



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Kazakhstan

Reporting Period: 1 January - 31 December 2021

JP title: Aligning Policy and Financing with SDGs Towards an Integrated National Financing Framework in Kazakhstan

PUNOs: UNDP, UNICEF

Government partner: Ministry of National Economy

Target SDGs: SDGs 1, 4, 5, 9, 10, 13, 16, 17

Gender Marker: 2

Approved budget: USD 1,000,000

Co-funding: USD 187,536

Total Disbursement by 2021: USD 1,000,000

Total estimated expenditures: USD 501,187 (est. Delivery rate: 50.1%)

Total estimated commitments (including expenditures): USD 712,242 (est. Committed rate: 71.2%)

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Executive Summary

The JP has led to further enhancement of the institutional coordination and decision-making at Government level. On 12 March 2021 during the fifth meeting of the SDG Coordination Council (CC) chaired by the First Deputy Prime-Minister of Kazakhstan the Government of Kazakhstan supported UNDP's initiative to establish an Action Committee for monitoring the progress on SDGs which should facilitate coordination and improve execution quality of the tasks and decisions taken by the SDG CC. In the framework of the SDG Monitoring Committee meeting some important decisions have been made during the year. For example, line ministries agreed to continue consultations on the adaptation of the DFA recommendations jointly with the Ministry of Finance and the Ministry of National Economy and consider possibility of conducting the DFA periodically (every three years) as a potential tool to supply Government with additional data during republican budget formation process. Therefore, it is expected that during the year 2022 the consultations between the MoF and MNE will be resumed and taken forward to identify key components of the INFF roadmap.

Within the JP it became possible to launch some important initiatives which will support the process of aligning strategic and budgeting planning with SDGs. The Economic Research Institute (ERI) with UNDP's technical support managed to develop important tools for integrating SDGs into national budgeting system allowing to identify the allocation of public financing across various SDGs. In order to support Government's agenda on climate action, the formulation process of the SDG-aligned climate finance strategy was launched in the end of 2021. Adoption of the Climate budget tagging (CBT) approach will enable Government to conduct financing assessment of all budget programs that are related to climate adaptation. Another important component which will support the INFF implementation is the development of the SDG budgeting roadmap which will provide step by step algorithm on how Government of Kazakhstan could fully shift to SDG accountable budgeting system. Each of these components are integral parts of the holistic SDG financing strategy. In 2021, the budget for children, a child-focused public finance management system to monitor effectiveness of SDG financing for children, was drafted.

JP contributed to application by the Government of the alternative tools for monitoring and assessment of financing landscape. After the DFA at national level was completed, ERI replicated light DFA 'pilots' in 3 Kazakhstani regions - Almaty (city of republican significance), Karaganda (industrial) and North Kazakhstan (agricultural) to see how financing opportunities differ depending on the regional individualities. DFA of the regions provided comprehensive analysis of financing trends, integrated planning, and financing approaches applied. Light DFAs in the regions proved that General conclusions and recommendations will be useful as additional information when developing a Holistic Strategy for financing SDGs with an emphasis on regional financing landscape and there is a need to accomplish DFA in the rest of the regions.

Annual Progress

Overall JP self-assessment of 2021 progress:

Satisfactory (majority of expected results achieved; 1 to 3 months delay in implementation)

Comments on self-assessment: The progress over the JP was assessed as satisfactory because of the delay in the implementation of some activities:

Almost all expected activities envisaged in the Annual Work Plan for 2021 have been successfully achieved. Due to reforms implemented by the Government of Kazakhstan in the area of the State Planning System some of the activities expected to be accomplished by the end of 2021 have been extended for the implementation during 2022. For instance, started in the end of November 2021, formulation of SDG aligned climate financing strategy and development of a roadmap for implementing (gender-responsive) SDG budgeting in Kazakhstan will be continued during 2022. These slight changes in the timeline of these outputs don't affect JP implementation as originally the deadlines were set with an assumption that this sort of challenges might arise.

Implementation of ESCAP's components has been delayed due to project external and internal reasons – having to adjust workflows and deliverables to COVID-19 working conditions and having to shift budget lines. Substantive preparations towards major tasks to be undertaken in 2022 under the ESCAP-ERI partnership agreement have been set into place, including research on potential methodology for costing SDG 4.2 (with UNESCO) and a conceptual structure for systematically including SME financing (with focus on inclusion and gender aspects) in a wider INFF financial strategy.

