

Summary action plan

Summary of gaps	OECD recommendations	Good practices to consider
1. Resources and fiscal capacity at the local government		
<p>Predictable and stable funding: Changes in local government transfers are susceptible to variations in Kazakhstan's general economy. While it may be difficult to fully anticipate government revenues, Kazakhstan could follow the example of OECD countries which have sought to build in stability and predictability in their transfer regimes.</p>	<p>Undertake regular review of the fiscal transfer system to ensure stability and predictability of transfers to local executive bodies while still being responsive to economic growth. This could be achieved by basing the transfers on a rolling three-year average of economic activity and government revenues and expenditures.</p>	<p>Canada, France, Germany, Japan, United Kingdom.</p>
<p>Clarify the method of calculation of the general transfers to local governments: Ensuring that local governments have access to the financial resources they need to fulfil their responsibilities is essential to the success of any decentralisation process. At the same time it is important to ensure that the method used to calculate these resources is known and transparent to all governments affected. At present, there is room to improve the ways in which the method used to calculate central government transfers is communicated to local governments, which seem to include several discretionary elements. In the future, it may be useful for Kazakhstan to</p>	<p>Any changes made should not result in any major change to the amount of the general transfer (i.e. changes should be expenditure neutral).</p>	

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<p>consider greater transparency in the process by which local government funding is determined.</p>		
<h2>2. Scope and purpose of decentralisation</h2>		
<p>Defining the allocation of local government functions: The current allocation of responsibilities and functions to local governments in Kazakhstan includes responsibilities which are often not typically associated with local government delivery in OECD countries. Kazakhstan would benefit from applying the principle of transferring to local governments only those functions which matter most of citizens and local communities.</p> <p>It is also important to ensure that the transfer of governmental functions contributes to increasing the efficiency and effectiveness of local public administration and serve to increase the quality of life for local citizens</p>	<p>Deepen the integration of economic, policy and administrative considerations in assigning responsibilities to local governments during the ongoing functional review and decentralisation, which should be delivered closest to citizens.</p> <p>Consider refining the process of functional review to ensure that it includes effectiveness and efficiency of service delivery at the local level as a principal consideration.</p>	<p>France, Poland</p>
<p>Policy alignment: Kazakhstan is currently engaged in wide-ranging reforms with the goal of increasing effectiveness and efficiency of government through streamlining its functions. The reforms call for transfers of functions to other levels of government, between government bodies, and to the private sector through self-regulation. Because each of these options have different considerations, impacts, and consequences it would be beneficial to unbundle this process, thus recognising the differing scope and outcomes of each option. This would further facilitate decision-making and help to clarify the role of each actor in the process.</p> <p>Kazakhstan's process of functional review should be refined to include as a principal consideration the effectiveness and efficiency of service delivery at the local level.</p>	<p>The role of local government representatives and local non-governmental stakeholders should be enhanced and formalised in the process of functional review and decision-making. This could be achieved by increasing the participation of these actors in the work of the National Modernisation Commission.</p>	

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<p>Assess for impact and capacity: Decentralisation and the transfer of functions between levels of government has been a key part of Kazakhstan's governance since 1996. Like the decentralisation reforms which preceded, those under the Plan of the Nation aim to find the right balance between the roles and responsibilities of governments. It is important to consider the impact which this state of constant change and reform has had on the efficiency and effectiveness of local governments. Too frequent changes temporarily disrupt the affected administrations, induce material costs and can generate losses in organisational culture, motivation and productivity. It may therefore be useful for Kazakhstan to assess the impact of functional transfers to date and consider whether further decentralisation of functions is in light of their necessity, utility and impact.</p> <p>Consistent with the Plan of the Nation's aim of increasing public participation, this assessment should include inputs from local governments, civil society and ordinary citizens.</p>	<p>Ensure ongoing assessments of the necessity and impact of legal and policy changes affecting local governments in Kazakhstan. This assessment should be based on outcomes-based evaluations of functional transfers and their impacts on local governments and citizens. Local governments, civil society and ordinary citizens should be involved as participants in this process not only through opinion surveys, but also through a wide range of mechanisms, such as public discussions, analytical assessments (performed by the civil society organisations), and other forms of communication.</p>	<p>Poland's experience with regard to public-private partnerships</p>
<p>Dispute resolution: As Kazakhstan proceeds with the decentralisation and transfer of responsibilities from the central government to local government the potential for disagreement between levels of government is likely to increase. Though referring to central government direction to resolve differences with reference to legal instruments or national policy directions may be expedient, it may potentially exacerbate differences between governments by pushing the source of the disputes forward. In these circumstances it may be advisable to consider establishing a formal dispute resolution mechanism.</p>	<p>Strengthen a mechanism to arbitrate any issues that arise between levels of government to facilitate the independent, balanced, open and transparent review of issues brought before it for resolution.</p>	<p>Germany, Japan, Spain.</p>

