

*Зерттеудің бірегейлігі / құндылығы* – зерттеуде инвестициялық мүмкіндіктердің қайнар көзі ретінде бірқатар краудфандингтік платформалар, сондай-ақ олардың басқа қаржы құралдарымен салыстырғанда Қазақстан өңірлерінде инвестициялық жобаларды құру және дамыту үшін әлеуеті зерделенді.

*Зерттеу нәтижелері* – Қазақстанды қаржыландырудың инновациялық әдістерін талдау, негізгі краудфандингтік платформаларды талдау және бағалау жүргізілді, Қазақстанда шағын және орта кәсіпкерлікті мемлекеттік қолдаудың ағымдағы әдістері зерттелді, өңірлік жобаларға инвестициялауды ынталандырудың инновациялық әдістерін дамыту бойынша шаралар әзірленді.

*Түйін сөздер:* инвестициялар, қаржылай ынталандырма, краудфандинг, қаржылық қолдау, шағын және орта бизнес.

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#### REGIONAL FINANCING: BUDGETARY AND ALTERNATIVE OPPORTUNITIES

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#### ABSTRACT

*The purpose of the study* is to identify the specifics of regional financing by studying the problems of resource provision on both a budgetary and extra-budgetary basis.

*Methodology.* The study is based on the use of analysis and deduction, which allowed us to identify patterns in the budget process; content analysis, which served as the basis for substantiating the developed methodology for assessing budget sufficiency; statistical research methods: grouping, classification, and visualization of research results using graphs and tables.

The uniqueness of the study lies in the fact that, as a rule, the assessment of budget sufficiency is assessed based on legislative regulations or proprietary methods of various researchers, while the methodology proposed in this study is substantiated taking into account the main practices and minimizes limitations. The

data obtained as a result of collecting and analyzing the issue of municipal bonds using the example of the four largest regions of Kazakhstan made it possible to establish the main features and possible risks of their servicing. The recommendations developed in this study will help expand the range of research in such areas as regional governance, public finance, the effectiveness and level of regional financing, and the achievement of sustainable development goals. The study revealed insufficient independence of regional authorities and management bodies in resolving budget planning issues. This also indicates their incomplete involvement in the budget process as the main administrators of the local budget. The level of budget provision in the regions under study remains not very high. The issue of municipal borrowing requires a more systematic approach to taking into account all potential risks.

*Key words:* regional financing, budget, municipal bonds, investments, budget withdrawals.

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## INTRODUCTION

Regional financing in its essence determines not only the development opportunities of regions, but also the structure of regional products, the standard of living in the region and, mainly, predetermines the success of a particular region. The feature of the development of Kazakhstan's regions, not taking into account large cities of national significance, is that tax sources of financing the regions are significant. On the other hand, subsidy dependence continues to be an important problem in the development of regions. The sustainable development of the country as a whole is formed as a synthesis of the resulting indicator of competitiveness and development efficiency of each region of Kazakhstan separately. In this regard, one of the key issues of public administration always remains the application of a systems approach in the development of measures for the sustainable development of each region and the achievement of the SDGs.

The *objects* of the study were four regions of Kazakhstan, which differ from each other in their economic, social and infrastructural development, but, in general, reflect the overall dynamics of regional development in the country. It should be noted that the contribution of each region to the country's GDP varies. In particular, if West Kazakhstan region generates \$ 10.5 billion, East Kazakhstan region - \$ 9.8, Karaganda region - \$ 18.5, Kyzyl-Orda region - \$ 6.2 billion in a total of \$ 262.6 billion of the country's GRP [1]. For example, the annual income of KazMunayGas JSC for 2023 amounted to \$ 18.2 billion. The figures presented speak for themselves [2]. In fact, the GRP reflects the region's potential to create goods, works and services and, as a result, determines their need for funding sources. In turn, if we study the resources of the regions from the standpoint of regional management goals, we can note a significant imbalance between the selected regions. For example, if in the Karaganda and West Kazakhstan regions the share of tax revenues in the regional budget revenues is 40.7 % and 38.8 %, respectively, then in East Kazakhstan region it is only 33.8%, and in Kyzyl-Orda region only 15 % [3]. The situation with subsidy dependence has remained just as relevant for many years [4]. In particular, according to the results of 2023, the level of subsidies received by the regions continues to be high: in West Kazakhstan region, there are 46 tenge of subsidies per 100 tenge of revenue. Similarly, in East Kazakhstan region this ratio was 48 tenge, in Karaganda region - 45 tenge, in Kyzyl-Orda region 67 tenge to 100 tenge [3]. The presented data substantiate the relevance of this study and the significance of the expected results.