In 2021, UNICEF continued to develop child budget as well as Child Well-Being Index (CWI). Significant efforts were made to collect more evidence in partnership with ERI, build capacities of experts and decision makers on these issues, launch national monitoring instrument for targeted public spending in the interests of children, as well as to hold wide public discussions of completed proposals with the recommendations to the government on improving the budgetary processes and methodology for measuring the CWI. The sessions with Parliamentary Union has also included the statements of members of the Parliament of Kazakhstan on child's budgeting improvement aiming at increase in allocation to health and education. It took more time than expected since both mentioned tools complement each other and are completely new topics for general population and for government apparatus. Also, the situation was complicated by the current pandemic.

Overall progress and key developments to date (3 key JP milestones)

Governance and coordination By decision of the SDG Coordination Council, the Action Committee for monitoring progress on SDGs was established to facilitate coordination and improve execution quality of the SDG CC tasks and decisions. During the II SDG Monitoring Committee meeting in October 2021, it was recommended to continue consultations on the adaptation of DFA recommendations between Ministries of Finance and National Economy and consider possibility of conducting DFA every three years.

Research, assessments, and feasibility studies on SDG Financing A feasibility study on SDG budgeting accounting for gender dimension and principle of LNOB in Kazakhstan based on Mexico case study and consequences of COVID-19 was finalized.

Light DFA pilots in 3 Kazakhstani regions on monitoring financing flows and funding gaps were accomplished. DFA provided comprehensive analysis of trends in finance, integrated planning, and financing approaches in three pilot regions.

Research on development of criteria for assessing effectiveness of public spending on the needs of children in key social sectors (social protection, education, healthcare, culture and sports, protection of children's rights) was conducted.

SDG budget tagging methodology was developed to systematize RIA of national budgets across newly adopted state programs, republican and regional budgets by tagging SDG targets with the codes of the Unified Budget Classification of Kazakhstan and providing detailed information on budget allocation across all SDGs.

Financial policy development and financial advocacy activities UNICEF continues implementing Public Finance for Children initiative and has assisted the Government to launch child budget, a national monitoring instrument for targeted public spending in the interests of children in accordance with SDGs. UNICEF in partnership with MES and ERI drafted 2 alternative methodologies of child budget that are being discussed with main stakeholders. A new partnership, with members of the Parliament, was initiated to advocate for development of financing strategy for child-focused SDGs.

Capacity building for key stakeholders on SDG Financing On 22-23 April UNDP with MNE arranged online practical training on "Rapid integrated assessment of budget and strategic programs alignment in Kazakhstan with SDGs" for government bodies engaged in budget and strategic planning to present a potential approach on aligning unified budget classifications of Kazakhstan with SDG targets based on pre-prepared mapping exercise.

On 30 June online workshop on "SDG and gender-oriented budgeting approaches in Kazakhstan" supported by UNDP was organized to discuss UNDP Guidance on Aligning domestic budgets with SDGs.

On 18 November online workshop for MoF representatives on SDG budget tagging methodology based on UNDP RIA tool was organized, making it possible to tag SDG targets with codes of Kazakhstan's UBS.

On 23 December a workshop for Ministries of Finance, Economy and Ecology was organized to explain the scope and propose the Climate Budget Tagging tool for Kazakhstan.

ESCAP jointly with UNITAR, UNDP and UNDESA held two introductory workshops on INF covering sessions on SDG costing and SDG aligned budgeting in January and March 2021 with participation of implementing partners from Kazakhstan.

UNICEF experts held series of webinars on PF4C for national counterparts with overview of international experience of child budget implementation bringing together 70 experts of state agencies, NGOs, and academia.

During the annual conference of pedagogical workers of Kazakhstan several dialogue events on the topic "Budget for Children" were held by MoES, which brought together 150 participants from central and regional government bodies, foreign child protection experts, and representatives of international organizations. A review of international experience on child budget and child budget methodology draft was presented.

Changes made to JP: Due to reforms in the State Planning System which took place during 2021 PUNOs have requested an extension of the JP until end of 2022. Relevant request was submitted to UN SDG Fund Secretariat in December 2021. In the submitted request there are specific changes related to the deadlines of SDG costing exercise, MSMEs inclusion strategy, formulation of the Climate Financing Strategy aligned with SDGs, SDG budgeting

roadmap and trainings for the parliamentarians on gender-responsive budgeting. Within this overall request for extension, ESCAP would like to shift its workplan for deliverables on SDG costing and SME financial inclusion to be finalized by September 2022 – strategy and results would remain unchanged.

Main Challenges: • Ensuring sufficient level of engagement and commitment of certain national partners to the JP implementation remains a key challenge. Active engagement of the MNE and its ownership over SDGs implementation helps to establish constructive dialogue with Government representatives. Conducting regular consultations with national partners explaining the JP outcomes and their potential contribution to them helps to determine mutual areas of cooperation and benefits that JP can bring to achieve their objectives.

