The 2017 AmCham Awards Gala, held in the Ballroom of the Almaty Ritz-Carlton Hotel, was the highpoint of the year for AmCham members and high-profile guests at corporate tables headed by CEOs from across Kazakhstan. Damiani Jewelry, a sponsor of the event, displayed a glittery selection of their jewelry in elegant glass cases outside the Ballroom and guests received photographs of themselves, courtesy of Herbalife, as mementos of the evening. Elegant members and guests sipped champagne before sitting down to a splendid Ritz Dinner with floral spring centerpieces on each table in the candlelit ballroom at this elegant black-tie event.

The evening’s first Presenter was U.S. Ambassador George Krol who presented the U.S. Ambassador’s Award for Best Contribution to U.S. - Kazakhstan Relations to Chevron. The award was accepted by Neil Menzies, Deputy Managing Director for Chevron Eurasia.

In May of 1992, Chevron and President Nursultan Nazarbayev signed an agreement to develop the Tengiz and Korolev oil fields in western Kazakhstan. 25 years later, it’s clear that the agreement has been successful for both sides – leading to the creation of Tengizchevroil, the introduction of world-leading energy technologies and business practices, and tens of billions of dollars of U.S. investment. The Ambassador’s Award honors Chevron for its contributions to that partnership and the more than one billion dollars that Tengizchevroil has spent on social projects in Kazakhstan.

The next award was the AmCham Public Service Award, presented by Doris Bradbury, AmCham Executive Director, to Labor Minister Tamara Duissenova. Minister Duissenova was recognized for her consistent efforts to support reform measures to improve Kazakhstan’s investment climate. As Labor Minister, Minister Duissenova has worked to reform local content and work permit regulations, notably supporting AmCham during discussions and follow-up at the Prime Minister’s Council to Improve the Investment Climate in November 2016.

The next award of the evening was the AmCham Service Award, presented to Dirk Eppner, Deputy General Director at Beiersdorf Kazakhstan. Dirk Eppner put his legal skills to good use on a broad range of AmCham advocacy issues at the Prime Minister’s Council. Dirk participated in virtually every monthly Council session on some of the most crucial topics facing The AmCham membership– local content, work permits, visas, deregulation, and anti-corruption.

The always eagerly-awaited Executive of the Year Award was presented by Mark Moody, U.S. Consul-General in Almaty, to Duncan van Bergen, Vice President Upstream and Country Chair for Shell Kazakhstan.

The year 2016 brought many challenges for Shell Kazakhstan, but thanks to Duncan van Bergen, it ended as one of the company’s most successful years ever. Shell Kazakhstan’s greatest accomplishment in 2016 was the smooth and successful integration of two long-standing energy partners in Kazakhstan – Shell and BG – and the long-awaited startup of the Kashagan field in September 2016 by the NCOC consortium in which Shell is a partner.

The Women’s Leadership Award is a very special award for women whose leadership has resulted in major gains by their companies or organizations. This year’s AmCham Women’s Leadership Award was presented by Gulnara Danybayeva, General Manager, Royal Philips Kazakhstan, to Dr. Assel Terlikbayeva, General Manager of the Columbia University Global Health Research Center of Central Asia (GHRCCA). As a young doctor in Almaty, Assel Terlikbayeva received a full scholarship to study at the Columbia School of Social Work in New York. Ten years later, the GHRCCA integrates a multidisciplinary team committed to advancing health and social issues in Kazakhstan and Central Asia.

The 2017 Entrepreneurship Award was presented by Galymzhana Pirmatov, Deputy Governor of the National Bank of Kazakhstan, to Philip Morris Kazakhstan for its Rural Development Program. The Rural Development Program is a Philip Morris Kazakhstan (PMK)
The Green Economy initiative was preceded by years of intensive EBRD policy dialogue, assisting the authorities to create the renewables legislation framework and develop a mechanism to attract investments.

The EBRD has further demonstrated its commitment by financing a pioneering large-scale solar power plant – Burnoye Solar Park. As the first of its kind, the project gives birth to Kazakhstan’s solar power sector.

