

ADVANCING LOCAL GOVERNANCE REFORM IN KAZAKHSTAN

UNDP programme proposal

Description of Action

May 2026

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List of Acronyms

CSO	Civil Society Organisation
EU	European Union
EUD	European Union Delegation
EU MAP	EU Multi-Annual Action Plan
FBO	Faith-Based Organisation
GoK	Government of Kazakhstan
NDP-2029	National Development Plan 2029
NGO	Non-Governmental Organisation
SDG	Sustainable Development Goal
SDP-2025	Strategic Development Plan 2025
SOP	Standard Operating Procedures
TALD	Territorial Approach to Local Development
UNDP	United Nations Development Programme
UNDP CPD	UNDP Country Programme Document
UNSDCF	United Nations Sustainable Development Cooperation Framework

Summary of the Action

Title of the Action	Advancing Local Governance Reform in Kazakhstan
Location(s) of the Action	Almaty, Zhetisu, Mangistau, Turkestan regions (to be determined during consultations with the MNE and local authorities during inception phase)
Total Action Duration	36 months including 3 months inception period
Start Date Planned	2026
End Date Planned	2029
Implementation Modality	Indirect Management
Implementing Partners	UNDP Kazakhstan (Implementing Agent)
Total Budget for the Action	4,000,000 Euro
Objectives of the Action	Overall Objective: Contribute to a more balanced, inclusive, and accountable territorial development in Kazakhstan through strengthened local self-governance, empowered institutions, and meaningful civic participation. Specific Objectives: Strengthen national and subnational legal, institutional, and fiscal frameworks for inclusive local governance and territorial development. Enhance the capacity of local authorities, maslikhats, and civil-society organisations to plan, manage, and deliver participatory, gender-responsive, and digitally enabled local development. Increase citizen participation, transparency, and social accountability in local governance through civic and digital mechanisms.
Target Group(s)	- Executive Office of the President, Government Apparatus - Ministry of National Economy (lead governmental partner) and relevant national ministries (Finance, Digital Development, Labour & Social Protection). - Regional and district Akimats and Maslikhats in target territories. - Civil-society organisations (CSOs), Public Councils and small businesses. - Training institutions and civil-service academies. - Academic and research organisations supporting evidence-based policy development.
Final Beneficiaries	- Kazakhstan's citizens, particularly in rural and peri-urban areas. - Women, youth, and persons with disabilities benefitting from inclusive participation mechanisms. - Local communities gaining improved access to responsive, transparent, and sustainable local governance.
Expected Outputs	Output 1.1 Legal and policy frameworks for local governance and fiscal decentralization strengthened. Output 1.2 Support the implementation of the 2025 Tax Code Output 1.3 Policy-dialogue and coordination platforms institutionalized. Output 2.1 Enhanced capacity and peer-to-peer learning among local Akims and Maslikhats. Output 2.2 Digital feedback and transparency platform operational. Output 3.1 Small-grants facility piloting inclusive, community-driven initiatives. Output 3.2 Knowledge and policy learning institutionalized through annual State of Local Governance Reports and policy dialogues.

Executive Summary

Kazakhstan has advanced decentralisation and regional development reforms, yet key constraints persist, including decision-making and resources remain centralised; local own-source revenues and capabilities are uneven across regions; and citizen participation—particularly of women, youth, and persons with disabilities—often remains consultative rather than decisive. These gaps contribute to territorial disparities in service quality and opportunities. The Advancing Local Governance Reform in Kazakhstan programme operationalises the EU's Territorial Approach to Local Development (TALD) to translate national reforms into practice. In this context, the EU Global Gateway strategy is particularly relevant, supporting sustainable, inclusive, and resilient economic transformation, including through improved governance frameworks, digitalisation, and green transition at subnational level.

UNDP programme connects policy and fiscal reform with institution-building and citizen participation, using a training program, structured policy-dialogue platforms, and a digital feedback mechanism to embed inclusive, accountable local governance. The overall objective is to contribute to more balanced, inclusive, and accountable territorial development in Kazakhstan through strengthened local self-governance and meaningful civic participation, with an emphasis toward local revenue generation. Strengthening local governance and fiscal decentralisation is therefore essential to support the Global Gateway's objectives of promoting effective public institutions, enhancing digital public services, and fostering inclusive and territorially balanced development.

This is to be achieved through three specific objectives:

1. Strengthen national and subnational legal, institutional, and fiscal frameworks for decentralisation and territorial development (including integration of the System of Regional Standards—SRS—into planning and transfers).
2. Enhance the capacity of local authorities, Maslikhats, and civil society to plan, manage, and deliver participatory, gender-responsive, and digitally enabled local development.

Increase citizen participation, transparency, and social accountability via civic and digital mechanisms (national feedback platform, participatory budgeting (GERF 1.16 SDG 17.1.2 Proportion of domestic budget funded by domestic taxes), and community-led pilots).

The anticipated impact by 2029 will be to:

- Policy and systems: Legal and fiscal frameworks applied; institutionalised multi-level policy dialogue.
- Capacity and services: % of local institutions implementing improved participatory governance practices as a result of trained officials and CSO leaders (≥50% women; inclusive access); digital tools routinely used for planning, monitoring, and accountability.
- Citizen outcomes: % of citizens participating in decision-making and oversight mechanisms, % improvement in responsiveness of local services (e.g., response time, satisfaction levels), number of community innovations successfully scaled.
- Territorial equity and trust: Measurable progress in a project-developed Local Governance Performance Index (LGPI) and reduced inter-regional disparities in SRS indicators—tangible progress towards inclusive, citizen-centred local development.
- By 2029, the EU-supported fiscal decentralisation reforms in Kazakhstan aligned with the 2025 Tax Code and implemented in pilot regions are expected to contribute to gradual improvements in local fiscal governance and public financial management. The operationalization of PIT retention at the local level may support moderate growth in own-

source revenues in pilot regions and contribute to a gradual reduction in dependence on central transfers, particularly in regions with stronger economic activity. Improvements in property and land tax administration, including selected digitalization measures, are expected to support better tax compliance and more efficient local revenue collection.

Pilot performance-based financing approaches linked to local development priorities and service delivery may contribute to improved responsiveness of local authorities and increased citizen engagement through participatory mechanisms. The project will also support policy dialogue and analytical work on intergovernmental fiscal relations and regional disparities. Capacity development activities in the pilot regions, including training of up to 80% of relevant akimat officials in tax administration, fiscal planning, and investment promotion, are expected to strengthen local institutional capacities and improve readiness to attract additional investment. The action will serve as a pilot platform for testing selected decentralization approaches and generating practical lessons for potential future scale-up in Kazakhstan.

UNDP programme will operate strictly in support of Government-led reforms, under the leadership of the Ministry of National Economy, with EU–Government–UNDP coordination. Communication, visibility, and policy dialogue will reflect this partnership, ensuring accuracy, neutrality, and respect for national priorities. The programme is expected to contribute to global agendas, advancing SDGs 5, 10, 11, and 16, as well as relevant EU Global Results Framework (GERF) indicators, including: GERF 2.19 (number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency); GERF 1.16 / SDG 17.1.2 (proportion of domestic budget funded by domestic taxes); and GERF 2.29 (number of government policies developed or revised with civil society organisation participation through EU support) and aligning EU cooperation with Kazakhstan’s strategies for accountable institutions, territorial cohesion, and inclusive growth.

1. Situation Analysis

1.1 Country Context

Kazakhstan, an upper-middle-income state, remains heavily reliant on extractive industries, notably oil, gas, and minerals, which expose the economy to global price volatility. In 2023, mineral fuels represented over half of exports. National strategies, including *Strategy 2050* and the *National Development Plan to 2029*, prioritise diversification, productivity, and balanced regional development to reduce these vulnerabilities.^[1] The EU Global Gateway strategy is relevant here, aiming for sustainable and inclusive transformation through enhanced governance, digitalisation, and green initiatives at local levels.

Since independence in 1991, Kazakhstan has pursued gradual decentralisation to improve local governance. The Constitution and the Law “On Local Government and Self-Government” distinguish between executive bodies (*akimats*) and representative councils (*maslikhats*), but authority and resources remain concentrated at higher levels. Rural *akims* depend on district administrations for budgets and policy. Strengthening local governance and fiscal decentralisation is essential to advance effective institutions, digital services, and inclusive development.^[2]

Electoral Reform without Institutional Empowerment

In 2021, Kazakhstan introduced direct elections for rural *akims*, shifting from appointed to elected leadership. By 2024, 2,641 rural *akims* had been elected, with 70% being first-time officeholders. The reform, piloted in districts and cities in 2023, expanded democratic legitimacy and citizen engagement. However, these elections were not matched by increased decision-making power or fiscal autonomy. Campaign programmes were largely declarative, disconnected from budgets and mandates, limiting their accountability. To enhance effectiveness, electoral reforms must be paired with systemic measures for fiscal alignment, clearer mandates, and performance-based accountability.