- Significant reforms in strategic planning at national level including integration of SDGs into national projects and strategic programs caused some of the outputs envisaged in the Annual work plan for 2021 to be postponed until final approval of documents by the Government. For instance, completion of such activities as formulation of SDG aligned climate financing strategy and development of a roadmap for implementing (gender-responsive) SDG budgeting in Kazakhstan have been shifted to the first half of the 2022. These slight changes in the timeline of certain outputs doesn't affect JP implementation as originally the deadlines were set with an assumption that this sort of challenges might arise.

- Low interest and commitment to the development of child budget from central and local authorities (except for MoES) / conducting an intensive communication and dialogue with national partners resulting in better alignment of the current government targets with child budget goals.

Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Completed (100%)	Completed (100%)	Emerging (1-49%)	Advancing (50-99%)	Advancing (50-99%)

Descriptions on progress by INFF building blocks

Inception Phase: The Inception phase of the JP was fully focused on conducting and completion of the Development Finance Assessment which provided specific recommendations that should be embedded in the INFF roadmap. The DFA report with recommendations was reviewed by the Prime-Minister's office and submitted back to MNE to coordinate further work on development of the INFF roadmap jointly with MoF and other relevant line ministries. DFA recommendations have been developed in the following three areas: addressing knowledge gaps, policies for mobilizing public finance and policies for mobilizing private finance with reference to specific country cases. Recommendations are intended to be aligned with the ongoing reforms and those to be undertaken in the midterm perspective. Overarching and crosscutting idea beyond all these recommendations is requirement to develop a dynamic, comprehensive sustainable financing strategy and pragmatic scenarios for achieving the SDGs.

Assessment & Diagnostics: The DFA was applied as a main diagnostic tool to explore country's financing landscape. DFA analysis reconfirmed existing issues related to financial sustainability that Government is highly aware of. Kazakhstan's DFA has revealed the indicative portion of private sector's contribution which is not clear at all. This fact leads the country to even greater challenge of the assessment of private sector's contribution to SDG implementation. DFA recommendations clearly signaled the necessity of considering laying out a holistic financing strategy that accounts for full range of financing sources and non-financial means that are available to Kazakhstan by raising resources, managing risks, and achieving sustainable development priorities. Additionally, within the current JP other diagnostic tools and methodologies such as Rapid Integrated Assessment of national budgets that have been shaped into methodology on tagging SDG targets with national budgetary programs to explore the allocation of the financing across different SDGs are used. Also, ESCAP is supporting ERI in developing of the SDG costing methodology that will help to assess the share of financing allocated for SDG 4.2 on preschool education in

the Strategic development plan of Kazakhstan until 2025. Also, ESCAP is supporting ERI in developing an SDG costing methodology that will help to assess the share of financing allocated for SDG 4.2 on preschool education in the Strategic development plan of Kazakhstan until 2025. ESCAP is further supporting ERI with developing concrete policy recommendations on how to include SME financing in its emerging INFF – systematically analyzing each of the four INFF building blocks.

Financing Strategy: Government of Kazakhstan doesn't have a specific Financing Strategy except it's midterm Development Strategy until 2025 and long-term Strategy "Kazakhstan-2050". These two strategies don't specifically address the gaps regarding the scale of resources required to achieve the SDGs. The JP already supports the costing of the revised Kazakhstan 2025 national development Strategy by developing costing methodology for SDG 4.2 on preschool education. Identifying the adequate and at the same time universal costing methodology might then allow to conduct costing pilots for all new Development Concepts and National Projects to inform corresponding financing plans. Afterwards these costing methodologies will be presented to the Government for consideration the benefits of costing long-term development priorities and transitioning towards making these a standardized part of its state planning system. Adoption of efficient costing methodologies will be an entry point for developing holistic SDG Financing strategy that will align key priority government targets with available long term financing opportunities. As DFA prescribes in the long run key objective for the Government of Kazakhstan will be unlocking private capital and other available financing sources to support attainment of SDGs and national sustainable priorities.