The Health Protection Award was presented by Michael Muller, Commercial Counsellor and Trade Commissioner for the Embassy of Austria, to the Columbia University General Health Research Center of Central Asia (GHRCCA). The GHRCCA integrates a multidisciplinary team of faculty, scientists, researchers, and students committed to advancing solutions to health and social issues in Central Asia and the surrounding region. In 2007, Columbia University established the GHRCCA Almaty regional office to pioneer innovative programs for women, HIV/AIDS/TB patients, and other vulnerable populations. It has been designated a Center of Excellence for research, training, education, and policy development.

The Community Service Award for Large Corporations was presented by Andrey Kurilin, Chief Executive Officer at Citibank Kazakhstan and AmCham Board Member, to Coca-Cola Bottlers Kazakhstan for their project, 3.2.1–Move! Launched in 2015, the project that, in partnership with the University of Florida, aims to improve the well-being of farming communities through effective farm management techniques and cashcrop growing practices.

Realizing the need to adapt foreign experience to local needs, PMK engaged with Kazakhstani researchers and experts in agriculture, economics, and marketing. In November 2014, the program began holding workshops at the PMK Agrobusiness Training Center to begin educating farmers and implementing best agriculture practices in Kazakhstan.

The Excellence in Innovation Award was presented by Joern Rosenberg, Consul-General for the Embassy of Germany, to Visa International for their work in contributing to the digital infrastructure of Kazakhstan. Visa’s innovation has greatly improved the nation’s ability to conduct digital transactions, helping the country to run business more effectively. Visa fosters this environment of digital innovation through its collaboration with banks, merchants, and strategic partners.

Ashley Clarke, Chief Operating Officer at KPMG and AmCham Board Secretary, presented the year’s Most Innovative Education/Training Program Award to AES Kazakhstan for its East Kazakhstan Regional Sustainability Project for Workplace Safety and Energy Efficiency Training program. This is a large-scale investment program, designed to improve technical training in energy efficiency and workplace safety and meet the demands of Kazakhstan’s energy, mining, and metallurgical industries.

As Kazakhstan’s power demands continue to grow, AES Kazakhstan is working to develop the population’s knowledge and skills on safety and energy management and lead business sector initiatives to improve energy efficiency to reduce the region’s power shortage, optimize the use of coal generation capacities, improve the environment, and promote the sustainable development of the regional economy. Part of this program includes integrating energy saving and safety training modules into university courses at East Kazakhstan State Technical University and Ust-Kamenogorsk Polytechnic College.

The Environmental and Safety Award was presented by Jose Maria del Rey Salgado, Head Counsellor, Economic and Commercial Office, Embassy of Spain, to the European Bank for Reconstruction and Development for their work in helping the Kazakhstani government launch its Green Economy initiative. The German Consul - General Joern Rosenberg presents Excellence in Innovation Award to Visa International

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3.2.1–Move! Project was implemented in 19 schools from low-income rural areas in the Arshaly district of the Akmola region. Under the program, over 70 youth leaders and coaches received training on mobilizing youth in their schools and communities. The indoor sports hall in Tcheksk village was renovated, the Saryoba village school was repaired, and over 3000 students received sports equipment.

Coca-Cola Kazakhstan also organizes an annual Bylgary Dop (leather ball) Grassroots’ Football Tournament that involves more than 400,000 children from 6,200 schools. The tournament covers 80% of schools throughout Kazakhstan and includes schoolchildren aged 10-15. Coca-Cola was also recognized for its Women’s Belestery Empowerment Program, a global initiative to engage five million women worldwide in business by 2020. In Kazakhstan in 2016, 10 women won grants through the program to start their own small businesses.

The Community Service Award for SMEs and NGOs was presented by Laurent Damasse, Business France, Embassy of France, to the U.N. High Commissioner for Refugees (UNHCR). Founded in 1950 in the aftermath of the Second World War, the UNHCR has been helping millions of people in need of protection around the world. During its lifetime, UNHCR has helped 50 million refugees restart their lives. Since 1995, UNHCR has been the leading UN organization to provide international protection and seek durable solutions for asylum seekers, refugees, and stateless people in Kazakhstan. UNHCR advocates for improvements in legislation related to refugees and stateless people.