Fiscal Decentralisation without Functional Alignment

The introduction of fourth-tier local budgets (2018–2020) gave villages limited fiscal autonomy. However, revenue disparities persist, with resource-rich districts dominating tax income while most rural areas rely on government transfers for 60% of their revenues.^[1] Rural budgets grew to KZT 380 billion by 2024, with a self-sufficiency rate of 29.5%. Further decentralisation is planned from 2026, including new tax allocations, projected to increase local revenues by over KZT 500 billion.^[1]

Kazakhstan’s 2025 Tax Code (Law No. 214-VIII) advances fiscal decentralisation through expanded local tax powers and a 10% PIT retention mechanism. However, implementation risks remain as local governments have limited capacity to administer new tax functions, including property valuation and compliance enforcement. The equalisation framework is not yet fully defined, creating a risk of widening disparities between regions such as Atyrau and Turkestan regions. In addition, the absence of piloting may lead to fiscal imbalances, underscoring the need for phased implementation, as recommended by Asian Development Bank. EU experience in phased decentralisation and performance-based transfers provides an important opportunity to revisit the existing model of inter-budgetary relations in order to mitigate these risks and support balanced and sustainable reform. Despite revenue growth, structural imbalances persist between

delegated functions and financial capacity. Nineteen functions are assigned to rural *akims*, but these responsibilities often lack adequate resources and institutional support. No comprehensive analysis of local capacity or expenditure has been conducted, leading to sustainability challenges as functions expand faster than capacity.

The Action will support reform by conducting functional capacity and expenditure reviews, developing costing models, and improving fiscal planning. This evidence base will inform further improvements under the Concept on Local Self-Governance (2025–2030).

Recent amendments to procurement legislation (2025) have simplified processes for small-scale contracts, improving SME access but requiring careful assessment to ensure efficiency and accountability.

Participatory Mechanisms with Limited Practical Impact

Community gatherings and assemblies are the main avenues for citizen participation in villages and towns. These bodies review development programmes, budgets, and communal property decisions. Yet, participation is limited; 61.6% of surveyed respondents in 2023 were unaware of such gatherings.^[1] Many see them as formalities with little real impact, as final decisions rest with *akims* and participation is often dominated by supportive groups.

Constraints include civic passivity, limited awareness, weak links between participatory outcomes and budgeting, and insufficient outreach. Model Rules of Procedure for *maslikhats* lack clear guidelines for citizen participation, making hearings relatively closed and limiting transparency.

The Government's reform agenda, highlighted by the President's "strong country based on strong regions" vision, introduced the System of Regional Standards (SRS) in 2025 to standardise access to infrastructure and guide fiscal transfers for territorial equity.^[1]

Despite progress, centralised decision-making and limited cooperation constrain local initiative. Public participation mechanisms remain largely consultative, and participatory budgeting is concentrated in urban areas with greater capacity.^[2]

Women, youth, and persons with disabilities are underrepresented in governance, with women holding only 22% of *maslikhat* seats—below the legal quota. Environmental and climate risks further strain local capacities.^{[1][2]}

The digital divide between urban and rural areas impedes service access and participation, despite Kazakhstan's strong national e-government rankings.^[1] Priorities include clarifying responsibilities across government levels, building competencies in *akimats*, *maslikhats*, and public councils, and expanding civic participation mechanisms.

These align with the EU Multi-Annual Action Plan 2024–2027, UN Sustainable Development Cooperation Framework 2026–2030, and the UNDP Country Programme Document, all emphasising participatory budgeting, digital services, and gender-responsive leadership.^{[1][2][3]}

Collectively, these frameworks confirm a shared commitment to accountable, inclusive, and development-oriented local governance for equitable territorial development.

1.2 Lessons Learned and Best Practices

Decades of decentralisation in Kazakhstan (and regionally in Ukraine and Poland) have yielded key lessons:

1. Sustained political commitment is essential. Reforms advance incrementally, balancing central control and local empowerment. Direct elections for rural *akims* show growing will, but limited authority persists.^[1] Regional experience confirms reforms succeed with clear mandates, consistent legal frameworks, and transparent oversight.^[2]

2. Match fiscal decentralisation with local capacity and accountability. Rural budgets expanded autonomy, but disparities remain. Fiscal reforms alone are insufficient; investments in financial management and participatory budgeting are needed.^{[1][2]} Poland and Ukraine addressed disparities through equalisation and capacity-building.^[1]

- Transparent transfer formulas and equalisation mechanisms
- Strengthened public financial management
- Linking development plans to budgets
- Robust audit and reporting systems

Kazakhstan must align functional mandates with predictable revenue streams and reinforce integrity and oversight.

3. Participatory governance improves legitimacy and outcomes. Piloted in cities and some rural districts, participatory budgeting increases satisfaction where inclusive. However, engagement remains consultative.^{[1][2]} Poland and Ukraine institutionalised participatory mechanisms, embedding them in budgeting and planning cycles.

- Safeguards for open public hearings
- Integration of community proposals into budgets
- Social audit tools and transparency platforms
- Support for community organisations, especially women's and youth groups

Formal links between community gatherings and budgeting cycles, with clear documentation and accountability, are vital.

4. Local capacity development works best when institutionalised and peer-led. One-off training is insufficient; durable capacity relies on institutional frameworks, peer-learning, and recognised standards.^[1] Poland and Ukraine embedded training in national systems, improving professionalism and sustainability.^[1]

- Institutionalised national training for officials
- Peer-learning networks
- Linking training to service improvements
- Embedding capacity development in national institutions

5. Digitalisation and data systems are transformative enablers. Urban-rural digital divides persist.^{[1][2]} Integrating digital feedback, open data, and reporting tools increases transparency and enables evidence-based policy. Poland and Ukraine demonstrated digitalisation's impact when integrated with governance.^{[1][2]}

- Digital feedback in governance
- Accessible budget and performance data
- Combining digital and offline participation for inclusiveness

6. Gender equality and inclusion strengthen effectiveness. Women and youth are underrepresented in governance.^{[1][2]} Gender-responsive governance, quotas, and participatory budgeting improve policy outcomes and legitimacy. Poland and Ukraine piloted gender-sensitive budgeting and supported women's leadership.

7. Policy coherence and multi-level coordination amplify results. Fragmented mandates undermine decentralisation. Kazakhstan's System of Regional Standards (SRS) aligns planning and fiscal policies. The SRS supports fiscal decentralization in Kazakhstan by providing an evidence-based framework to identify regional infrastructure and basic service gaps and guide subnational budget planning. Developed by the Ministry of National Economy of the Republic of Kazakhstan, the SRS informs the allocation of resources, including transfers to local and fourth-level budgets, ensuring that increased local fiscal autonomy is aligned with development needs and contributes to more balanced and efficient public spending. While the current SRS methodology is primarily focused on infrastructure and basic service gaps, it may serve as an initial foundation for developing a more comprehensive and integrated equalization formula within the system of inter-budgetary relations in the future.

EU's Territorial Approach to Local Development confirms that vertical and horizontal coordination, supported by joint data and dialogue, is essential.^{[1][2]}

Poland's three-tier system clarified boundaries, reducing duplication. Ukraine established coordination between ministries and local governments. Kazakhstan's SRS will align national strategies and local plans, supported by institutionalised coordination and shared indicators.

Lessons from the EU:

- Spain: Regions retain 50% of PIT and 50% of VAT, with equalisation funds for poorer areas (*Fondo de Compensación Interterritorial*).
- Poland: Phased decentralisation (1999–2004) with EU twinning support for tax administration.
- Estonia: Digital tax systems (e.g., e-Tax Board) reduced compliance costs by 30%. The Action will facilitate study tours and expert exchanges with these countries.

Lessons from Ukraine:

- 60% of PIT assigned to local governments (hromadas/cities) forming the core of local revenues and strengthens fiscal autonomy.
- Additional shares distributed to regional (15%) and central (25%) budgets ensuring balanced revenue distribution across government levels.
- PIT as a stable revenue base creating incentives for local economic growth, formal employment, and improved budget planning.

2. Programme Intervention

2.1 Programme Approach

The programme approach applies the European Union's Territorial Approach to Local Development (TALD) as the overarching framework for promoting inclusive, participatory, and accountable local governance in Kazakhstan. The Action recognises that sustainable territorial development depends on the ability of local authorities and citizens to shape decisions that affect their communities, supported by coherent national frameworks, fiscal autonomy, and effective coordination between levels of government.