Monitoring & Review: At the moment one of the tools that proved its efficiency on practice is the DFA. The DFA report provides comprehensive picture of possible public, private, and other sources of financing in Kazakhstan's context in order to bring private finance and non-state actors more explicitly into the Government's approach towards accelerating SDG progress. It also assesses the country's enabling environment (legal, political, regulatory, etc.) and the supporting ecosystems (institutions and actors) for mainstreaming the SDGs across its public finance system. Now DFA has been proposed to the Government as an alternative instrument for monitoring of all financing flows and providing due data to the Parliament and MoF during development and correction of the republican budget. The JP also supports the development of an SDG Finance Dashboard to monitor resource needs and finance trends in Kazakhstan. This dashboard would incorporate the results of the DFA, SDG budget tagging and Climate budget tagging to monitor development finance trends in contrast with Kazakhstan's resource needs. Such a development finance dashboard could monitor progress towards mobilizing the identified resources and how these contribute to attainment of nationalized SDG targets and indicators.

Governance & Coordination: On 12 March 2021, a fifth meeting of the SDG Coordination Council (CC) chaired by the First Deputy Prime-Minister of Kazakhstan was held. For better coordination and monitoring of all activities regarding SDG's and JP's implementation, the Government supported UNDP's initiative to establish an SDG Monitoring Committee which should facilitate coordination and improve execution quality of the tasks and decisions taken by the SDG CC. The SDG Monitoring Committee is chaired by the Vice-Minister of the National Economy and has a member from each line ministry and agency.

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

During implementation of the first block of INFF "Assessment and diagnostics" the DFA was addressed to critical knowledge gaps around the volume and trends of available development finance in the context of the unfolding COVID-19 crisis. The DFA provided in-depth analysis of the anti-pandemic measures that Government undertook during the 2020 year which aligns with measures stated in the Socio-Economic Response Plan. Significant focus was made on the assessment of health and social needs, regional poverty and inequality disparities, impact on low-income households and potential rise of unemployment rates. Beyond increasing financing needs, the covid-19 impact has also triggered revisions of the key second-tier planning documents as "Forecast of socio-economic development of Kazakhstan for the years 2021-2025, National Development Strategy until 2025 and adoption of the adoption of" Comprehensive plan to restore economic growth by the end of 2020".

How did the JP apply the Gender Marker

During 2021 specific activities related to gender equality and women's empowerment have been also implemented within the JP. Particularly ERI with UNDP support carried out the detailed review of the Rapid Integrated Assessment matrix with a focus on gender and children's needs. The research was focused on marking budget programs with a focus on gender and children's needs and analyzed legislative acts to identify key categories of vulnerable populations. Gender-sensitive marking of budget programmes occurred to be an important prerequisite for improving the achievement of national policy on gender equality and women's empowerment. The practical application of functional group marking by public authorities will contribute to better distribution of public services aimed at women, young people, children and vulnerable groups. ESCAP is in the process of preparing a concept for gender analysis to be part of the policy recommendation on SME financing inclusion as part of INFF.

Estimated % of overall disbursed funds spend on gender: 10%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

During 2021 UNDP jointly with ERI has conducted a detailed review of the Rapid Integrated Assessment matrix with a focus on gender and children's needs. This research has marked budget programmes with a focus on gender and children's needs and analyzed legislative acts to identify key categories of vulnerable populations. Gender-sensitive marking of budget programmes occurred to be an important prerequisite for improving the achievement of national policy objectives and outcomes for women/men, children and vulnerable groups. The practical application of functional group marking in public authorities will ensure that exactly those public services aimed at women, young people, children and vulnerable groups are provided which meet their requirements, needs and interests. The research materials have been submitted to MNE and MoF engaged in design and implementation of national projects, regional development plans and other strategic documents when legislating a gender-sensitive labeling mechanism for budget programmes. In 2021 the JP supported the Government of Kazakhstan to improve effectiveness and efficiency of public spending on priority SDG outcomes for children. UNICEF continued to implement its "Public Finance for Children (PF4C)" initiative in the country. In 2021 UNICEF has held a series of webinars and discussions with national counterparts to build capacity of key partners in PF4C. UNICEF has also assisted the Government to launch child budget, a national monitoring instrument for targeted public spending in the interests of children in accordance with SDGs. In 2021 UNICEF in partnership with Ministry of Education and Science and Economic Research Institute JSC (SDG Coordination Council Secretariat) have drafted 2 alternative methodologies of child budget that currently are being discussed with main stakeholders. The discussion on child budget will continue in 2022, followed by testing the selected approach of child budget. Additionally, in 2021 in line with SDG 1 UNICEF has provided technical support on development of multidimensional poverty statistics to complement monetary poverty indicators and guide policy. In accordance with the request of the Government of Kazakhstan, UNICEF has developed draft of multidimensional poverty measurement methodology aligned with best international practice, which will be piloted and tested during 2022. As part of subregional and regional capacity building for relevant representatives from government and other stakeholders, ESCAP jointly with UNITAR, UNDP and UN-DESA held two introductory workshops on INFF, among others covering sessions on SDG costing and SDG aligned budgeting from 17 to 28 January and from 29 to 31 March 2021 where implementing partners from Kazakhstan also participated.