The *objective* of the study is to establish the specifics of regional financing by studying the problems of resource provision both on a budgetary and extra-budgetary basis. The *object* of the study in the framework of this scientific work is the resource potential of four regions of Kazakhstan. The *subject* of the study is the existing approaches to regional financing, allowing to assess the capabilities of regions to expand their sources of sustainable development. To achieve this goal, the main *tasks* are to review publications that reveal the approaches and significance of regional financing, as well as modern trends in the study of alternative funding instruments. The implementation of this study will solve the problem of developing recommendations for expanding sources of financing Kazakhstan's regions. The *practical significance* of the developed recommendations is determined by the fact that it allows all participants in the regional development process to take them

into account when implementing strategic planning and building interregional cooperation in the process of achieving sustainable development goals. The importance of this study is determined by the fact that its results allow stakeholders to use these proposals not only on a regional but also on an international scale. It should also be noted that the recommendations take into account the expectations of the community on the benefits of responsible investment through integrated sustainable management of the region's financial resources.

**Materials and methods.** Following the methods of scientific knowledge accepted in world research, analysis and deduction, continuous observations, and statistical research methods will be applied: grouping, classification, as well as visualization of research results using graphs, and tables. To substantiate the prepared recommendations, the following plan and stages of the study were defined: 1) based on the methods of analysis, synthesis and comparison, study the main trends in financing four regions of Kazakhstan; 2) which in turn will allow identifying the most actively discussed problems in expanding sources of financing for regional development, through content analysis; 3) develop basic recommendations for alternative sources of budget financing; 4) identify the main obstacles arising in the implementation of these recommendations, clarify aspects of their application by regional governments.

### MAIN PART OF THE RESEARCH

It must be recognized that the regional finances of these regions vary greatly in their qualitative and quantitative state. The conducted research has shown that most scientific works devoted to this issue study the following aspects. Thus, in the studies of A. Zeinelgabdin, issues of uniform receipt of tax payments during the financial year in the republican and local budgets are raised, which affects the effective development of budget funds [5]. According to scientists, the main factors that affect the decrease in tax revenues to the budget are: the provision of various benefits; decrease in the number of profitable legal entities; growth of unprofitable taxpayers; a significant amount of overpayment on CIT, which must be returned to business entities at the beginning of the financial year; increase in arrears on CIT. Significant distortions in the budget process are also explained by the fact that the receipt of CIT mainly comes from large taxpayers using the mechanism of advance payments in November-December of the financial year [6]. According to experts, despite efforts to improve interbudgetary relations, transfer tax revenues to regional budgets (CIT for SMEs), support for local self-government by granting the status of district and village budgets, increasing the size of transfers to lower-level budgets, the trends in the uneven development of regional finances continue to grow [7]. The difference in the level of GRP per capita in the regions over the past 10 years has expanded from 9.3 times to 12.6 times in 2023. Every year, the dependence of local budgets is growing: if in 2000 the share of republican budget revenues in state budget revenues was 64 %, then in 2023 this share was 80 %, even taking into account the transfer of part of the CIT to local budgets. Analysts in their studies raise the issue of budgetary sufficiency of the regions. According to the Budget Code of the Republic of Kazakhstan, budgetary sufficiency is understood as the cost of public services per unit of recipients of these services, provided at the expense of the relevant budgets [8]. In the work of L.A. Azisova budget sufficiency is considered as the ratio of incoming budget revenues and expenditures [9]. AERC analysts use their methodology in calculating the budget sufficiency of regions, considering it as the ability of the budget to provide its expenses with its revenues without outside assistance. To calculate budget sufficiency, they used local budget revenues minus transfers from the republican budget as a % of the amount of local budget expenses [7]. The validity of each of the approaches proposed by the authors requires a comprehensive study. Within the framework of this work, the issue of regions' budget sufficiency as the main aspect of regional financing is raised in the context of the tasks of achieving sustainable development goals by the regions of Kazakhstan. The sustainability of regional development in modern studies is assessed from the position of demonstrating the desire of regions to achieve sustainable development goals. This task poses even greater questions for regional governments. On the one hand, this is not only a question of current management of regional development, but also a desire to implement the basic principles of sustainable development into this management. On the other hand, this is the need to provide sufficient resources for all implemented development tasks. From this position, budget sufficiency is understood as the sufficiency of covering local budget costs for sustainable development goals. In this study, the indicator is proposed to be defined as the ratio of the difference between local budget revenues and net transfers to the number of local

budget expenditures minus budget withdrawals (the calculation of the indicator is presented in Table 1 using the example of four regions of Kazakhstan). This methodology formed the basis of the National ESG Rating Methodology when assessing the level of regional commitment to achieving sustainable development goals.