The final award of the evening was the Support for Kazakh Culture Award, presented by Gani Uzbekov, AmCham Board Member, to Kcell for its development of the free mobile application, Situational Kazakh. The application is designed to teach the Kazakh language through immersion in the cultural context of the Kazakh people. Kcell has recently launched a large number of projects aimed at popularizing usage of the national language, including another free mobile application, Kitap, which gives access to an online library of Kazakh literature.

The banquet also featured a lottery drawing sponsored by Damiani, who donated a stunning handmade Italian bracelet to be raffled off to a lucky guest. Before the raffle, the glittering jewelry sat in a glass case outside the ballroom to be admired by all who passed by. The lottery ticket, the announcer drew the winning ticket was drawn by Dr. Assel Terlikbayeva, General Manger of the Columbia University Global Health Research Center of Central Asia (GHRCCA).

The AmCham Spring Awards Gala is always the year’s most high profile event, a reason to dress up, drink champagne, compete for awards, congratulate and celebrate with the award-winners, and look forward to the next year’s high-spirited Gala, already in the planning.
AMCHAM JANUARY BUSINESS ROUNDTABLE WITH YASUKO ODA, UN HIGH COMMISSION FOR REFUGEES (UNHCR)

The January Business Roundtable Luncheon was held on Friday, January 23, in the Rixos Almaty Hotel’s Lotus Restaurant, featuring a presentation by Yasuko Oda, Regional Representative/Coordinator for Central Asia, UN High Commission for Refugees (UNHCR). Ms. Oda has a lengthy and impressive background in refugee and humanitarian assistance, having served with the World Food Program and the Japan International Cooperation Agency, as well as in the private sector at Kanebo Company before joining the UN Refugee Program in 1992. She holds a degree in International Relations from the Fletcher School of Law and Diplomacy at Tufts University.

The UNHCR works in 130 countries with over 11,600 staff members. In total, the UNHCR has over 67.7 million people of concern with a global budget of 7.508 billion USD, approved by its Executive Committee. However, most years this budget is not met, and UNHCR relies almost entirely on voluntary contributions from donor countries and organizations. Often only half or less of the annual budget commitment is met.

The UNHCR Four Pillars are its Refugee Program, currently working with over 20 million refugees, more than half from Syria, Afghanistan, and South Sudan, its Internally Displaced Person (IDP) Project, its Reintegration Projects, and its Stateless Program.

UNHCR has a historical background in Central Asia. The organization began working in Tajikistan and Uzbekistan in 1993, later expanding into Kazakhstan, Kyrgyzstan, and Turkmenistan in 1995. It has worked extensively in helping refugees and displaced persons in Central Asia. UNHCR has or had had operations for the Fergana Valley, Tajikistan (the 1992-1993 civil war), and other countries. Over the past 25 years, there has been a dramatic decline of refugees in Central Asia, largely through the efforts of both the countries of origin and hosts, and the UNHCR.

UNHCR has made great progress with stateless individuals in Central Asia. The UNHCR has worked with profiling and registration, helping over 40,000 people to obtain citizenship in the region from 2014-2017. The UNHCR four-part prolonged plan is to resolve existing statelessness, ensure that no child is born stateless (birth registration for all), grant protection status to stateless migrants and facilitate their naturalization, and promote accession to the 1954 and 1961 UN Conventions on Statelessness. Nonetheless, as of December 2017 over 103,000 stateless people remain in Central Asia.

Currently, the UNHCR continues to protect and find solutions for refugees, asylum seekers, and stateless persons. The 2016-2018 regional strategy focuses on refugee protection, strengthening asylum procedures, assisting refugee integration into host countries, and supporting governments to ensure that every person in their territories has citizenship.

This year, the UNHCR will also develop its 2019-2021 strategy for Central Asia. Right now, the most prominent challenges are global mixed migration trends (refugees, asylum seekers, illegal migration, trafficking, etc.), security, advocacy, and funding issues.

In Kazakhstan, the UNHCR is focusing on strengthening the asylum system, establishing permanent legal status for refugees, and preventing and reducing statelessness. The UNHCR national office has been based in Astana since July 2016.

