
Annex 1 (Joint Programme Template)

Joint SDG Fund - 1st Call on SDG Financing

Joint Programme Document
- Simplified Template -

A. COVER PAGE

1. Fund Name: Joint SDG Fund

2. MPTFO Project Reference Number

3. Joint programme title

Aligning policy and financing with SDGs towards an Integrated National Financing Framework in Kazakhstan

4. Short title

SDG aligned finance in Kazakhstan

5. Country and region

Kazakhstan, Central Asia

6. Resident Coordinator

Norimasa Shimomura, norimasa.shimomura@one.un.org

7. UN Joint programme focal point

Dina Khasanova, UNRCO, Dina.khasanova@one.un.org

8. Government Joint Programme focal point

Zhaslan Madiyev, Vice-Minister, Ministry of National Economy, tm.abdrakhmanov@gmail.com)

9. Short description

This Joint Programme (JP) will support the Government of Kazakhstan in aligning policy and financing with SDGs towards adopting an integrated national financing framework (INFF). This will be achieved by operationalizing the priority reforms required to implement an INFF, as identified by both the Development Finance Assessment (DFA) and the Rapid Integrated Assessment (RIA) of national budgets, conducted by the UNDP and ADB in 2019. As such, the JP will build authorities' capacity to scale up their ongoing efforts to build the enabling environment (legal, political, regulatory, etc.) and the supporting ecosystems (institutions and actors) for increasing the impact of the different forms of financial resources towards achieving the SDGs in Kazakhstan.

Building upon the achievements of the 2019 joint ADB-UNDP support framework to develop a "*Partnership for building a national SDG platform*" this JP is expected to result in Kazakhstan implementing three critical building blocks towards adopting an INFF: **i) developing a holistic SDG financing strategy** to increase the efficiency and effectiveness of public spending and mobilize additional SDG financing; **ii) align national planning, budgeting and financing with SDGs** through the implementation of SDG budgeting, with a specific focus on mainstreaming gender and child dimensions; and **iii) strengthening SDG monitoring and accountability mechanisms** by involving non-government actors in the budgeting process. This will result in accelerating progress towards the SDGs by increasing SDG financing, including inclusive MSME financing and climate finance, as well as safeguarding fiscal space for social expenditures, paying attention to gender-responsive planning and budgeting and ensuring that vulnerable population groups, especially children and youth, are not left behind.

10. Keywords:

Social protection, SDG alignment, finance assessment, budget, planning, financing strategy, child rights, women rights

11. Overview of budget

Joint SDG Fund contribution	USD 1,000,000.00
Co-funding: <ul style="list-style-type: none"> • UNDP • UNICEF 	USD 172,536.00 (regular resources) USD 15,000.00 (regular resources)
TOTAL	USD 1,187,536.00

12. Timeframe:

Start date	End date	Duration (in months)
01/07/2020	30/06/2022	24 months

13. Gender Marker:

The overall Gender Marker score is 2.

14. Participating UN Organizations (PUNO) and Partners:

14.1 PUNO

- Oversight:
 - United Nations' Resident Coordinator's Office (UNRCO)
Ms. Dina Khassenova, Dina.khassenova@one.un.org
- Convening agency:
 - UNDP
Mr. Yakup Beris, Resident Representative, yakup.beris@undp.org
- PUNOs:
 - UNICEF
Ms. Veronika Vashchenko, Deputy Representative, vvashchenko@unicef.org
 - ESCAP
Ms. Natalja Wehmer, Economic Affairs Officer, wehmer@un.org

14.2 Partners

- National authorities:
 - Ministry of National Economy
Mr. Zhaslan Madiyev, Vice-Minister, tm.abdrakhmanov@gmail.com
 - Ministry of Finance
Mr. Medet Aktanzhanov, Director, Department of Budget Planning, m.aktanzhanov@minfin.gov.kz
 - Ministry of Education
Ms. Bibigul Asylova, Vice-Minister of their affiliates in the regions of Kazakhstan, b.asylova@edu.gov.kz
 - Representatives of their affiliates in the regions of Kazakhstan
- Representative from the Parliament's Budget Committee:

- UNDP counterpart: Ms. Natalya Godunova, Chairperson of the Chamber of Accounts, n.godunova@esep.gov.kz
- UNICEF counterpart: Ms. Irina Smirnova, Member of Parliament, smirnova@parlam.kz
- National Committee on Statistics and its regional affiliates
 - Mr. Nurbolat Aidapkelov, Chairman, n.aidapkelov@economy.gov.kz
- The National Commission for Women Affairs, Family and Demographic Policy
 - Ms. Nazgul Sagindykova, Head of the Secretariat of the National Commission, sagindykova.n@yandex.kz, n.sagindykova@akorda.kz
- JSC 'Economic Research Institute' (ERI)
 - Mr. Ruslan Sultanov, Chairman, r.sultanov@eri.kz
- Civil society organization:
 - TALAP Center for Applied Economic Research
Mr. Rakhim Oshakbayev, Director, rakhim@oshakbayev.kz
- Private sector:
 - Chamber of Commerce
Mr. Ablay Myrzakhmetov, Manager, ablay.kaz@gmail.com
- International Financial Institutions:
 - Asian Development Bank Resident Mission in Kazakhstan
Mr. Giovanni Capannelli, Director of the Resident Mission, gcapannelli@adb.org
 - World Bank Resident Mission in Kazakhstan
Jean-Francois Marteau, WB Country Manager for Kazakhstan, jmarteau@worldbank.org
- Other partners:
 - European Union
Mr. Johannes Stenbaek Madsen, Head of Cooperation, johannes.stenbaek-madsen@eeas.europa.eu

SIGNATURE PAGE

<p>Resident Coordinator</p> <p>Mr. Norimasa Shimomura UN Resident Coordinator for Kazakhstan 30 March 2020</p> <p><i>Signature and seal</i> </p>	<p>National Coordinating Authority</p>
<p>Participating UN Organization (lead/convening) UNDP</p> <p>Mr. Yakup Beris UNDP Resident Representative 30 March 2020</p> <p><i>Signature and seal</i> </p>	
<p>Participating UN Organization ESCAP</p> <p>Ms. Armida Salsiah Alisjahbana Under-Secretary-General of the United Nations And Executive Secretary of ESCAP 30 March 2020</p> <p><i>Signature and seal</i> </p>	
<p>Participating UN Organization UNICEF</p> <p>Mr. Arthur van DIESEN UNICEF Representative in Kazakhstan 30 March 2020</p> <p><i>Signature and seal</i> </p>	

B. STRATEGIC FRAMEWORK

1. Call for Concept Notes: SDG Financing (2/2019) – Component 1

2. Programme Outcome [pre-selected]

- Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

3. UNDAF Outcomes and Outputs

3.1 Outcomes

The JP contributes to the following outcomes of the UNDAF (2016-2020):

- **Outcome 2.1:** Rights holders benefit from improved Government policymaking and implementation through enhanced participation at sub-national and national levels
- **Outcome 2.2:** Judicial and legal systems and public institutions are fair, accountable and accessible to all
- **Outcome 3.1:** The Government, together with partners, promotes the achievement of Sustainable Development Goals (SDGs) in the region and leads in promoting and implementing United Nations principles, standards and Conventions

The JP contributes to the following outcomes of the UNSDCF (2021-2025):

- **Outcomes 1.1.** By 2025, effective, inclusive and accountable institutions ensure equal access for all people living in Kazakhstan, especially most vulnerable, to quality and gender-responsive social services that leave no one behind (SDG 1, SDG 4, SDG 9, SDG 16)
- **Outcome 2.2.** By 2025, state institutions at all levels effectively design and implement gender-responsive, rights- and evidence-based public policies and provide quality services in an inclusive, transparent and accountable manner (SDG 1, SDG 5, SDG 9)

3.2 Outputs

The outputs from the UNSDCF (2021-2025) will be defined upon the adoption and start of the UNSDCF. The JP contributes directly to the below outputs of the UNDAF (2016-2020):

UNDAF Outcomes 2.1 and 2.2:

- **Output 1:** National policies and legislation are improved and responsive to the needs of the right - holders (SDG 5, SDG 16)
- **Output 2:** Civil society have capacity to contribute to the government policy-making (SDG 5, SDG 10, SDG 16, SDG 17)
- **Output 3:** National institutions at central and local levels are responsive to developmental and humanitarian issues (SDG 5, SDG 13, SDG 16, SDG 17)

UNDAF Outcome 3.1:

- **Output 1:** MFA, MOH, MNE (National Statistics Committee) and Ministry of Education have increased capacity to monitor SDGs and facilitate regional issues based platforms where best practices on SDG implementation are disseminated (Strategy 2050, All SDGs).

4. SDG Targets directly addressed by the Joint Programme

4.1 List of goals and targets

At the end of the two years of implementation it is expected that Kazakhstan has a more integrated SDG financing infrastructure that ensures alignment of the budget and state planning system with the SDGs and safeguards fiscal space for social expenditures, paying attention to socially vulnerable population groups, including women and children. This will accelerate progress on the below specific SDG targets:

- SDG 1 (target a)
- SDG 4 (target 2)
- SDG 5 (target 4 and a)
- SDG 9 (target 3)
- SDG 10 (targets b)
- SDG 13 (target 3)
- SDG 16 (target 6)
- SDG 17 (targets 3 and 17)

Measuring progress and baseline data is provided in section 1.2 below.

4.2 Expected SDG impact

The JP will accelerate progress on achieving above priority SDGs by increasing the efficiency and effectiveness of public spending through developing a holistic SDG financing strategy and better aligning and integrating planning and budgeting within a fully nationalized SDG monitoring Framework at all government levels. This will be achieved by building state capacity for stronger policy and institutional coherence towards sustainable development and strengthening Kazakhstan's fiscal and policy environment to deliver at scale results (SDGs 16.6, 17.3 and 17.17). In combination with conducting SDG costings, developing specific strategies to leverage inclusive MSME finance and climate finance, as well as analysis on the gender and child dimensions of poverty and inequality in Kazakhstan the JP will also lead to increased and better targeted social spending to tackle regional inequalities and accelerate progress on priority SDGs where Kazakhstan is lagging (SDGs 1.a, 4.2, 5.4, 9.3, 10.b and 13.3).¹

5. Relevant objective(s) from the national SDG framework

The JP is a coordinated and integrated UN response that aligns with the ambitious national priorities set out in Kazakhstan's long-term strategic planning document "Kazakhstan 2050: New Political Course of the Established State". It directly supports the below two specific objectives of this Strategy:

- A strong human capital base of highly educated, healthy and secure people, with equal access to good employment opportunities.
- A strong, transparent and inclusive economic and political institutional capacity that supports the effective management of the economy and the wellbeing of all people of Kazakhstan.

¹ <https://www.sustainabledevelopment.report/>

Our JP's systemic focus also provides useful tools to complement, inform and support the government's response to the COVID-19 crisis:

- Measure 1 - Fulfilling all social obligations and upward adjustment of its social payments (pensions and social assistance) according to the new inflation ranges: the JP develops specific financing strategies to safeguard social spending, increase its available finance and improve its targeting to those most in needs
- Measure 2 - Optimize the national and local budgets: The JP will ensure effective and transparent alignment of public spending across national, subnational and city level with Kazakhstan's development priorities and targets
- Measure 3 - Develop an anti-crisis action plan to maintain employment, control inflation and stabilize the currency: The SDG Financing Strategy and improved enabling environment will strengthen policy coherence and coordination to maximize results.

It should also be noted that whilst the potential impacts of COVID-19 are not yet fully understood in Kazakhstan, the JP will maintain flexibility to ensure that the priorities for financing the SDGs are articulated with a fuller understanding of the implications of COVID-19 as this develops. In addition, risk management will be integrated into the finance strategy to ensure that the future risks of pandemics and other exogenous shocks are better mitigated.

6. Brief overview of the Theory of Change of the Joint programme

The combined change of the JP's outcomes will significantly upgrade Kazakhstan's enabling environment (legal, political, regulatory, etc.) and the supporting ecosystems (institutions and actors) for mainstreaming the SDGs across its public finance system, considering a human rights-based approach, particularly for vulnerable groups:

1. **If** Government of Kazakhstan adopts a holistic SDG financing strategy that improve coherence between different public and private financing policies and instruments, and systematically monitors available fiscal space at central and sub-regional levels; **Then** this will enable national and local authorities to safeguard social spending and contribute to more rapid socio-economic development and achievement of the SDGs.
2. **If** national policy and budgeting frameworks are better aligned with national SDG priorities; **Then** public spending of medium-term sectoral strategies and territorial development policies to reduce regional inequalities is more effective and efficient.
3. **If** national authorities strengthen SDG financing and performance monitoring frameworks to be more equity focused and gender sensitive; **Then** this will improve accountability for streamlining the gender dimension and SDGs principle of "leaving no one behind" in the interests of socially vulnerable population groups in both urban and rural settings.

7. Trans-boundary and/or regional issues

Trans-boundary and sub-regional issues, such as integrated water and energy management, infrastructure connectivity and openness of trade routes, potential of economic diversification and regional value chains, combatting spatial inequality and creating decent jobs are likely to play an important role for inclusive and sustainable development of Kazakhstan. Through their impact on growth prospects of critical economic sectors in Kazakhstan, for example agribusiness, these trans-boundary issues will influence Kazakhstan's SDG financing needs and available resources for national development priorities. The geopolitical situation in the region is exacerbated by the dual challenges of population growth and very few jobs,

especially in rural areas and for young people, migration, regional security and extremism. Therefore, this JP supports government authorities to identify, quantify and integrate these complex and interrelated, regional SDG financing risks into a holistic financing strategy. Furthermore, it specifically builds national capacity to develop integrated, long-term financing solutions to mitigate these risks.

SDG implementation would get a boost from stronger sub regional collaboration between UN agencies working in accordance with their mandates, international development partners such as the Asian Development Bank (ADB), think tanks, academia, volunteer groups and NGOs, and the business community. For example, integrated water and energy management offer important development synergies in agribusiness value chains or joint infrastructure. This JP strengthens the national SDG mechanisms to enhance the contribution and coordination of non-governmental actors to these current and future trans-boundary issues, with a focus on development partners and civil society organisations. This will be achieved by leveraging the UN's strong regional expertise and country presence across the regions to foster regional dialogue, peer learning and south-south cooperation. This will be achieved by showcasing Kazakhstan's SDG progress at the annual 'ADB-UNDP Regional SDG Summit in Kazakhstan', the annual ESCAP sub regional SDG Forum, and the ESCAP-UNOSSC sub regional South-South Cooperation Forum. It will also contribute to the Government's proposal to create a regional UN SDG hub in Almaty.

Kazakhstan has advanced significantly in terms of its nationally-established SDG coordination architecture² and it aims to project itself as an example of good practice for its regional peers. From the SDG financing perspective, however, progress has been lagging. This JP lays out a very ambitious set of SDG Financing reforms which would put Kazakhstan at the forefront of an SDG financing agenda in the region and beyond. The successful implementation of the three building blocks could subsequently serve as examples and be replicated across the region as well towards strengthening regional SDG financing. The inclusion of multiple stakeholders in budget decisions and M&E builds on ESCAP's experience in organizing multi-stakeholder consultations for the Voluntary National Reviews (VNRs) and will be showcased at ESCAP's annual 'Asia Pacific Forum for Sustainable Development' (APFSD)³. The high level of institutional similarities in the planning and budgeting infrastructure of member countries of the ADB-supported Central Asia Regional Economic Cooperation Program (CAREC)⁴ offers an interesting opportunity to consider scaling up efforts to finance SDGs in the region.

² In 2019, Kazakhstan launched the SDG Coordination Council, chaired by the Vice Prime Minister, to oversee five working groups covering the 5 P's of the 2030 Agenda. It successfully prepared the country's first Voluntary National Review (VNR) for UNGA 2019 and steers the on-going nationalization and localization of the SDG indicators. (https://stat.gov.kz/official/sustainable_development_goals)

³The APFSD is an annual and inclusive intergovernmental forum and a regional platform for supporting countries, in particular those with special needs, in the implementation of the 2030 Agenda for Sustainable Development.

⁴ The CAREC Program is a partnership of 11 countries and development partners working together to promote development through cooperation, leading to accelerated economic growth and poverty reduction. It is guided by the overarching vision of "Good Neighbors, Good Partners, and Good Prospects."

C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

1.1 Problem statement (max 2 pages)

Sustained high levels of growth have propelled Kazakhstan from lower-middle-income to upper-middle-income status in less than two decades. Since 2002, GDP per capita has risen six-fold and poverty headcount ratio at national poverty lines has fallen sharply. While low overall, the poverty rate is slightly higher for women at just above 2.7% compared with 2.6% for men⁵. The country moved to the category of countries with very high Human Development in UNDP HDI ranking. Child and maternal mortality have been reduced substantially. Children receive an average of 15 years of education and children and adolescents have benefited from the overall reduction of poverty, the expansion of social protection policies and improvements in primary health care services and early childhood development.