Table 1 – Calculation of budgetary provision of regions of Kazakhstan based on the results of 2023

| Indicators                                | WKR      | EKR      | Karaganda region | Kyzyl-Orda region |
|---|----------|----------|------------------|-------------------|
| Income, million tenge                     | 453047,3 | 485874,5 | 686571,1         | 597172,6          |
| Net transfers, million tenge              | 254208,1 | 307523,9 | 387780,8         | 487142,3          |
| Expenses minus withdrawals, million tenge | 436448,0 | 472473,2 | 668117,5         | 569253,9          |
| Budget sufficiency, %                     | 45,5     | 37,7     | 44,7             | 19,3              |

Note: compiled from source [3]

The presented data indicate that the lowest level of budget sufficiency is observed in the Kyzyl-Orda region: out of 100 tenge of regional expenses financed from the local budget, only 19.3 tenge were provided by the region's own revenues (from the remaining at the region's disposal). Thus, direct taxes on oil and gas production go to the National Fund, but the rest, except for VAT, which goes to the republican budget, remains at the disposal of the regions. More precisely, the oil and gas sector in Kazakhstan transfers directly to the National Fund the entire CIT, excess profit tax, mineral extraction tax, rent tax on exports, and additional payments by subsoil users according to the PSA. To provide additional income to the regions, since 2020, revenues from corporate income tax from SMEs (except for large businesses and the oil and gas sector) have been transferred to local budgets. But this did not affect budget sufficiency in any way; it even worsened in 2020 amid quarantine restrictions (Figure 1). Increased local budget expenditures were offset by transfers from the republican budget (Figure 2). By 2022, budget sufficiency had slightly improved in three regions (Figure 1, growth trends from 2020 to 2022 are marked with blue and red lines), including due to the corporate income tax. While the Kyzyl-Orda region remains in a downward trend. The study shows that high centralization of revenues has practically deprived local budgets of the opportunity to solve their regional problems. Of course, the government strives to evenly distribute transfers from the republican budget between the regions to solve various problems, but, according to experts, it is this system that has led to significant regional disparities [6].

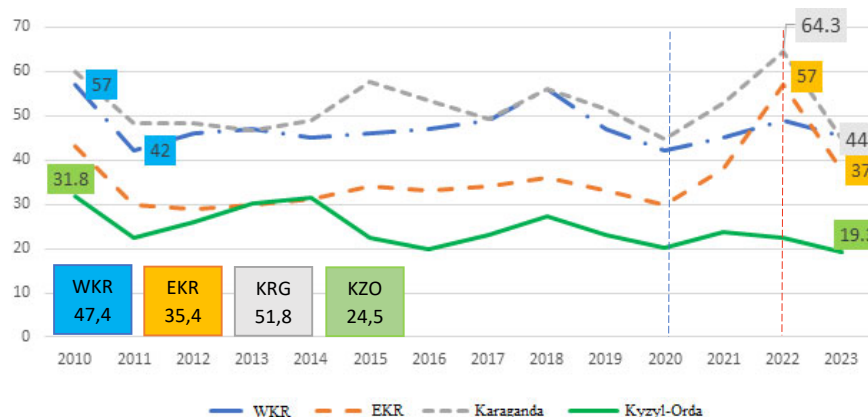


Figure 1 – Budgetary sufficiency of Kazakhstani regions in dynamics for 2010-2023

Note: compiled based on data from the source

WKR  
47,4

The average value for the period in the corresponding area.