How did the JP work to build ownership and buy-in of key stakeholders

To ensure the SDG financing strategy and its appropriation sustainability at institutional level over time by the decision of the fifth meeting of the SDG Coordination Council (CC) chaired by the First Deputy Prime-Minister of Kazakhstan the SDG monitoring Committee/Action Committee was established. This Committee was established for better coordination and monitoring of all activities regarding SDG's and JP's implementation including monitoring further development of the activities after JP's completion. The SDG Monitoring Committee is chaired by the Vice-Minister of the National Economy and has a member from each line ministry and agency.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

The JP has contributed to achievement of the SDG target 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”. According to national statistics there was improvement on 1.a.2 indicator featuring the proportion of total government spending on essential social services (education, health, and social protection) which has increased from 59.3% (2018) to 64.2(2019). Another important SDG that had a positive impact as result of the JP implementation is SDG target 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”. Since 2018 there was significant increase in the access of small-scale industrial and other enterprises to affordable credits. For instance, national indicator have risen from 2% in 2018 up to 3.9% in 2020. SDG 17.17 “Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships”. Since start of the JP implementation there was a significant rise in financing the projects under the public-private partnerships which increased up to 900520,2 bln. tenge in 2018. Then in 2019 it has fallen to 172482,2 bln.tenge. In 2020 this indicator starts to revitalize and increase by 202664,7 bln. tenge. The recent trend demonstrates that negative consequences of pandemic had severely affected this area but currently it is getting back on track.

JP contributions to the Joint SDG Fund’s global results (especially around Outcome 2 & Output 4)

Indicator 4.1 # of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful) During 2021 several activities related to SDG financing strategy as formulation of climate financing strategy aligned with SDGs, SDG budget tagging and development of the SDG budgeting roadmap have been started. All activities’ implementation will be continued during the 2022 and tested jointly with the respective national partners. Testing these strategic initiatives would require specific data from the Ministry of Finance, Ministry of Ecology, Geology and natural Resources on budget allocation and spending.

4.2: #of integrated financing strategies that have been implemented with partners in lead During 2021 UNDP, UNICEF and UN ESCAP worked actively with “Economic Research Institute” which performs the role of SDG Coordination Council’s Secretariat. Partnership with the ERI has proven to be very efficient in terms of expertise that ERI possesses as government think tank and affiliate of the Ministry of National Economy. ERI has been executing predominant number of JP activities under agreement concluded with UNDP.

Indicator 4.3 # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational Active partnership with the Ministry of National Economy and Ministry of Finance has been supported during the year through JP Steering Committee. The SC chaired by the Ministry of National Economy and has on its board all national partners including Ministry of Finance, Ministry of Foreign Affairs, Ministry of Education and Science, Bureau of National Statistics. All integrated financing strategies developed within the JP are discussed and approved on the regular meeting of the SC. To enhance coordination and monitoring of SDG related activities and JP’s implementation including monitoring of further development of the JP activities after its completion the Government of Kazakhstan has established SDG Monitoring Committee. This Committee is chaired by the Ministry of National Economy and has among its members Ministry of Finance and all other line ministries and agencies. The SDG Monitoring Committee has been established for ensuring quick reaction to urgent issues related to SDGs implementation and JP activities by providing potential solutions through active consultations.

Partnership with Ministry of Education for child-centered SDG acceleration (UNICEF)

Progress against JP-specific outcomes

Outcome 1. A holistic SDG Financing Strategy and its core institutional components are developed and implemented Accomplishment of the DFA considering covid-19 implications has provided Government with specific rec-

ommendations to consider while undertaking new reforms in the area of state planning and budgeting systems and also in post pandemic period. DFA clearly showed where Government have gaps and barriers and what kind of possible improvements might be implemented to ensure that midterm planning in the county supported with sufficient financing resources. Since the last year these recommendations have been regularly discussed with the Ministry of national Economy, Ministry of Finance and Prime-Ministers Office to determine most important and prioritized ones. Acceptance and approval of these recommendations will allow to develop INFF roadmap leading to elaboration of the Holistic SDG financing strategy.

Outcome 2. Planning and finance policy functions, processes and systems are better integrated and aligned with SDGs An important result attained within this outcome is significant advancement on SDG budget tagging. During the reporting period UNDP jointly with ERI succeeded to develop methodology on tagging SDG targets with budgetary programs. During the current year this methodology will be agreed with Ministry of National Economy and Ministry of Finance and after obtaining necessary financing data will be piloted at the level of the republican budget.