While Kazakhstan has reduced extreme and relative poverty levels, intrinsic inequalities persist (SDG 10). Despite a low Gini coefficient at 28.9⁶ in 2017, the richest 10 percent of the population hold almost the same income share (23%) as the poorest 40 percent (23.4%)⁷. Regional inequality is high with poverty levels in rural areas 2.7 times higher than in urban areas⁸ (SDG 1 and 10). Children of poor families, those in rural areas, children with disabilities, children in institutions and migrant children are among those at risk of being left behind.

These regional inequalities also extend to gender inequalities⁹ (SDG 5) as outlined in the UN MAPS report¹⁰. The Global Gender Gap Index 2020 places Kazakhstan at 72nd position out of 153 countries indicating low ranking in political empowerment (106) and health and survival (75)¹¹. The 2019 Voluntary National Review (VNR) introducing gender impact assessment in the system of state and budget planning and ensure equal access of men and women to the resources necessary for entrepreneurship. The ADB Gender Assessment recommends reducing and redistributing women's unpaid work and provide quality and gender-responsive public services¹². Women currently spend three times as much time as men performing unpaid work.

The country's spectacular economic growth depended largely on exploiting the country's fossil fuel wealth and related large foreign direct investment inflows. The oil and gas sector, generated 26% of GDP at its peak and still dominates exports, and generates about a third of public revenues¹³. The economy's high energy intensity and rate of greenhouse gas emissions poses adverse environmental risks and challenges the sustainability of the current development model.

⁵ R. Sarsembayeva. 2017. Implementation of the Strategy for Gender Equality in the Republic of Kazakhstan 2006–2016: The Sociological Analysis. Astana.

⁶ Ministry of National Economy of the Republic of Kazakhstan Statistics committee

⁷ UNDP Global Human Development Report 2019

⁸ UN Common Country Assessment, 2019

⁹ GNI per capita for females in Kazakhstan is 16,492 compared to 28,197 for males (Kazakhstan Human Development Report, 2019)

¹⁰ United Nations MAPS Report, 2016

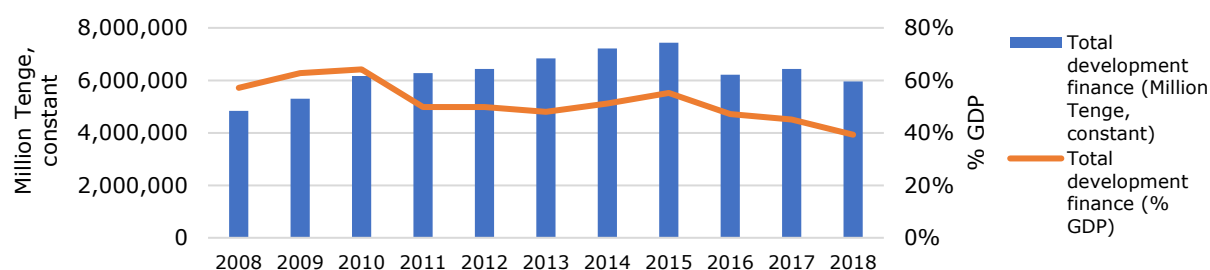
¹¹ WEF Global Gender Gap index and Republic of Kazakhstan, 2019, Comprehensive review of the Beijing Declaration and Platform for Action (1995) implementation progress.

¹² Kazakhstan Country Gender Assessment. ADB, 2018

¹³ OECD, Multidimensional Country Review, 2016

Since 2014 external conditions, and especially the rapid fall in oil prices, have had a dampening effect on the country's economy resulting in lower amounts of financing flows coming to the country. The recently completed analysis of the development finance assessment (DFA) reveals that the total available development finance stagnated in recent years in Kazakhstan (see figure below). Also, the composition of available development finance shifted towards an increasing reliance on domestic public revenue, mostly taxes, albeit at very low levels. This was basically because of reduced FDI following the downturn in oil prices.

Figure 1. Total Development Finance to Kazakhstan



Source: ADB & UNDP, *Development Finance Assessment: Kazakhstan 2019*.

Significant direct and indirect economic impacts from COVID-19 must be expected given lower revenues (from taxes), higher public spending (welfare, social services) and already decreased oil prices on which much of Kazakhstan's budget depends. The government's countercyclical measures¹⁴ to contain the socio-economic impact of the unfolding COVID-19 pandemic are putting extra pressure on public finances. Under current conditions, the country's Sovereign Wealth Fund is projected to be depleted within the next 5 years, undermining intergenerational equity and the available finances needed to successfully transition away from a dependence on hydrocarbon.

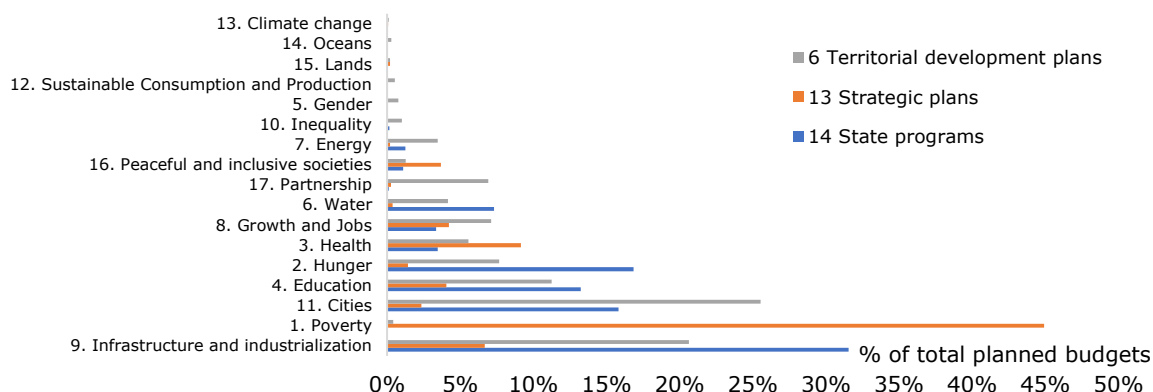
The DFA further concludes that limited fiscal space occurs because of weak tax collection systems and underperforming public finance management which in turn reduces revenue generation (SDG 17) and limits the available fiscal space for increasing SDG-relating spending. Thus, Kazakhstan is facing challenges to deliver at scale results across a range of development areas especially related to geographic and inequality issues mentioned above, which affect in particular women and children.

Stagnant economic growth, low oil prices, a growing and aging population and increasing influence of climate change compound the challenge to safeguard social safety nets to reduce inequality and promote social mobility (SDG 10). Micro, small and medium enterprises (MSMEs) are crucial to the *Leaving No One Behind* principle that is central to the 2030 Agenda. The DFA reveals the lack of access to finance to be a major constraint to the growth and diversification of domestic private enterprises in Kazakhstan (SDG 9).

This is confirmed in the 2019 RIA of national budgets, which revealed that some SDGs, including SDG 13 (climate change), SDG 5 (gender equality) and SDG 10 (reducing inequalities), are not well-funded by the national budgets (see figure below). Related sectoral plans remain unclear about how they will effectively mobilize additional sources of SDG – aligned financing. The RIA of national budgets further concludes that public planning and SDG-aligned strategies remain practically de-linked from financing and budgeting, leading to less effective spending and poor service delivery.

¹⁴ Approximately USD 90 billion of the country's international reserves.

Figure 2. Prioritization of State Spending across SDGs



Source: ADB & UNDP, *Rapid Integrated Assessment of National Budgets: Kazakhstan (2019)*

Data for SDG 1, 4, 5, 10, and 13 reveals progress is not sufficient to achieve the targets by 2030. SDG 5, 10 and 13 coincide with those under-funded SDGs, while public funding for SDGs 1 and 4 is concentrated in specific targets, with others remaining under-funded. Thus, Kazakhstan cannot rely on a business-as-usual approach to finance its Agenda 2030 and would benefit from a more holistic, strategic approach. Currently, Kazakhstan’s long term development vision – Kazakhstan 2050 and the related ‘2025 Strategic Development Plan’ are not supported by a holistic financing strategy articulating how these developmental aspirations will be financed. Moreover, all 14 territorial development plans and key city-level plans are expiring in 2020 and better solutions for financing the next wave of mid-term sub-regional plans is a high priority now.

These issues clearly highlight the need to work on budgeting and more efficient and effective public financing processes within a coherent architecture aligned to support development objectives aligned with the SDGs. The current government approaches and a trend of increasing reliance on public revenue highlight a need to promote new financing approaches that can support a new level of SDG achievements. This includes improving the monitoring of how public spending contributes to SDG achievements by the SDG Coordination Council

1.2 SDGs and targets (max 2 pages)

The JP’s expected SDG impact aligns fully with Kazakhstan’s national development priorities as reiterated in their 2019 VNR: “create a more inclusive society and infrastructure, address systemic issues of inequality, improve measures to protect human and children’s rights, and strengthen the relevant institutional structures”. Achieving these national development priorities would greatly benefit from adopting a more integrated and predictable financing environment, institutionally linked to Kazakhstan’s development outcomes. The JP will accelerate the following 9 SDG targets:

- **SDG 1.a:** Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions. Baseline (2018): 59.3% (National Indicator 1.a.2, source: state budget expenditure);
- **SDG 4.2:** By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education. Baseline (2018): Total: 85.5 / Boys: 84.8/ Girls: 86.3 (MICS 2015) (National Indicator 4.2.1.);
- **SDG 5.4:** Recognize, reduce and redistribute unpaid care and domestic work through the provision of public services, infrastructure and social protection policies to promote shared

responsibility within the household and society as nationally appropriate. Baseline (2018): national average 12.3; female 17.7%; male 5.9% (Indicator 5.4.1);

- **SDG 9.3:** Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets. Baseline (2018): Exploring national data source, baseline will be agreed upon with authorities during the first quarter of the JP. (National Indicator 9.3.2);
- **SDG 10.b:** Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest. Baseline (2018): 39% of GDP (Total available development finance, source: DFA 2019);
- **SDG 13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. Baseline (2018): National data sources are being explored by authorities and will be provided upon confirmation of the nationalized SDG indicators, supported by this JP. (National Indicator 13.3.2);
- **SDG 16.6** Develop effective, accountable and transparent institutions at all levels. Baseline (2018): 0.81% (National Indicator 16.6.2);
- **SDG 17.3:** Mobilize additional financial resources for developing countries from multiple sources. Baseline (2018): 5.7% (National Indicator 17.3.1);
- **SDG 17.17:** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships. Baseline (2018): National data sources are being explored by authorities and will be provided upon confirmation of the nationalized SDG indicators, supported by this JP (National Indicator 17.17.1).

Measuring progress against these SDG targets will rely on the national statistical data provided by the National Committee on Statistics (NCS) of the Ministry of National economy of the Republic of Kazakhstan as reported online on their national SDG monitoring platform¹⁵. The JP supports the expedient finalization of the nationalization and localization of the SDG indicators, in close collaboration with the NCS. This process will allow determining the missing baseline data for monitoring SDG progress and the results framework of this JP. Should no national data be available, the international SDG monitoring data will be used.

SDG interlinkages:

Progress against the SDGs in Kazakhstan are strongly interrelated. Maintaining Kazakhstan's resource-based economic growth comes at increasing human and environmental costs. The weight of extractive industries imposes significant environmental risks that need to be tackled more effectively. The energy intensity of the economy is high, as is the rate of greenhouse gas emissions. Past growth patterns have created significant environmental challenges related to the current growth model, the achievement of goals in economic policy and well-being. Kazakhstan faces a trade-off between taking advantage of its current 'brown' drivers of growth to meet its ambitious development objectives in a reasonable time-frame versus realizing its 'green' technological and energy transformation towards an environmentally friendly growth model.

In driving transformational change, Kazakhstan must also adapt to changing realities with environmental and climate change decreasing water availability and quality as well as the need to adapt agricultural practices and address air pollution in urban areas. Given that 42.1% of the population resides in the rural areas, the impact of climate change is quickly acquiring a social dimension. Adopting a green growth path has the potential to strengthen progress

¹⁵ <https://kazstat.github.io/sdg-site-kazstat/en/>

towards environmental SDGs, open fiscal space through the elimination of fossil fuel subsidies, and incentivize new forms of production and consumption.

Already in 2016 the UN MAPS mission revealed '*tackling inequalities*' to be a critical accelerator for achieving the SDGs in Kazakhstan. Therefore, this JP focuses on safeguarding public finance and increasing other sources of finance for tackling the inequalities and vulnerabilities of large parts of the population, with attention to gender inequalities in all SDGs, including access to primary health care, social services and inclusive finance. Equal access to quality education, including science and technology skills necessary for digital transformation is critical to ensure equality of opportunities and economic diversification that is inclusive and sustainable. Kazakhstan is prioritizing investments in the development of education as a key aspect for developing its human capital. However, children with disabilities are left behind in those efforts¹⁶.

Kazakhstan ranks 59th on rating of child flourishing index¹⁷ measuring the foundational conditions for children aged 0–18 years to survive and thrive today, used as a proxy measure of future environmental threats to children based on projected greenhouse gas emissions excess in 2030. To ensure stronger economic and human development, the government must assess how to mobilize funding using instruments that help the poorest proportion of the population to meet existing gaps for all children to survive and thrive. To facilitate effective investment in children Kazakhstan needs to create national and subnational accountability towards the SDGs, particularly regarding child health and wellbeing. Progress on child health and wellbeing must give priority to measures of ecological sustainability and equity to ensure all children are protected, including the most vulnerable.

1.3 Stakeholder mapping and target groups (max 2 pages)

The key government stakeholders of the JP are the Ministry of National Economy and the Ministry of Finance. They have been actively involved and consulted in both diagnostic exercises, the DFA and the RIA of national budgets, undertaken by UNDP and ADB to inform the priority actions for this JP. As such, both government institutions have contributed to identifying the binding constraints to strengthen Kazakhstan's SDG financing mechanisms and fully endorse the JP's proposed roadmap for institutional reforms.

Combined, these ministries share the responsibility for strategic planning, budgeting and related financing policies and regulation within the government of Kazakhstan. The Ministry of National Economy (MNE) serves as the government's technical advisor on the strategy's design, roll-out and performance assessment and engages with government organizations to coordinate the implementation of strategic plans in Kazakhstan. It also has a wide range of responsibilities in relation to formulating financing policies. The Ministry of Finance's (MinFin) budget and finance units prepare and oversee the planning and implementation of the government's budget, setting the level and composition of government revenues and spending. MinFin is responsible for the preparation of the budget package submitted to Parliament for review and approval.

Both Ministries are also leading on the key policy reforms identified as the main strategic entry points for the JP:

¹⁶ Catalina Devandas Aguilar, UN Special Rapporteur on the Right of Persons with Disabilities, September 2017.

¹⁷ A Future for the World's Children? The Lancet Commissions. 2020.

- The **Ministry of National Economy** is undertaking in-depth public administration reforms aimed to simplify the state planning system, including strengthening its correlation with the budgeting process and SDGs. Already, through the joint ADB-UNDP project to create a national SDG platform, UNDP has laid the groundwork to continue contributing its critical SDG expertise to support the MNE with mainstreaming the SDGs throughout their newly reformed state planning system.
- The **Ministry of Finance** is currently rolling out the digitalization of the budgeting process. Within this project, implemented in collaboration with the MNE, the reform will link strategic and budget planning to enable analyzing the spent public funds to achieve the goals and indicators of state programs. The total cost of this reform for the period 2020-2021 is USD 2.5 million. The Vice-Minister of Finance, involved in the DFA, has expressed strong interest in implementing SDG budgeting and learn from other international experiences.

The JP's lead Technical Task Force will be the JSC Economic Research Institute (ERI). The ERI has led the governmental consultation process and presentation of results for the DFA and RIA of national budgets. They are well-informed regarding the reform roadmap to be implemented through this JP. The joint ADB-UNDP capacity assessment of ERI capacity concluded ERI needs significant capacity building to fulfil the SDGs Secretariat function. The capacity needs particularly include staffing and funding of ERI and its Center for Sustainable Development, technical expertise and guidance implementing the key SDGs principle of 'LNOB', gender mainstreaming, ensuring stakeholders engagement and participatory approach to the SDGs implementation, technical assistance in assessing the SDGs financing needs and costing analysis, communication and awareness raising capacity, and specialized trainings on SDGs. These needs will be addressed within this JP.

Other government stakeholders will be involved for specific outputs and activities.