Lastly, the business community can do much to help refugees in Kazakhstan. For example, businesses can provide employment and internship opportunities for refugees as well as vocational and professional training. Businesses can also support much-needed higher education for younger generation refugees, many of whom were born in Kazakhstan. Participation in special annual events like World Refugee Day (June), World Humanitarian Day (August), IBelong Campaign to Eradicate Statelessness by 2024 (November), and other events would help to further develop ideas for solutions to the challenges facing Kazakhstan’s vulnerable population.
AmCham May - July advocacy in has been centered on two monthly meetings of the Council to Improve the Investment Environment and on producing the 2018 HealthCare White Paper for presentation to Prime Minister Sagintayev and Health Ministry Yelzhan Birtanov. The White Paper was prompted by the Health Ministry’s development of a new Health Code scheduled to be finalized by the end of 2018.

Given AmCham’s consistent attention to healthcare issues across the past five years – two Healthcare Conferences in Astana, repeated Council presentations on healthcare reform, an Inter-Ministerial Intellectual Property Working Group with primary focus on pharmaceutical patent protection, and an internal AmCham Healthcare Reform Working Group – AmCham has been invited to participate in discussions concerning the new Health Code. AmCham’s longstanding relationship with the World Health Organization (WHO) and the World Bank, both of which are also actively involved in producing recommendations for the Health Code, will be a vital part of the AmCham contribution.

The two Council sessions in May and July were devoted to social development issues by request of the Prime Minister. Although the topics proposed for the Council are always selected by AmCham – a demonstration of the Prime Minister’s trust - occasionally a suggestion will be forthcoming for a particular topic. Following the Healthcare Reform topic of the May Council session, Prime Minister Sagintayev expressed his interest in ‘another social development topic’ – a break from the Council’s usual slate of economic and legal topics.

AmCham was therefore pleased to develop a distinctly different topic for July based on the recent AmCham Awards Gala held in Astana in June, when many of the awards to AmCham members were for social projects benefiting Kazakhstan.

The Council to Improve the Investment Climate

Healthcare reform, both a business topic – the healthcare industry is a massive industry and the major global pharmaceutical companies, private foreign hospitals, and healthcare providers and consultants are present in abundance in Kazakhstan - and a critical need in Kazakhstan’s social development, has been an AmCham focus for five years. AmCham has two active Healthcare Working Groups, both listed above.

The longest-standing WG is the Inter-Ministerial Intellectual Property WG, which meets monthly with the Ministers of Justice and Health. This Group intensified its focus several years ago on pharmaceutical patent protection. the importance of pharmaceutical patents is not properly understood in Kazakhstan, where counterfeit medicines marketed under brand names are widely sold in pharmacies, as well as procured by the Government for hospitals and clinics. It has proven difficult, if not impossible to remove the counterfeit drugs from circulation or to prosecute the distributors or manufacturers.

The May Agenda featured a broad range of opinion and perspectives. The U.S. and Canadian Ambassadors were followed by five AmCham members – the Leaders of the 2 WGs discussed above, the CEO of a leading AmCham pharmaceutical members, a PwC partner who works with the pharmaceutical industry, and the General Director of the Red Cross/ Red Crescent in Kazakhstan. This assured a good cross-section of the healthcare industry.

The Chair of the AmCham Healthcare Reform WG outlined the three metrics fundamental to provision of healthcare – universality, affordability, and quality. She also discussed the underlying question of whether healthcare is a fundamental human right or a luxury, available only to those with the financial resources to obtain it. She then outlined several models of healthcare coverage in other countries.

The Leader of the Inter-Ministerial IP WG focused on patent protection and Government procurement policy, pointing up the difficulties of Kazakhstan’s courts in handling patent infringement cases. He also expressed concern over the new policy of localizing the manufacture of generics without adequate protection for medicines still under patent. He noted the Ministry’s tendency to select the least expensive drugs under Government tenders – in most cases, generic - without understanding these drugs are low-quality, and high-risk.

The Red Crescent made 2 recommendations: to establish well-controlled blood banks in Kazakhstan, and to establish a program to teach basic first-aid and emergency lifesaving procedures to the general population. Stressing that immediate first-aid techniques can save lives, she spoke about the need to inform and train the population in emergency techniques.

PM Sagintayev spoke at some length about the need for healthcare improvement in Kazakhstan. He also mentioned the well-known practice by Kazakhstanis who travel abroad to buy their medicines due to limited confidence in the authenticity of drugs in Kazakhstan. He also asked AmCham to devote the next Council session to social development.