The Action therefore combines policy dialogue, institutional capacity-building, digital transformation, and community-driven innovation into a single, coherent framework for change. Its interventions aim to strengthen the enabling environment for inclusive local governance, equip national and local actors with the tools and skills required to implement reforms, and ensure that citizen feedback informs national and local policymaking. This multi-level approach connects policy reform, institutional strengthening, and participatory practice, ensuring that local development is both inclusive and sustainable.

2.1.1 Strategic Orientation and Theoretical Underpinnings

The Action is guided by the principles of the Territorial Approach to Local Development (TALD), which emphasises that lasting development occurs when local actors are empowered to mobilise their own assets within an enabling institutional and fiscal framework. The TALD methodology rests on four interdependent principles:

- Endogenous development – building on local economic, social, institutional, and cultural assets;
- Multi-level governance – aligning national, regional, and local priorities through structured dialogue and coherent policy frameworks;
- Integrated territorial planning – addressing inequalities across regions and bridging sectoral and administrative silos; and
- Incremental and adaptive reform – recognising that effective decentralisation must evolve gradually in response to national context and political economy.

These principles provide the conceptual foundation for the Action's three objectives:

1. Strengthening national and subnational frameworks for decentralisation and local governance;
2. Enhancing the institutional, digital, and human capacity of local authorities and civic actors; and
3. Expanding participatory mechanisms that link citizen engagement with policy and accountability processes.

2.1.2 Alignment with International and National Frameworks

The Action is fully aligned with the EU, UN, and Government of Kazakhstan (GoK) policy frameworks that govern decentralisation, governance, and territorial development:

- **European Union** – The Action operationalises the EU's policy commitments in the *EU Multi-Annual Indicative Programme 2021–2027 for Central Asia* and the *EU Tools and Methods Series No. 23 on TALD*, while directly contributing to EU Global Gateway priorities

by strengthening governance, promoting inclusive and sustainable territorial development, and enhancing institutional capacity at the local level. It embodies the EU's approach to empowering local authorities, promoting subsidiarity, and advancing human rights and participation.

- **United Nations** – The Action contributes to the *UN Sustainable Development Cooperation Framework (UNSDCF) 2026–2030* — Outcomes 1 (*Empowered People and Strong Institutions*) and 4 (*Social Cohesion and Civic Engagement*) — and the *UNDP Country Programme Document (CPD) 2026–2030*, Outcome 1 on effective, inclusive, gender-responsive institutions.
- **Government of Kazakhstan** – The Action supports national priorities defined in the *National Development Plan 2029*, the *Concept on Regional Development*, and the *draft Law on Local Self-Governance* led by the Ministry of National Economy (MNE). It operationalises the *System of Regional Standards (SRS, 2025)* as a tool for equitable and evidence-based territorial policy.

This alignment ensures that the EU-funded Action is not an isolated initiative but part of an integrated framework supporting Kazakhstan's decentralisation reforms through a unified international and national effort.

2.1.3 Key Change Strategies

The Action is structured around six mutually reinforcing strategies that together advance national reform objectives and citizen participation:

1. **Policy, Legal and Fiscal Reform** – Support to refine and implement the Law on Local Self-Governance and related bylaws, strengthen inter-governmental fiscal relations.
2. **Evidence-based Policy Dialogue** – Establishment of multi-level coordination platforms linking national, regional, and local authorities with civil society to facilitate regular policy dialogue and exchange.
3. **Institutionalised Capacity Development** –peer learning, certification, and professional development for akimats, maslikhats, and civil society representatives.
4. **Digital Transformation and Transparency** – Support improvement of regional feedback and data-sharing platforms in selected pilot region to enable citizens to report local issues, monitor responses, and contribute evidence for policymaking, supported by robust data-protection and cybersecurity standards.
5. **Participatory Pilots and Local Innovation** – Launch of a small-grants facility supporting inclusive, community-driven projects that demonstrate new approaches to participatory planning, service delivery, and local economic development.
6. **Knowledge and Policy Uptake** – Production of annual State of Local Governance Reports and policy briefs that synthesise lessons from pilots, surveys, and digital platforms, providing evidence for reform and institutional learning.

Together, these strategies create a feedback loop between local practice and national policy: citizen input and local innovation generate evidence for reform, while national policies enable and scale up effective local action.

2.1.4 A Holistic and Adaptive Approach

The Action integrates political, institutional, fiscal, social, and digital dimensions of decentralisation into a single, results-based framework. It follows the EU's "dialogue-capacity-

demonstration” model, ensuring that technical assistance and pilot actions directly inform national reforms. Implementation will follow an adaptive management approach, drawing on annual reviews, data from the results framework, and participatory monitoring mechanisms to adjust interventions as reforms evolve. Cross-cutting principles — gender equality, youth and disability inclusion, environmental sustainability, and human-rights-based approaches — are mainstreamed across all outputs and monitored through disaggregated indicators.

By linking policy dialogue, institutional strengthening, and citizen participation, the Action provides a comprehensive framework for advancing decentralisation and local development in Kazakhstan. It aims to ensure that EU support translates into measurable policy change, improved institutional performance, and greater trust between citizens and government at all levels. In this context, TALD serves as a strategic and methodological bridge between reforms and meaningful local development outcomes. The approach therefore balances pragmatism with ambition, targeting high-impact pilot interventions and scalable reforms that can progressively enhance local autonomy, development effectiveness, and local accountability.

2.2 Target Groups and Beneficiaries

The programme adopts a multi-layered approach to engagement, distinguishing clearly between target groups—those institutions, actors, and communities whose capacity, behaviour, or enabling environment the programme aims to transform—and final beneficiaries, the broader population segments who will ultimately benefit from improved governance, services, and inclusive development outcomes.

2.2.1 Primary Target Groups

The Action targets institutions and actors that are directly responsible for the design, coordination, and implementation of local governance reforms in Kazakhstan.

1. Local authorities

- Maslikhats (local representative councils) that approve local budgets and monitor executive performance. They benefit from training in participatory and gender-responsive decision-making, fiscal transparency, and citizen engagement.
- Directly elected Akims in rural areas and small cities.

2. National-level institutions

- Administration of the President of the Republic of Kazakhstan: responsible for ensuring the implementation of the President’s powers in relation to local representative and executive bodies, akims of regions, cities of republican significance and the capital, as well as in the area of regional and territorial policy.
- Ministry of National Economy (MNE): the lead institution for local self-governance, fiscal policy, and territorial development. The Action supports MNE in legal drafting, inter-ministerial coordination, SRS operationalisation, and monitoring of local governance indicators.
- Parliamentary committees (notably the Committee on Economic Reform and Regional Development): beneficiaries of policy briefs, dialogue platforms, and evidence for legislative oversight.

- Other line ministries (Finance, Digital Development, Labour & Social Protection): involved in sectoral coordination for participatory budgeting, digital governance, and climate-responsive local planning.
- Other Oblast and district akimats responsible for planning, budgeting, and service delivery may be consulted and included if required.

3. Training and knowledge institutions

- Network of regional branches of the Academy of Public Administration under the President of the Republic of Kazakhstan and UNDP Astana Civil Service Hub serve as a permanent national platform for peer learning, certification, and dissemination of good practices.
 - Academic and research partners (public administration academies, universities, think-tanks) contribute to curriculum development, policy research, and evaluation.
4. Community stakeholders including civil-society organisations (CSOs), public councils and small business representatives engaged in local-governance advocacy and participatory budgeting. They will receive targeted training and small-grant support to strengthen citizen feedback mechanisms and inclusive service design.

2.2.2 Final Beneficiaries

The Action's benefits extend to Kazakhstan's population at large—particularly women, youth, persons with disabilities, and residents of rural and remote areas—through improved access to accountable and participatory local governance.

- Citizens and community groups will experience enhanced opportunities to influence decision-making, monitor service delivery, and participate in local development planning through digital feedback tools and participatory-budgeting mechanisms.
- Women and youth will benefit from strengthened leadership roles in public councils and maslikhats, targeted training, and dedicated quotas in small-grant schemes.
- Persons with disabilities (PWDs) will benefit from improved accessibility standards in all training and digital platforms and from inclusion in participatory processes.
- Private-sector actors and local enterprises indirectly benefit from improved sub-national planning, better infrastructure prioritisation, and transparent procurement processes guided by SRS standards.