The Ministry of Education and Science will take the lead on the child budget monitoring initiative to ensure the holistic SDG financing strategy is equity based and child focused. Conducting the financing gap assessments, building capacity of selected government counterparts and mainstreaming SDG budgeting and gender responsive budgeting (GRB) across the national planning and budgeting process, will require involving the finance units of central and local level budget users; civil servants in line ministries and municipalities; Gender Equality mechanisms at central and local level; Members of Parliaments, local councilors; civil society organizations; and local Executive bodies responsible for the nationalization and localization of SDGs. The **National Committee on Statistics (NCS)** is a regular beneficiary of UN capacity building support and currently is the implementing partner for the ongoing nationalization and localization of the SDG indicators across Kazakhstan. It has expressed strong interest and commitment in extending support to build capacity for mainstreaming the national SDG indicators across the reformed state planning system, the digitalized budgeting process and the SDG monitoring process at both the national and subnational levels.

The JP also complements the priority areas of support of Kazakhstan's main development partners, who were all consulted for the DFA and RIA assessments:

The **Asian Development Bank (ADB)** contributed to the development of Kazakhstan's National SDG Platform, providing support to the ERI in establishing an electronic SDG monitoring system and other technical support, allocating up to USD 0.5 million. The MNE has tasked the ADB with establishing a coordination platform for development partners. Through this coordination platform the JP will align development partners' financial contributions with the SDGs. This will be achieved by regular consultations with all development partners to integrate their planned support activities within the development finance dashboard.

The JP aligns with the **World Bank's** Joint Economic Reform Program, which covers tax administration reforms; increase MSME financing; implement territorial and city level development plans; broadening citizen engagement, particularly those in lagging regions and the most vulnerable; improve coherence between planning and budgeting systems; and reinforce fiduciary systems. The JP's fiscal incidence analysis of fiscal policy is a concrete collaborative approach between UNICEF and the World Bank Kazakhstan Country Office.

The **European Union** (EU) has made a strong commitment to support the operationalization of the INFF across the CAREC countries. The EU has committed to support the SDGs in Kazakhstan and Central Asia through its Central Asia Strategy, including the ambition to anchor their ODA monitoring and evaluation efforts under the EU CA Strategy to the SDGs. In Kazakhstan, they are piloting a new approach to model interconnected SDG targets that focuses on identifying key drivers of prosperity, inclusivity and reducing carbon emissions. Findings from this pilot are highly relevant to inform the design of performance indicators of Kazakhstan's holistic SDG financing strategy under our JP.

This JP pays attention to socially vulnerable population groups in both the urban and rural setting. Attention will be brought to women, children and adolescents from rural areas, which are disproportionately more affected by gender inequalities, discrimination and under-representation. Following the SDGs principle of LNOB, the JP will pay specific attention to strengthen institutional capacity for the empowerment of the most excluded groups such as poor rural women, unemployed, economically inactive women and women from ethnic minorities by engaging them in consultations on policy development. Attention will also be brought to those areas where climate change could have larger impacts and examine the social safety nets for these communities. The JP will increase available fiscal space and potential to expand financing solutions for social expenditures.

2. Programme Strategy

2.1. Overall strategy (max 2 pages)

This JP supports systemic institutional reforms aimed at adopting an integrated, national financing framework that improves budgeting for gender equality and 'Leaving No One Behind' (LNOB). This will be achieved by **i)** delivering a holistic SDG financing strategy for Kazakhstan's 2025 Strategic Development Plan and the achievement of the Agenda 2030, along with **ii)** mainstreaming the SDGs across national planning, financing and budgeting processes. Finally, **iii)** by increasing the participation of non-governmental actors in the national budgeting process it will strengthen the national SDG monitoring and accountability mechanisms towards prioritizing social care investments.

These three outcome areas are mutually reinforcing and will mainstream the SDGs across Kazakhstan's public finances towards adopting an integrated national financing framework over the medium term. Their combined results will greatly enhance SDG financing by increasing spending efficiency and SDG alignment, safe-guarding fiscal space for social expenditures, unblock inclusive MSME finance and attract under-exploited climate finance. More systematically involving non-government actors across all financing strategies and the budget process, in combination with SDG costings, specific analysis on the gender and child dimensions, inclusive MSME finance and climate finance, will better target public investments towards reducing regional inequalities and the SDGs where Kazakhstan is lagging.

Furthermore, the JP strives to put children at the heart of the sustainability concept of the national SDG framework. There is a unique opportunity to boost inclusive development by

developing child-centered SDG financing framework that brings equity and child lens to fiscal and budgeting policy to achieve child-related SDGs. Such an approach will trigger a redistributive effect on public finance towards addressing deprivations of most disadvantaged children and youth in Kazakhstan. The JP will convene and facilitate sustainable policy solutions by rallying young activists and influencers on issues around the SDG agenda and its impact on life of current and future generations. Social movements must play a transformational role in demanding the rights that communities need to care for children and provide for families

The JP proposes an integrated programme for developing a country-owned, holistic SDG financing strategy that breaks down silos and addresses policy coordination failures. This contrasts with other development partners' approaches which have tended to focus on specific PFM areas or stand-alone support measures or policy advice, in line with their strict mandates. Contrary to these, usually top-down, donor-led programs, this JP promotes country-owned and designed, consensus-based, financing solutions informed by multi-stakeholder dialogue mechanisms and based on previous assessments.

Another difference is the JP's focus on SDG financing reforms at sub-national level. Practically, conducting the DFA and RIA at subnational level will inform the design, planning and financing of the next wave of 17 mid-term territorial and city-level five-year strategies after 2020, including by reinforcing programme-budgeting in the country. In Kazakhstan, territorial and city level financing policies are critical to fund social expenditure and tackle inequality, yet are typically overlooked by donor-supported institutional reforms which focus on the Republican level.

Also, SDG costing exercises tend to primarily rely on 'macro-level' projections based on historical trends, rather than bottom-up, outcome-oriented approaches. This JP will develop bottom-up cost estimates for the priority SDG targets covered by this JP to ensure that the right resources are available at the right places to help address development priorities. Lessons learned from this novel approach will be shared at regional SDG Conferences to inform regional peers' efforts to cost their SDG achievements, in line with Kazakhstan's ambition to be a regional trail-blazer regarding SDG progress.

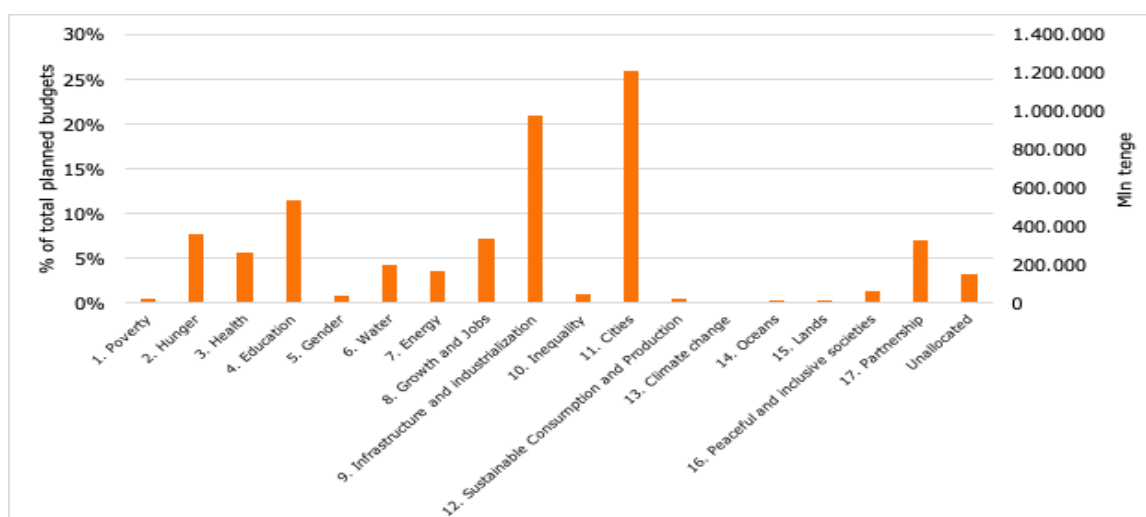
In the context of an UMIC as Kazakhstan with significant domestic resource mobilization capacity the JP leverages the **UN's comparative advantage** as a strong SDG advocate. It engages strategically with national authorities on key equity issues affecting the most disadvantaged groups of population through policy advocacy, evidence generation and capacity building, and convening of stakeholders and decision-makers around the SDG agenda.

Together, PUNOs will combine their respective agencies' tools as well as those of the IFIs and other partners to support a comprehensive approach to SDG financing related reforms with the government. Broadening the dialogue around finance reform to be more inclusive and to draw together a broader set of constituencies for reform will also be at the heart of the UN approach. Promoting transparency, accountability and participation will be integrated through the work. UNDP contributes its extensive experience of sustainable economic development and its wide international network of experts on SDG financing solutions, including climate finance. UNICEF is best positioned to bring the concerns and rights of children and youth into public discourse on sustainable development and child's rights. ESCAP will contribute its expertise in the areas of SDG costing and in MSME and inclusive financing assessment, as well as ensure access to its regional networks and intergovernmental and multi-stakeholder forums to foster exchange and learning.

From a UN perspective, the JP enables operationalizing the 'Funding to Financing' strategy which entails developing the UN capacity to influence different sources of public, private, domestic and international finance to achieve collective, transformative, sustainable development results. It also aligns fully with the objectives of the next United Nations Development Cooperation Framework 2021-2025, which focuses on catalyzing finance for the SDGs.

From a national perspective, the JP directly addresses the financing needs to deliver the investments and services required by the country's long-term development strategy 'Kazakhstan 2050' and the '2025 Strategic Development Plan'. It addresses specific SDG funding gaps, particularly SDGs 5, 10, 13 and 16, in regional and city level planning for the next programming cycle 2021-2025 (see figure 3 below). The JP's expedient implementation of the localized DFAs and RIA of subnational budgets will ensure the adequate resourcing for achieving the SDGs through the next regional and city level programming cycle.

Figure 3. SDG alignment of regional and city level development programs 2016-2020 (% of total budgets and in million tenge)



Source: ADB & UNDP, *Rapid Integrated Assessment of National Budgets: Kazakhstan, 2019*.

Setup for government Leadership:

The MNE will be leading the JP on behalf of the government. It has tasked the ERI to create a 'JP Technical Task Force' that will pilot and execute the JP's program of work under the guidance of UN agencies. The ERI reports to the SDG Coordination Council, chaired by the Deputy Prime-Minister and provides the high-level political leadership required to drive and sustain reforms across the public finance architecture.

Sustaining results requires sustainably scaling up ERI's capacity, staff and means to provide the necessary analytical and procedural support to the political and institutional reforms involved in the execution of this JP and the systematic implementation of the proposed SDG financing solutions over time. This JP provides for hiring 5 additional members of staff at ERI during the first 18 months of its duration, to be increased by an additional 5 members of staff to undertake the preparation of the country's second VNR during the last 6 months of the JP. TALAP, the civil society which led the RIA and DFA analysis in 2019, will actively train and transfer their knowledge to the ERI upon the beginning of the JP.

Productive and meaningful partnerships with relevant government and civil society actors will be established to enhance delivery of project results and to contribute to sustainability. Existing partnerships with the Ministry of National Economy, TALAP (civil society), the NCS and the Chamber of Commerce will be further developed and new partnerships with the Ministry of Finance and Ministry of Education will be established. All these actors will benefit from capacity building support in view of sustaining reforms and scaling up results. The ERI will benefit from hiring additional staff capacity.

In recent years, Parliament and the Ombudsman for child's rights have repeatedly called on the Government to measure the impact of social spending in addressing current and emerging needs of children. The Ministry of science and education jointly with UNICEF and Ministry of Finance has initiated to establish child budget monitoring systems in the country to measure effectiveness and efficiency of government spending on priority SDG outcomes for children. The JP will enable the government to implement child focused public finance management mechanisms and monitor SDG financing into priority results for children against budget allocation and budget execution nationally and locally.

Finally, Kazakhstan's second VNR, due in 2022, follows directly upon the JP. Therefore, this JP will serve the purpose of supporting the ERI to coordinate and structure the active involvement of all relevant national stakeholders in the next VNR's preparation process, which will greatly contribute to the long-term sustainability of the JP's results.

The expected situation after completing the JP:

Medium-term actions will be articulated for further scaling up finance for national and regional development priorities and the SDGs in the framework of the newly adopted holistic SDG financing strategy (**outcome area 1**). This will underpin sustainable increases of fiscal space for social spending, including increased public and private financing in child centered public policies (early childhood, health, nutrition, education and social protection) to accelerate the SDG agenda in Kazakhstan. Child focused PFM approaches enable the government to strengthen investment in child health and well-being for lifelong, intergenerational and economic benefits. Coalitions across sectors and groups of society overcome climate change challenges to ensure children claim their rights and entitlements today and in the future.

There will be a stronger alignment between finance-budget-development results (on the public finance front). Following the request by the government partners, the JP focuses on strengthening the institutional linkages between the long-term development planning and the budgeting process (**outcome area 2**). Supporting planning authorities to estimate the total resource needs –or gap- for achieving their long-term development vision in combination with the systematic monitoring of all development finance flows to Kazakhstan will enable authorities to better align all financing policies with the country's priority development outcomes and SDGs. The introduction of SDG budgeting will formally link state spending with SDG achievements and further enhance transparency and accountability of the public budget.

Finally, the ratification and integration of the nationalized SDG indicators across the state planning system will result in stronger transparency and accountability mechanisms for SDG financing and monitoring progress (**outcome 3**). This will underpin the preparation of the 2022 VNR and put the SDGs firmly as a national priority on the political agenda. Parliamentarians, civil society, other political parties and ministries will use the monitoring of SDG financing to inform and improve the budget debate.

2.2 Theory of Change (max 2 pages+graphic)

The combined change of the JP's outcomes will significantly upgrade Kazakhstan's enabling environment (legal, political, regulatory, etc.) and the supporting ecosystems (institutions and actors) for mainstreaming the SDGs across its public finance system, considering a human rights-based approach, particularly for vulnerable groups:

1. **If** Government of Kazakhstan adopts a holistic SDG financing strategy that improve coherence between different public and private financing policies and instruments, and systematically monitors available fiscal space at central and sub-regional levels; **Then** this will enable national and local authorities to safeguard social spending and contribute to more rapid socio-economic development and achievement of the SDGs.
2. **If** national policy and budgeting frameworks are better aligned with national SDG priorities; **Then** public spending of medium-term sectoral strategies and territorial development policies to reduce regional inequalities is more effective and efficient.
3. **If** national authorities strengthen SDG financing and performance monitoring frameworks to be more equity focused and gender sensitive; **Then** this will improve accountability for streamlining the gender dimension and SDGs principle of "leaving no one behind" in the interests of socially vulnerable population groups in both urban and rural settings.

The JP's intended systemic **impact** is that the Government of Kazakhstan adopt a broader approach to financing their national development by considering both the policies that govern public and private finance in an integrated national financing framework (INFF). This will be achieved by realizing three mutually reinforcing **outcomes**:

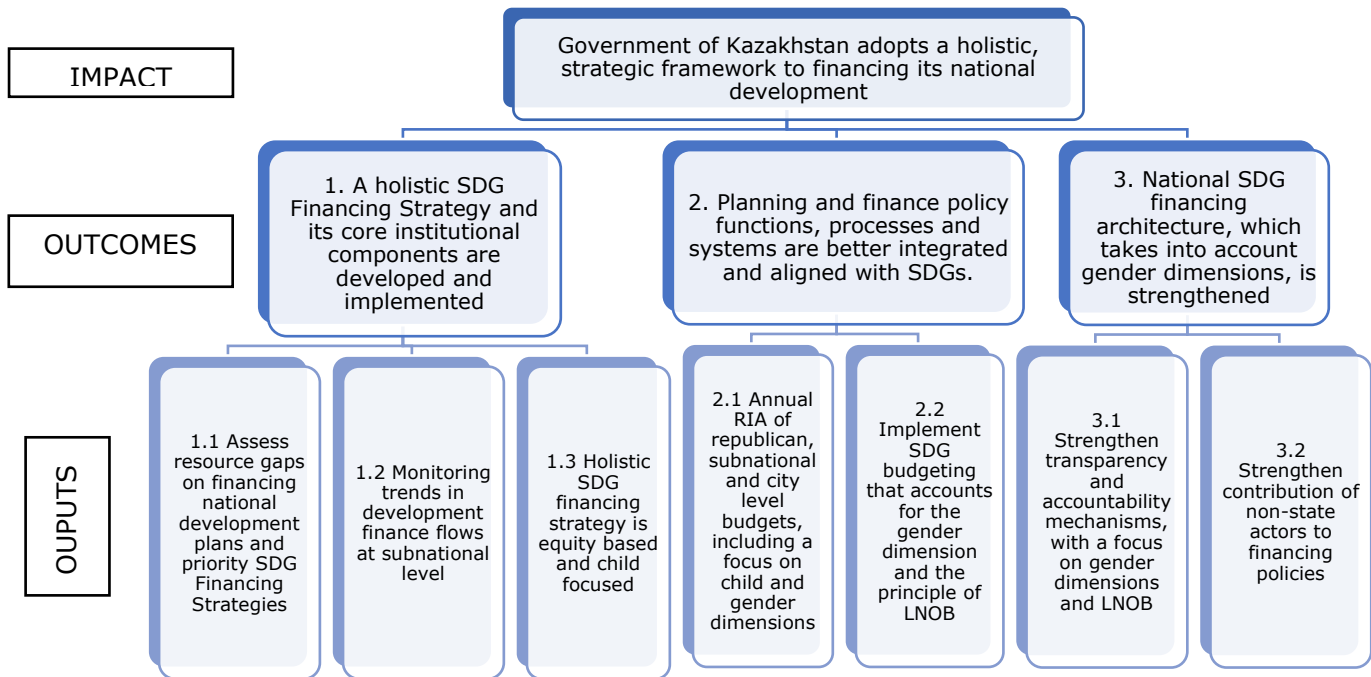
1. **An SDG Financing Strategy and its core institutional components are developed and implemented:** Addresses knowledge gaps around the scale and types of funding gaps Kazakhstan faces to achieve the SDGs and relates these with sectoral policies and financing approaches.
2. **Planning, budgeting and finance policy functions, processes and systems are better integrated and aligned with SDGs:** Tackles legal and institutional bottlenecks that impede practically connecting the annual budgets to the longer-term state programs, let alone their development outcomes.
3. **National SDG financing architecture is strengthened:** Increase transparency and accountability around the alignment and impact of all financial and non-financial means of implementation for the SDGs in Kazakhstan by systematizing the existing public-private dialogue mechanisms to inform sectoral financing policies.