3. Civic engagement and public participation

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<p>Citizen-focused process: Increasing public participation and making government more responsive to the needs of citizens and local communities is one of the explicit goals of Kazakhstan's decentralisation reforms. Where government services feature local delivery– so called proximity services – the impact on the citizen will be greater. As a result, though the choice about which functions to transfer to local government is inherently a policy choice, it should be informed by considerations of cost, efficiency and effectiveness, as well as impact on citizens.</p>	<p>Further develop formal mechanisms to enable active and meaningful citizen participation in the decentralisation process and local decision making. These mechanisms should be comprehensive and include requirements on the full-scope information necessary for decision-making to be provided to the citizens on the regular basis, the feedback mechanisms, development of functions of the government agencies related to increasing responsiveness to citizens (accountability, public communication, transparency of the decision-making).</p>	
<p>Civic engagement and public participation in local decision-making: Establishing a link between local communities and local officials contributes to enhancing representativeness and accountability of local executive bodies. The election of akims therefore serves to build ties with the local communities which have been undermined by the recurring practice of appointing akims with little to no connection to their regions.</p> <p>Increasing the public participation in local decision-making also calls for citizens to be able to renew the mandate of their local leadership. This can be achieved through establishing fixed term mandates for akims.</p>	<p>Implement the already planned reforms of local representation and bring forward the election of <i>akims</i> up to the level of raions and cities of oblast significance.</p> <p>Establish fixed mandates for <i>akims</i> at all levels of local government and consider establishing term limits for all <i>akims</i> who are to be elected.</p>	<p>OECD countries</p>
<p>Stakeholder involvement and capacity at the local level: Building the capacity to participate in civic affairs is frequently a precondition to increasing the engagement of citizens in local government.</p>	<p>Support capacity building among local community stakeholders, including through fostering independent civil society organisations.</p>	<p>Poland</p>
<p>Develop capacity to implement participatory budgeting: International experience shows that the implementation of participatory budgeting requires enhancing the capacity of local citizens to become full participants in the process. This includes ensuring that citizens understand the process and its</p>	<p>Consider undertaking independent evaluations of the effects of local participatory budgeting, which can help ensure that it has met its expected outcomes and resulted in a tangible improvement for citizens and local</p>	<p>United Kingdom</p>

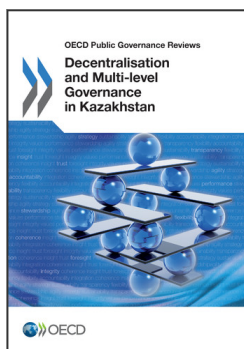
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<p>implications may require procedures and guidelines written in simple, accessible language, to be provided. It may also be necessary to develop capacity through community-based training; training local officials, and supporting the process, such as by making experienced facilitators available.</p> <p>International examples suggest that local community involvement in budgetary decisions makes a positive contribution to public governance. However, it is essential to put in place a system to ensure that this practice leads to positive impacts.</p>	<p>communities.</p>	
<p>Accountability and oversight: Enhancing accountability and transparency of government is a critical element in good public governance. Kazakhstan's current reforms include measures to increase the access of citizens to information about their government. Step 96 of the 100 Concrete Steps calls for central state institutions to be required to make public the results of various accountability and oversight documents including all budgets, spending and consolidated financial reports, and results of external assessment of public service quality. In keeping with this reform it will be similarly important to ensure that the scope of the Access to Information law also applies to local governments.</p> <p>As the prime recipients of public services, the public should play an active role in evaluating the performance of government bodies</p>	<p>Ensure that the information provided by the government agencies and quasi-governmental organisations at all levels, including the local government, is sufficient for the assessment, awareness on key issues, and open decision-making in the local and regional communities, as well as at the national level.</p> <p>Strengthen mechanisms for active and meaningful civil society participation in the assessment of local executive bodies' performance, including its effectiveness, responsiveness and openness. This should also include transparency in the publication of the results of the assessments of the activities of local bodies, including on the actions to be taken based on the results of these assessments.</p>	<p>Canada, France, United Kingdom.</p>
<p>Transparency: The current process of decentralisation will have an impact on local governments and local communities. For this reason it is important to ensure that the decision-making process associated with decentralisation is as open and transparent as possible to all those concerned and impacted.</p>	<p>Enhance transparency in the process and methodology used to assess and decide on the transfer of functions. This information should be freely available to all relevant stakeholders, including the public and civil</p>	