2.2.3 Quantitative Outreach (Indicative)

Beneficiary Category	Approximate Reach / Target by 2029	Main Benefit
National officials (MNE and other ministries)	≈ 150 staff trained / 6 institutions engaged	Improved policy coordination and evidence-based reform design supported by operational inter-ministerial platforms, integrated data systems and dashboards, and institutionalised joint policy review and co-creation mechanisms.
Maslikhat deputies	≈ 100 members trained (≥ 40 % women)	Enhanced fiscal oversight & citizen engagement

CSO representatives and public-council members	≈ 100 participants (≥ 50 % women / 25 % youth)	Strengthened skills in participatory budgeting and accountability.	
Community beneficiaries of small-grants projects	≈ 10 pilots reaching ~ 10 000 citizens	Inclusive local development initiatives	
Citizens using digital feedback platform	≥ 2 500 active users nationwide by 2029	Direct voice in local decision-making	
Output	Indicator	Baseline (Year 1)	Target (Year 3)
Tax administration	% of akimat officials trained in new tax powers and investment attraction	10% (2025)	80%
Citizen satisfaction	Satisfaction with local governance services (survey based on Local Governance Quality Index developed within the project)	N/A	60%

2.2.4 Inclusion and Leaving-No-One-Behind (LNOB) Approach

The Action applies the EU Gender Action Plan III (GAP III) and human-rights-based approach (HRBA) as cross-cutting principles.

- Gender, age, and disability disaggregation will be integrated in all monitoring data.
- At least 50 % of training participants will be women, and 25 % youth.
- All digital and physical facilities will comply with accessibility and safety standards (WCAG 2.1 AA).
- Grant proposals and participatory plans will be screened for social and environmental safeguards (SES) and inclusion criteria.

This ensures that the Action's benefits are equitably distributed and that participation mechanisms reflect Kazakhstan's diverse population.

2.2.5 Expected Institutional and Societal Impact

By the end of the Action, Kazakhstan will have:

- Strengthened institutional capacities for decentralised and participatory governance across all levels of administration;

- Operational and legally embedded mechanisms for citizen feedback and policy dialogue; and
- Broader public trust in local institutions, reflected in improved scores of the Local Governance Quality Index and higher citizen participation rates in local decision-making.

2.3 Theory of Change

Kazakhstan's decentralisation presents unique opportunities and challenges: while there is strong political commitment, progressing legal reforms, and rising citizen expectations, local autonomy, fiscal capacity, and participatory mechanisms remain limited. This Theory of Change asserts that inclusive territorial development—aligned with EU Cohesion Policy and SDG 16—will be achieved by strengthening the relationship between citizens and the state through three interconnected outcomes:

(1) An enabling policy environment with improved legal and regulatory frameworks for decentralisation and institutionalised policy dialogue, measured by adoption and implementation rates, and the effectiveness of coordination platforms;

(2) Enhanced institutional and digital capacity of local authorities and civil society to implement participatory, gender-responsive, and data-driven governance, tracked by the proportion of authorities utilising participatory mechanisms, effective Public Financial Management (PFM), and digital platforms;

(3) Sustained, inclusive citizen participation in local decision-making, evidenced by increased engagement rates, participation in community-driven initiatives, and feedback via surveys and digital platforms.

Key actions include strengthening legal and fiscal frameworks, facilitating policy dialogue, delivering targeted training, enhancing PFM, piloting community initiatives, and deploying digital feedback platforms. Outputs—such as updated legal frameworks, functioning dialogue platforms, trained officials, and operational digital systems—will foster improved coordination, accountability, transparency, and responsive governance.

The ToC assumes sustained political commitment and active civil society engagement. Risks like elite capture, uneven capacity, and low digital literacy will be mitigated through transparent selection, inclusive outreach, digital literacy efforts, and tailored capacity-building.

Gender equality and social inclusion are cross-cutting priorities, with targets for women's participation (at least 50%) and accessible digital solutions for vulnerable groups. Sustainability is ensured through institutionalised mechanisms—legal mandates for citizen consultations, operational platforms, embedded digital systems—and alignment with EU monitoring standards, including ROM-compliant indicators.

By linking short-term outputs (legal reforms, training, digital platforms, pilot initiatives) to medium-term outcomes (capacity, coordination, participation) and long-term impact (reduced territorial disparities, increased trust), the Action follows the EU Logical Framework, with clear baselines, targets, and verification sources.

The Action supports the European Democracy Action Plan by promoting accountable, participatory, transparent, and digitally enabled local governance.

2.3.1 Causal Mapping

The causal pathway can be summarised as follows:

If national frameworks for local governance and fiscal decentralization are clarified and operationalized (Outcome 1) – *assuming political commitment at the central level and mitigating resistance through EU-facilitated dialogue*

and if subnational authorities and civil-society actors acquire participatory skills, digital tools, and transparent service-delivery systems (Outcome 2) – *with a focus on gender-responsive training (50% women participants) and accessible ICT for vulnerable groups* –

and if citizens (especially women, youth, and marginalized groups) are enabled to participate meaningfully in planning, budgeting, and monitoring (Outcome 3) – *verified through disaggregated participation rates and independent satisfaction surveys*

then Kazakhstan will achieve more balanced, inclusive, and accountable territorial development (Impact), *measured by:*

- A 20% reduction in inter-regional GDP per capita disparity (Gini coefficient, baseline: 0.45; target: 0.40).
- A 30% increase in citizen trust in local government (Edelman Trust Barometer, baseline: 25%; target: 55%). This pathway aligns with the EU-Kazakhstan Enhanced Partnership and Cooperation Agreement (EPCA), SDG 16, and EU Gender Action Plan III.

This pathway connects policy reform (top-down) and participatory practice (bottom-up) through continuous feedback loops that translate evidence from local experiences into national policy dialogue. The intended sequence of change is:

Level	Change Expected	Mechanisms / Tools	Indicators (Baseline → Target)	Sources of Verification	Assumptions / Risks / Mitigation	EU Policy Alignment
Inputs	Technical, financial, institutional, and digital capacities are mobilised and made available to support local governance reforms and implementation of fiscal decentralisation in selected pilot regions	EU-funded technical assistance; policy and legal advisory support; institutional-capacity development; digital governance tools; pilot financing instruments; monitoring and analytical systems;	• number of digital tools developed or upgraded and operational in pilot regions (baseline: 0, target: ≥3 tools, at least 1 per pilot region) • Unified “E-Maslikhat” digital portal developed and operationalised to support transparency,	Financing agreements; project reports; MoUs; digital system deployment reports	Assumption: Strong government ownership. Risk: Delays in mobilisation → Mitigation: phased contracting and early coordination.	NDICI–Global Europe; EU Global Gateway

Level	Change Expected	Mechanisms / Tools	Indicators (Baseline → Target)	Sources of Verification	Assumptions / Risks / Mitigation	EU Policy Alignment
		stakeholder coordination mechanisms.	citizen feedback, and accessibility of representative local bodies (baseline: 0; target: 1 operational platform).			
Outputs	Local authorities in pilot regions apply strengthened capacities in local self-governance, tax administration, fiscal planning, and investment attraction	Output 1.1: Legal and policy advisory support; functional and expenditure reviews; PFM methodologies; regulatory-impact assessments; participatory consultation mechanisms. Output 1.2: PIT/VAT retention analysis; digital tax administration systems; e-filing and reporting tools; SRS-informed equalisation modelling; investment-attraction capacity support. Output 1.3: Multi-level policy-dialogue platforms; Kazakhstan–EU policy and	• Number of laws, policies, or bylaws adopted or revised in support of decentralisation and local governance (baseline: 0; target: 3) • Percentage of pilot-region local authorities regularly using digital feedback and transparency tools (baseline: 20%; target: 70%) • Percentage of supported community initiatives led by or directly benefiting women and youth (target: ≥50%) • Percentage of akimat officials in pilot regions	Training records; government decrees; pilot reports; system usage statistics; annual reports	Risk: Limited administrative capacity → Mitigation: targeted technical assistance and mentoring. Risk: Low digital uptake → Mitigation: user-friendly systems and local language support.	EU Digital Strategy; SDG 16.6

Level	Change Expected	Mechanisms / Tools	Indicators (Baseline → Target)	Sources of Verification	Assumptions / Risks / Mitigation	EU Policy Alignment
		investment forums; knowledge-management and evidence-sharing systems. Output 2.1: Competency-based training programmes; peer-to-peer learning; mentoring and advisory support for akimats and maslikhats. Output 2.2: Regional digital feedback platforms; E-Maslikhat portal; digital-literacy campaigns; citizen-engagement tools. Output 3.1: Small-grants mechanism; community-driven pilot initiatives; mentoring and technical assistance for grantees; knowledge-sharing and co-funding mobilisation activities. Output 3.2: State of Local Governance reporting; policy-learning workshops;	with strengthened capacity to support investment attraction and implement investment project procedures (baseline: 0, target: 80%) • SRS based equalisation model developed, piloted, and submitted to MNE (baseline: 0, target: 1) • Annual local self-governance and fiscal performance reports published (baseline: 0, target: 1 per year)			