Realizing the above three outcomes requires delivering multiple **outputs** and their corresponding activities, as set out in the graphic below and detailed in the next section 2.3 and the workplan:

Kazakhstan Sustainable Development Vision 2050

Kazakhstan Strategic Plan 2025: Achieve quality and sustainable economic growth that contributes to improved living standards for people, comparable with OECD countries, and that is underpinned by increased competitiveness of business and human capital, technological modernization, improvement of institutional environment and minimized negative impact on nature

UN Sustainable Development Cooperation Framework 2016-2020
UN Sustainable Development Cooperation Framework 2021-2025 (under negotiation)



The DFA identified three strategic ongoing policy reforms for the JP’s activities to align with and support:

1. Kazakhstan undertook the nationalization and localization of the SDG indicators, currently pending review and approval by the authorities. Finalizing these nationalized SDG indicators is a critical step towards strengthening the performance monitoring of the existing state planning system across all strategic plans and state programs.
2. The Ministry of Finance’s ongoing reform to digitalize the budgeting process provides a major opportunity for a systemic improvement of Kazakhstan’s SDG financing infrastructure by further integrating the nationalized SDG indicators into the results-based budgeting process.
3. The Ministry of Economy is preparing the “Concept for Public Administration 2020-2025”, which aims to simplify and rationalize the State Planning System, including improving the correlation between state planning indicators and the budgeting process.

Having the SDG indicators linked with both the strategic planning and the state budget process would strengthen the governance mechanisms that align financing policies and annual budgets to the national development plan. Subsequently, this allows to automatically monitor how the annual state budget is contributing to the SDG achievements. Such monitoring also informs regular updates of the financing strategy and provides critical inputs to parliament and non-state actors to strengthen accountability. Emphasis is being given to a human rights-based and gender-responsive approach that leaves no one behind.

The JP fully aligns with these strategic government policy reforms by supporting authorities to implement similar reforms in parallel at the subnational level. Improving the transparency and accountability of subnational spending is critical to drive education and health outcomes in Kazakhstan and address persistent regional inequalities. The UN's expertise on adopting a human rights-based approach is particularly relevant to leave no one behind, including vulnerable groups: persons with disabilities, children and young people, people living with HIV, rural women.

Key ToC assumptions:

- The ToC resides on the successful and expedient finalization and mainstreaming of the nationalized and localized SDG indicators. These indicators are fundamental to practically connect planning processes with the budgeting process, effectively monitor financial resources' contribution to SDGs and hold the government accountable. Therefore, a specific activity of this JP under outcome 3 is to finalize the nationalization and localization of the SDG indicators in Kazakhstan.
- Kazakhstan remains highly committed to realizing the 2030 Agenda. This implies the government's highest echelons continue providing political support critical to implement the political, institutional and legal reforms required to transform Kazakhstan's SDG financing and implementation mechanisms.
- The implementation of the JP will require lean and efficient, regular horizontal and vertical communication with government stakeholders across the various ministries and at regional level to support the coordination and alignment of the different activities with the targeted, ongoing policy reforms. Therefore, this JP assumes the expedient implementation of the DFA recommendation to set up a technical task force by the Ministry of National Economy that will drive the operationalization of the DFA recommendations and related activities which constitute the core of this JP.
- Active interest from a wide range of non-governmental actors, including private sector and their willingness and capacity to engage with government on how they can contribute towards enhancing SDG financing in Kazakhstan.

2.3 Expected results by outcome and outputs

This JP aligns with the core objective of the Joint SDG Fund by scaling up ongoing and supporting future efforts by the government and the broader SDG ecosystem towards developing a gender responsive, integrated national financing framework in Kazakhstan. It actively accelerates the following 6 Joint SDG Fund priority outputs: i) formulating a SDG-aligned financing strategy; ii) costing of SDG-related national development plans and strategies; iii) prioritizing SDG 5 with a focus on SDG 5.4 (reducing unpaid care work) as a target with multiplier effects on several SDGs¹⁸; iv) introducing corresponding SDG budgeting practices across ministries and administrative levels; v) SDG-related expenditure reviews and

¹⁸ Investing in social care for gender equality and inclusive growth in Europe and Central Asia – regional policy brief by UNDP and UN Women 2017

assessments; and vi) fiscal space analysis. These outputs are organized as per the three areas of outcomes set out below (lead PUNOs for each activity are in bold):

Outcome 1. A holistic SDG Financing Strategy and its core institutional components are developed and implemented

- **Output 1.1.** Assess resource gaps on financing national development plans and priority financing strategies

Activities:

- *Estimate the cost of achieving Kazakhstan's '2025 Strategic Development Plan', both the public and private investment needs to be mobilized over time. (PUNO Lead: UNDP)*
 - *Capacity building for assessing financing needs and gaps and SDG costing. (PUNO Lead: ESCAP)*
 - *Formulate SDG aligned MSME financing strategy (PUNO Lead: ESCAP)*
 - *Formulate SDG aligned climate finance strategy (PUNO Lead: UNDP)*
- **Output 1.2.** Monitoring trends in development finance flows at subnational level
- Activities:*
- *Implement light DFA 'pilots' in 3 Kazakhstani regions (monitor finance flows and funding gaps) (PUNO Lead: UNDP)*
- **Output 1.3.** Holistic SDG financing strategy is equity based and child focused
- Activities:*
- *Equity assessment of fiscal policies with focus on key child focused indicators (PUNO Lead: UNICEF)*
 - *Formulate SDG aligned financing strategy for increased SDG investment into cognitive capital (high-investment, and low-investment scenario) (PUNO Lead: UNICEF)*

Expected results: by supporting the implementation of DFA at the national and subnational level (output 1.2), the JP will promote evidence-based dialogue, bringing subnational perspectives and facilitating experience-sharing. The advantage of this approach is that the JP analyzes how the interaction between different financial flows can be important for sustainable development, and ensures that the potential of each critical resource flow can be used to support the implementation of the SDGs, combined with appropriate policies and institutional reforms. This will be achieved through new tools proposed by the JP aimed at modelling future policy scenarios and integrating funding schemes (output 1.1 and output 1.3). These will help authorities analyze financial flows and develop strategies for mobilizing new resources to achieve the SDGs more effectively and account for the gender dimension and the SDGs principle of “leave no one behind” (output 1.3). This first JP outcome area directly supports realizing the SDG Fund output 4 by implementing a holistic SDG financing strategy by 2021 and provides a framework to quantify the trans-boundary opportunities to upgrade SDG financing (highlighted in section 7 above). Output 1.1 conducts in-depth assessments of MSME and climate finance policies which contributes to the SDG Fund Outcome 2.

Outcome 2. Planning and finance policy functions, processes and systems are better integrated and aligned with SDGs.

- **Output 2.1.** Annual RIA of republican, subnational and city level budgets, including a focus on child and gender dimensions

Activities:

- *Build capacity of ERI to implement RIA of national budgets with a gender and child focus (PUNO Lead: UNDP)*
 - *Detailed review of the RIA mapping with a gender and child dimension (PUNO Lead: UNDP)*
 - *Systematize RIA of national budgets across newly adopted state programs, annual Republican budget, 17 territorial development plans and budgets and city level budgets. (PUNO Lead: UNDP)*
 - *Establish child-focused public finance management system to monitor effectiveness of SDG financing for children (PUNO Lead: UNICEF)*
- **Output 2.2.** Implement SDG budgeting that accounts for the gender dimension and the principle of LNOB
Activities:
 - *Conduct feasibility study of SDG budgeting that accounts for the gender dimension and the principle of LNOB in Kazakhstan, based on the Mexico case study (PUNO Lead: UNDP)*
 - *Develop a roadmap for implementing (gender-responsive) SDG budgeting in Kazakhstan (PUNO Lead: UNDP)*

Expected Results: The JP will help the Ministry of National Economy and the Ministry of Finance to complete a RIA of national budgets at national and subnational level to assess the current degree of SDG alignment of public spending (output 2.1). Furthermore, it will determine the readiness of the existing public finance management system to adopt gender-responsive SDG budgeting (output 2.2). Kazakhstan is pioneering the RIA of national budgets and will serve as a valuable model to be replicated across the region (output 2.1) as highlighted in the regional issues section 7. Lessons learned and good practice will feed into the development of methodologies and supportive material for the implementation of RIA of national budgets and SDG budgeting in other CAREC countries.

Outcome 3. National SDG financing architecture, which takes into account gender dimensions, is strengthened:

- **Output 3.1.** Strengthen transparency and accountability mechanisms, with a focus on gender dimensions and SDGs principle “leaving no one behind”
Activities:
 - *Complete the DFA dimensions 3, 4 and 5 to identify reform priorities for strengthening public-private collaboration, transparency and accountability for SDG financing, with a focus on gender dimensions and “leave no one behind”. (PUNO Lead: UNDP)*
 - *Finalize the nationalization and localization of SDGs in Kazakhstan (PUNO Lead: UNDP)*
 - *Develop an SDG Finance Dashboard to monitor resource needs and finance trends in Kazakhstan. (PUNO Lead: UNDP)*
 - *Capacity building of Parliament’s budget committee for gender-responsive SDG aligned budget review (PUNO Lead: UNDP)*
 - *Preparation and presentation of the second Voluntary National Review of the Republic of Kazakhstan (PUNO Lead: UNDP)*
- **Output 3.2.** Strengthen contribution of non-state actors to financing policies
Activities:
 - *Coordinate and mainstream development partner support around SDG financing (PUNO Lead: UNDP)*

- *Build the capacity of civil society to monitor progress against the SDGs, with a specific focus on promoting gender equality and the SDGs principle 'Leaving No One Behind' (PUNO Lead: UNDP)*

Expected Results: Diverse national stakeholders will be familiarized with development financing mechanisms and capacitated to ensure the SDG alignment and gender dimensions of public finance (output 3.1). A dashboard of various financial flows will be drawn up and used for monitoring national and sectoral funding policies. Moreover, upon the nationalization of the SDG indicators the Ministry of National Economy, with support of civil society organizations, can increase public awareness on the importance of the sustainable development Agenda for women and men, girls and boys in Kazakhstan (output 3.2) by disseminating information and raising awareness of the SDGs among citizens of Kazakhstan, which will greatly facilitate the implementation of the SDGs. This outcome area reinforces the impact of the other two outcome areas, which focus on implementing technical SDG financing solutions, by sustainably building capacity across a broad range of state and non-state actors to ensure their capacity for supporting the effective implementation of priority financing solutions.

By 2022 the JP will have led to the following changed situation:

The ERI has become the key government body that assesses, monitors and centralizes all SDG related information in Kazakhstan. It works directly with the CNS to monitor the evolution of the nationalized SDG progress indicators. It runs annual updates of the development finance dashboard and the RIA of national, subnational and city-level budgets.

This allows the SDG Coordination Platform to produce an annual SDG budget reporting dashboard as a complement to the existing citizens budget, enabling greater participation by civil society to the budget process. The integration of the nationalized and localized SDG indicators across the state planning system and budgeting process simplifies the budget performance evaluation and enables to automatically link SDG progress to the budget. This will increase budget transparency and support non-state actors, notably parliament and civil society, fulfilling their accountability function. The newly created Parliamentary 'SDG Committee' will assess the alignment of the budget with the SDGs, including from the perspective of the SDGs principle of "leaving no one behind" with a specific focus on children and women. This critical legislative body can rely on real-time data and analysis to support evidence-based decisions about SDG aligned budget allocations.

Child-centered SDG financing framework will result in increased investment in child's health and well-being by 2030 in line with the national SDG commitments. Macro- model to forecast public expenditures for children until 2030 and micro-level simulations with focus on most vulnerable and poorest children will improve effectiveness of social spending in addressing equity gaps. Children aged 0-3, children with disabilities and children from poor and vulnerable families in rural areas will benefit from improved primary health care services, from increased coverage of quality early childhood development, care and pre-school services as well as from family resilience supported by adaptive and shock responsive social protection systems. Increased investment in SDG outcomes for children with focus on development of cognitive capital of all girls and boys in the country will contribute to SDG acceleration in the country.

National partners will have acquired sufficient capacity to plan state programmes in line with nationalized SDGs focusing on promoting gender equality. To support this, gender sensitive indicators will have been integrated across the upgraded SDG performance monitoring framework and SDG aligned public finance reforms. Gender-responsive budgeting and

mainstreaming gender across the newly adopted and revised financing policies will allow integrating financing solutions that address the structural causes of gender inequalities and gender wage gaps. These may range from national minimum wage policies to providing well-paid, protected public sector care jobs, ensuring public investment in social care services and early childhood care and preschool education, and implementing equal pay laws.

These combined, systemic improvements across Kazakhstan's SDG financing mechanisms will have a significant impact on the JP's indirect beneficiaries, being the citizens living in regions that lag the most and the urban poor, rural women and youth. Systematically monitoring available fiscal space at central and sub-regional levels will safeguard social spending and contribute to more rapid progress on tackling regional inequalities.

2.4 Budget and value for money (max 2 pages)

This JP provides value for money:

1. Establishing partnerships and joining resources allows bringing together collective expertise of the UN agencies involved at a fraction of what it would cost otherwise. Start-up costs are kept minimal as the JP builds upon the existing DFA and RIA methodology and the existing governance structure that was set up in 2019 to implement the National SDG platform. This JP focuses on the operationalization of the findings and recommendations of previously executed diagnostics and assessments, notably the DFA and RIA of national budgets, saving time and resources.
2. The JP's integrated approach strengthens state capacity to align public investment with development outcomes across all sectoral and financing policies, rather than developing stand-alone solutions for specific thematic areas or individual finance flows. The latter being costlier, more burdensome for government partners and leading to duplication of systems and possible coordination failures. The JP supports the government to enhance value for money approaches to public investment in children by improving effectiveness of spending and reducing financial leakages and improving budget transparency.
3. Moreover, the JP complements and aligns with more targeted, deep institutional reforms supported by other IFIs, like the World Bank's tax administration reforms or the OECD supported adoption of results-based budgeting reforms. These development partners' long-standing structural reform efforts to strengthen Kazakhstan's public finances provide a cost-effective opportunity to the JP to integrate SDG perspectives in ongoing reforms. For example, the ADB has committed to support the SDG Coordination Council, but chooses to rely on UNDP SDG financing solutions to shape its technical assistance.
4. Investing in children and youth allows to save significant future costs: interventions and policy choices made today will determine whether millions of children and youth are able to reach their full potential or are left to face a future of worsening inequality and marginalization. The benefits far outweigh the costs – repeated studies find that investments at relatively low financial costs during childhood can yield a lifetime of gains, not only for individuals, but also for societies and economies. Investing in children thus can help promote equitable, inclusive societies, allowing more people to effectively participate in their economic development.
5. The alternative approach to this joint programme would be for the different UN agencies to pursue the execution of their respective activities in a separate manner. This would lead to suboptimal outcomes because of the detrimental effect of internal competition by all UN agencies for government co-financing; the duplication of efforts to set up similar, parallel governance mechanisms for their respective projects and corresponding monitoring and evaluation systems; and the risk of sending out contradictory recommendations regarding priority SDG financing reforms by different UN agencies. Such an alternative approach would contradict efforts towards acting as one UN and diminish the credibility and reputation of the UN System in Kazakhstan.