Outcome 3. National SDG financing architecture which takes into account gender dimensions is strengthened The Rapid Integrated Assessment matrix with a focus on gender and children's needs was an important contribution of the JP in improving policies related to gender dimensions and most vulnerable groups of population. This research has marked budget programmes with a focus on gender and children's needs and analyzed legislative acts to identify key categories of vulnerable populations. Gender-sensitive marking of budget programmes occurred to be an important prerequisite for improving the achievement of national policy objectives and outcomes for women/men, children and vulnerable groups. The practical application of functional group marking in public authorities will ensure that exactly those public services aimed at women, young people, children and vulnerable groups are provided which meet their requirements, needs and interests.

Progress against JP-specific outputs

In the framework of output 1.1. "Assess resource gaps on financing national development plans and priority SDG financing strategies" during the reporting period ERI jointly with international expert commenced working on formulation of the climate financing strategy aligned with SDGs focused on elaboration of the appropriate methodology for Kazakhstan on Climate budget tagging. Conceptual approaches to start this work in Kazakhstan have been accomplished and presented to Ministry of Finance, ministry of National Economy and Ministry of Ecology. Further on additional consultations on piloting this methodology will be arranged during the current year. This output will further support implementation of the newly adopted National Project "Zhasyl Kazakhstan". Within output 1.2. "Monitoring trends in development finance flows at subnational level" ERI has conducted DFA in 3 pilot regions - Almaty (city of republican significance), Karaganda (industrial) and North Kazakhstan (agricultural). DFA of the regions provided comprehensive analysis of trends in finance, integrated planning, and financing approaches in three pilot regions. Findings and recommendations of regional DFAs will be communicated to akimats of Almaty, Karaganda and North Kazakhstan regions for information and application in their work. General conclusions and recommendations will serve as additional information when developing Holistic Strategy for financing SDGs with an emphasis on regional financing landscape. On output 1.3. "Holistic SDG financing strategy is equity based and child focused" UNICEF continued supporting the Government of Kazakhstan to improve effectiveness and efficiency of public spending on priority SDG outcomes for children by implementing its "Public Finance for Children (PF4C)" initiative in the country. In 2021 UNICEF has held a series of webinars and discussions with national counterparts to build capacity of key partners in PF4C. UNICEF has also assisted the Government to launch child budget, a national monitoring instrument for targeted public spending in the interests of children in accordance with SDGs.

In 2021 UNICEF in partnership with Ministry of Education and Science and Economic Research Institute JSC (SDG Coordination Council Secretariat) have drafted 2 alternative methodologies of child budget that currently are being discussed with main stakeholders. The discussion on child budget will continue in 2022, followed by testing the selected approach of child budget. Within output 2.1. "Annual RIA of republican, subnational and city level budgets, including a focus on child and gender dimensions" and Output 2.2. "Implement SDG budgeting that accounts for the gender dimension and the principle of LNOB" was developed a methodology that allows to tag SDG targets and indicators with national budgetary programs and determine allocation of public financing across SDGs. Additionally, it was accomplished the feasibility study of gender-responsive SDG budgeting in Kazakhstan, based on

the Mexico case study and consequences of COVID-19. Within output 3.1. “Strengthen transparency and accountability mechanisms, with a focus on gender dimensions and the SDGs principle of “leaving no one behind” the DFA dimensions 1 and 2 were updated with COVID-19 impact and DFA dimensions 3,4,5 were completed. Within implementation of output 3.2. “Strengthen contribution of non-state actors to financing policies” on July 16, 2021, was arranged JP Partners meeting that focused on key achievements of the JP during the first year of its implementation. In order engage civil society into JP implementation ERI during the reporting period carried out series of trainings for CSOs on gender-responsive budgeting principles.

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

The JP contributed to formation of the SDG Monitoring Committee which brings together all the line ministries and agencies. Establishment of this official dialogue platform under chairmanship of the Ministry of national economy has increased intra-governmental coherence on the important issues that occur within JP implementation. Combined national coordination under a single Coordination body contributes to better alignment of a joint actions and prevent duplication of efforts. Establishing of this Committee strengthened the ownership of the Government over JP outputs that are aligned with current country strategic goals.