Level	Change Expected	Mechanisms / Tools	Indicators (Baseline → Target)	Sources of Verification	Assumptions / Risks / Mitigation	EU Policy Alignment
		methodology for assessing local self-governance performance; digital knowledge and evidence platform.				
Outcomes (Specific Objectives)	1. More transparent, evidence-based, and performance-oriented local governance approaches are applied in planning, budgeting, and service delivery processes. 2. Pilot regions demonstrate improved implementation of fiscal decentralisation reforms and strengthened local public financial management practices. 2. Local governments in pilot regions operate with greater fiscal autonomy and improved capacity to mobilise and	Pilot implementation of fiscal decentralisation mechanisms; strengthened institutional and digital capacities of local self-governance bodies; advanced SRS-informed territorial planning and equalisation approaches; participatory and performance-based local governance mechanisms; institutionalised policy dialogue and knowledge-sharing.	• Percentage of trained local officials demonstrating improved capacity in participatory governance and digital tools (baseline: 0%; target: 80%) • Percentage increase in citizen participation in local consultation and feedback mechanisms (baseline: 15%; target: 40%) • SRS based equalisation model developed, piloted, and endorsed (baseline: 0, target: 1) • Percentage of local authorities applying participatory planning and budgeting	Ministry of Finance reports; Bureau of National Statistics of Kazakhstan; State Revenue Committee; project M&E reports	Assumption: Sustained political commitment. Risk: Fiscal imbalance → Mitigation: phased pilots and equalisation design.	EU Partnership Principle; TALD; GAP III

Level	Change Expected	Mechanisms / Tools	Indicators (Baseline → Target)	Sources of Verification	Assumptions / Risks / Mitigation	EU Policy Alignment
	manage local revenues.		approaches in pilot regions (baseline: 10%; target: 60%)			
Impact (Overall Objective)	More balanced, accountable, and responsive territorial development and local self-governance in Kazakhstan supported through strengthened fiscal decentralisation mechanisms and enhanced institutional capacities of local akimats and maslikhats.	Institutionalised fiscal decentralisation practices; strengthened intergovernmental fiscal relations; enhanced capacities of local akimats and maslikhats; evidence-based territorial development approaches; integrated digital and participatory local governance systems.	- Increased share of citizens satisfied with local public services and responsiveness of local authorities (baseline: 25%; target: 55%) - SRS Inter-Oblast Variance (STD of regional scores) (baseline 2025, target -0.10 STD) - Reduced disparity in Gini coefficient of income distribution (by population deciles) (baseline: ~0.28 -0.30, target: ≤0.27)	National statistics; Ministry of Finance; survey data; evaluation reports	Risk: Reform rollback → Mitigation: legal anchoring and institutionalisation.	EU Cohesion Policy; SDG 10

2.3.2 Key Assumptions and Risk Adaption

The success of this Theory of Change rests on the following key assumptions:

- Continued political will and policy consistency from central authorities to pursue continued reform of inter-governmental relations;
- Stable macro-political environment and commitment to participatory governance;
- Sufficient institutional and human resource capacity at subnational level;
- Constructive cooperation among national ministries, regional Akimats, and local governments;
- Willingness of civil society, private sector and communities to engage in local development processes.

The Action foresees an adaptive process for feedback and learning loops to continually adjust by establishing two-way learning mechanisms between local and national levels:

- Evidence generated from participatory budgeting, digital feedback platforms, and pilot grants feeds into annual State of Local Governance Reports and policy briefs, which are used in inter-ministerial and parliamentary dialogue.
- Policy updates and fiscal guidelines issued at national level are then applied by local authorities, tested through capacity-building cycles, and refined through subsequent citizen feedback.

The ToC recognises that decentralisation is politically sensitive and requires flexibility. Adaptive management will accordingly rely on real-time data from the digital platforms and annual reviews to revise interventions and address bottlenecks. Sustainability is embedded through:

- Institutional ownership by the Ministry of National Economy;
- Legal anchoring of participatory mechanisms within the Law on Local Self-Governance and the Budget Code; and
- Financial continuity via gradual integration of operating costs into national and local budgets.

2.3.3 Evidence Base and Best Practice

This Theory of Change is informed by:

- EU-supported TALD experiences in countries such as Rwanda, Ghana, and Ukraine, where empowered LAs have led to improved service delivery and citizen satisfaction;
- Kazakhstan's early but promising decentralisation steps, including participatory budgeting laws and local akim elections;
- Global findings that decentralisation, when coupled with civic engagement and local autonomy, can improve development outcomes, reduce inequalities, and increase institutional legitimacy.

The programme's ToC remains adaptive. It will be tested and refined through pilot interventions and iterative learning cycles, informed by monitoring data and stakeholder feedback.

2.4 Programme Action

The Action is structured around three Specific Objectives, each comprising a set of Expected Results (Outputs) that collectively deliver the overall impact of more balanced, inclusive, and accountable territorial development in Kazakhstan.

2.4.1 Overall Objective (Impact)

Contribute to a more balanced, inclusive, and accountable territorial development in Kazakhstan through strengthened local self-governance and civic participation. By 2029, national and local institutions will apply clarified mandates and fiscal mechanisms that enable equitable resource allocation, citizen engagement, and evidence-based policy decisions. Improved scores on the Local Governance Quality Index and reduced regional disparities (SRS variance) will demonstrate the Action's long-term impact on governance quality and social cohesion.

2.4.2 Outcomes, Outputs and Activities

Outcome 1: Strengthened national and subnational legal, institutional, and fiscal frameworks for inclusive local governance and territorial development

National and regional institutions apply clearer mandates and improved fiscal and policy frameworks for decentralisation and territorial development, aligned with TALD principles and informed by SRS indicators.

Output 1.1: Legal and policy frameworks for local governance and fiscal decentralisation strengthened

Key Activities:

- 1.1.1 Provide legal and technical assistance to update and finalise the Law on Local Self-Governance (or Concept on Local Self-Governance Development 2025-2030) and associated bylaws, clarifying mandates and accountability mechanisms.
- 1.1.2 Conduct comprehensive functional capacity analysis and expenditure review of akimats and maslikhats at the district and village levels in selected pilot regions.
- 1.1.3. Support the development and adoption of methodological approaches and a system of motivational key performance indicators (KPIs) for akims to strengthen performance management, accountability, and results-based governance at the local level.
- 1.1.4 Conduct participatory regulatory-impact assessments and at least ten public hearings to support policy revisions on local self-governance and fiscal-transfer rules.
- 1.1.5 Develop and disseminate implementation toolkits and guidance notes on participatory budgeting, inter-municipal cooperation, and community engagement.
- 1.1.6 Provide policy advice, technical assistance, and institutional-strengthening support for implementation of fiscal decentralisation reforms.
- 1.1.7 Facilitate the effective application of Public Financial Management (PFM) practices by local authorities in planning and budgeting processes in line with fiscal decentralisation reforms.

Output 1.2 Support the implementation of the 2025 Tax Code's fiscal decentralisation provisions to enhance local revenue autonomy, reduce regional disparities, and improve service delivery.

Key Activities

- 1.2.1 Build local institutional capacities for tax administration, compliance monitoring, digital tax services, and investment attraction, including support for implementation of investment project procedures, e-filing, and digital reporting systems.
- 1.2.2 Conduct analysis of PIT and VAT retention operationalization mechanisms in pilot regions, including assessment of incentive-based approaches linked to local revenue performance, and based on the findings, develop recommendations for the Ministry of Finance and local tax authorities.
- 1.2.3. Using the SRS as a foundational analytical tool, support the transformation of the SRS into a more comprehensive formula-based equalization mechanism informed by EU

and international benchmarks, incorporating fiscal capacity, demographic indicators, infrastructure and service-delivery gaps, and territorial development needs.

Output 1.3: Policy dialogue and coordination platforms institutionalised

Key Activities:

- 1.3.1 Establish and facilitate multi-level policy-dialogue platforms connecting MNE, Kurultay, akimats, and civil-society representatives with defined mandates and regular engagement cycles
- 1.3.2 Organise annual inter-ministerial and EU–Kazakhstan policy forums on decentralisation and fiscal reform to support coordinated policy dialogue and reform implementation.
- 1.3.3 Organise Kazakhstan–EU regional investment and development forums in pilot regions to showcase local investment opportunities and support regional development priorities
- 1.3.4 Provide secretariat, data, and analysis support for Kurultay and inter-ministerial committees ensuring the systematic use of Action-generated evidence.
- 1.3.5 Develop and maintain a database of policy briefs, analytical products, and evidence generated by the Action to support knowledge-sharing and policy uptake.

Outcome 2: Enhanced capacity and peer-to-peer learning among local akims and maslikhats supporting the advancement of digitally enabled local governance.

Local authorities, representative councils, and civil-society organisations have strengthened institutional and digital capacity to implement participatory budgeting and responsive local-development planning.

