

Second Central Asia Regional Public Procurement Forum, Almaty,
April 11-14, 2006

Conclusions and Recommendations

The Second Central Asia Public Procurement Forum was held in Almaty from April 11 to 14, 2006. The list of participants is attached at Annex A.

The main objective of the Forum was to provide a platform to the senior public procurement officials from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan for exchanging their experiences and ideas for continuous improvement (both from the perspective of the regulatory environment and of best practices) in the public procurement systems. This objective was substantially met.

The Forum reviewed the implementation of the recommendations on the Action Plan for 2005-2006 of the First Forum held in Tashkent in April 2005, and decided on the Action Plan for 2006-2007. The participants concluded that all the recommendations of the First Forum could not all be implemented as the senior public procurement officials of the participating countries were preoccupied with the improvements in their legislative and regulatory framework and in improving implementation of the recently enacted public procurement laws.

The Forum was opened by the Regional Director of the World Bank for Central Asia and the Chairman of Committee for Financial Controls and Statement Procurement (host) who emphasized the importance of public procurement for the economic and efficient use of public funds in each participating country. The Acting Director for Operations, Policy and Services of Europe and Central Asia Region of the World Bank made a presentation about the recommendations and achievement of the First Forum and explained the importance of public procurement.

The heads of procurement of the four participating countries made presentations about their public procurement systems, including their strengths and weaknesses, or extent of their needs in capacity building for an effective implementation of public procurement laws and regulations.

The Chief Counsel for Procurement and Consultant Services in the Legal Department of the World Bank delivered a presentation on the creation of a regional procurement market in Western Africa (WEMU) and the newly enacted public procurement law in Russia as well as the latest trends in procurement framework. The participants shared their reactions on some studies on worst practices in procurement. A senior e-procurement expert of the World Bank provided a step-by-step approach to the introduction of e-procurement.

In order to ensure continuing regional cooperation, the participants established the Regional Cooperation Group comprising the following members:

Kazakhstan

1. Anuarbek Sultangazin, Chairman, Committee for Public Procurement and Financial Control, Ministry of Finance, 11 Pobedy Ave., 010000 Astana, Tel: 7 (3172) 71-71-71
2. Nurlan Ospanov, Deputy Chairman, Committee for Public Procurement and Financial Control, Ministry of Finance, 11 Pobedy Ave., 010000 Astana, Tel: 7 (3172) 71-77-67, e-mail: n_ospanov@minfin.kz

Kyrgyz Republic:

1. Zhumasarlyk Nurzhanov, Chairman, State Agency for Public Procurement and Material Reserves, GoKg, 190 Moskovskaya Str. 720010 Bishkek, Tel: 996(312) 61-14-54
2. Maksat Kunakunov, Head of the Normative-Inspection Unit, State Agency for Public Procurement and Material Reserves, GoKg, 190 Moskovskaya Str. 720010 Bishkek, Tel: 996(312) 62-09-25, cellular (0502) 50-91-50, e-mail: mkunakunov@gmail.com

Tajikistan:

1. Kobiljon Kholmuradov, Deputy Chairman, Procurement Agency, 10/17 M. Nisor Str., 734002 Dushanbe, Tel: 8-10-992-372-21-47-03
2. Abdukarim Rakhimov, Head of Public Procurement Dep., Ministry of Economy, 37 Bohtar Str., 734002 Dushanbe, Tel: (992-372) 21-41-67, 27-13-29, Fax: (992-372) 21-51-32

Uzbekistan:

1. Abror Azizov, Head of the Competitive Bidding in Civil Works Unit, State Committee on Architecture and Construction, Tel: 144-0300, Fax: 144-0142, cellular: 317-7144
2. Kamillar Bakayeva, Lead Specialist, Legal Dept., Ministry of Internal Economic Affairs, Investments and Trade, Tel: 138-5093, Fax: 138-5097

The Group agreed to nominate Mr Zhumasarlyk Nurzhanov as the Chairman of the Group for year of 2006-2007.