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A study of changes in the budget sufficiency of the selected regions allows us to note that for two regions (East Kazakhstan region and Karaganda region) 2022 was the most comfortable year in terms of resource sufficiency. Although WKR reached its highest value in the study period only in 2010 – 57 % and only in 2018 it was able to get close to this value at 56 %. While in 2023 the level of sufficiency in WKR decreased by 2.7 % compared to the average value for the period. As analysts note, the difference in budget sufficiency in 2022 between donor and subvention regions is huge (on average 50 %) [7]. Over 20 years, only three of the eight donor regions remain. If the current trends persist against the backdrop of geopolitical risks, centralization will expand even further due to the expected reduction in revenues from oil, gas, and metal production, and dependence on transfers from the republican budget will only increase. Given the constant reverse transfers from the National Fund to the budget, the issue of reducing the share of taxes and payments sent to the National Fund by some regions is actively discussed within the scientific and business community. Thus, according to analysts, two of the regions we are studying benefit the most from this exercise: West Kazakhstan region and Kyzylorda region. We will take this proposal as a basis for developing recommendations within the framework of the SF AP19678012 project we are implementing. The general conclusion from the calculations is that the regions (West Kazakhstan region and Kyzylorda region) that have oil and gas fields have a chance to increase their sustainability and solve many regional problems if at least part of the taxes and payments usually sent to the National Fund remain in the regional budget. In particular, the Karachaganak oil and gas condensate field, which is one of the largest fields in the world, is located in West Kazakhstan region. The KPO company annually produces about 12-12.5 million tons of liquid hydrocarbons and has plans to increase production up to 17.5-18.5 billion cubic meters [10]. The local budget of the region mainly receives individual income tax and social tax from the company, other payments and fees are not so significant. The National Fund and the republican budget take everything else in the form of VAT. As a result, transfers from the republican budget make up almost 60 % of the WKR budget expenses. (Figure 2)

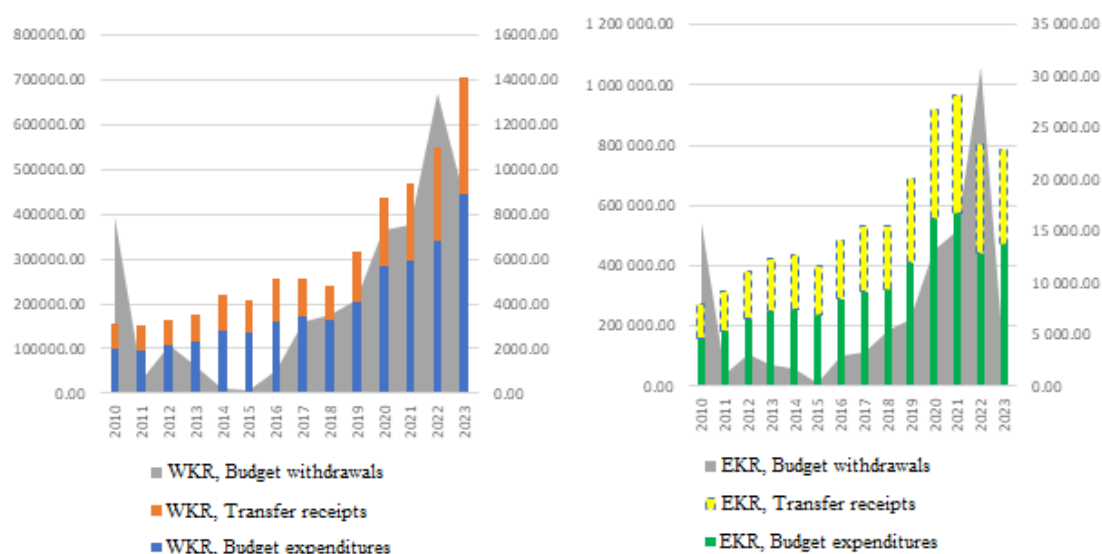


Figure 2 – Trends in changes in subvention dependence of West Kazakhstan, East Kazakhstan, Karaganda and Kyzyl-Orda regions

Note: compiled based on data from the source [3].