On 16 July 2021 UNDP jointly with UNICEF, ESCAP and national partners hosted a Partners’ meeting of the JP in online format. The Partners’ Meeting brought together government officials, the donor community, international organizations, as well as representatives of the private and non-governmental sectors. The event supported the existing partnerships vital for the successful implementation of the JP in Kazakhstan through mutual discussion of the joint activities and exploration of the new opportunities for efficient future collaboration. The attention of the partners was drawn to such important issues as development of the INFF roadmap, streamlining SDGs into budgeting process and child budgeting.

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

Since the JP launch in November 2020 various stakeholders have been engaging into its implementation. JP enhanced the existing strategic partnership with Ministry of National Economy which leads coordination of SDG implementation at the national level by adding new component to mutual agenda as the INFF. Earlier established partnership within the JP consisting of Ministry of National Economy, Ministry of Finance, Ministry of Education and Science, Bureau of National Statistics expanded to larger community engaging all line ministries and agencies around one mutual objective. This was triggered by Government’s action towards establishing SDG monitoring Committee which formalized all efforts and activities related to JP under one platform and helped to push INFF agenda forward. For instance, other government members are joining to JP implementation as Ministry of Ecology is engaging into formulation of the Climate financing strategy aligned with SDGs. Now among line ministries and agencies there is a common understanding about the key JP outcomes and activities implemented towards building the INFF in Kazakhstan.

Active work is also going with civil society and academia in terms of engagement and introduction of the activities and key products produced within the JP. During the 2021 many NGOs and Academia organizations have been introduced to the INFF concept, SDG budgeting and other key topics within the JP. It has become possible to build a partnership with Civil Alliance which coordinate and consolidate the activities of civil society across the country and ready to assist with localization of the SDGs through its extensive net across the country.

In the end of the 2021 UNDP initiated establishment of the working group on VNR preparation engaging UNICEF, UN ESCAP, UN Women, UN Volunteers, UNAIDS, UNHCR, UN RCO and ERI. This serves as coordination mechanism to provide proactive assistance to the Government in terms of preparation of the second VNR.

ESCAP used its annual multi-stakeholder and intergovernmental subregional and regional SDG Forums to advocate for INFFs. Key UN entities and representatives of governments and other stakeholders participated. In particular, the 2021 Asia Pacific Forum on Sustainable Development highlighted INFF as a major policy recommendation on 24 March in its SDG 17 roundtable discussions, and the 2021 North and Central Asia Subregional SDG Forum on 7

October had a session on innovative SDG financing. UNICEF launched collaboration with Kazakhstan parliamentarians to involve them on child budget development issue. In that way the high-level regional consultation “Parliamentarians for Children” was held online on 14 December 2021. The event brought together over 100 participants representing national parliaments, international and regional parliamentary organizations, civil society, as well as young people from across Europe and Central Asia. The discussion focused on identifying new opportunities for exchange and collaboration – around legislation, budgeting and public finance, advocacy, partnerships and youth engagement – to accelerate better results for children and young people.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	No	No

Comments on additional financing secured: Since the JP launch in November 2020 various stakeholders have been engaging into its implementation. JP enhanced the existing strategic partnership with Ministry of National Economy which leads coordination of SDG implementation at the national level by adding new component to mutual agenda as the INFF. Earlier established partnership within the JP consisting of Ministry of National Economy, Ministry of Finance, Ministry of Education and Science, Bureau of National Statistics expanded to larger community engaging all line ministries and agencies around one mutual objective. This was triggered by Government’s action towards establishing SDG monitoring Committee which formalized all efforts and activities related to JP under one platform and helped to push INFF agenda forward. For instance, other government members are joining to JP implementation as Ministry of Ecology is engaging into formulation of the Climate financing strategy aligned with SDGs. Now among line ministries and agencies there is a common understanding about the key JP outcomes and activities implemented towards building the INFF in Kazakhstan.

Active work is also going with civil society and academia in terms of engagement and introduction of the activities and key products produced within the JP. During the 2021 many NGOs and Academia organizations have been introduced to the INFF concept, SDG budgeting and other key topics within the JP. It has become possible to build a partnership with Civil Alliance which coordinate and consolidate the activities of civil society across the country and ready to assist with localization of the SDGs through its extensive net across the country.

In the end of the 2021 UNDP initiated establishment of the working group on VNR preparation engaging UNICEF, UN ESCAP, UN Women, UN Volunteers, UNAIDS, UNHCR, UN RCO and ERI. This serves as coordination mechanism to provide proactive assistance to the Government in terms of preparation of the second VNR.