The participants were divided into three groups who deliberated on important public procurement topics listed below, made presentations about their findings and recommendations in the plenary. These are summarized below.

Group 1: comprised the members of the Regional Cooperation Group and dealt with the regional cooperation issues. This Group decided on the following action plan for regional cooperation:

Action Plan for Regional Cooperation for 2006-2007

- Establishment of the Regional Group on public procurement to ensure regular, continuous collaboration (Responsibility: Chairman (Mr. Nurjanov D. Kyrgyz Republic);
- Banner exchange among the countries (Responsibility: Republic of Kazakhstan jointly the authorized bodies of other countries);
- Development of the unified glossary of public procurement terminology before the end of 2006 (Responsibility: Republic of Kazakhstan);
- Training of the Trainers of each country and development of the methodology and learning modules using the facilities of the Regional Training Center (Responsibility: Kyrgyz Republic);
- Development and approval of the staff exchange agenda for practical education and experience sharing by May 2006 (Responsibility: Heads of Authorized Agencies);
- Training of the authorized bodies' management for experience exchange in public procurement in EU and NAFTA countries (Responsibility: Chairman of Regional Group) in consultation with the World Bank;
- Development of the recommendations for harmonization of the legislative regulatory framework for public procurement of the participating countries (Responsibility: Republic of Kazakhstan); and
- Establishment of a regional public procurement website which initially could simply be a regional window on the website of each of the Authorized Agencies.

This Group accepted the offer of the Kyrgyz Head of Procurement to hold the next Central Asia Public Procurement Forum in Issyk Kul in early June 2007.

Group 2 identified best practices in public procurement, as well as inefficiencies and the worst practices in public procurement and made recommendations for minimizing corruption and eradicating the inefficiencies from the public procurement processes. These are reproduced below.

Best Practices

- Principle of the unified Public Procurement Law in each country with the guidelines for its use;
- Existence of the single authorized body with functions approved by the Law (Kz, Kg, Tj)
- Public procurement training for civil servants (KG) including:
 - responsible for public procurement policy making ;
 - responsible for PPL execution ;
 - representatives of the business community and NGOs;
 - representatives of the controlling and supervision agencies (to ensure adequate approach in controlling);
- Active participation of the Civil Society;

- Detailed Procurement Plan (with the methods of selection specified) (KG, KZ)
- Publication of the procurement plans on the web-site and in the Bulletin (increases transparency and minimizes the level of corruption, KG,KZ)
- Annual independent;
- Register/Log of entities subject to Public Procurement (KZ)
- Decentralization of procurement functions to the procuring entities;

Examples of Inefficiencies

- Lack of competence of the Tender Committee Members;
- Poor quality of tender docs;
- Multiple and scattered public procurement regulators (by laws and other docs, etc.)
- Absence of the unified body responsible for public procurement policy;
- Absence of qualified trainers;

Recommendations for Minimizing Corruption

- Minimizing communication with the officials. E-Procurement.
- Minimizing human factor intervention (pressures by seniors...);
- Distribution of functions among public procurement departments and tender committees;
- Decrease number of by-laws related to public procurement;
- Decrease number of sole sourcing;
- Contract administration/management;

Recommendations For Improving Efficiency of Public Procurement

- Establishment of the centralized monitoring system. Provide an access to the Register of entities subject to public procurement for other countries ;
- To recommend to the Republic of Tajikistan upon passage of the Law to enforce the work on development of legislative regulatory documents for law implementation with the help of the WB and experts from CA countries;
- To improve qualification of staff;
- Certification of the specialists (for TJ);
- Regional Training Center is to develop the TOT program (taking into account law adjustments
- To increase the number of Forum participants
- Banner exchange, bulletins exchange, exchange of regional news, legislative regulatory data base.

Group 3: This Group considered the capacity issues in public procurement and made recommendations for enhancing the role of civil society to ensure propriety in this area.