A study of trends in changes of subvention dependence of Kazakhstan's four regions in the context of comparing local budget expenditures and received and withdrawn transfers showed the following: comparison of the dynamics of budget withdrawals for the 14 years under study showed similarities between three regions - West Kazakhstan, East Kazakhstan, and Karaganda regions, although the level of budget sufficiency in the regions differs by 1.5 times between Karaganda and East Kazakhstan regions. This indicates that when determining the size of budget withdrawals, practically no features and differences in the development of regions are taken into account. The conclusion suggests that the withdrawal rates are determined as a percentage of local budget expenditures. We observe the situation in Kyzyl-Orda region as an exception to the general picture. Even though the average volume of withdrawals for the period under study is almost the same as that of West Kazakhstan region (4,360 million tenge versus 4,240 million tenge), the level of budgetary provision in this region is the lowest - 19.3 % as of the end of 2023. It should be noted that the maximum volume of oil production at the Kumkol field occurred in the early 2000s and, unfortunately, the Kyzylorda region was unable to fully use the income from hydrocarbon raw materials sterilized directly into the National Fund [7]. According to many indicators of socio-economic development, the region occupies the last place, which is due to the critical level of budgetary provision (Figure 1).

The study showed that differences in development between regions have both objective and subjective reasons. In most studies, the authors note natural, climatic, and geographical differences as objective reasons [11], which in turn determine individual differences in the infrastructural development of regions. Subjective reasons, researchers say, include the uneven distribution of labor and capital, the existing system of interbudgetary relations, and other factors. However, it is important to consider that without balanced development of regions, the integrated development of the entire state is impossible. In this regard, the main task of central and regional authorities and management is to reduce this difference [6].

The lack of resources in local budgets does not allow regions to fully perform direct state functions at the local level. In particular, the problem of the infrastructural state of the regions determines many problems of both industrial development and logistics. Along with this, there are also problems with education (bad conditions of school buildings), health care (lack of modern medical equipment in state medical institutions, doctors), ecology, and water supply. Thus, in terms of coverage of public roads with hard surfaces, the West Kazakhstan region lags behind the national level by 13 % (76 % versus 89 %) [12]. At the same time, only 3 km out of 6.5 thousand km of the entire length of roads in the region are classified as category I (the best). There is nothing to say about roads of regional and district significance. It is precisely investment in road infrastructure of at least regional significance that could increase the economic connectivity of the districts with regional centers. All the studied areas have not very good ecology due to the intensive extraction of hydrocarbons, extraction and processing of non-ferrous copper, and other industries, and therefore they need constant measures to protect the environment [13]. In this regard, the complaints of residents of these areas about poor living conditions in the presence of significant wealth in the depths of these regions seem justified. Hence the need for new sources of economic growth in the regions, and, consequently, income for local budgets. For this, greater financial independence of the regions is necessary in order to independently implement local initiatives (regional growth points) through new investment projects and stimulation of existing businesses.

In this context, the position of the Asian Development Bank in Kazakhstan was outlined with respect to regional investment policy. In particular, it was noted that the policy should be modernized in the direction of taking into account incentive measures for the implementation of projects according to ESG standards. He noted that a certain mechanism for «green projects» can be created, for example, reducing the interest rate on loans or covering part of the projects' costs related to environmental protection [14]. The expansion of ESG investments contributes to the growth of the potential for further investments in the economy. This leads to the creation of new jobs and an undoubted improvement in the quality of life of the population. The study of the role of municipal bonds in the development of national economies and individual regions in recent years has significantly expanded the factor review. Thus, US researchers note the dependence they have identified between the growth of municipal bonds and the aging of the population, as a consequence of the growth of government spending on health care and social security [15]. On the other hand, a whole layer of research is

aimed at studying the relationship between trends in air pollution, and decarbonization trends with the activity of issuing municipal bonds [16]. In addition, some researchers point out that the studies to identify the spatio-temporal relationships between the use of funds received from the issue of green bonds and the positive effects of climate change are not final and exhaustive. The answers to some questions remain open and require more detailed research [17]. Taking into account the current trends in changes in the geopolitical picture in the global economy, all of the above requires the development of a balanced regulation system of sustainable business eco-systems' development both to stimulate domestic production and to activate the export of finished products based on the use of the potential of the middle class. If we focus on Kazakhstani municipal bonds, then, basically, regional governments have stepped up their issuance activities since 2016 (Table 2). Out of the regions studied, in 2001 the first to enter the funding market was the local government of the East Kazakhstan Region with a project that was quite ambitious even by current standards [18].

The possibility of issuing debt securities to attract borrowed funds by local executive bodies in Kazakhstan is a fairly common practice, which is enshrined in the Budget Code of the Republic of Kazakhstan in Articles 209-212 [8]. It should be noted that the regulations define not only the borrowing limits that a local executive body can attract for the relevant financial year. The procedure for making and coordinating funding decisions is also regulated. In addition, by establishing the framework for the amount of expenses on repayment and servicing of the region's debt (which should not exceed an amount equal to 10 % of the local budget revenues for the relevant financial year), the risk appetite of local authorities is regulated.

