

CROWN AGENTS TRAINING & PROFESSIONAL DEVELOPMENT

Financial Management of Development Projects – Procurement Issues

Kyrgyz Health SWAp Finding / Issue	Implications / Implementation Risks for Manas Taalimi	Manas Taalimi Implementation Risk Mitigation Measures	Capacity-building Measures through Manas Taalimi implementation
Procurement legislative and regulatory framework. Following adoption of the new public procurement law in 2004, development of implementation regulations and model bidding documents is needed to facilitate implementation of the law into practice	<p>Absence of implementation regulations creates a risk of misinterpretation of the law when applied by different procuring entities.</p> <p>In the absence of the model bidding documents procuring entities continue to use an outdated version prepared for the previous law of 1999 which brings distortion into procurement practice and often leads to violations of the current public procurement law.</p>	<p>The MOH will take the lead on preparation of the bidding documents for the use by the health sector procuring entities. It will be done on the basis of the model documents developed by the SCPPMR. Bidding documents templates will be included in the Program Operational Manual and will become mandatory to use for all health sector procuring entities <i>(By Effectiveness – early 2006)</i></p>	<p>Implementation regulations, model bidding documents developed by the SCPPMR and the Program Operational Manual developed with an assistance of the PHRD-funded consultant will be used as training materials for training of staff of the health sector institutions involved in public procurement. Throughout the life of Manas Taalimi both national and sub-national levels will be covered contributing to capacity building of the entire sector <i>(During Implementation)</i>.</p>
Procurement Operations and Market Practices. Advertisement procedures are not of adequate standards. Public Procurement Bulletin (of the	<p>Limited budget of public institutions may prevent from using the Bulletin for advertisement of upcoming business opportunities, thus, limit the competition.</p>	<p>In addition to current practice of the Procurement Bulletin, all advertisements for tenders (for goods and works) and selection of consultants will be posted on the dedicated section of the MOH/MHIF</p>	<p>Introduce routine practice of placing on-line advertisements with disclosed terms of the competition as well as results of contract awards on the web site of the procuring entities would contribute to development of adequate institutional</p>



SCPPMR) charges government institutions a fee for announcing tenders and does not place the whole notice (advertisement)	Lack of full text of advertisements affects transparency as the key terms of the competition are not disclosed upfront	websites. In addition, international tenders and selection of consulting firms notices will be placed in the UN Development Business (for free). <i>(During Implementation)</i>	behavior and corporate ethics promoting the spirit of transparency in all steps of procurement process <i>(During Implementation)</i>
Procurement Planning. Annual planning does not leave room for multi-year contracts and is not linked to program-based budgeting	Disconnect between annual procurement planning practices and the need for multi-year contracts (especially in case of technical assistance contracts).	The MOH to adopt a rolling multi-year procurement plan linked to the Program of Work <i>(By Negotiations-finalize Year 1 plan)</i>	Train MOH/MHIF fiduciary staff in appropriate planning and alignment of procurement plans with program-based sector budget- with an assistance from consultants funded under PHRD or/and Year 1 work program <i>(2005-2006)</i>
Procurement Organization and Staffing. The law requires each procuring entity to assign a unit responsible for the procurement function, however, not much progress has been made in implementing this requirement. Government regulation on permanent tender committees remain enforced creating possibility for collusion, corruption, illicit alliances and conflict of interest	Absence of dedicated procurement team (either a separate unit or a team within the finance department) in the MOH/MHIF questions its ability to manage a substantially increased workload to administer procurement of investment expenditures planned under Manas Taalimi. Permanent tender committees create possibility for collusion, corruption, illicit alliances and conflict of interest.	The MOH/MHIF to include a procurement unit in the new organizational structure <i>(By Appraisal)</i> , assign and/or recruit required staff and make it operational <i>(By Effectiveness)</i> The MOH will enforce practice of ad hoc committees from the pool of sector specialists trained by the SCPPMR. Program Operational Manual will include guidelines for tender committee members and disclosure forms.	The MOH/MHIF will create cadre of qualified and trained staff capable of administering sector procurement irrespective of the sources of financing. Training will be done through provision of technical assistance (Procurement consultant/Advisor), attendance of specialized training courses and analysis of ex-post procurement audit's findings and recommendations <i>(Mid-Term)</i>