Recommendations for Public Procurement Capacity Building and Enhancing the role of Civil Society in Public Procurement

- Motivation of Civil servants
- Creation of websites and issuance of information periodicals
- Briefings and Seminars for Private Sector
- Budget allocation for education and training (procuring entities)
- Development of learning programs for training-the-trainer (authorized body);
- Special courses on public procurement in Universities (Ministry of Education and Authorized Body);
- Use of existing training organizations (Authorized Body);
- Government of existing learning modules (Authorized Body and Kyrgyz Regional Training Center);
- Development of learning and methodology materials (Authorized Body and Regional Training Center);
- Development of cooperation mechanisms with Civil Society and Private Sector;
- Briefings, meetings and discussion with civil society;
- Increasing awareness of civil society and private sector

Participants agreed with the recommendations of Groups 2 and 3 to be followed up by the respective countries.

Agenda

APRIL 11, TUESDAY (DAY 1) CHAIR: KAZAKHSTAN		
9:00 - 09:30 am	REGISTRATION	
9:30	Opening Session	Welcome and opening remarks by Ms. Annette Dixon, Acting Country Director, Central Asia Regional Office, the World Bank, Almaty
	Welcome remarks	by Mr. Sultangazin, Chairman of the Committee for Financial Control and State Procurement, Ministry of Finance
10:30 - 11:00 am	Coffee Break	
11:00 - 12:00 pm	Public Procurement in Central Asia since the Tashkent Forum (2005); and Importance of Public Procurement to Budget Execution	Mr. Sunil K. Bhattacharya, Acting Director Operations, Policy and Services Unit, and Regional Procurement Manager for Europe and Central Asia, the World Bank, followed by Question and Answer Session
12:00- 1:00 pm	Pre-requisites of a sound public procurement system	Ms. Francoise Bentchikou, Chief Counsel, Procurement and Consultant Services, the World Bank, followed by Question and Answer Session
1:00 – 2:15 pm	Lunch Break	
2:15 - 3:45 pm	Country Presentation (Kazakhstan)	Mr. Ospanov, Deputy Chairman of the Committee for Financial Control and State Procurement, Ministry of Finance, followed by Question and Answer Session
3:45 – 4:15 pm	Coffee Break	
4:15 - 5:45 pm	Country Presentation (Tajikistan)	Mr. Tagaimurodov, Director of the State Agency on Public Procurement, followed by Question and Answer Session
6:30 pm	Reception	The Member's Bar, The Regent Almaty Hotel
APRIL 12, WEDNESDAY (DAY 2) CHAIR: KYRGYZSTAN		
9:30 - 11:00 am	Country Presentation (Kyrgyz Republic)	Mr. Nurjanov, Director of the Agency on Public Procurement and Material Reserves, followed by a Question and Answer Session
11:00 - 11:30 am	Coffee Break	

11:30 – 1:00 pm	Country Presentation (Uzbekistan)	Ms. Kamila Bakaeva, Lead Specialist, Ministry of Foreign Relations and Trade, following by Question and Answer Session
1:00 – 2:30 pm	<i>Lunch Break</i>	
2:30 - 5:30 pm (with a coffee break at 3:45)	Participants Break into Four Groups to identify major issues in public procurement in Central Asia and prepare an action plan for 2006-2007	Issues: Group 1: Regional Cooperation in Pub. Procurement – Ablai Khan Room Group 2: Inefficiencies in public procurement resulting in inefficient use of public funds – Ablai Khan Room Group 3: Procurement Capacity – Abai Room Group 4: Cooperation with Civil Society - Abai Room
7:00 pm	Dinner at Restaurant	Alasha Restaurant. The transportation will be provided.