July 2018 Council – Investing in Social Needs: AmCham Member Social Development Projects

In response to the Prime Minister’s request at the May Council, AmCham developed a Social Needs agenda for July based on the many social projects that received awards at the June 9 AmCham Awards Gala. The projects selected included 2 medical/ local hospital projects in Atyrau (NCOC and ExxonMobil), projects providing support to people...
with disabilities (Philip Morris International and the Nurlan Kapparov Foundation), support for refugees (UNHCR), support for agricultural education (Eurasia Group), and support for Kazakh culture and museums (KPMG).

The Council objective was two-fold: to showcase AmCham members’ support to the communities in which they live, commitment to Kazakhstan’s development in the future, and to focus the Government’s attention on areas in which Government support for social needs should be strengthened.

The three Council Ambassadors delivered strong presentations on their countries’ approach to social development, or ‘social enterprise’, as the UK Ambassador termed it. The U.S. Ambassador spoke at some length about integrating people with disabilities into productive public lives that recognized and encouraged their skills. The social enterprise presentation outlined the British development of UK small businesses and service industries based on inclusion of citizens with diverse disabilities.

The two medical projects in Atyrau were 1) the NCOC project to include foreign doctors in the Atyrau Regional Hospital to train local doctors on the hospital staff and to provide needed medical equipment to the hospital, resulting in improved medical services to the local population, and 2) the ExxonMobil project for improved neo-natal care and training to local medical students in Kazakhstan and abroad.

The Philip Morris project to provide vocational training for the disabled included 240 students over an 8-year period in the Ily region of Kazakhstan. Entrepreneurial training to enable creation of businesses was also provided, and students were placed in jobs upon successful completion of their training.

The Nurlan Kapparov Foundation program is a long-term program delivered in Semey (Semipalatinsk), the location of Soviet-era nuclear testing which caused a broad range of birth defects that continue to plague the region to this day. The Kapparov program supports medical treatment, rehabilitation training and other services for disabled children enabling them to participate in full lives, including in sports. Children in this program take pride in the awards they have won at special sports competitions in Kazakhstan and other CIS countries.

The UN High Commissioner for Refugees, a UN agency operating worldwide, also has operations in Kazakhstan and across Central Asia. Established in 1993 in Kazakhstan, UNHCR has provided services to over 20,000 refugees over the past 25 years beginning with refugees from the Tajikistan civil war.

Afghanistan and Syria are now the main sources of refugees in Central Asia. Hundreds of Afghan refugees cannot return home to their war-torn country, and many children of refugees born in Kazakhstan consider themselves Kazakhstan citizens. Statelessness is also a problem with which UNHCR struggles. There are over 100,000 stateless people in Central Asia today, including 7000 in Kazakhstan for whom education and other social services are not available.

The Eurasia Group, exclusive distributors of John Deere agricultural equipment in Kazakhstan, has for almost a decade been funding and helping to design courses to train agronomists and other agricultural specialists in higher education institutions the country. It has also created an Association to develop Agricultural Methods and Technologies, and signed a 3-year program of agricultural courses with the German Ministry of Economic Development.

KPMG has a long-term relationship with the Kasteyev Museum of Arts in Almaty as a member of the Museum Board and as a funder of the Museum’s research and publications. In 2017 KPMG provided funding for the Museum Catalogue of its visual arts collection, a 2-volume publication entitled Kazakhstan’s Painting that will be completed this year. The Catalogue will be a valuable resource for researchers and collectors, and will be distributed to Kazakhstan’s libraries, to international cultural associations, and foreign partners.

AmCham Healthcare White Paper 2018

The AmCham Healthcare White Paper was developed over a 3-month period and presented to the Prime Minister and Health Minister at the July Social Needs Council session. This is the second White Paper presented to the Government this year in follow-up to the 2018 Investment White Paper.

The Paper was developed on the basis of the May Healthcare Reform Council session and in consultation with the Almaty WHO and World Bank offices, both of which are engaged in delivering healthcare reform programs to the Health Ministry. The White Paper will serve as the basis for AmCham’s recommendations for development of the new Health Code.