

## **Fourth Central Asia Regional Public Procurement Forum Dushanbe, April 28-30, 2008**

### **Background**

For well over a decade, The World Bank has been providing technical and financial assistance to Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, in support of their efforts to reform their public procurement systems. This has led not only to the introduction of sound public procurement laws and regulations but also to institutional strengthening. The World Bank, with a view to promoting regional learning, cooperation and networking, initiated and sponsored the Central Asia Public Procurement Forum in collaboration with public procurement authorities in Central Asia. The first forum was hosted by Uzbekistan in 2005; the second by Kazakhstan in 2006; the third by the Kyrgyz Republic in May 2007. Participants in each of these forums included heads of public procurement, parliamentarians, senior officials, and representatives of donors and civil society.

Building on the positive results of the last three Forums, the fourth Forum is expanded to include other neighboring countries like Armenia, Azerbaijan, Georgia and Turkmenistan. The fourth Forum was held in the Mercury hotel in Dushanbe, Tajikistan during the period April 28-30, 2008. The Forum was financed by the World Bank and hosted by Tajikistan.

### **Forum Objective**

The main objective of the Forum was to provide a platform to the senior public procurement officials from Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan for exchanging their experiences and ideas on how to improve public procurement systems in their countries and effectively implement the public procurement laws and regulations. Also, the Forum was an opportunity to share the best practices in public procurement in all these seven countries and to work on an agreed action plan to further enhance their country procurement systems. World Bank, other IFI and ILO representatives and other guest speakers participated and shared some useful tools and provided international perspective. The objectives of the Forum were substantially achieved.

### **Participants**

The Forum was attended by representatives from Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Armenia, Azerbaijan, Georgia, Turkmenistan, Hungary, International Labor Organization-International Training Center (ILO-ITC), Swiss Development Cooperation Office in Dushanbe, DFID and the World Bank. The list of participants is included in Attachment 1. The Forum was facilitated by Mr. George Jadoun of ILO

### **Presentations**

The Forum was opened by Mr. Zuhurudin Kenjaev, Deputy Minister of Economic Development and Trade of the Republic of Tajikistan (host) and Ms. Chiara Bronchi, Country Manager of the World Bank Office in Dushanbe. The speakers emphasized the importance of public procurement for the economic and efficient use of public funds. Mr. Sunil K. Bhattacharya, Acting Procurement Manager of Europe and Central Asia Region (World Bank), made a presentation on Achievements and Challenges since the third Forum held in Issyk-Kul in 2007, the Bank's Piloting Program "Use of Country Procurement Systems in Bank-Supported Operations" and the Governance and Anti-corruption Agenda.

The heads of delegations of Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Armenia, Azerbaijan, Georgia and Turkmenistan made presentations about their public procurement systems and recent achievements, including their strengths and weaknesses, as well as, about their needs in capacity building for an effective implementation of public procurement laws and regulations.

Ms Gabriella Fribiczer, representative from Public Procurement Council of Hungary, delivered a presentation on the structure and functions of their central public procurement institution – Public Procurement Council. The presentation focused on the Hungarian experience on effective implementation of the Public Procurement Law through capacity building.

Mr. Majed M. El-Bayya, Lead Procurement Specialist (World Bank), presented a topic on a useful tool for countries to build up their procurement country systems-OECD/DAC tool for benchmarking national public procurement system against international standards. Mr. Knut J. Leipold, Senior Procurement Specialist (World Bank), made a presentation about Step-by-step approach to introduction of E-GP in countries.

### **Working groups themes and recommendations**

In the last day of the Forum, the participants were divided into three working groups with the aim to brainstorm & subsequently develop recommendations for action plans that they will present to their respective national authorities for potential endorsement. Each of the working groups was composed of representatives of the various countries attending the Forum. Each of the working group elected a chairperson and a rapporteur to present their recommendations. Each of the working groups dealt with two main themes; namely:

1. Theme 1: How we can improve “monitoring & performance assessment of national public procurement systems in their respective countries?” A set of parameters were considered by the working groups in their deliberations & brainstorming sessions, namely:
  - a) systems to collect & process public procurement (PP) statistics in a comprehensive manner covering the vast majority of contracting authorities and the whole spectrum of their PP activities including low value contracts.
  - b) Assessment of national PP systems using the OECD-DAC tool for compliance with internationally agreed PP standards (could also serve for determination of equivalence of national PP systems with WB Procurement Guidelines in case of governments’ interest to apply for the use of country systems for WB-funded projects)
  - c) Mechanisms for publishing contract award notices.
  - d) Benchmarking procurement performance among selected contracting authorities within each of the respective countries.
  
2. Theme 1: Recommendations
  - a) All members subscribe to the necessity of progressive effort towards integration of PP into public financial management whereby annual procurement plans will form a cornerstone in the system for budgetary allocations to each contracting authority.
  - b) All members will start a pilot effort to benchmark procurement performance among selected contracting authorities in each country with the purpose of enhancing overall performance. Such benchmarking could also be useful for exchange of best practices & troubleshooting potential problems.
  - c) All members agree that on-line management information systems (MIS) for PP are essential in order to support the current reform programs and subsequent decision-

making. Such MIS systems need to capture large & small value procurement contracts, to the extent possible.

3. Theme 2: How can national capacity-building programs and public procurement training strategies reinforced? I.e. What improvements in the current PP training strategies can be envisaged in terms:
  - a) delivery mechanisms : distance learning, face to face and blended training delivery modalities
  - b) more effective use of training of trainers with potential affiliation of the national trainers to national anchor training/academic institutions and / or through certification of national trainers ,by the PP authorities in each country, as freelance providers
  - c) funding arrangements for the national training strategies.
  