ESCAP used its annual multi-stakeholder and intergovernmental subregional and regional SDG Forums to advocate for INFFs. Key UN entities and representatives of governments and other stakeholders participated. In particular, the 2021 Asia Pacific Forum on Sustainable Development highlighted INFF as a major policy recommendation on 24 March in its SDG 17 roundtable discussions, and the 2021 North and Central Asia Subregional SDG Forum on 7 October had a session on innovative SDG financing. UNICEF launched collaboration with Kazakhstan parliamentarians to involve them on child budget development issue. In that way the high-level regional consultation “Parliamentarians for Children” was held online on 14 December 2021. The event brought together over 100 participants representing national parliaments, international and regional parliamentary organizations, civil society, as well as young people from across Europe and Central Asia. The discussion focused on identifying new opportunities for exchange and collaboration – around legislation, budgeting and public finance, advocacy, partnerships and youth engagement – to accelerate better results for children and young people.

JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Organized in 2020	No	Yes in 2021

Number of strategic documents produced by the JP: 7

Number of strategic documents contributed by the JP: 0

Number of communication materials produced: 15

2022 Plans & Way Forward

JP priority activities & expected results for 2022

Within Output 1. A holistic SDG Financing Strategy and its core institutional components are developed and implemented it is planned to accomplish the following activities: 1) Get the DFA recommendations validated by the Government and develop the INFF roadmap to be prerequisite for the Holistic SDG Financing Strategy 2) Complete working on the SDG aligned climate finance strategy by approval and adoption by the Government of the Climate Budgeting Tagging approach 3) Complete an SDG costing exercise (based on SDG 4.2) 4) Develop an SDG Finance Dashboard to monitor resource needs and finance trends in Kazakhstan 5) Capacity building of national experts to assess the effectiveness of social programs (Q 2 2022) 6) Development and testing multidimensional child poverty assessment methodology (Q 1-Q 2 2022) 7) Review targeting approach applied in current social protection programs to achieve the reduction of targeting errors and analysis the benefit adequacy for families with children (Q 4 2022) 8) Under the JP components implemented by ESCAP in partnership with ERI, by third quarter of 2022 a methodology on costing SDG 4.2 should be developed and a training of relevant government officials and other stakeholder is planned for September 2022. Also by third quarter of 2022, an analytical report on SME financial inclusion as part of a wider INFF which would include concrete policy recommendations along the four building blocks of an INFF is planned to be launched.

Output 2. SDG budgeting that accounts for gender and child-related dimensions is developed: 1) Complete developing a roadmap for implementing the gender-responsive SDG budgeting in Kazakhstan 2) Arrange capacity building of Parliament's budget committee for gender-responsive SDG aligned budget review 3) Expert support of the child budget methodology on the stage of interdepartmental harmonization and approval (Q 1 2022) 4) Trainings for staff of the central and local executive bodies on the formation of the child budget (Q 2 2022) 5) Preparation of a report on child budget of the Republic of Kazakhstan and its presentation (Q 3 2022)

Output 3: National SDG architecture is strengthened; assistance is provided to enhance competences of national partners: 1) Continue technically support the Ministry of National Economy with finalization of the nationalization and localization of SDG indicators in Kazakhstan 2) Contribute to coordination and mainstreaming development partners support around SDGs 3) Provide support in building the capacity of civil society to monitor progress against SDGs, with specific focus on promoting gender equality and the SDG principle "Leave no one behind" 4) Provide technical support the Ministry of National Economy in preparation and presentation of the Second Voluntary National Review

3 major transformative results that will be achieved by the end of the JP

1. Developing a holistic SDG financing strategy The JP focused the attention of the Government on assessing and monitoring of the financing resources required for the achievement of the SDGs. It has also shown that this kind of approach Government should follow when developing and adopting new programs and strategies by making sure that included activities are fully supported financially and the sources are clearly identified. By the end of the JP it is expected that various programmatic and strategic activities across all programs and strategies will be consolidated and tagged to SDGs with clear explanation of financing sources.
2. Better alignment of strategic planning and budgeting with SDGs This result is one of the key objectives to attain with implementation of INFF in the country. By the end of the JP, it is expected that Government will improve its approach to strategic and budgetary planning with SDGs. Strategic and budgetary planning will be enhanced with the adapted monitoring and analytical tools piloted during JP implementation as the DFA,

RIA of national budgets, Climate budget tagging, tagging budgetary programs with SDG targets and indicators. Synergy of the strategic and budgetary planning with SDG will ensure sustainability of the policies that are implemented through mid-term state programs and strategies by generating greater impact in the long-term perspective.

3. Tool for ensuring adequate and equitable financing for the achievement of child-focused SDGs developed and practically implemented.
4. Vulnerable categories of children and their needs are better identified.

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Emerging (1-49%)	Emerging (1-49%)	Advancing (50-99%)