The JP's success and long-term sustainability relies on close involvement with the key government stakeholders. These are expected to pilot and increasingly 'own' the development of a tailor-made, holistic national financing strategy. Therefore, JP activities integrate concrete measures for capacity-building and knowledge transfers from UN or externally hired experts to government counterparts. Greater emphasis will be made on capacity development of rights holders, women organizations and CSOs to build their skills, empower them to claim their rights and participate in public oversight and analysis of budgetary processes from a gender perspective and generate evidence and expert policy recommendations. The JP will use country systems and embed all its activities in the ongoing public administration reforms. The resulting adoption of new SDG financing processes will remain valid as long as these new policy and institutional functions continue after the programme.

The JP entails strengthening national capacity to integrate SDGs indicators and targets into the national planning system and harmonize budgeting for SDGs. This will also enhance sustainability by allocating responsibilities for specific targets and indicators within state institutions and agencies. Expectations of greater accountability for achievement of results should have a positive impact on the national capacity to monitor achievements of SDGs.

Sustainability will also be achieved by re-structuring social spending based on the fiscal space analysis to support increased public investment in children, by leveraging international best practices. For this, the JP applies policy analysis tools with demonstrated impact on child's health and well-being and a conceptual framework of child-focused public finance management measurement (e.g. Argentina - *Public expenditure on behalf of children*, Peru - *Taxonomy to measure public investment in children*).

Emphasis is being given to a **gender-responsive and human rights-based approach**, particularly for vulnerable groups: poor women, persons with disabilities, children and young people, people living with HIV, and internal and external migrants. The proposal will anchor SDG 5 on gender equality in the budgetary systems and processes. The budget provides for:

- Comprehensive training on gender-responsive SDG budgeting to both staff of the Finance Ministry involved in the budgeting process as well as relevant stakeholders working on gender equality in Kazakhstan, such as the specialized division managing gender statistics and indicators (located within the Department of Social and Demographic Statistics), the National Commission for Women's Affairs, Family and Demographic Policy (including the NGOs sitting on its expert committee), etc.
- Building capacity and reinforcing the National Commission's Secretariat with competence in policy analysis, advocacy, communication, and monitoring to implement the JP's gender-equality related activities. These abilities are essential to the Secretariat to achieve the SDG for gender equality and women's empowerment by 2030, in particular the target to adopt and strengthen sound policies and enforceable legislation at all levels for the promotion of gender equality and the empowerment of women and girls.
- Support a national policy dialogue process to inform and increase resource-allocation to public investment in social care expansion through gender-responsive budgeting initiatives at the macroeconomic and local levels, led by the National Women's Commission. This involves the specific objective of accelerating the effective implementation of the National Action Plan for Gender Responsive Budgeting integration 2020-2025.
- The MSME financing strategy has a direct multiplier effect on SDG 5.a. by including a focus on ensuring women have equal rights to access economic resources, financial services and affordable credit.

By embedding the JP in the government's existing SDG financing and implementation architecture it maximizes the potential to leverage significant government **co-financing** and

in-kind support. Within the existing Responsible Party Agreement (RPA) between UNDP and the Ministry of National Economy, the MNE has committed USD 147,600 to fund ERI-led activities within this JP. The child budget monitoring initiative is being financed by the government through the national 2020-2023 Education development program. A total of USD 50,000 of the Ministry of Education's national funds will be allocated for 2020-2021 for developing child focused PFM measurement.

The JP further strengthens existing collaborations between the UN and its main development partners, who have committed over about USD 1,500,000 of parallel funding to underpin the JP's outcomes and targeted impact. The ADB has been co-financing the initial DFA and RIA of national budgets in 2019. They have committed to providing an additional USD 500,000 to the JP in the modality of technical assistance and the organization of the annual High-Level Regional Conference on SDG Financing Kazakhstan. In the context of their regional program to pilot INFF across Central Asian countries to strengthen SDG financing the EU plans to contribute up to EUR 1,000,000 in parallel financing of activities directly related to the JP's outcomes. The World Bank directly collaborates with UNICEF for implementing CEQ's fiscal incidence analysis with a focus on child centered indicators. The IFC will inform ESCAP's assessment of MSME finance.

Complementing these in-kind contributions and co-financing, all development partners are actively involved in the organization of the flagship national and regional SDG Conferences organized in Kazakhstan as well as relevant side events, technical workshops and validation meetings. All of which will provide opportunities for showcasing results from the JP to the regional peers and regional policy dialogue sessions on regional challenges to increase the coherence of planning and financing policies at the regional level. For example, ESCAP plans several sub-regional events that will discuss INFFs (a dedicated 2-day workshop in Almaty; Subregional SDG Forum with session on SDG Financing in Almaty), infrastructure PPPs (two Asia-Pacific Infrastructure Financing and PPP Network meetings in 2020, one of them in Almaty), and SDG Financing during the next 'SPECA Economic Council'¹⁹ in Kazakhstan. Furthermore, all outputs of the JP will be presented, reviewed and discussed at the development partners' roundtable platform to guide and ensure their programmatic activities fully align with Kazakhstan's SDG priorities.

2.5 Partnerships and stakeholder engagement (max 2 pages)

The presentation of Kazakhstan's first VNR during the High-Level Political Forum on Sustainable Development in July 2019 demonstrated the country's strong commitment to realizing the 2030 Agenda for Sustainable Development. The VNR concludes with a series of recommendations for the government to accelerate SDG progress. Based on the VNR analysis the government has solicited the UN system in the country to support with the implementation of these recommendations. Progress will be reported during Kazakhstan's second VNR due in 2022. This provides the government with a strong impetus to actively lead the implementation of the JP as it directly relates to its capacity of fulfilling its VNR commitment.

The existing SDG Coordination Council, set up with UNDP and ADB support, provides the institutional anchor for the JP. It is chaired by the Deputy Prime Minister. The Ministry of National Economy will create a dedicated 'JP Task Force' to be hosted within the ERI. This JP Task Force will pilot and oversee the timely and effective execution of the JP's program of work. The ERI reports to the Ministry of National Economy, which in turn reports to the SDG Coordination Council, chaired by the Deputy Prime Minister and responsible for developing

¹⁹ The United Nations Special Programme for the Economies of Central Asia (SPECA) was launched in 1998 to strengthen sub regional cooperation in Central Asia and its integration into the world economy. The countries of SPECA are Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

proposals for the creation of a unified policy for achieving the SDGs. This setup provides the JP Task Force with the necessary political support to fulfill its mandate.

The ERI is responsible to execute the implementation of the JP's activities. The JP provides for hiring additional ERI staff and building their capacity to ensure they can fulfill this implementation role. PUNOs will actively support the government establishing productive and meaningful partnerships with relevant actors and beneficiaries of the JP across government and civil society actors. This will enhance delivery of project results and contribute to their sustainability. All actors will benefit from capacity building support in view of sustaining reforms and scaling up results.

Local authorities play an important role in achieving a positive outcome in piloting the DFA, RIA of national budgets and the localization of SDGs in 5 regions as an initial step. Good governance processes require the involvement of all segments of the population, so responsible public authorities at the local level should be aware of the SDGs, actively participate in and implement the SDGs directly at the local level. It is planned that regional NGO's being active stakeholders of the existing SDG Platform in Kazakhstan will help to raise awareness about SDGs in the regions and spread the knowledge. The involvement of all segments of the population in decision-making processes means that everyone's voice will be considered, including vulnerable groups, young people and children.

The UN System is a trusted partner in Kazakhstan and has acquired extensive experience operating in Kazakhstan and has established close partnerships with key government institutions, CSOs and other stakeholders. Beyond their on-going activities executed within respective agencies' mandate and in the context of the UNDAF 2016-2020, individual PUNOs uniquely contribute to this JP in following ways:

- The **UNRCO** will lead political engagement at the highest prime Ministerial and/or Presidential level.
- The **UNDP** will lead technical engagement at the Minister of Finance/Ministry of National Economy level bringing together the support of other UN agencies as part of the technical support to the INFF and its links with specific SDGs.
- **UNICEF** takes a leading policy analysis role in major social sectors affecting child well-being, including education, health and social protection. UNICEF has been engaged in shaping public policies and respective financing of policy options for children. In 2019 UNICEF has begun child-focused budget analysis work with social protection and education.
- **ESCAP** contributes analytical expertise and experience with developing capacity development materials and delivering training events (especially linked to SDG costing and SME and inclusive financing assessments), as well as linkages with its regional networks, events and communities of experts.

Furthermore, non-beneficiary UN agencies, like **UN WOMEN**, will pro-actively be solicited to contribute to the JP's activities by attending workshops, training seminars, SDG Conferences, peer review analytical outputs and contribute to the JP's outreach and communication activities. UNWOMEN experts will play a critical role in supporting the gender-responsive budgeting related activities as well as the capacity-building seminars. This JP aligns with the objectives and work plan of UN WOMEN and supports the specific objective of accelerating the effective implementation of the National Action Plan for Gender Responsive Budgeting integration 2020-2025.

The **UNDS** also offers a wealth of country examples and experiences that serve as inputs into designing SDG financing solutions adapted to Kazakhstan's context:

- The JP's workplan mobilizes the global and regional expertise from UNDP's Finance sector hub to provide technical advice and support to implement SDG budgeting and the RIA of national budgets.
- It brings the sound expertise of public finance from UNICEF, who have been leading the public agenda on fiscal space analysis to benefit SDG outcomes for children. UNICEF's 'Global Public Finance for Children Framework' and UNICEF's 'Global Resource Guide on Public Finance for Children in Early Childhood Development' will underpin the proposed program interventions and will draw from UNICEF Europe and Central Asia's Regional Office and global network and expertise. This includes the child budget monitoring system and multidimensional child poverty measurement.
- Analysis and lessons learned from ESCAP's regional programs and assessments directly inform the SDG Financing solutions implemented in Kazakhstan. This includes the Guidebook on SDG costing, the policy dialogue platform on infrastructure PPPs and the capacity building activities on Integrated National Financing Frameworks for accelerated SDG progress in North and Central Asia.

The Ministry of National Economy of Kazakhstan, the Ministry of Finance of Kazakhstan, the Ministry of Education and the JSC Economic Research Institute are the main partners for the programme's implementation. Their strategic contribution centers around the effective coordination and implementation of the two on-going public administration reforms critical to the success of this JP. The ERI contributes its analytical skills, political insights and convening capacity to support the key international and national consultants as well as UN experts with implementing the activities. During the implementation of the project, UNCT, the Ministry of National Economy and the Ministry of Finance will closely cooperate with Parliament, the National Committee on Statistics, other line ministries and local governments of Kazakhstan and others, including civil society organizations.

Civil society organizations in Kazakhstan are well organized and highly motivated, and are familiar with the local environment, including the social and economic problems. By systematically involving CSOs in consultations and training seminars for the nationalization and localization of SDGs, the JP expects to broaden constituencies for reform and promote national and subnational dialogues around financing priorities. Engaging with civil society allows us to optimize targeting the vulnerable groups in society and ensure nobody is left behind. They are also key partners to support the introduction of SDG Budgeting that accounts for gender dimensions and child centered financing policies.

As highlighted previously, mobilizing development partners' contribution are essential to the JP's success. The **ADB** co-finances the DFA and RIA of national budgets and has been tasked by the Ministry of National Economy with hosting the Development Partners' Coordination Platform, an important pillar of the SDG financing architecture. In addition to contributing their analytical capacity to the child centered fiscal incidence analysis, the **World Bank** supervises both key public finance reforms to which this JP is anchored and facilitates access to fiscal data. This makes them a strategic partner to enable mainstreaming the SDGs across Kazakhstan's public finance system. The **EU's** strong commitment to operationalize the INFF across the CAREC countries motivates their co-financing of this JP. Furthermore, the results of their new approach to model interconnected SDG targets that focus on identifying key drivers of prosperity, inclusivity and reducing carbon emissions will feed into the design of the holistic SDG financing Strategy and improve its SDG accelerating capacity. The **International Monetary Fund** and its Central Asia PFM facility will provide technical expertise in line with the "Strategy for IMF Engagement on Social Spending".

The UNDP is currently engaging the EU to implement a regional support programme for strengthening SDG financing across CAREC countries. It relies on global expertise and methodologies that underpin the INFF approach, which is also supported by the EU. This

support programme, valued at USD 1,000,000, allows for integrating the trans-boundary dimensions of SDG financing in Kazakhstan through facilitating south-south cooperation and peer learning across CAREC countries. Already in 2019, before this discussion, the UNDP consulted the EU in the context of the DFA to inform the recommendations and SDG financing priorities, reflected as well in this JP. Therefore, the implementation of the JP directly contributes to the EU's objective of supporting Kazakhstan and countries of Central Asia to achieve SDGs and improve the effectiveness of the EU programmes towards this goal.

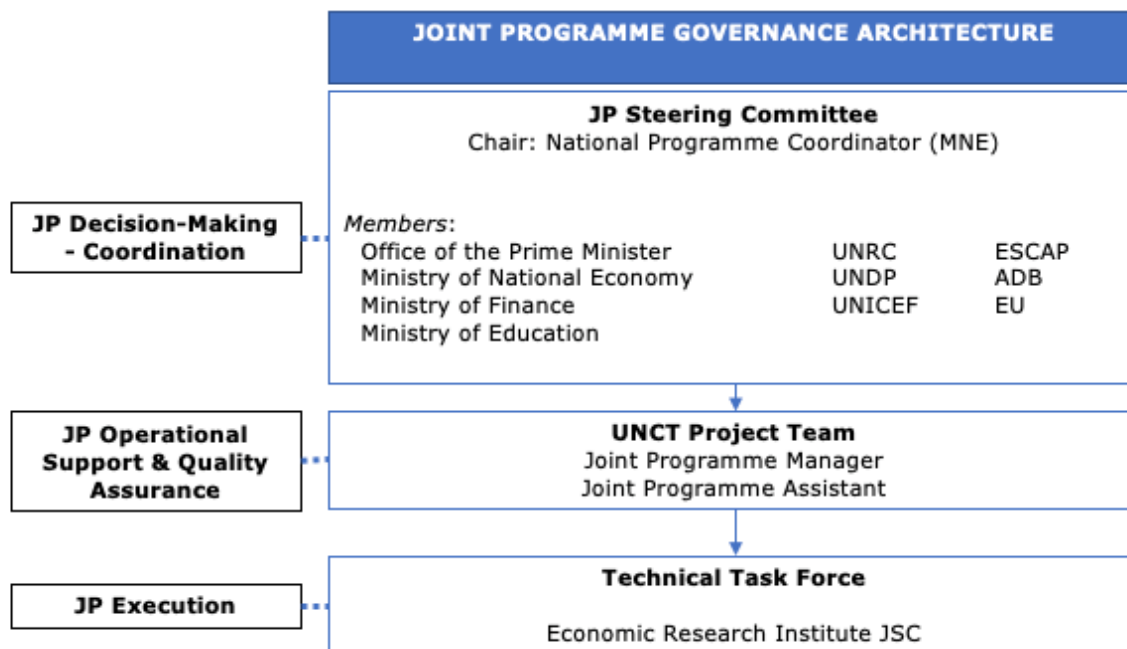
One of the main conclusions of the Kazakhstan DFA is that achieving the SDGs, particularly reducing regional inequalities and LNOB, in Kazakhstan will require mobilizing finance from the private sector. However, the omnipresence of the quasi-state sector across Kazakhstan's economy makes it difficult to distinguish the sector's contribution to commercial investment from the contribution of Kazakhstan's domestic private enterprise sector. Except for the multinational enterprises, most of the large domestic commercial companies in Kazakhstan are somehow state-related. Kazakhstan's domestic private enterprise sector mostly consists of micro, small and medium enterprises. Therefore, this JP develops a strategy for increasing inclusive MSME finance in Kazakhstan. This requires consultations and interviews with private banks, micro finance associations, and business associations representing MSMEs. Private sector stakeholders will also be invited to integrate an advisory committee to support the study team preparing the assessment. There will also be a stakeholder consultation, including both private sector stakeholders and government officials.

3. Programme implementation

3.1 Governance and implementation arrangements (max 3 pages)

Overall governance of the project will be carried out by the JP Steering Committee which will include representatives from the Office of the Prime Minister, the Ministry of National Economy, the Ministry of Finance, the Ministry of Education, the ADB, the EU, the UNDP, ESCAP and UNICEF. The **National Joint Programme Coordinator (NJPC)** to be nominated by the Ministry of National Economy will be the Chairman of the Steering Committee, and UNDP will support the organization and management of all meetings and other information exchanges. The meetings of the JP Steering Committee will be held at least twice a year to approve the Annual Work Plan for the coming year and the reports of the previous year. If necessary, the NJPC may convene additional meetings. The JP Steering Committee will exercise overall management of the JP and is responsible for initiating, sending, reviewing and finalizing the closure. Within the framework of the JP, the JP Steering Committee is the supreme governing body and decision-making instance. It ensures the allocation of all necessary resources, acts as a mediator in any conflict within the framework of the project or negotiates to resolve any problems that have arisen between the project and any parties outside the scope of the project.