Table 2 – Issue of municipal bonds in the regions of Kazakhstan

| Volume of funds raised, total billion tenge | Issue size, billion tenge | Interest rate, %  | Portfolio share by rates | Information about the first issue | Number of issues (available information) | Period of circulation     |
|---|---------------------------|-------------------|--------------------------|-----------------------------------|--|---------------------------|
| Issuer - Akimat of West Kazakhstan region   |                           |                   |                          |                                   |  |                           |
| 47,7  | From 1,6-8,2              | From 0,02-0,35%   | 32,5%                    | 09.08.2016                        | 11                                       | From 1,8 till 11,92 years |
|   |                           | From 4,25 to 7,1% | 67,5%                    |                                   |  |                           |
| Issuer – Akimat of East Kazakhstan region   |                           |                   |                          |                                   |  |                           |
| 117,8                                       | From 0,293 to 24,6        | From 0,02-0,35%   | 49,5%                    | 14.06.2001                        | 31 (plus 2 failed)                       | From 0,8 till 11,92 years |
|   |                           | From 4,25 to 7,1% | 50,5%                    |                                   |  |                           |
| Issuer – Akimat of Karaganda region         |                           |                   |                          |                                   |  |                           |
| 92,5  | From 0,200 to 20,3        | From 0,02-0,35%   | 42,9%                    | 08.08.2016                        | 18 (plus 1 failed)                       | From 2 till 11,92 years   |
|   |                           | From 4,25 to 7,1% | 57,1%                    |                                   |  |                           |
| Issuer – Akimat of Kyzyl-Orda region        |                           |                   |                          |                                   |  |                           |
| 83,5  | From 0,721 to 10,8        | From 0,02-0,35%   | 64,5%                    | 09.08.2016                        | 24                                       | From 1,7 till 11,92 years |
|   |                           | From 4,25 to 7,1% | 35,5%                    |                                   |  |                           |
| Note: compiled from data from [18]          |                           |                   |                          |                                   |  |                           |

In general, it should be noted that Kazakhstan's regional governments are actively using the opportunities to attract alternative sources of financing for regional development. Considering that the main activity has been observed over the past 8 years, on average, East Kazakhstan region carries out 3 to 4 issues per year, Kyzyl-Orda region - 3 issues, Karaganda region - 2 to 3 issues per year. For West Kazakhstan region, it was possible to collect data only starting from 2020, and taking this into account, up to 3 issues per year can also be noted here. It should be noted that the corporate sector does not show such emission activity on the stock market of Kazakhstan. Nevertheless, the study showed that the regions borrowed significant amounts at relatively low interest rates - from 0.02 % to 0.35 % per annum. The most economical and successful placement was carried out by the local government of Kyzyl-Orda region - 64.5 %. It should be noted that using the example of EKR, the region was able to attract half of the cheap loans over the past 3 years. The study noted that EKR can be

recognized as a region with a relatively high-risk appetite: the region borrows more often while borrowing relatively small amounts and for relatively short periods.

The issue of municipal bonds is undoubtedly considered the most acceptable alternative source of financing for regional development. Its main advantages are:

- targeted investment,
- acceptable borrowing costs,
- adaptive borrowing period, which can be tied to the term of the investment project,
- transparency of resource attraction and development processes,
- increased responsibility and, as a result, an increase in the level of investment management on the part of regional governments,
- stimulation of the domestic investment market,
- development of support for innovative investment projects for sustainable development of regions.

It is also necessary to pay close attention to the issues of risks that accompany the issue and servicing of municipal borrowing. In particular, in the process of initiating municipal bonds, regions face difficulties in forecasting the regional budget for the period of circulation of bonds due to the opacity of the system of budgetary withdrawals and the transfers themselves. Along with this, possible changes in legislation concerning the redistribution of tax revenues between budget levels take into account budgetary withdrawals. For example, we are talking about possible revisions of tax rates or standards for deductions to the relevant budgets, due to which revenues to the local budget may be insufficient. In addition, the established practice of tax revenues' early collection in the form of prepayment of advance payments on corporate income tax may negatively affect the servicing of bonds. This leads to under-receipt of the regional budget revenue according to the payment schedule, and the formation of significant cash gaps, which complicates the issuer's fulfillment of obligations to pay coupons, repay, and service the debt on bonds. On the other hand, the issuer's right to early redemption of bonds makes it difficult for investors to forecast cash flows associated with the security, creating a refinancing risk. At the same time, the risks of the process of distributing the resources received as a result of funding for investment development and financing projects that are important for the sustainable development of regions remain relevant. The effectiveness of funds invested through municipal bonds may also be one of the issues that is losing significance.