<i>APRIL 13, THURSDAY (DAY 3) CHAIR: TAJIKISTAN</i>		
9:00 – 12:30 am (with a coffee break at 10:45)	Working Groups Present to Plenary	Discussion of the recommendations of the Working Groups and Preparation of an Action Plan for 2006-2007
12:30 – 2:00	<i>Lunch Break</i>	
2:00 – 5:30 pm (with a coffee break at 3:45)	Training Session I	How to Improve Efficiency of the Use of Public Funds through improvements in transparency of public procurement and through anti-corruption measures (Francoise Bentchikou)
19:00	Dinner at Restaurant	Di Wang Restaurant. The transportation will be provided.
<i>APRIL 14, FRIDAY (DAY 4) CHAIR: UZBEKISTAN</i>		
9:00 – 12:30 (with a coffee break at 10:45)	Training Session II	E-Procurement: Step-by-Step Approach to Introduction of E-Procurement (Paul Schapper, Senior E-Procurement Expert)
12:30 – 2:00 pm	<i>Lunch Break</i>	
2:00-3:00 pm	Conclusion	What Next: Sunil K. Bhattacharya

List of Participants

Republic of Uzbekistan:

1. Abror Azizov, Head, the Department for Competitive Bidding in Construction, State Architecture and Construction Committee.
2. Bakhtiyor Umarov, Lead Economist, Department for Foreign Currency Financing, Main Currency Department, Ministry of Finance.
3. Kamila Bakaeva, Lead Specialist, Legal Department, Ministry of Foreign Economic Relations, Investments and Trade
4. Georgiy Khachiev, Coordinator, Center for Economic Research
5. Anvar Ikramov, Deputy Head, Department for Legal Examination, Legal Support to Entrepreneurship, Chamber of Commerce and Industry.
6. Bakhtiyor Abdusamatov, General Director, "Uzbektenderconsulting" Agency

Republic of Tajikistan:

1. Hamdam Tagaimurodov, Director, Agency on Procurement of Goods, Works and Services under the Ministry of Economy and Trade
2. Faiziddin Kahorov, Deputy Director, Agency on Procurement of Goods, Works and Services under the Ministry of Economy and Trade
3. Khairullo Khojaev, Regional Representative of the Agency on Procurement of Goods, Works and Services under the Ministry of Economy and Trade in Rasht Valley
4. Abdukarim Rahimov, Head of Department on State Reserves and Public Procurement, Ministry of Economy and Trade
5. Nasimjon Pirmatov, Head of Department for Monitoring Economic Sectors, Ministry of Finance

The Kyrgyz Republic:

1. Gumasarlyk Nurjanov, Chairman, State Agency on Procurement and Material Reserves
2. Zamirbek Esenamanov, Deputy of Parliament (Jogorky Kenesh)
3. Akylbek Oumetaliev, Director of the Regional Procurement Training Center
4. Saina Abdumomunova, Head of Control Department, State Agency on Procurement and Material Reserves
5. Jyldyz Sydykova, Specialist, State Agency on Procurement and Material Reserves
6. Temirlan Baimursaev, Lawyer, State Agency on Procurement and Material Reserves

Republic of Kazakhstan:

1. Anuarbek Sultangazin, Chairman of the Committee for Financial Control and Public Procurement (CFCPP), Ministry of Finance
2. Nurlan Ospanov, Deputy Chairman, CFCPP
3. Ardak Turgankulov, Director of the E-Trade Center
4. Asemgul Essimova, Deputy Director of the E-Trade Center

NGOs (from Almaty):

1. Aigul Tagatova, Vice President, “Sange” Research Center
2. Kalima Umakhan, Public Policy Research Center
3. Sofia Aisagalieva, Forum of Entrepreneurs
4. Sergey Zlotnikov, Transparency KZ

Donors:

1. Zhanar Sagimbayeva, UNDP
2. Alma Byuirakulova, UNDP
3. Andrian Van Der Meer, EC/EU/TACIS
4. Ulan Abylgaziev, IDB
5. Ainoura Byrmyza, DFID

ILO-ITC (Turin) - Valeriy Malotchko

World Bank:

1. Annette Dixon, Acting Country Director
2. Sunil Bhattacharya, ECSPS Manager
3. Francoise Bentchikou, Chief Counsel
4. Naushad Khan, Lead Procurement Specialist
5. Paul Schapper, Senior E-Procurement Expert
6. Nurbek Kurmanaliev, Procurement Analyst
7. Fasliddin Rakhimov, Procurement Analyst
8. Dilshod Karimova, Program Assistant
9. Anara Akhmetova, Program Assistant