4. Theme 2: Recommendations
  - a) All members agree to work towards the formulation of a government policy for mandating periodic & regular training on the full spectrum of PP topics for civil servants along with the appropriation of necessary funding resources. Private training providers as well as national universities are to be encouraged to join in the effort for development & dissemination of PP training.
  - b) Training on participation in PP tendering opportunities is to be extended to the private sector in order to ensure better outcomes for the PP market.
  - c) Potential interested donors will be approached in order to finance the involvement of international training institutions in supporting the development of the nascent national PP training systems in the region following the successful pilot in Kyrgyzstan.
  - d) All members agree to work together towards formulating a scheme for attestation of performance of national PP officers as a first step in the pursuit of national certification of PP officers.

The members of the working group however indicated that not all participating countries are at the same level of development with respect to the functioning & evolution of their newly-reformed national PP systems as well as to the availability of financial resources to implement the above recommendations. Therefore it is up to each representative to follow-up with his/her own government as to how the above recommendations will be translated into doable action plans for the year 2008/2009.

### **Conclusions of the Forum:**

At the final session of the Forum the participants concluded the following:

- i) The forum is an important venue for exchange of experiences among the participating members and for learning together. It should provide the basis for continuous contact among the members throughout the year with the selected host acting as the secretariat of the Forum prompting such continued exchange.
- ii) Each participating country will report by 30 June 2008 on its approved & ongoing PP reform work plans as well as to how it intends to implement through an Action Plan the abovementioned recommendations of the Forum (with respect to the 2 themes). It will be important for each regional member to assess/measure

and subsequently brief the other members as to the incremental achievements in the implementation of their respective PP reform programs on yearly basis (between successive annual forums)i.e. report to the other members on newly introduced procurement legislation/documentation/management instruments/ numbers of persons trained ...etc.

- iii) It is proposed that for next forums the WB will contribute 50% towards the forum cost (the remaining 50 % is expected to be shared among the members in order to reinforce the sense of ownership of this annual Forum).
- iv) Potential proposals for hosting the next Forum are expected from Kazakhstan & Kyrgyzstan after consulting with their respective government by 30 June 2008.

## **Attachment 1: List of Participants**

### **Armenia:**

1. Mr. Sergey Shahnazaryan, Head of Division for Procurement Process Regulation and Coordination, Ministry of Finance, **sshahnazaryan@yahoo.com**
2. Mr. Spartak Tsatinyan, Chief Specialist Division for Procurement Process Regulation and Coordination, Ministry of Finance

### **Azerbaijan:**

1. Mr. Vagif Nasirov, Head of Procurement Unit, Public Procurement Agency, **mail@tender.gov.az**
2. Mr. Zahid Valiyev, Head of International Relations Department, Public Procurement Agency, **Zahid\_M@mail.ru**

### **Georgia:**

1. Mr. Nato Gabashvili, Chief Specialist of Administration and Audit Department, Public Procurement Agency
2. Mr. Merab Jibuti, Head of Information Technology Department, Public Procurement Agency

### **Kazakhstan:**

1. Ms. Gulzhan Amrina, Head of the Division, Committee for Financial Control and Public Procurement, Ministry of Finance
2. Mr. Erenai Darzhibayev, Head of the Division for Public Procurement Coordination and Legal Work, Committee for Financial Control and Public Procurement, Ministry of Finance
3. Mr. Kuat Sultan, Head of the Department for E-Procurement, "Center for Electronic Commerce", **k.sultan@samghau.kz**

### **Kyrgyzstan:**

1. Ms. Saina Abdumomunova, Head, Training Center
2. Ms. Zuura Sirajdinova, Lawyer, State Agency on Public Procurement and Material Reserves, **zuras72@gmail.com**
3. Ms. Jyldyz Sydykova, Chief Specialist, State Agency on Public Procurement and Material Reserves

**Tajikistan:**

1. Mr. Zuhurudin Kenjaev, Deputy Minister, Ministry of Economic Development and Trade
2. Mr. Faiziddin Kahorov, Deputy Director, Agency on Procurement of Goods, Works and Services and Organization of Stock-Exchange Activity, **faiziddin@inbox.ru**
3. Mr. Saodulla Kayumov, Senior Prosecutor, General Prosecutor's office
4. Mr. Kholmakhmad Rakhmanov, Agency for Financial Control and Anticorruption Activities

**Turkmenistan:**

1. Mr. Orazmurad Kurbannazarov, Deputy Chairman, Regulatory Chamber of Turkmenistan

**Hungary:**

1. Ms. Gabriella Fribiczter, Deputy Head of Department, Unit of International Relations and Training Secretariat, Public Procurement Council, **fribiczter.gabriella@kozbeszerzesek-tanacs.hu**

**Donors:**

1. Mr. George Jadoun, Head of the Procurement Division, International Labor Organization – International Training Center (ILO-ITC), **G.Jadoun@itcilo.org**
2. Mr. Valery Malotchko, Expert, ILO – ITC, **V.Malotchko@itcilo.org**
3. Ms. Anna Schwarz, National Program Officer for Economic Affairs, Swiss Development Cooperation Office, **anna.schwarz@sdc.net**
4. Mr. Zainiddin Karaev, Program Officer, DFID, **Z-Karaev@dfid.gov.uk**

**The World Bank:**

1. Mr. Sunil Bhattacharya, Acting Regional Procurement Manager, ECAVP
2. Ms. Chiara Bronchi, Country Manager for Tajikistan
3. Mr. Majed El-Bayaa, Lead Procurement Specialist, ECSPS
4. Mr. Knut Leipold, Senior Procurement Specialist, OPCPR
5. Ms. Anara Akhmetova, Program Assistant, Kazakhstan
6. Ms. Dilshod Karimova, Program Assistant, Tajikistan