### Discussion

Regional financing through the development of budget sources designated by law, as well as the involvement of alternative sources, comes down to two possibilities. Firstly, financial support for sustainable regional development can be implemented by resolving issues of redistributing part of the tax revenues going to the republican budget from regional taxpayers. This proposal has been repeatedly discussed by experts and scientists. Secondly, expanding the powers of local executive bodies and creating public monitoring institutions for managing the region's financial resources. This is by no means a duplicate of the audit control of Maslikhats. Such experience is being implemented in some countries, in particular in France, and Great Britain in the format of local governments on the principles of self-governance. There, along with the central government, local governments have been created at the local level to involve the public in regional governance. They participate in solving pressing problems and thereby make life better for the region's population. According to experts, there should always be a "conflict" between Maslikhats and the local government, which is embedded between the executive and legislative authorities [7]. The first approach is used by us within the framework of this study (project AP19678012), since it sets out the very philosophy of applying this approach in assessing the regional balance of business interests and the region. The methodology for calculating the budgetary sufficiency of the region proposed and tested in this study on the format of four regions of Kazakhstan allows it to be used as the basis for the proposed solutions. The issue of creating public self-government structures requires further research and combines interdisciplinary problems that require further study, analysis, and justification. This requires further research and is recommended to be implemented within the framework of a separate independent project.



### Conclusion

In this study, we present a new approach to assessing the budgetary sufficiency of a region, based on a study of current and existing approaches to determining this indicator, taking into account the establishment of the region's potential to achieve sustainable development goals. We developed this methodology to overcome the problems associated with linking data at the regional level for making management decisions when determining the paths and tools for implementing sustainable development goals. This methodology allows us to take into account differences in the use of resources at the regional level and is aimed at creating conditions for the financial independence of the region with a link to its resource capabilities. Our main objectives of the study were to (1) reveal the approaches and significance of regional financing, taking into account modern trends in the development of the national economy of Kazakhstan and its regions and (2) assess the current situation in the use of alternative funding instruments by Kazakhstani regions for regional development purposes. The study of this issue allowed us to establish that the problem of resource provision in the region itself is multifaceted and combines not only issues in the budget mechanism (regarding the relationship between the Republican and local budgets), but also issues of transparency in determining the volume of subventions (both the transfers themselves and budget withdrawals). The application of the proposed and tested study methodology for calculating the budget sufficiency of regions necessitates the adoption of further decisions, also proposed in this study. Revision of the focus of tax payments of regional taxpayers going to the republican budget in favor of local budgets has long been overdue and is argued in this study. All this indicates the advisability of initiating and implementing a separate project to address the multifaceted issues of regional financing.

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## Өңірлік қаржыландыру: бюджеттік және балама мүмкіндіктер

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## АНДАТПА

*Зерттеудің мақсаты* – бюджеттік және бюджеттен тыс негізде ресурстық қамтамасыз ету мәселелерін зерттеу арқылы өңірлік қаржыландырудың ерекшелігін анықтау.

*Әдіснамасы* – зерттеу бюджеттік процестегі заңдылықтарды анықтауға мүмкіндік беретін талдау мен дедукцияны қолдану; бюджеттік қамтамасыз етуді бағалаудың әзірленген әдістемесін негіздеуге басты болған талдау мазмұны; зерттеудің статистикалық әдістері: графиктер, кестелер арқылы зерттеу нәтижелерін топтастыру, жіктеу, сондай-ақ визуализациялауға негізделген.