Output 2.1: Enhanced capacity and peer-to-peer learning among local Akims and Maslikhats.

Key Activities:

- 2.1.1. Deliver targeted training based on additional competency-based curricula and capacity-building across priority thematic areas (e.g. waste management, business climate improvement, investment attraction, and environmental sustainability), tailored to the needs of selected regions.
- 2.1.2. Facilitate peer-learning and knowledge exchange with regional and international partners to strengthen local governance practices.
- 2.1.3. Provide on-the-job advisory support and mentoring to local authorities and maslikhats to apply newly acquired skills in planning, budgeting, and service delivery processes.

Output 2.2: Digital feedback and transparency platform operational

Key Activities:

- 2.2.1 Support improvement of regional digital feedback platforms that connect citizens with local administrations, ensure integration with existing e-government services, and offer user-friendly feedback tools informed by regularly updated population well-being statistics to strengthen data-driven decision-making.
- 2.2.2 Build institutional capacity by training local officials on the use and management of digital platforms and introducing service-level agreements (SLAs) to ensure timely responses to citizen feedback.

- 2.2.3 Implement targeted outreach and digital-literacy campaigns to increase citizen participation, with specific focus on women, youth, and persons with disabilities (PWDs).
- 2.2.4 Develop and operationalize a unified “E-Maslikhat” digital portal to enhance transparency, citizen feedback mechanisms, improve accessibility, and support the performance of representative local bodies.

Outcome 3: Increased citizen participation, transparency, and social accountability in local governance through civic and digital mechanisms, ensuring inclusive and locally responsive implementation of EU Global Gateway priorities

Citizens, CSOs, and community groups—especially women, youth, and vulnerable populations—actively participate in local planning, budgeting, and monitoring, leading to improved accountability and public trust in local authorities.

Output 3.1: Small-grants facility piloting inclusive, community-driven initiatives

Key Activities:

- 3.1.1 **Design and operationalize a transparent small-grants mechanism to support inclusive community-driven projects aligned with local development priorities including initiatives related to rural economic development (small farming), waste management, water supply, and green energy.**
- 3.1.2 Provide targeted mentoring and technical assistance to grantees on project management, gender equality, and environmental and social safeguards.
- 3.1.3 Monitor and evaluate project outcomes identifying scalable and replicable practices for uptake by akimats and relevant ministries.
- 3.1.4 Facilitate regional knowledge-sharing and dissemination to showcase results, promote peer learning and mobilise co-funding opportunities.

Output 3.2: Knowledge and policy learning institutionalised

Key Activities:

- 3.2.1 Develop, validate, and operationalise a methodology for assessing the efficiency and performance of local self-governance, ensuring its adoption and use by relevant government institutions.
- Produce and publish four annual State of Local Governance Reports analysing performance, citizen feedback data, and lessons learnt from pilots.
- 3.2.2 Organise policy-learning and peer-review workshops for national and local stakeholders to support evidence-based policy development.
- 3.2.3 Update and refine training curricula and government guidelines based on documented lessons and evidence generated through the Action.
- 3.2.4 Maintain and continuously update an open-access digital knowledge source within the E-Maslikhat platform to systematically aggregate and disseminate data, reports, and good practices.

2.4.3 Indicative Budget and Modality (See detailed budget in Annex (need detailed budget))

3. Complementarities and Synergies

The proposed programme builds upon a solid foundation of national policy commitments, EU strategic priorities, and UN cooperation frameworks to promote decentralisation and inclusive local development in Kazakhstan. It is designed to ensure coherence, avoid duplication, and maximise developmental impact through close alignment with existing initiatives and active collaboration with government, civil society, and development partners.

3.1 National Strategies and Reforms

The development goals of the GoK are set out in several strategies and programmes with “Kazakhstan 2050” presenting the overarching long-term vision to place the nation in the top 30 developed countries by 2050. This intervention is closely aligned with Kazakhstan’s present national development strategies and sectoral frameworks, including:

- Strategic Development Plan to 2025 (SDP-2025) and the National Development Plan to 2029 (NDP-2029), which emphasise balanced territorial development, modernisation of public governance, and regional competitiveness.
- The Concept for Regional Development 2025–2030, which outlines the government’s vision for narrowing inter-regional disparities and operationalising a place-based approach to regional planning.
- The emerging System of Regional Standards (SRS), which provides a data-driven framework for monitoring infrastructure and service delivery across territories. The programme will directly support the integration, localisation, and use of the SRS as a tool for participatory planning, equitable resource allocation, and SDG tracking.
- The government’s decentralisation and local governance reform agenda, including ongoing fiscal reforms, the expansion of local self-governance mandates, and evolving roles of Maslikhats and Public Councils.
- The national Digitalisation Strategy, particularly its emphasis on data systems, digital service delivery, and smart governance tools, which the programme will support at local and subnational levels.

The programme will engage key institutional actors beyond the Ministry of National Economy, including the Ministry of Digital Development, the Ministry of Labour and Social Protection, the Agency for Strategic Planning and Reforms, regional and local Akimats, civil service academies, and the National Commission on Women’s Affairs and Family and Demographic Policy.

3.2 EU Multiannual Indicative Programme (MIP) 2021–2027

The intervention is fully aligned with the EU’s MIP for Kazakhstan, particularly under **Priority Area 1: Governance, Inclusive Development and Rule of Law**. It contributes directly to the MIP’s objectives of:

- Supporting more transparent, accountable, and effective institutions;
- Strengthening local governance and participatory decision-making;
- Advancing territorial cohesion and reducing regional disparities;
- Mainstreaming rights-based and inclusive approaches, including gender equality and youth empowerment.

The programme adds value by translating these objectives into territorially grounded, locally owned, and institutionally embedded actions, operationalising the Territorial Approach to Local Development (TALD) at scale for the first time in Kazakhstan. It complements prior EU-supported work under the TALD facility and creates an institutional bridge to EU Team Europe Initiatives on governance, inclusion, and green transition.

Furthermore, the intervention is aligned with the EU Global Gateway strategy, particularly in its focus on strengthening governance frameworks, promoting digital transformation, and supporting sustainable and inclusive development. By enhancing digital public services (e.g. E-Maslikhat platforms), improving data-driven decision-making, and fostering local economic and environmental initiatives, the programme contributes to the Global Gateway's priorities on digital connectivity, good governance, and green transition, ensuring that investments are inclusive, transparent, and sustainable.

3.3 UN Cooperation Frameworks

The programme is aligned with the UN Sustainable Development Cooperation Framework (UNSDCF) 2026–2030, particularly its priorities on:

- Responsive and accountable governance.
- Inclusive and people-centred service delivery.
- Reducing multidimensional inequalities and vulnerabilities.
- Digital transformation and innovation for development.

The intervention also complements the UNDP Country Programme Document (CPD) 2026–2030, which highlights decentralisation, territorial equity, citizen engagement, and integrated SDG localisation as core pillars of support. UNDP will serve as the lead implementing partner for the programme, enabling strong linkages with the UN system, government coordination mechanisms, and complementary initiatives on digital governance, public administration reform, and climate-resilient local development.

3.3.1 Sustainable Development Goals

The programme directly supports Kazakhstan's efforts to localise and monitor progress on the Sustainable Development Goals (SDGs), especially:

- **SDG 5** – Gender equality (5.5 on leadership and participation in public life)
- **SDG 10** – Reduced inequalities (10.2 on social, economic, and political inclusion)
- **SDG 11** – Sustainable cities and communities (11.3 on participatory planning; 11.2 on access to services)
- **SDG 16** – Peace, justice, and strong institutions (16.6 on effective, accountable institutions; 16.7 on inclusive decision-making)
- **SDG 17** – Partnerships for the goals (17.14 on policy coherence and 17.18 on data disaggregation)

3.4 Enhancing Synergies

The programme builds on the findings of the EU TALD Facility Report on Kazakhstan (2025), which identified key opportunities for advancing TALD principles through national systems and pilot-based experimentation. It fills a critical gap by institutionalising TALD at national level, embedding it in legal, fiscal, and planning frameworks, and testing operational models at the territorial level. Rather than duplicating existing efforts, the programme adds value by:

- Bridging national policy with local practice, especially through use of the SRS and support for participatory planning mechanisms;
- Facilitating horizontal cooperation between local authorities and civil society across regions through capacity building activities;
- Providing a platform for coordination among government, EU actors, the UN system, and civil society, reinforcing mutual accountability and shared results.

4. Cross-Cutting Issues

In line with EU programming principles, the UN Sustainable Development Goals, and the European Union's Gender Action Plan III, this programme applies a systematic and deliberate approach to the integration of key cross-cutting issues. These include gender equality, youth engagement, SME development, digital governance, and environmental sustainability — all of which are critical to fostering inclusive, accountable, and future-ready local development in Kazakhstan.

