation.

We need to introduce mandatory online broadcasts of the meetings of maslikhats. Discussions between people's representatives, their socio-political appearance should not be a secret kept from the public.

It is proposed to gradually differentiate the powers of local government bodies and local self-government bodies.

We need to raise the status of local self-government bodies - gatherings and assemblies. Their opinion on topical problems on the ground should be taken into account by regional maslikhats for making specific decisions.

Separately, we should consider the issue of self-government in cities.

A reform was launched to introduce the institution of associations of property owners (APO). A corresponding law has been adopted, all apartment complexes will gradually switch to this form of management.

This reform is designed to take into account the views of residents on property management, accountability in spending funds on maintenance and repairs.

The government and governors must ensure that this important reform is implemented. After all, APO is, in fact, a basic element of the institution of self-organisation and self-government.

The time has come to develop a new Concept for the development of local self-government. Parliament on that basis will adopt a package of corresponding laws.

It must be admitted that formalism and lack of efficiency are still widely present in the work of government agencies. Citizens are forced to demand the solution of their local problems from the central government, to file complaints with the Head of State. It is time therefore to delegate more authority and responsibility to local leaders.

Through social media, problems that cannot be solved locally are made known throughout the country.

We need to create a single legitimate institution of online petitions for citizens to initiate reforms and proposals. Such a mechanism must be completely protected from any manipulation.

The government, in cooperation with civil society, will have to develop a regulatory framework and resolve all technical issues related to this important project.

The most important mission of protecting the interests of the country's citizens will continue to be carried out by political parties.

Through its actions the Nur Otan Party is confirmed in its status as the leading political force in our society. The party's potential will be used in the implementation of all planned reforms.

At the same time, I, as the Head of State, must work on the development of a real multi-party system.

We are not standing still, we are progressively improving our political system, adapting it to the new reality. Our society needs political reforms, so they will definitely continue.

It should be remembered that the main enemies of democracy are ignorance and populism. I hope that our citizens will support the reforms and, having received new political opportunities, will not allow society to slide into "hypocracy."

The success of all these reforms and transformations depends on our solidarity, patriotism, and civic responsibility.

 NEW QUALITY OF THE NATION

Today we are faced with the task of forming a new paradigm for our people's lives, improving the quality of the entire nation.

Life itself dictates to us the need to adapt to the requirements of the time as individuals and as society as a whole.

Only a nation striving forward can demonstrate the achievements of a progressive country on a global scale.

I want our people to have more qualities that are good and exemplary for the whole world.

For the new development of our nation, our daily life attitudes must change.

And new principles should reign in society and new guidelines should be consolidated.

“To have knowledge, you need to learn. To be rich, you have to do business. Unity and cohesion are necessary for power. For these needs it is necessary to work tirelessly”, - these words of the teacher of the nation, Akhmet Baitursynuly, are still relevant today.

First, the generation of the twenty-first century must be highly educated.

Second, young people must be accustomed to hard work.

Third, this is correct when professionalism is the basis of any business.

Fourth, iron discipline and high responsibility must become characteristic features of us all.

Fifth, one must not deviate from the path of justice. Justice is an important condition for the development of society. This quality is of particular importance for the fate of the country and our people.

Sixth, we need to cultivate qualities such as honesty, frugality and solidity. We all want to see Kazakhs this way. Only through following this path can we build a competitive state and create an intelligent nation.

The task of the country’s intelligentsia at this new stage is to embed new principles of national existence, as well as to contribute to improving the quality of the nation.

The renewed society must gradually rid itself of alien habits.

Extravagance and pomposity do no honour to either society or the individual. Irresponsibility, indifference, carelessness can lead to the tragedy of the entire country. And idle talk and bragging slows down the development of society. The great Abai wrote about this, saying “... lies, slander and pride hide the face of truth”. This problem is still relevant to this day.

We must instil in every citizen the great value and high ideals of labour.

A strong system “Responsible State - Responsible Society - Responsible Person” must be rooted in our country.

Dear compatriots!

The country faces great and complex tasks. Their successful solution requires extraordinary approaches, new thinking, universal solidarity and mutual support.

Our strategic course is clear. We are well aware of our problems and shortcomings.

Today I presented to the whole society a plan of action for the state in a situation of crisis. The ultimate success of the reforms depends on each and every one of us.

All of us should work on self-development. The challenges of the times force us to constantly adapt, become stronger and work relentlessly. Therefore, a happy and bright future will depend on a valorous labour of each citizen.

Each generation faces a different challenge. In our history, we have always overcome different challenges. Our people are capable and ready to tackle the most arduous tasks. We are ready for this.

We are a generation that has embodied the long-term dreams and aspirations of our people about Independence. Next year will mark the 30th anniversary of our Independence. This date is an important milestone for sovereign Kazakhstan. This is the beginning of a new historical period.

We bear a huge responsibility for the future of the state.

In unity and concord, we will overcome all challenges and achieve all our goals.

We can do it.

I am firmly convinced of that.

May our country be always safe.

Thank you all.