This institutional set-up mirrors the existing national SDG implementation architecture to minimize the administrative burden and institutional complexity (see diagram below). Upon finalization of the JP, this setup greatly simplifies sustainably embedding the systemic reforms into the existing SDG financing architecture.



The JP will be jointly implemented by the Ministry of National Economy and UNCT, with support from ESCAP as a regional UN partner. As the national implementing partner, the Ministry of National Economy will oversee and coordinate all aspects of the project implementation. This role is compatible with its role in coordinating the work on implementation of Sustainable Development Goals. The Ministry of National Economy will designate a **Technical Task Force**, hosted at the ERI, which will execute the JP’s activities, in collaboration with relevant PUNOs. The JP provides for hiring additional ERI staff and building their capacity to enable executing these new functions sustainably and satisfactorily.

UNCT will be a responsible partner providing the support services throughout the entire cycle of the project implementation as set out in the Letter of Agreement between the Ministry and UNCT. UNCT will coordinate and oversee the execution of the project activities by the JP Technical Task Force and related support services by UNDP, ESCAP and UNICEF, as set out by this joint programme proposal:

- **UNDP** Kazakhstan will appoint a JP Project Manager and JP Project assistant, hosted by the UNDP, to support the Ministry of National Economy in project management and quality assurance, in accordance with the plans approved by the Project Steering Committee. UNDP's work on the project will take place at the country office in Nur-Sultan under the leadership of the UNDP Resident Representative (RR) and UNDP Deputy Resident Representative (DRR), if necessary. The Project Manager will be working under direct supervision of the UNDP Assistant Resident Representative (ARR).
- **ESCAP** will appoint a Project Manager from within ESCAP’s Subregional Office for North and Central Asia (SONCA) based in Almaty, Kazakhstan to participate in the Project Steering Committee meetings and lead the implementation of the JP activities that are the responsibility of ESCAP. ESCAP will contribute to the work on the project through its Macroeconomic Policy and Financing for Development Division (MPFD) based in Bangkok, Thailand and SONCA under the leadership of the Director of MPFD.
- **UNICEF** Kazakhstan’s Social Policy officer will participate in the Project Steering Committee meetings and be responsible for implementation of the UNICEF led JP activities. UNICEF’s work on the project will take place at the country office in Nur-Sultan

under the leadership of the UNICEF Representative. The Project Manager will be working under direct supervision of the UNICEF Deputy Representative.

This governance approach is the most-suited because it aligns with country systems and follows other development partners' recommendations. The project's governance and implementation arrangements will be embedded in the existing governance arrangements and setup as currently being used for supporting the National SDG Platform. Therefore, the implementation of the JP will require no additional efforts nor resources from both domestic partners and PUNO's to practically ensure its governance and implementation. No new structures will be created, so there is no risk of duplication. The findings and recommendation regarding strengthening SDG financing in Kazakhstan complements the existing ADB, World Bank and OECD ongoing engagements. Regular progress updates of the JP will be shared at the meetings of the development partners' coordination platform.

Coordination and reporting arrangements:

The day-to-day operations of the project will be carried out by the dedicated JP Project Manager, who will manage the work of International and National Technical Experts, and any support staff (JP Project Assistant) needed. The personnel of the JP Task Force will be responsible for the implementation of the project activities as outlined in this JP Proposal Document and any changes approved by the JP Steering Committee.

For each meeting of the JP Steering Committee, the JP Project Manager will prepare a progress report on the project activities, including recent achievements, risks, and proposed mitigation measures. The JP Project Manager will also be responsible for preparing all required annual reports for UNCT and the Government, according to the requirements of the documents signed for this project.

Government Ministries, non-governmental organizations, academia and research institutions, and UN system agencies will implement programme activities. It will be made operational through the development of joint work plans (JWPs) and agency-specific work plans and project documents as necessary which describe the specific results (linked to SDG targets) to be achieved and will form an agreement between the UN system agencies and each implementing partner as necessary on the use of resources. The JP will also involve short-term international and national experts in the implementation of specific JP activities as well as UN experts based in regional hubs.

Government ownership arrangements:

The outcomes of the joint programme will be reached by ensuring that the right government entities and stakeholders are consulted on each of the three JP outcome areas. The JP Steering Committee will validate relevant progress made on each outcome area and activities under the JP. The JP will rely as much as possible on existing government programmes and coordination mechanisms to avoid duplication with other frameworks. However, specific working groups can be constituted if the participation of a specific range of stakeholders need to be consulted on technical issues going beyond the mandate of established mechanisms. In such cases, designated government entities will preside over the working group and ensure coordination with the other institutional framework, as well as invite representatives from other frameworks.

The initial consultation with government entities have identified the need to secure ownership at the highest level such as the office of the Prime Minister to ensure the sustainability, security and stability of the process beyond the implementation of this JP. Hence, the JP Steering Committee has been deemed the main decision-making body engaged by this programme, with high-level representation of the four ministries directly contributing to the

JP. This will also help secure the participation of key ministries such as the Ministry of Finance and Ministry of Education.

- UNDP will look closely at the practical implementation aspects of the proposed SDG financing solutions. Analysis at national level will be complemented by targeted analysis at subnational level, to identify the challenges and opportunities for the implementation of a holistic SDG financing strategy that duly reflects the SDG priorities of the subnational governments. It is also expected that these results will serve as a reference point for other countries in the region and will be shared by the Republic of Kazakhstan as part of its regular South-South exchanges, thus sharing lessons and multiplying the impact.
- The Ministry of Education takes the lead on child budget monitoring initiative with focus on cognitive capital development. In line with the priorities of the 2020-2025 State education development program, UNICEF jointly with the Ministry has initiated development and introduction of child focused PFM monitoring system, which will allow Kazakhstan to produce annual child budget reports. The initiative will allow to measure public investment on key child related SDG indicators.
- ESCAP's contributions to the JP consist of analytical, capacity development and networking modalities. Capacity-building workshops on SDG costing will enhance understanding and technical knowledge of selected government officials in updating or conducting the costing exercise. The MSME assessment will include recommendations on how to make financing more inclusive with the aim of uptake in national policies of Kazakhstan and increase the capacity of financial institutions and MSMEs in providing and using targeted financing. Exposure to peers and experts during ESCAP organized events and networks aims to enhance learning of Kazakhstan's government officials and other key stakeholders.

3.2 Monitoring, reporting, and evaluation

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme²⁰; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as

²⁰ This will be the basis for release of funding for the second year of implementation.

policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After completion of a joint programme, a final, *independent and gender-responsive*²¹ *evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

²¹ [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015

3.3 Accountability, financial management, and public disclosure

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

3.4 Legal context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Kazakhstan and UNDP, signed on 4 October 1994. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by the Ministry of National Economy ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

- Agency name: **UNDP**

Agreement title: Standard Basic Assistance Agreement between the Government of Kazakhstan and the United Nations Development Programme 2016 to 2020

Agreement date: 16 March 2017

- Agency name: **UNICEF**

Agreement title: Basic Cooperation Agreement between the Government of Kazakhstan and the United Nations Children's Fund (UNICEF)

Agreement date: 25 November 1994

- Agency name: **ESCAP**

Agreement title: Agreement between the United Nations and the Government of the Republic of Kazakhstan relating to the establishment of the Subregional Office for North and Central Asia of the Subregional Office for North and Central Asia of the United Nations Economic and Social Commission for Asia and Pacific

Agreement date: 4 May 2011

Agreement title: Agreement between the United Nations and the Government of the Republic of Kazakhstan regarding administrative and financial arrangements for the Subregional Office for North and Central Asia

Agreement date: 11 July 2016

D. ANNEXES OF THE JOINT PROGRAMME TEMPLATE

Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person <small>(name and email)</small>
Development Finance Assessment	Establish a roadmap towards piloting an INFF in Kazakhstan	Informs the priority outputs and activities to be implemented by the JP towards piloting an INFF.	UNDP	Asian Development Bank, TALAP Macro-Economic Think Tank, JSC Economic Research Institute, Ministry of Economy and Ministry of Finance	66,000.00 USD Funding source: Ministry of National Economy	Aigerim Yegemberdiyeva aigerim.yegemberdiyeva@undp.org
Rapid Integrated Assessment of national budgets	Stronger SDG alignment of the central Republican Budget and sub-regional budgets	Informs the priority outputs and activities to be implemented by the JP towards piloting an INFF.	UNDP	Asian Development Bank, TALAP Macro-Economic Think Tank, JSC Economic Research Institute, Ministry of Economy and Ministry of Finance		Aigerim Yegemberdiyeva aigerim.yegemberdiyeva@undp.org
Child budget monitoring system	Establish regular national reporting on child-focused public policies	Support policy dialog on child-focused public finance management measurement with focus on achievement of SDG targets for children	UNICEF	Ministry of education and science, Ministry of finance, Ministry of Labor and social protection, Ministry of health	15.000 USD – UNICEF Official Resources, 50.000 USD - Ministry of Education and Science contribution	Zarema Yerzhanova zyerzhanova@unicef.org
Multidimensional child poverty measurement	Development of national data management and reporting in line with SDG 1.	Provides gender and age disaggregated data on key deprivations affecting children in line with SDG 1, SDG 3, SDG 4	UNICEF	Agency for statistics of Ministry of National Economy, Ministry of education and science, Ministry of finance, Ministry of Labor	19.000 USD UNICEF Official resources;	Zarema Yerzhanova zyerzhanova@unicef.org

				and social protection, Ministry of health		
Guidebook on SDG costing exercise	Detailed, technical guidebook for preparing country-level SDG costing exercise	A document to consult when estimating detailed SDG costs for Thailand	ESCAP	-	ESCAP funding (activity is of sub regional nature and includes different funding sources and in-kind contributions)	Natalja Wehmer wehmer@un.org
Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific	Greater role of public-private partnership (PPP) modality in closing infrastructure financing gap in Asia-Pacific	Country knowledges and experiences on PPP that could be part of Thailand's integrated financing strategies	ESCAP	Nearly 30 public agencies working on PPP in Asia-Pacific including Thailand; ESCAP Sustainable Business Network	ESCAP funding (activity is of sub regional nature and includes different funding sources and in-kind contributions)	Natalja Wehmer wehmer@un.org
Capacity building on Integrated National Financing Frameworks for accelerated SDG progress in North and Central Asia	Russian language introductory training materials on INFF and some options for its operationalization	Informs stakeholders of INFF and implementation options	ESCAP	UNITAR, UNDP, UNDESA	ESCAP funding (activity is of sub regional nature and includes different funding sources and in-kind contributions)	Natalja Wehmer wehmer@un.org
Design and implementation of the "Concept of public administration of the republic of Kazakhstan until 2025"	1. Implementation of planning according to the principle - one strategic document (Strategy-2025), with further decomposition of target indicators with tasks of state authorities (including SDGs) 2. Establishing correlation between state planning indicators with the budget process;	Key public administration reform in which the JP reform proposals for linking state planning with budgeting and financing policies will be embedded. (Outcome 1 and 2)	MNE	UNDP, OECD	Republican Budget	tm.abdrakhmanov@gmail.com
Digitalization of budget and state planning	Automation of Budget planning	Key public finance reform in which the JP's	Minfin	WB, OECD	The project is designed for two years (2020-	Mr. Medet Aktanzhanov, Director,

		SDG budgeting will be embedded (Outcome 2)			2021), with a total budget of about 948 million tenge (USD 2.1 million)	Department of Budget Planning, m.aktanzhanov@minfin.gov.kz
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Annex 2. Results Framework

2.1. Targets for Joint SDG Fund Results Framework

Set targets in the tables below, if relevant

Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement
(set the targets, if relevant)

Indicators	Targets	
	2020	2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope ²²	n/a	n/a
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale ²³	n/a	n/a

Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented
(set the targets, if relevant)

Indicators	Targets	
	2020	2021
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	1*
4.2: #of integrated financing strategies that have been implemented with partners in lead ²⁴	0	1*
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	0	2**

*Holistic SDG Financing Strategy, including for child-centered SDG acceleration.

** Partnership with the Ministry of National Economy and Ministry of Finance; and partnership with Ministry of Education for child-centered SDG acceleration.

Joint SDG Fund Operational Performance Indicators

(do not change or add – this is for information only so that teams know what they will be assessed against)

- Level of coherence of UN in implementing programme country²⁵
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question

²²Additional resources mobilized for other/ additional sector/s or through new sources/means

²³Additional resources mobilized for the same multi-sectoral solution.

²⁴ This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

²⁵ Annual survey will provide qualitative information towards this indicator.

- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure
- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”
- Joint programme featured gender results at the outcome level
- Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities
- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

2.2. Joint programme Results framework

Result / Indicators	Baseline	Year 1 Target	Year 2 Target	Means of Verification	Responsible partner
Outcome 1. A holistic SDG Financing Strategy and its core institutional components are developed and implemented					
Outcome 1 Indicator 1: Number of recipients of state pensions and benefits, disaggregated by sex, age, region.	Number of beneficiaries (unemployment benefits) 47.7%; female (tbd), male (tbd) (2018)	62.5%; female (tbd), male (tbd)	70%; female (tbd), male (tbd)	<u>Government SDG indicator 1.3.1</u>	UNDP, MinFin, ERI
Outcome 1 Indicator 2: all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education	Total average: 85.5 / Boys: 84.8/ Girls: 86.3 (2018)	Increase compared to baseline year	End of project increase compared to baseline year	<u>Government SDG indicator 4.2.1.</u>	UNICEF, Ministry of Education

Outcome 1 Indicator 3: Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows.	39% (2018)	Increase compared to baseline year.	End of project increase compared to baseline year.	Development Finance Assessment (2019); <u>Government SDG Indicator 10.b.1.</u>	UNDP, UNICEF, ESCAP, ERI
Outcome 3 Indicator 4: Foreign direct investments (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget	5.7% (2018)	15.9%	20.3%	<u>Government SDG Indicator 17.3.1</u>	UNDP, ERI, MNE, MinFin
Outcome 1 Indicator 5: A holistic SDG Financing Strategy with appropriate administrative systems and sufficient capacity is developed and ready for implementation	0; No holistic SDG financing Strategy underpinning national development strategy 'Kazakhstan 2025' and SDGs	0	A holistic SDG financing strategy has been developed. adopted and is being implemented.	Annual Report of the Kazakh Government and respective sectoral ministries	UNDP, UNICEF, ESCAP, MNE and Minfin
Output 1.1. Assess resource gaps on financing national development plans and priority SDG financing strategies					
Output 1.1 Indicator 1: Kazakhstan's 'National Development Plan 2025' is costed	No costing of 'Kazakhstan 2025'	Study on financing needs and gaps towards realizing 'Kazakhstan 2025' has been conducted.	Systematic annual updates of financing needs and gaps towards realizing Kazakhstan.	Annual report of national partners	UNDP, ERI, MNE
Output 1.1 Indicator 2: Quantitative and qualitative targets (disaggregated by sex, age disability, rural/urban, where relevant) for both public and private finance flows to fund Kazakhstan's 'National Development Plan 2025' have been set.	No quantitative and qualitative targets for different finance flows towards funding Kazakhstan's 'National Development Plan 2025'	ERI completes DFA report, including quantitative and qualitative targets for public and private finance flows towards addressing financing needs of the 'Kazakhstan 2025'.	Monitoring progress and systematic annual updates of quantitative and qualitative targets for public and private finance flows towards funding 'Kazakhstan 2025' by the ERI	Annual report of ERI	UNDP, ERI