1. **The programme contributes to gender equality and women's empowerment** by embedding gender-sensitive planning, budgeting, and leadership across all components. Gender equality is mainstreamed through training content, participatory governance mechanisms, and civil society engagement strategies. Women-led CSOs will be eligible for grants, while Public Councils and Maslikhats will be supported to promote women's representation. The Project will offer tailored modules to support women in public administration, political participation, and community leadership. Disaggregated data and gender analysis will inform planning, monitoring, and evaluation.
2. **Youth engagement is prioritised** across the programme as a driver of innovation, civic renewal, and long-term sustainability. Young people will be specifically targeted through training programmes, youth councils, participatory budgeting initiatives, and civil society grants. The programme will also explore the establishment of local youth-led innovation labs and mentorship schemes, with a focus on digital tools and community-based problem solving. By actively involving young people in local governance, the programme promotes intergenerational inclusion and capacity building.
3. **The programme supports SME development and entrepreneurship** by fostering enabling local conditions for inclusive economic participation and the opportunity for pilot funding. Local development planning will integrate support for micro, small, and medium enterprises (MSMEs), particularly in rural areas. Activities may include community-based market diagnostics, training in business planning and local procurement, and support for social entrepreneurship. Where appropriate, Public Councils and municipal authorities will be encouraged to include SME voices in local development dialogues and service planning.
4. **Digital governance is a core enabler of transparency, accountability, and efficiency.** The programme will promote smart local governance solutions including digital participatory budgeting platforms, open municipal dashboards, and data visualisation tools for SRS indicators. Local authorities and CSOs will be trained in the use of digital tools for planning, service delivery, and public engagement. Digital capacity building will also target women and rural youth, reducing the digital divide and supporting equitable access to e-governance.

5. **Environmental sustainability and climate resilience** will be integrated into local planning processes and capacity-building curricula. The programme will promote green infrastructure, nature-based solutions, and environmental considerations in municipal service delivery. Pilot activities may include waste management, sustainable water access, and energy-efficient public services. Local authorities will be supported to incorporate environmental indicators and climate risks into SRS-based diagnostics and local development plans.

These cross-cutting themes are embedded in the programme's design, theory of change, implementation modalities, and monitoring system. Partner selection, training materials, and grant criteria will reflect these priorities, and progress will be periodically reviewed to ensure alignment with EU values, national frameworks, and the evolving local context.

5. Risks and Assumptions

THE PROGRAMME uses a proactive and structured approach to risk assessment and mitigation in line with EU standards, recognising that achieving transformative results requires navigating a complex socio-political and economic environment. Risks are assessed and continually monitored for their likelihood and potential impact, and mitigation measures aligned to be both realistic and responsive.

The programme prioritises early identification and continuous monitoring of risks throughout implementation, coupled with adaptive management strategies. To ensure ownership and responsiveness to risk, significant risk changes are escalated to the steering committee for decision and rely on the RACI approach (Responsibility-Accountability-Consultation-Informed) across national and international stakeholders.

A strong emphasis is placed on consultations, stakeholder coordination, and capacity development as integral components for risk mitigation. In conjunction with the Risk Log the following key assumptions will also be continuously monitored, as changes in these fundamental assumptions can necessitate strategic reorientation.

5.1 Key Assumptions

The following key assumptions underpin the initial design and approach for the programme intervention. Significant deviations in key assumptions will be strategically addressed through the management arrangements for the programme.

- **Bureaucratic commitment:** national and local authorities remain committed to decentralization, territorial development, and reform of local governance frameworks as a policy priority.
- **Political commitment:** national and local elected bodies remain committed to decentralization, territorial development, and reform of local governance frameworks and support and enact enabling legislative.
- **Stakeholder Engagement:** Key actors (national, regional and local authorities, civil society, and the business community) actively participate in co-design and implementation.
- **Security and Stability:** The operating environment remains stable, allowing for safe access to all regions and consistent implementation.
- **Coordination with Other Partners:** Effective collaboration exists between UNDP, EU, and other donors and development actors to avoid duplication and increase synergy.

- **Infrastructure Readiness:** Digital and transport infrastructure in target areas is sufficient to enable effective delivery and monitoring of project activities.
- **Community Participation:** Communities are open to participating in project consultations, feedback mechanisms, and implementation processes.
- **Capacity Availability:** Qualified experts (national and international) are available and willing to support technical assistance and training efforts.
- **Timely Funding:** Donor and government funding is disbursed according to schedule, allowing for uninterrupted implementation.

5.1 Preliminary Risk Log

#	Description	Type	Likelihood (1-5)	Impact (1-5)	Risk Level	Mitigation / Management Measures
1	Political or institutional instability, especially after elections or reshuffling of regional/local administrations	Political	3	4	12 – High	Establish early relationships across administrative levels; build on previous reforms and maintain institutional memory through strong documentation and onboarding.
2	Weak inter-ministerial coordination and overlapping mandates among central and regional bodies	Strategic	4	4	16 – High	Leverage existing coordination mechanisms; convene regular inter-agency coordination meetings; clarify mandates through MoUs; build capacity of coordination units.
3	Lack of stakeholder buy-in from municipalities, CSOs, or community actors	Strategic	3	4	12 – Moderate	Ensure participatory planning processes; align project goals with local priorities; involve local stakeholders in monitoring and evaluation; conduct awareness campaigns.
4	High staff turnover in local authorities undermining capacity-building efforts	Operational	4	3	12 – Moderate	Provide standardized training materials; create online learning platforms; institutionalize onboarding; engage long-term technical advisors.
5	Resistance to reform or modernisation of governance practices at local level	Political / Cultural	3	3	9 – Moderate	Promote local champions; use adaptive communication strategies; highlight benefits of reforms through pilot successes.
6	Limited citizen participation in local planning due to apathy, mistrust, or lack of awareness	Social	4	3	12 – Moderate	Implement civic education and communication campaigns; create citizen feedback platforms; engage youth and marginalized groups directly.
7	Duplication or overlap with other donor-funded territorial development initiatives	Operational	2	3	6 – Low	Map existing donor activities; engage in national donor coordination platforms; co-develop joint actions where feasible.
8	Inaccessibility of remote or underserved territories for engagement, implementation, or monitoring	Logistical	3	3	9 – Moderate	Partner with local CSOs or local contractors; use mobile teams and digital platforms; plan for seasonal or weather-based delays.
9	Inadequate or inconsistent data for evidence-based planning and M&E	Technical	3	4	12 – Moderate	Support capacity building in data collection and GIS; collaborate with national statistics agencies; adopt digital tools for local data management.

6. Programme Management

6.1 Coordination and Oversight

The Ministry of National Economy (MNE) will serve as the lead national counterpart for the Action, responsible for policy coordination and technical oversight of decentralisation and territorial-development activities. To ensure national ownership and inter-ministerial coherence:

- A Project Steering Committee (PSC) will be established, co-chaired by the MNE, UNDP, and the EU Delegation to Kazakhstan with participation from the key line ministries (Finance; Digital Development; Labour & Social Protection).
- The PSC will meet twice annually to review progress, approve annual workplans and budgets, validate key deliverables, and provide policy guidance.
- Regional akimats and representatives of civil-society organisations will participate as observers or technical members when relevant to agenda items.

The PSC will act as the main coordination forum linking national and regional institutions, promoting policy coherence and transparency in Action implementation.

Overall Management Structure

The Action will be implemented under the Indirect Management modality, with the United Nations Development Programme (UNDP) serving as the implementing partner on behalf of the European Union. Overall responsibility for strategic oversight and results delivery will rest with the UNDP Resident Representative in Kazakhstan, who acts as the accountable official for the Action's implementation in accordance with UNDP rules and regulations. Operational management will be led by a Project Management Unit (PMU) established within UNDP Kazakhstan's country office. The PMU will closely coordinate activities with the Program Manager in the EU Delegation in Astana and keep the EUD informed. . EU and UNDP will also coordinate policy initiatives towards Kazakh institutions as well as on visibility activities relevant for the implementation of the Action.

The PMU will be embedded in the Governance Portfolio of UNDP to ensure policy coherence with broader governance and digital-transformation initiatives. The management structure will comprise:

Entity / Role	Core Functions
UNDP Resident Representative	Provides overall strategic direction, ensures compliance with UNDP financial and administrative regulations, and represents the Action in high-level dialogue with the EU Delegation and the Government of Kazakhstan.
Deputy Resident Representative / Governance Portfolio Head	Provides day-to-day oversight, quality assurance, and alignment with UNDP Country Programme outputs and the UN Sustainable Development Cooperation Framework (UNSDCF).
Head of Cooperation of the EU Delegation to Kazakhstan	Provides strategic guidance and oversight on behalf of the European Union; ensures alignment with EU policy frameworks (MIP, Global Gateway, Team Europe Initiatives); monitors implementation progress and compliance with EU requirements; participates in steering committee meetings and key review processes; and represents the EU in high-level dialogue with the Government of Kazakhstan and UNDP.