*Зерттеудің бірегейлігі*, әдетте, бюджетпен қамтамасыз етуді бағалау әр түрлі зерттеушілердің заңнамалық регламенттері немесе авторлық әдістемелері негізінде бағаланады, ал осы зерттеуде ұсынылған әдістеме негізгі тәжірибелерді ескере отырып негізделген және шектеулерді азайтады. Қазақстанның төрт ірі облысының мысалында муниципалдық облигацияларды шығару бойынша деректерді жинау және талдау нәтижесінде алынған мәліметтер оларға қызмет көрсету бойынша негізгі ерекшеліктер мен ықтимал тәуекелдерді анықтауға мүмкіндік берді. Осы зерттеуде әзірленген ұсынымдар өңірлік басқару, мемлекеттік қаржы, Өңірлік қаржыландырудың тиімділігі мен деңгейі, орнықты даму мақсаттарына қол жеткізу сияқты салаларда зерттеулер спектрін кеңейтуге ықпал ететін болады.

Зерттеу барысында бюджеттік жоспарлау мәселелерін шешуде өңірлік билік пен басқару органдарының дербестігінің жеткіліксіздігі анықталды. Бұл сонымен қатар олардың жергілікті бюджеттің негізгі басқарушылары ретінде бюджеттік процеске толық қатыспағанын көрсетеді. Зерттелетін өңірлердегі бюджетпен қамтамасыз ету деңгейі өте жоғары емес болып табылады. Жергілікті қарыз алу мәселесі барлық ықтимал тәуекелдерді есепке алу үшін жүйелі тәсілді қажет етеді.

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## РЕГИОНАЛЬНОЕ ФИНАНСИРОВАНИЕ: БЮДЖЕТНЫЕ И АЛЬТЕРНАТИВНЫЕ ВОЗМОЖНОСТИ

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## АННОТАЦИЯ

*Цель исследования* — выявить специфику регионального финансирования путем изучения проблем ресурсного обеспечения как на бюджетной, так и на внебюджетной основе.

*Методология*. Исследование основано на применении анализа и дедукции, позволивших выявить закономерности в бюджетном процессе; контент анализа, послужившего основой для обоснования разработанной методики оценки бюджетной обеспеченности; статистические методы исследования: группировка, классификация, а также визуализация результатов исследования посредством графиков, таблиц.

*Уникальность исследования* заключается в том, что, как правило, оценка бюджетной обеспеченности расценивается на основе законодательных регламентов или авторских методик различных исследователей, в то время как предложенная методика в данном исследовании обоснована с учетом основных практик и минимизирует ограничения. Полученные в результате сбора и анализа данных по выпуску муниципальных облигаций на примере четырех крупнейших областей Казахстана, позволило установить основные особенности и возможные риски по их обслуживанию. Разработанные в данном исследовании рекомендации будут способствовать расширению спектра исследований в таких областях, как региональное управление, государственные финансы, эффективность и уровень регионального финансирования, достижение целей устойчивого развития.

В ходе исследования выявлена недостаточная самостоятельность региональных органов власти и управления в решении вопросов бюджетного планирования. Это также свидетельствует об их неполной вовлеченности в бюджетный процесс как основных распорядителей местного бюджета. Уровень бюджетной обеспеченности в исследуемых регионах остается не очень высоким. Вопрос муниципальных заимствований требует более системного подхода к учету всех потенциальных рисков.

*Ключевые слова:* региональное финансирование, бюджет, муниципальные облигации, инвестиции, бюджетные изъятия.

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#### ANALYZIN THE WORTH OF STOCKS THROUGH FUNDAMENTAL ANALYSIS: INSIGHTS FROM THE KAZAKHSTAN STOCK EXCHANGE (KASE)

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#### ABSTRACT

*The purpose of the article* is furnishing recommendations for judicious buy or sell signals conducive to informed investment decisions.

*The methodology of this article* was based on theoretical and empirical research methods: a comprehensive analysis of the value of Kazakhstan stock market, as well as the utilization of coefficients derived from a multiple regression analysis and the consideration of key value drivers for the KASE Index, as of November 15, 2023.

*Originality/value of the research:* Nowadays there exists a multitude of misconceptions surrounding the practices of security selection and fundamental analysis, predominantly emanating from the fallacious belief that the entirety of available information is accurately incorporated into security prices. Nevertheless, fundamental analysis retains its pivotal role in evaluating the financial robustness of securities, particularly within the realm of long-term investment strategies.

*Conclusion:* Based on the analysis of KASE Index stocks with a focus on Earnings Yield (EY), PE Ratio to Price (PEP ratio) as well as B/P ratio, it was found that KZTO KZ and KEGC KZ shares are fairly priced