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<p>Though the process used to chart decentralisation appears comprehensive and open to inputs from local sources, it also appears shrouded to most outside actors. The transparency and the clarity of the process should be increased.</p>	<p>society organisations.</p>	
<p>4. Capacity-building</p>		
<p>Training and development: Establishing an identity and professional cadre for the local government civil service may also include the need to develop its capacity. Several OECD member governments have sought to strengthen the role of local government through the establishment of training institutions. Creating the conditions to enable the success of the decentralization reforms may similarly require an investment in the development of the civil service at the local government level.</p> <p>Successful decentralisation process requires attention to both the types of responsibilities to be transferred and the human capital that will be required to undertake these new roles at the local government level. In many OECD member countries, local government officials, managers, and staff are regularly offered opportunities to supplement their skills and expertise by taking advantage of training that is tailored to their roles in local governments. Kazakhstan also faces a human capital development challenge as it proceeds with the decentralization of government functions.</p>	<p>Establish a dedicated training stream for local government officials. This training stream could be offered by the Academy of Public Administration as a separate programme.</p>	<p>France, Japan.</p>
<p>Legislative framework to support civil service capacity at the local level: The civil service is one of the key institutions supporting the implementation of Kazakhstan's decentralisation reforms. Increasing the roles and responsibilities of local government should be accompanied by changes to the organisation of the civil service to better reflect the operational context of local governments, as well as the likely impacts of decentralisation on their human resources needs and capacity.</p>	<p>Consider granting greater autonomy and flexibility in the management of human resources within local executive bodies, for example, in the areas of staffing and performance- and region-based remuneration.</p>	<p>France, Germany.</p>

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<p>Ensuring the effectiveness of the decentralisation calls for a framework that reflects the new roles and responsibilities that civil services are expected to take on as a result of the reform.</p>		
<p>5. Co-ordination among Central Government actors</p>		
<p>Horizontal and vertical policy co-ordination: The responsibility for local government policy and oversight is shared between several central government bodies and, within bodies the responsibility is frequently disaggregated. This dispersion of policy and supervisory responsibility for local government in many cases creates problems of coordination at both the level of the central administration and that of local government. Internal administrative co-ordination is an important means of ensuring policy coherence and alignment of government actions. This is all the more important when policy responsibility resides within a single ministry.</p> <p>Local governments have the potential to be major actors in several areas of policy which impact on the well-being of Kazakhstan's people. For this reason, it is essential for the government to take a horizontal perspective on any change in policy or legislation which impacts on local government, including redefining its roles and responsibilities.</p>	<p>Consider strengthening guiding and advisory functions at the central-level unit responsible for the local governments' affairs (currently within the Ministry National Economy).</p>	<p>Spain</p>
<p>Capacity to articulate a local-government vision: One means of encouraging co-ordination and co-operation is by developing capacity for lower tier governments to work and learn from each other. As politically neutral organisations these bodies work on behalf of local government. In this role they can advocate for local government and influence national policy-making through locally-based solutions to national problems. The ability of local government to influence policy development can be</p>	<p>Strengthen channels to enable participation of a wide range of local and national governmental and non-governmental stakeholders in national discussions on the role of local governments.</p>	<p>Canada, France, United Kingdom.</p>

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enhanced by fostering the development of shared interests and in building the capacity of local governments to engage with the central government.		



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