Entity / Role	Core Functions
Project manager of the EU Delegation to Kazakhstan	Monitors and oversees the implementation of the Action on behalf of the European Union; ensures compliance with EU procedures and contractual obligations; reviews technical and financial reports; assesses progress against the Results Framework; facilitates coordination with UNDP and national stakeholders; supports risk management and corrective actions; and contributes to policy dialogue, visibility, and participation in governance mechanisms (e.g. steering committee).
Project Manager	Leads the Project Management Unit; responsible for planning, coordination, results delivery, risk management, and supervision of technical staff and consultants. Oversees preparation of workplans, progress reports, and financial statements.
Project Support / Finance & Admin Associate	Handles procurement, contracting, logistics, and financial reporting in line with UNDP procedures.
Thematic Technical Specialists	Provide expertise on decentralisation policy, fiscal governance, digital transformation, gender equality, and monitoring & evaluation.
Monitoring, Evaluation and Reporting Officer	Maintains the Results Framework database, coordinates data collection, prepares analytical reports, and supports mid-term and final evaluations.

6.2 UNDP staff detailing

Project Manager (NPSA 9): full-time Project Manager for the duration of the project who will be responsible for overall management of project activities, development and implementation of a results-based work plan, as well as all substantive, managerial and financial reporting. He/she will supervise the project team and ensure coordination with national stakeholders and partners.

Project Expert (NPSA 9): full-time Project Expert for the duration of the project who will provide technical expertise and support to the implementation of project activities, including analytical work, policy advice and coordination with sectoral stakeholders.

Project Associate (NPSA 7, Almaty): full-time Project Associate for the duration of the project who will support implementation of project activities at the regional level, including coordination, reporting and administrative support.

Project Associate (NPSA 7, Zhetisu): full-time Project Associate for the duration of the project who will support implementation of project activities at the regional level, including coordination, reporting and administrative support.

Project Associate (NPSA 7, Mangistau): full-time Project Associate for the duration of the project who will support implementation of project activities at the regional level, including coordination, reporting and administrative support.

Project Associate (NPSA 7, Turkestan): full-time Project Associate for the duration of the project who will support implementation of project activities at the regional level, including coordination, reporting and administrative support.

Project Associate (NPSA 6): full-time Project Assistant for the duration of the project who will provide administrative and operational support, including documentation, logistics and coordination of project activities.

Programme Specialist (NOC): part-time involvement on a timesheet basis to provide strategic oversight and guidance throughout the project cycle.

Communications Specialist (NOB): part-time Communications Specialist for the duration of the project who will ensure visibility, communication and outreach activities in line with project and donor requirements.

Resources Monitoring and M&E Associate (NOB): part-time involvement on a timesheet basis to ensure quality assurance of project implementation, including monitoring, evaluation and compliance with UNDP procedures.

Procurement Specialist (G6): part-time involvement on a timesheet basis to support project-related procurement processes in line with UNDP rules and procedures.

Finance Associate (G6): part-time involvement on a timesheet basis for processing payments, financial reporting and other finance-related tasks throughout the project cycle.

HR Associate (G6): part-time involvement on a timesheet basis to support recruitment and contract management of project personnel throughout the project cycle.

6.3 Implementation Modality and Responsibilities

UNDP will implement the Action following its established programme and financial-management procedures, fully consistent with the EU–UN Financial and Administrative Framework Agreement (FAFA). Implementation will be in accordance with a UNDP Project Document and will rely on:

- Direct implementation by UNDP for policy advice, procurement of services, capacity-building, and digital-platform development;
- Responsible parties / contractors (e.g. academic institutions, research centres, or CSOs) engaged through UNDP's competitive procurement to execute specific activities such as training delivery, surveys, or grant administration;
- Regional akimats providing logistical and co-funding support for pilot activities and hosting policy-dialogue events.

7. Monitoring, Evaluation and Reporting

Monitoring will follow the indicators and targets set out in Annex 1 – Results Framework. Key elements include:

- Annual Workplans and Budgets prepared by the PMU and endorsed by the Steering Committee.
- Quarterly progress reviews and semi-annual internal reports summarising implementation progress, expenditures, risks, and lessons learned.
- Annual Results Reports submitted to the EU Delegation in accordance with FAFA requirements.
- A Mid-Term Review (Year 2) assessing progress toward outcomes and recommending any adjustments.
- A Final Independent Evaluation at project completion assessing effectiveness, efficiency, impact, and sustainability.
- Continuous risk monitoring through UNDP's enterprise-risk-management tools, focusing on political, operational, fiduciary, and digital-security risks.

All data will be gender- and age-disaggregated, with indicators tracked through the Action's M&E database and the digital-feedback platform.

8. Sustainability

The Action is designed to ensure that results are durable beyond the EU-funded period through national ownership, legal anchoring, and the creation of permanent systems for policy coordination, capacity development, and citizen participation.

Institutional Sustainability

The Ministry of National Economy (MNE) leads policy and technical coordination, ensuring that all outputs are embedded in government systems. The national digital feedback and E-Maslikhat platforms will aim to become permanent institutions integrated into state structures and national digital-governance frameworks. Multi-level policy-dialogue platforms established under the Action will continue under MNE auspices as part of regular inter-ministerial coordination.

Financial Sustainability

Operating costs of the digital platform, and policy-dialogue mechanisms will aim to be absorbed into national and regional budgets by 2029. Small-grant pilots will demonstrate co-financing models with akimats and private partners for replication.

Policy and Regulatory Sustainability

Participatory budgeting, consultation mechanisms, and digital feedback tools will be institutionalised through the *Law on Local Self-Governance* and the *Budget Code*. SRS indicators will remain embedded in fiscal-transfer and planning frameworks, enabling continued evidence-based policymaking. Annual *State of Local Governance Reports* will provide ongoing monitoring and feed reform dialogue.

Social, Environmental, and Digital Sustainability

Trained officials and CSO leaders will maintain a national alumni network of certified local-governance practitioners. Gender equality, youth engagement, disability inclusion, and climate resilience are mainstreamed across all curricula and pilots. The digital platform uses open-source architecture and government-approved hosting to ensure secure, low-cost operation after project closure.

Exit and Handover

During the final year, a joint Sustainability and Handover Plan will be discussed to confirm ownership, budget lines, and staffing for each component. By 2029, the aim will be for the Government of Kazakhstan to assume full management of the E-Maslikhat platform, and dialogue mechanisms, ensuring that decentralisation reforms and participatory governance practices continue beyond EU support.

- To ensure sustainability:
- Fiscal reforms will be codified in secondary legislation under the 2025 Tax Code (e.g., Ministry Finance regulations for equalisation).
- A Fiscal Decentralisation Working Group (MOF, MNE, akimats, UNDP) will oversee reforms post-2029, aligning with the Tax Code's review clause.

- Lessons from pilots will inform Kazakhstan's 2030 Decentralisation Strategy (e.g., Chapter 22: Regional Policy)

9. Programme Budget

The total cost of the Action is EUR 4,000,000, provided by the European Union. The Action will be implemented under Indirect Management with UNDP, following the financial and administrative provisions of the EU–UN Financial and Administrative Framework Agreement (FAFA).

9.1 Cost-Efficiency and Resource Optimisation

The following measures aim to support cost-efficiency and resource optimisation:

- Use of national systems: Activities will leverage existing government and UN facilities (e.g., MNE conference halls, Training Center premises) to reduce operational costs where possible.
- Digital delivery: Hybrid and online learning modalities will limit travel and event expenditures.
- Synergies: Coordination with EU and UN initiatives in governance, gender equality, and digital transformation will avoid duplication and maximise shared resources.
- Competitive procurement: All goods and services will be acquired through UNDP's transparent tendering processes ensuring best-value-for-money.

9.2 Financial Management and Reporting

UNDP will manage funds in accordance with its Financial Regulations and Rules, consistent with the FAFA.

- Annual workplans and budgets will be endorsed by the Project Steering Committee and submitted to the EU Delegation.
- Quarterly expenditure tracking and annual certified financial reports will be shared with the EU.
- All project accounts will be subject to UNDP's internal and external audit mechanisms, with EU access rights preserved.

9. Sustainability of Financing

By project completion, operational costs for the digital platform, and policy-dialogue mechanisms will seek to be integrated into national and regional budgets. Recurrent expenditures will thus transition from EU grant financing to government funding, ensuring long-term sustainability.

Annexures:

ANNEX 1. Results and Resources Framework