Output 1.1 Indicator 3: ERI staff trained in assessing financing needs and gaps, disaggregated by gender, of national development plan and SDG costing.	0 ERI staff trained on assessing financing needs and gaps of national development plan and SDG costing	5 ERI staff trained on assessing financing needs and gaps of national development plan and SDG costing	n/a	Annual report of ERI	ESCAP
Output 1.1 Indicator 4: # of priority SDGs that have been costed	0	2 priority SDGs costed	Total of 4 priority SDGs costed, including SDG 5 on gender	Annual report of SDG Coordination Council	UNDP
Output 1.1 Indicator 5: SDG aligned financing strategies, including targets for MSME financing, with a focus on increasing access to affordable credit to women	Awareness of government officials raised and target for MSME financing set, including specifically those targeted at enterprises owned by women or employing a majority of women.	0	Monitoring progress and systematic annual updates of quantitative and qualitative targets for MSME financing by the ERI.	Annual reports of national authorities	ESCAP
Output 1.1 Indicator 6: Technical seminar organized on increasing climate finance in Kazakhstan	No	no	Yes	Technical seminar report	UNDP, ERI
Output 1.1 Indicator 7: # policy recommendations resulting from the climate finance workshop to discuss DFA analysis on climate finance	0	0	4 policy recommendations	Technical seminar report	UNDP, ERI
Output 1.1 Indicator 8: SDG aligned financing strategy on Climate finance adopted	No climate finance strategy	n/a	SDG aligned financing strategy on climate finance adopted	Annual report of national authorities	MinFin, MNE
Output 1.2. Monitoring trends in development finance flows at subnational level					
Output 1.2. Indicator 1: Light DFAs (dimensions 1 and 2) are piloted in 5 regions	No light DFAs are conducted across	no	Light DFA 'pilots' have been conducted	Annual reports of national partners (ERI, MNE, SDG	UNDP, ERI

	all subnational regions		across 5 selected regions	Coordination Council), light subnational DFA summary reports	
Output 1.2. Indicator 2: # lessons learned on results of pilot initiatives in five regions	No lessons learned light DFAs are conducted across all subnational regions	0	6 Lessons learned from the pilot initiatives have been identified, documented and disseminated across relevant JP partners	Annual report of ERI, ERI report on lessons learned made public on ERI website, light subnational DFA summary reports	UNDP, ERI
Output 1.2 Indicator 3: Roadmap designed for scaling up annual light DFAs to all regions upon finalizing the JP	No light DFAs are conducted across all subnational regions	no	Roadmap for implementing annual light DFAs across all 17 regions and republican cities adopted by MNE	Annual reports of national partners (ERI, MNE, SDG Coordination Council)	UNDP, ERI, MNE
Output 1.3. Holistic SDG financing strategy is equity based and child focused					
Output 1.3. indicator 1: Public expenditure reviews executed	Lack of equity analysis of current fiscal policies	Child focused assessment of redistributive capacity of Kazakhstan's fiscal policy is completed	Financing strategy for child-centered SDG investment is adopted by authorities and implemented for 3-year budget cycle (2022-2025)	Annual report MNE	UNICEF
Outcome 2. Planning and finance policy functions, processes and systems are better integrated and aligned with SDGs.					
Outcome 2 indicator 1: Alignment of strategic documents and programs with SDGs in Kazakhstan (link to 17.14.1 (G))	79.9% (2019)	n/a	Increase compared to baseline year	ERI annual report, RIA Kazakhstan (2019) and its annual updates.	UNDP, ERI, MNE, ADB
Outcome 2 Indicator 2: number of SDG that remain unfunded or significantly underfunded in the national budgets.	7 SDGs remain underfunded (SDG 5, 7, 10, 12, 13, 14 and 15)	Increased funding identified (from national budget and/or private finance flows) for minimum two underfunded SDGs	Increased funding identified (from national budget and/or private finance flows) for minimum four (from national budget and/or private finance flows) underfunded SDGs,	Rapid integrated assessment of national budgets – Kazakhstan (2019)	UNDP, ERI, MNE, ADB

			of which SDG 5 on Gender		
Outcome 2 Indicator 3: Proportion of total government spending on essential social services (education, health and social protection).	59.3% (2018) of total government spending dedicated to essential social services	Increase compared to baseline year	Increase compared to baseline year	DFA, based on data from the Ministry of Finance, State Budget expenditure; <u>Government SDG Indicator 1.a.2.</u>	UNDP, ADB, MinFin
Output 2.1. Annual RIA of republican, subnational and city level budgets, including a focus on child and gender dimensions					
Output 2.1 Indicator 1: Revised RIA mapping available, including all new State programs	0	yes	n/a	Annual Report of ERI	UNDP, ERI
Output 2.1 Indicator 2: #ERI staff trained in RIA of national budgets	0	5	10	Annual Report of ERI, project records; training event records; training feedback surveys.	UNDP, ERI
Output 2.1 Indicator 3: Technical seminar organized on RIA of national budgets for ERI staff	0	yes	n/a	Seminar report and feedback	UNDP, ERI
Output 2.1 Indicator 4: Conduct RIA of national budgets of the 17 territorial development plans	0	Started the RIA of national budgets for the 17 territorial development plans	Finalization and systematic updates of the RIA of 17 territorial development plans	Annual Report of ERI, Annual reports of the 17 subnational governments	UNDP, ERI,
Output 2.1 Indicator 5: RIA of national budgets (republican, subnational and city level) conducted annually	0	0	Annual RIA of national budgets (republican, subnational and city level) conducted systematically	Annual reports of national partners (ERI, Line Ministries, MNE, MinFin)	UNDP, ERI, MNE, MinFin
Output 2.1. Indicator 6: Child-focused PFM systems have been implemented	Lack of child related budget reporting	Child-focused PFM measurement methodology is developed	Child-focused PFM monitoring system have been implemented	Annual report of Ministry of education and science, Ministry of Finance	UNICEF
Output 2.2. Implement SDG budgeting that accounts for the gender dimension and the principle of LNOB					

Output 2.2 Indicator 1: Mainstreaming nationalized SDG indicators across planning and budgeting process, including their disaggregation by gender	0	Nationalized SDG indicators are officially validated and adopted	Nationalized SDG indicators are mainstreamed across planning and budgeting performance monitoring frameworks, ensuring the monitoring process disaggregates by gender.	Annual reports of MNE, MinFin, ERI	UNDP, MNE; MinFin, ERI
Output 2.2 indicator 2: Feasibility study for implementing SDG budgeting in Kazakhstan	0, no feasibility study	Feasibility study started	Finalization of the feasibility study	Rapid integrated assessment (RIA) Kazakhstan, Economic Research Institute UNDP, Feasibility study.	UNDP, Minfin, ERI
Output 2.2 Indicator 3: Technical seminar organized on implementing gender-responsive SDG-budgeting,	0	0	Yes	Annual report of MinFin,	UNDP, ERI, MinFin
Output 2.1 Indicator 4: # of senior members of Ministry of Finance trained on gender responsive budgeting	0	0	10 senior members of Ministry of Finance trained	Annual report of the MinFin	UNDP, ERI, Minfin
Outcome 3. National SDG financing architecture which takes into account gender dimensions is strengthened					
Outcome 3 Indicator 1: Proportion of time spent on unpaid home services for the household and its members, disaggregated by sex	Average 12.3%; female 17.7%, male 5.9% (2018)	Increase compared to baseline year	End of project increase compared to baseline year	<u>Government SDG indicator 5.4.1</u>	UNDP, MinFin, ERI
Outcome 3 Indicator 2: Proportion of population satisfied with their last experience of public services.	National Average: 0.81% (2018)	Government to determine within first 6 months of the JP	End of project increase compared to baseline year, in line with government targets	<u>Government SDG Indicator 16.6.2.</u>	UNDP, UNICEF, MNE
Outcome 3 Indicator 3: Total amount of grants,	National baseline will be identified in	To be determined by the MNE upon	To be determined by the MNE upon	<u>Government SDG Indicator 17.17.1.</u>	UNDP, UNICEF, MNE

government contracts to buy social services from Non-governmental Organizations (NGOs), based on service areas (in millions of tenge).	the final phase of the nationalization of SDG indicators (tbd within first 6 months of the JP)	finalization of the nationalization of SDGs	finalization of the nationalization of SDGs		
Outcome 3 Indicator 4: Implementation of 'National Action Plan for Gender Responsive Budgeting integration 2020-2025'	0 ²⁶	0	yes	UN Women in Kazakhstan, RIA of Kazakhstan, ERI UNDP	UNDP, MNE, MinFin The National Commission for Women Affairs, Family and Demographic Policy under the President of Kazakhstan
Output 3.1. Strengthen transparency and accountability mechanisms, with a focus on gender dimensions and the SDGs principle of "leaving no one behind".					
Output 3.1. Indicator 1: # ERI trained on DFA methodology	0 ERI staff trained on DFA methodology	5 ERI staff trained on DFA methodology	n/a	Annual Report of ERI, Project records; training event records; training feedback surveys.	UNDP, ERI
Output 3.1. Indicator 2: Full DFA (five dimensions) has been completed	'Light' DFA (dimensions 1 and 2) has been completed (2019)	DFA of the remaining 3 dimensions	DFA recommendations integrated into the roadmap for regulatory and legislative reforms towards implementing a holistic SDG financing strategy	Development Finance Assessment, Annual report of ERI, SDG Coordination Council report	UNDP, ERI

²⁶ In 2019 the Government with the leading role of the Ministry of National Economy and the National Commission for Women and Family Affairs and Demographic Policy under the President of Kazakhstan developed a [2020-2025 National Action Plan \(NAP\) on integration of Gender-Responsive Budgeting](#) into the national planning and budgeting systems. The NAP was developed based on the results of UN Women GRB Project in 2017-2018 funded by the Ministry of National Economy. It is expected that the NAP GRB Plan will be adopted by the Governmental Decree in early 2020.

Output 3.1. Indicator 3: Annual "DFA Dashboard" integrated in the 'Forecast of Social and Economic Development'	No DFA dashboard	n/a	SDG Finance Dashboard integrated in the annual Forecast for Socio-Economic Development	Annual reports of national partners (ERI, MNE)	UNDP, ERI, MNE
Output 3.1. Indicator 4: Technical support provided to MNE and 5 Working Groups by providing international expertise in integrating the goals and objectives of the SDGs into the state planning system taking into account environmental issues and gender equality	Process of Nationalization and localization of SDG indicators is on-going	Capacity-building activities for participants in 5 working groups to implement the sustainable development Agenda by adopting national development plans and programs in accordance with the SDGs	n/a	Annual report of the SDG coordination Council	UNDP, ERI
Output 3.1 Indicator 5: Localization of SDGs in 5 pilot regions, including gender disaggregated statistics	Process of Nationalization and localization of SDG indicators is on-going	Capacity-building activities for local administrations, public councils and Maslikhats	Expert support provided to local administrations in the pilot regions to review and adjust local plans and programs to bring them into line with the national strategy for implementing the SDGs, considering gender factors.	Annual report of the SDG coordination Council	UNDP, ERI
Output 3.1. Indicator 6: # of Parliamentarians trained on gender-responsive SDG aligned, budget review	0	0	All Parliamentarians on the Parliament's Budget Committee	Annual report of the Parliament, Annual Report of ERI	UNDP, ERI, Parliament
Output 3.1. Indicator 7: Preparation of the second Voluntary National Review (VNR) of the Republic of	First VNR (2019)	0	10 ERI staff are Preparing the second VNR	Annual reports from national counterparts (ERI, SDG Coordination Council)	UNDP, ERI

Kazakhstan, including gender disaggregated data					
Output 3.2. Strengthen contribution of non-state actors to financing policies					
Output 3.2 Indicator 1: Coordination of development partners around SDG financing,	No coordination of development partners	Launch of the Development Partners' Roundtable.	Systematic availability of transparent and up-to-date data of total official support provided by all development partners to Kazakhstan, by sector, aid modality, financing instrument, SDG, etc. and applying the gender and climate marker.	Annual reports of Kazakhstan's development partners	UNDP, ADB, EU, WB
Output 3.2. Indicator 2: # of CSOs trained in SDG aligned Budget reviews, gender-responsive budgeting and the SDGs Principle of LNOB.	0	0	10 CSOs trained on gender-responsive budgeting principles	Annual report of ERI, CSO Annual reports	UNDP, ERI, CSOs

Annex 3. Gender marker matrix

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
<i>N°</i>	<i>Formulation</i>			
1.1	Context analysis integrate gender analysis	2	<p>The JP meets the below requirement:</p> <p>a) The problem statement of the proposal refers systematically to the performance of socio-economic development indicators pertaining to gender across all sectors relevant to the proposal. It highlights the main underlying cases to be addressed to correct this situation and refers to the latest available analysis regarding data and statistics on</p>	<p>a) Gender analysis integrated in: problem statement; Risk mapping; theory of change, including in key outcomes, outputs and activities; integration of Gender Markers into the JP at the Output level.</p> <p>Specific gender-related studies referenced:</p> <ul style="list-style-type: none"> • Kazakhstan Country Gender Assessment. ADB, 2018 • OECD, Multidimensional Country Review, 2016 • UN Common Country Assessment, 2019 <p>b) Problem statement contains sex-disaggregated data; results framework specifies sex-disaggregated data where required.</p>

			gender dimensions in Kazakhstan in line with SDG priorities including SDG 5; b) The report consistently provides sex-disaggregated and gender sensitive data where required	
1.2	Gender Equality mainstreamed in proposed outputs	2	One program output specifically targets gender equality in line with SDG priorities including SDG 5.	Joint Program Results Framework: JP output Area 2.2 targets the implementation of gender-responsive SDG budgeting
1.3	Programme output indicators measure changes on gender equality	2	34% of the output indicators measure changes in gender equality and the empowerment of women in line with SDG targets including SDG 5.	Joint Program Results Framework: <ul style="list-style-type: none"> Output indicators: 1.1.2; 1.1.3; 1.1.4; 1.1.5; 2.2.1; 3.1.5; 3.1.6; 3.1.7; 3.2.1; 3.2.2 Outcome indicators: 1.1; 1.2; 2.2; 2.3
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	2	The programme contributes to substantively strengthen Government participation and engagement in gender related SDGs localization and/or implementation	<p>The newly created Parliamentary 'SDG Committee' will assess the alignment of the budget with the SDGs, including from the perspective of the SDGs principle "leave no one behind" with a specific focus on children and women. This critical legislative body will be more aware about the importance of gender responsive and pro-poor budgeting and will be able to rely on real-time data and analysis, provided by the ERI.</p> <p>Through the INFF initiative one concrete entry is the gender-responsive SDG budgeting, as such, we can ensure that the aim of the proposal is to anchor the SDGs, including SDG 5 on gender, into the budgetary systems and processes being adopted. The budget provides for comprehensive training activities on gender-responsive SDG budgeting to both MinFin staff involved in the budgeting process as well as relevant stakeholders working on gender equality in Kazakhstan.</p> <p>The JP's budget also provides for building capacity and reinforcing the National Commission's Secretariat with competence in policy analysis, advocacy, communication, and monitoring to implement the JP's gender related activities.</p>

2.2	PUNO collaborate and engages with women's/gender equality CSOs	2	<p>The JP meets the below two requirements:</p> <p>b) GEWE CSO participates in project consultations: context analysis, strategic prioritization, implementation, M&E.</p> <p>c) The programme contributes to substantively strengthen GEWE CSO participation and engagement in gender related SDGs localization and/or implementation</p>	<p>b) Following the SDGs principle "leave no one behind", the JP will pay specific attention to the empowerment of the most excluded groups such as poor rural women, unemployed, economically inactive women and women from ethnic minorities, by engaging them in the consultation processes for the DFA dimensions 3, 4 and 5; public expenditure reviews and fiscal space analysis for social spending; the proposed legislative reforms to implement gender-responsive budgeting; the nationalization and localization of SDGs in Kazakhstan; and the final, independent Evaluation.</p> <p>All NGOs sitting on the Expert Committee of the National Commission for Women's Affairs will systematically be invited to contribute and to review project implementation, as well as the Association of Business Women of Kazakhstan.</p> <p>c) By systematically involving CSOs in consultations and training seminars for the nationalization and localization of SDGs, the JP expects to broaden constituencies for reform and promote a national and subnational dialogues around financing priorities. Engaging with civil society allows to optimize targeting the vulnerable groups in society and ensure nobody is left behind. They are also key partners to support gender-responsive SDG Budgeting and child centered financing policies.</p>
3.1	Program proposes a gender-responsive budget	2	Criteria: At least 30% of the total budget is allocated to gender equality or women's empowerment.	<p>43% of the JP's total budget is allocated to gender equality.</p> <p>Means Of Verification: percentage of budget (sum of SDG 5.4 and SDG 4.2)</p>
Total scoring				

Annex 4. Budget and Work Plan

4.1 Budget per UNSDG categories

UNDG BUDGET CATEGORIES	UNDP		UNICEF		ESCAP		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	156,465	172,536	0	15,000	0	0	156,465	187,536
2. Supplies, Commodities, Materials	0		0		0			
3. Equipment, Vehicles, and Furniture (including Depreciation)	0		0		0			
4. Contractual services	359,705		145,981		35,500		541,187	
5. Travel	59,589		0		53,089		112,678	
6. Transfers and Grants to Counterparts	0		40,000		30,000		70,000	
7. General Operating and other Direct Costs	34,251		20,000		0		54,251	
Total Direct Costs	610,009		205,981		118,589		934,579	
8. Indirect Support Costs (Max. 7%)	42,701	14,419	8,301	65,421				
TOTAL Costs	652,710	172,536	220,400	15,000	126,890	-	1,000,000	187,536
1st year	262,910	70,618	110,200	7,500	126,890	-	500,000	78,118
2nd year	389,800	101,918	110,200	7,500	-	-	500,000	109,418

Beyond the total Budget of USD 1,187,536, **total parallel funding leveraged from other development partners in Kazakhstan to support this JP's outcomes and impact amount to a total of USD 1.500.000 from the ADB and the EU.** Also, the Ministry of National Economy has already committed USD 147.600,00 in parallel funding to support the implementation of the activities by ERI and the presentation of the VNR's results at the end of the JP in the 17 Kazakhstan regions. For each USD 1.000 implemented through this JP an additional USD 1.460 will be mobilized towards the objective of mainstreaming the SDGs across Kazakhstan's national planning, budgeting and financing systems.

