Kazakhstan Moves Budget Control into the Digital Era – Alona Lebedieva

KYIV, UKRAINE, August 12, 2026 /EINPresswire.com/ -- Kazakhstan is entering a new stage in the use of the digital tenge, with plans to scale the technology across public procurement. In August, the integration of the digital currency platform with the Ministry of Finance's information systems is expected to be completed, after which the digital tenge could be used more broadly for the procurement of goods, medicines, fuel and other material resources.


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The digital tenge is the third form of Kazakhstan's national currency, alongside cash and non-cash money. Its sole issuer is the National Bank. However, the main feature of this instrument from the perspective of public finance lies not so much in the digital format of payments as in the ability to track the movement of funds, use smart contracts and define conditions for how the money can be spent.

According to Alona Lebedieva, owner of the Ukrainian industrial and investment group Aurum Group, this functionality is gradually transforming the digital tenge from a financial technology into a potential instrument of budgetary control. It is no longer only about the speed or convenience of payments, but also about the ability to control the targeted use of public funds directly as they move through the financial system.

According to the Government of Kazakhstan, 340 billion digital tenge have already been issued. Twenty pilot projects using the currency have been completed, another 10 are currently being implemented, and 50 more are being prepared for launch. By the end of the year, the authorities plan to scale the use of the digital tenge to approximately 100 projects.

The scope of testing extends far beyond ordinary payments. The digital tenge is already being used in pilots related to infrastructure construction, budget lending and subsidies, grant financing, state support, procurement, tax administration, as well as operations involving the

National Bank and the quasi-public sector. Its use has already been made mandatory for eight categories of budget expenditure in projects worth more than 100 million tenge.

Some pilot projects have already demonstrated that digitalisation can affect not only control but also the speed of public financial operations. In particular, during the pilot of a digital VAT mechanism, the tax refund period was reduced from 75 to five working days. The technology has also been tested in financing road repairs and the construction of railway and gas infrastructure.

A key advantage of this model could be end-to-end traceability of budget funds. Under the traditional system, the state controls the allocation of money, contracts, payments and reporting through separate mechanisms. The digital tenge potentially makes it possible to integrate part of this oversight directly into the movement of the funds themselves.

For example, money allocated to a specific project or category of expenditure can be digitally tagged, while its movement can be traced from the public-sector customer to the contractor and further along the chain of project implementation. This creates an opportunity to identify deviations from the intended use of funds more quickly and reduce the number of stages at which information about how the money is actually spent can be lost.

The Kazakh authorities have also emphasised this aspect. In July 2025, Prime Minister Olzhas Bektenov stated that the digital tenge should ensure “full transparency and systematic control over the targeted use of budget funds.” At the time, the government was instructed to transfer at least 100 major projects financed from the state budget and the National Fund to this format.

However, this is also where Kazakhstan has already encountered the main limitation of the new system. The government acknowledges that traceability does not yet function at every level. While the movement of funds to a general contractor can be monitored, the chain may be interrupted at the subcontractor level. Some companies are not prepared to enter into smart contracts for transactions involving the digital tenge, while current legislation does not yet require them to do so. The Ministry of Finance has already prepared a package of legislative amendments intended to remove this barrier.

Lebedieva points out that this is one of the key issues for the further scaling of the system. The digital format of money alone does not guarantee the efficient use of public funds. The outcome will depend on how comprehensively the entire payment chain is covered, how reliably smart contracts function, and whether the digital system is integrated with other mechanisms of state financial control.

The relevance of this issue is also confirmed by the results of state audits. In the first half of 2026, Kazakhstan’s internal state audit authorities conducted 541 inspections covering 1.8 trillion tenge in budget funds. These audits identified financial violations amounting to 455.7 billion tenge. At the same time, the Ministry of Finance is developing online budget monitoring, electronic auditing, the unified SMART AUDIT QAZAQSTAN analytical platform, and artificial intelligence tools for identifying risks.

The scaling of the digital tenge can therefore be viewed as part of a broader shift in the approach to public finance – from reviewing expenditures after they have already been made to attempting to control them directly as funds move through the financial system.

If the model proves effective, it could change the very principle of budgetary control. The conditions governing the use of public money would increasingly be determined not only by regulations and subsequent audits, but also by the digital infrastructure through which payments are processed.

According to Lebedieva, this is the most significant aspect of Kazakhstan’s experiment. The country is effectively attempting to move part of its financial oversight to a stage before funds are ultimately spent. If end-to-end traceability of payments can be achieved, the digital tenge could become not merely a new form of currency, but part of the infrastructure for managing public finances.

This is why Kazakhstan’s experiment goes far beyond the introduction of another form of national currency. It is an attempt to make budget funds more traceable and more manageable before they are ultimately spent.

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