Contractual services (54% of the SDG Fund Grant): Half of these contractual services finance hiring 10 additional ERI staff members for executing the analytical components of the Financing Strategy (DFA, RIA, SDG costing, needs assessments, etc.)

and pilot the SDG financing strategy’s systematization across the planning and budgeting process. The MNE co-finances a significant part of the total cost of increasing the capacity of ERI, which implies the overall share of transfers and grants of the JP budget underrepresents the true value of the work executed by national counterparts. A quarter serves to hire highly specialized international expertise to supervise and build the capacity of national stakeholders to sustainably execute the SDG financing assessments and solutions. The remaining quarter serves to organize the training seminars, consultation workshops and high-level Conferences as well as the production costs (editing, translation, etc.) of publications and related JP material.

Staff and other personnel (16% of the SDG Fund Grant): Equals the salaries of the UNDP-based JP operational manager and his assistant; daily fees of UN methodological experts from HQ and regional hubs.

Joint programme management costs (USD 159,696; 13,8% of the total JP budget): salary costs for hiring a Project Manager and Project Assistant for the total duration of the JP. the Project Manager will be responsible for the operational aspects of executing the JP, the regular monitoring of progress and tracking results, periodic financial reporting and leading the communication campaigns, as per the SDG Fund requirements. A minimum of USD 35.000 (3,5% of the SDG Fund contribution) has been set aside for conducting the external, gender-responsive evaluation.

The **UNCT will develop a costed communication and advocacy plan** that aligns with a monitoring and evaluation plan with outputs for joint communication (5% of the SDG Fund Grant). This plan is an important tool for advocacy and outreach and will help accelerate progress in the SDGs targets directly addressed by the JP and related goals by advancing collaborative UN efforts in undertaking joint advocacy to mobilize for national resources as well as through regional and international partnership for achieving the 2030 Agenda. The plan foresees for setting up an advocacy network of young influencers, researcher, and public decision makers jointly with CSOs. A series of national consultation workshops and advocacy events will be organized to rally stakeholders and improve accountability processes on budget transparency and credibility.

4.2 Budget per SDG targets

SDG TARGETS		%	USD
1.a	Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	5%	59,377
4.2	By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.	36%	427,513
5.4	Recognize, reduce and redistribute unpaid care and domestic work through the provision of public services, infrastructure and social protection policies to promote shared responsibility within the household and society as nationally appropriate.	7%	83,128

9.3	Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	9%	106,878
10.b	Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes	8%	95,003
13.3	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	5%	59,377
16.6	Develop effective, accountable and transparent institutions at all levels.	12%	142,504
17.3	Mobilize additional financial resources for developing countries from multiple sources	8%	95,003
17.17	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	10%	118,754
TOTAL		100%	1,187,536

All JP activities are designed to jointly increase the efficiency and effectiveness of public spending through developing a holistic SDG financing strategy and better aligning and integrating planning and budgeting within a fully nationalized SDG Framework at all levels. This focus on introducing transformative changes across Kazakhstan’s public finance system indirectly benefits progress on most SDGs in the country.

Furthermore, this JP directly targets 9 SDGs that have been identified by the DFA and RIA assessments and in consultation with the MNE as being underfunded, not progressing sufficiently to achieve the targets by 2030 and generating spill-overs and inter-linkages that underpin progress by other SDGs (for example, SDG 9.3 on increasing access to financial services directly links to SDG 5.a on women access to affordable credit and to SDG 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking). At individual SDG target level, SDG 4.2 stands out as being the main beneficiary of the JP, with up to an estimated 36% of the budget directly contributing to its acceleration.

70% of the JP’s budget funds cross-cutting activities related to needs assessments, SDG costings and specific analysis on the gender and child dimensions of poverty and inequality the JP will also lead to increased and better targeted social spending to tackle regional inequalities and accelerate progress on priority SDGs where Kazakhstan is lagging (SDGs 1.a, 4.2, 5.4, 9.3, 10.b and 13.3).

30% of the JP’s budget targets building state capacity for stronger policy and institutional coherence towards sustainable development and strengthening Kazakhstan’s fiscal and policy environment to deliver at scale results (SDGs 16.6, 17.3 and 17.17).

Up to 43% of the total budget will be allocated to promoting gender equality, covering both women and girls (SDG 4.2 and SDG 5.4). Specific gender disaggregated data will be collected to monitor impact of the JP’s child-responsive budgeting and the localization of the SDG indicators on women and girls. Furthermore, all activities support the systemic transformation of

Kazakhstan’s SDG financing architecture, which indirectly also upgrades state capacity to mainstream gender dimensions and the SDGs principle of LNOB across its planning, budgeting, financing and monitoring processes and implementing institutions.

4.3 Work plan

Outcome 1			A holistic SDG Financing Strategy and its core institutional components are developed and implemented																	
Output	Annual target/s		List of activities	Time frame								PLANNED BUDGET			PUNO/s involved	Implementing partner/s involved				
	Year 1	Year 2		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)			Total Cost (USD)			
Output 1.1. Assess resource gaps on financing national development plans and priority SDG financing strategies	National partners are capacitated to assess SDG financing needs; 'Kazakhstan's Vision 2050' and 'National Development Plan 2025' are costed; MSME financing strategy is adopted	Climate finance strategy is adopted	Capacity building for assessing financing needs and gaps and SDG costing	x	x	x									4 full-time ERI staff; capacity-building of ERI; translation of ESCAP SDG costing guidelines; Workshop 1 (2 days meeting, 40 participants, in Nursultan to explain SDG costing methodologies and prepare SDG costing exercise); workshop 2 (1 day, 40 participants, to discuss report findings, containing more detailed cost estimates prepared by ERI); travel and participation of experts and trainers to both workshops; UNDP expert on costing national plans (15 days) + one 2-day mission by UNDP expert to build capacity and launch costing exercise of Kazakhstan 2025 plan.	191,787	22,711	214,498	ESCAP, UNDP	MNE, ERI, MinFin
			Estimate the cost of achieving the Kazakhstan's 'National Development Plan 2025', both the public and private investment needs to be mobilized over time				x	x												
			Formulate SDG aligned MSME financing strategy						x	x										
			Formulate SDG aligned climate finance strategy								x	x								
Output 1.2. Monitoring trends in development finance flows at subnational level	n/a	ERI has piloted 3 light DFAs in selected regions.	Implement light DFA 'pilots' in 3 Kazakhstani regions (monitor finance flows and funding gaps)								x	x			4 full-time ERI staff; 25% time of International DFA expert (45 days); travel of ERI and UN staff to 3 regions to collect data, build capacity and raise awareness on the localized DFA methodology	30,884	10,808	41,692	UNDP, UNICEF	ERI, MNE, Chamber of Commerce

Output 1.3. Holistic SDG financing strategy is equity based and child focused	Child focused assessment of redistributive capacity of Kazakhstan's fiscal policy is completed	Financing strategy for child-centered SDG investment is adopted by authorities and implemented for 3 year budget cycle (2022-2025)	Equity assessment of fiscal policies with focus on key child focused indicators Formulate SDG aligned financing strategy for increased SDG investment into cognitive capital (high-investment, and low-investment scenario)	x	x	x	x								1 full-time ERI staff time; International CEQ expert; Partnership agreement with research unit of KazGU University; Roundtable event; Publication production costs	96,300	0	96,300	UNICEF, UNDP	MNE, ERI, MinEdu, MinFin, KazGU University
Outcome 2			Planning and finance policy functions, processes and systems are better integrated and aligned with SDGs.																	
Annual target/s			Time frame								PLANNED BUDGET				PUNO/s involved	Implementing partner/s involved				
Output	Year 1	Year 2	List of activities	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)			Total Cost (USD)			
Output 2.1. Annual RIA of republican, subnational and city level budgets, including a focus on child and gender dimensions	RIA methodology has been revised, including a gender and child focus; New ERI staff has the capacity to conduct and revise the RIA of national planning system and national budgets according to revised methodology; 2019 RIA mapping updated; Child-focused PFM measurement methodology is developed.	RIA of national budgets are being executed on an annual basis to inform budgeting and planning; Child-focused PFM monitoring system have been implemented;	Build capacity of ERI to implement RIA of national budgets with a gender and child focus		x	x							5 full-time ERI staff (methodological review, budgetary data collection of republican and local budgets, analysis of national planning documents, etc.); UN expert on RIA methodology (25 days); two 4-day missions from UN RIA expert (support methodological review, training of ERI staff and national stakeholders); 1 one-day joint training seminar for revised RIA methodology and Child-focused PFM measurement (100 participants); knowledge transfer from national RIA consultant (TALAP); Partnership with youth advocacy NGO on citizens budget initiative; International child budgeting expert; one roundtable on child-budgeting; Publication production costs.	205,739	43,571	249,310	UNDP, UNICEF	ERI, Talap, Line Ministries, Subnational authorities		
		Detailed review of the RIA mapping methodology, including a gender and child dimension			x	x														
		Systematize the RIA of national budgets across newly adopted state programs, annual Republican budget, 17 territorial development plans and budgets and city level budgets.				x	x	x	x											
		Establish child-focused public finance management system to monitor effectiveness of SDG financing for children		x	x	x	x	x	x	x										

Annex 5. Risk Management Plan

The below risks to the successful implementation of the JP have been retained based on the following evidence and assessments: the latest UN Common Country Assessment for Kazakhstan, the Kazakhstan Development Finance Assessment, the World Bank Country Strategy Paper and the ADB programmatic risk assessment. The UNDP Social and Environmental Risk Screening Checklist was used to verify the JP does not incur in any harm or prejudice to the principles of Human Rights, Gender Equality and Environmental Sustainability. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>). This JP will not conflict with UN safeguarding principles, nor any applicable international norms and standards. It does not pose any foreseeable reputational risks to the UN.

The narrative below highlights the main identified risks and the JP's mitigation approach. The risk matrix details the likelihood of occurrence and responsible actors to implement the mitigation measures.

Contextual risks:

- The government is aggressively seeking to contain the novel coronavirus and its economic impact. Still, as in all countries, risks of disruption may apply. The Government of Kazakhstan's plans to largely cut budget expenditures will likely adversely affect ongoing negotiations, joint events and short-term activities of the JP. Current restrictions on foreign visitors from countries with unfavorable COVID-19 situation are already limiting UN missions to Kazakhstan. The proposal of the Agency for Civil Service on postponing the implementation of the government tasks that are not related to security and social safety could negatively affect (delaying) the JP's launch and early-stage activities. **Mitigation strategy:** The JP's programmatic set-up allows for a certain degree of flexibility to adapt to shifting government priorities due to unexpected economic shocks, triggered by e.g. COVID-19. As needed, the Joint Programme will align its initiatives with national economic stimulus measures in combination with close monitoring of the situation by the UNRC in coordination with the Authorities, the ADB and the WB.
- While the macroeconomic risk is moderate, the current level of interest rates and the economic situation imply that Kazakhstan has access to very cheap resources. This risk may be strongly mitigated by worsening macro-economic conditions due to the unfolding COVID-19 crisis. The JP's attractiveness in financial conditions may be limited. **Mitigation strategy:** The JP focuses on those activities where the UN has a proven unique comparative advantage and on increasing the effectiveness of capacity building and implementation components.
- Activities can also be significantly affected by environmental pressures and perceived lack of rising inequalities and social pressure for more rapid socio-economic progress. **Mitigation strategy:** The JP supports the Government to build up capacities in the environmental area to handle the integration of environmental and social priorities embedded in the 2030 Agenda. The JP aims to provide consultancy for mainstreaming gender-, governance- and environment-specific SDGs into the national policy documents. It will also provide expertise in setting SDG targets and mainstreaming them into the national development programmes and financial plans, focusing on mainstreaming gender-related SDG targets.

Programmatic risk:

- Programmatic risks may emanate from faulty project implementation, due to limited institutional capacity, high staff turnover, fiduciary difficulties, and bureaucratic procedures. Furthermore, the risk of non-availability of timely, disaggregated data may make some of the analysis and costings – especially bottom-up costing, less effective. **Mitigation strategy:** The JP focuses on capacity building of national implementing partners throughout JP activities. This will also require improvements in data quality and availability by systematically involving the National Commission on Statistics in programme execution and capacity-building.

Institutional risk:

- An important risk is future inertia caused by lack of political commitment from the national authorities on the implementation and financing of the SDGs, particularly on politically sensitive issues. Following the successful presentation of the VNR in July 2019, government initiatives to upgrade their SDG implementation mechanisms have come to a standstill. Overall, there’s a lack of urgency regarding maintaining the momentum around mainstreaming the SDGs in the country’s planning, budgeting and financing infrastructure. **Mitigation strategy:** The execution of the JP’s analytical activities through the Government-based ERI, in close partnership with a wide range of national stakeholders, will help build ownership through formal research, brainstorming, and training, and the UNCT will increase its attention to disseminating the results to help build and sustain wide demand for reforms.
- Awareness of the SDGs among government and private sector employees and the public at large is low, which in turn decreases public ownership, oversight and policy input. **Mitigation strategy:** The JP will actively communicate and raise awareness of the goal of the JP and its achieved results to foster public ownership on the SDGs and support knowledge-sharing about the efforts made on global, regional and local levels. Additionally, civil society organizations, are not yet sufficiently involved in the national efforts aimed at the implementation of 2030 Agenda. To increase the public ownership on the national activities related to the SDGs, it is vital to empower specific target groups with sufficient information and skills that will at a later stage translate into tangible output.

Fiduciary risks:

- The required funding to effectively implement the full JP risks being insufficient. This may be caused by delayed disbursements or lack of disbursement of committed co-financing by either the development partners or the Government stakeholders, like the MNE. Alternatively, funding from the SDG Fund maybe insufficient to bridge the financing needs of the JP. **Mitigation strategy:** The MNE and MinFin will be closely involved during the entire implementation of the JP and participating UN agencies will seek additional funding from different sources, focusing on development partners and additional co-financing from government partners in case any funding shortfall is likely to materialize.

Risks	Risk Level:	Likelihood:	Impact:	Mitigating measures	Responsible Org./Person
Contextual risks					
Economic constraints on the State budget and the	3	1	3	Strategic communications on the importance of the JP for achieving the national social spending targets.	PUNOs, RC

ability of the government to commit funding for social services at scale beyond the duration of the JP.					
Disruption risks to the JP caused by the COVID-19 crisis.	12	4	3	Align the JP activities with national economic stimulus measures in combination with close monitoring of the situation.	PUNOs, UNRC
Programmatic risks					
Poor coordination, bad communication and competition inside the UN team.	4	2	2	Good leadership	UNRC
There are delays to identifying and contracting the first pool of 5 ERI Staff and international experts for conducting the JP activities.	9	3	3	Engage from the outset with ERI to ensure a suitable pool of candidates. Strategic communications to identify candidates and high-level steering committee to address any barriers to contracting and deployment of the teams.	UNDP, UNRC, ERI
Key staff rotation within partner government agencies	20	5	4	Participatory approach to programming by involving multiple stakeholders and diversifying implementation and policy communication channels to reduce the impact of individual changes. Effective capacity building targets broad section of middle management and high-level decision-makers, combined with strengthening institutions and processes to sustainably integrate knowledge transfers.	PUNOs, UNRC, MNE, MinFin, ERI
Institutional risks					
Planned capacity increase of ERI for executing the JP's activities under their responsibility is insufficient	10	2	5	Front-load capacity building activities of ERI to anticipate any capacity gaps, focus on rigorous HR selection process to identify competent staff	UNDP, ERI
Myths and misconceptions around perceived SDGs progress and public awareness of SDGs	9	3	3	Strong communication and advocacy throughout the JP's duration to all relevant stakeholders and wide external audience across the country	JP Management Team, PUNOs
Inertia caused by lack of political commitment from the national authorities on the implementation and financing of the SDGs,	6	2	3	The UNCT will increase its attention to disseminating the results to help build and sustain wide demand for reforms. Analytics will shift partly from diagnostic to implementation of policy changes and institutional reforms, which is more complex but has a potential for	UNRC

particularly on politically sensitive issues.				more impact, and the UNCT will also explore with the Government's incremental improvements which may be easier to implement.	
Fiduciary risks					
No co-financing obtained from ADB and/or MNE	12	3	4	UNDP will seek additional funding from different source, focusing on development partners and additional co-financing from government partners	UNDP
Financial resources available from the Joint SDG Fund are not sufficient to address the challenges that the JP is seeking to resolve	10	2	5	PUNOs will seek additional funding from different source, focusing on development partners and additional co-financing from government partners	PUNOs, UNRC
Actions being delayed due to lack of necessary level of budgetary allocations for the intended programmes preventing policy documents from operationalization.	9	3	3	Involvement of Ministry of Finance and Economy from the outset and at all stages of the JP.	PUNOs, UNRC, MNE, MinFin

