Executive Summary

The state of public procurement in Kyrgyzstan

Authors: Non-profit law firm "Partner group Precedent", Bishkek, April 2023

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The study showed, on the one hand, there are positive steps in the field of public procurement, on the other hand, there are circumstances that cause some concern. For example, the withdrawal of joint-stock companies and state-owned enterprises from the law "On Public Procurement" in the spring of last year.

The Precedent research team concluded that the prospects for developing the public procurement system are variable and ambiguous. This is evidenced by legislative measures in the field of public procurement, which are actively promoted by the presidential administration and the cabinet of ministers. The proposed changes could lead to uncertain consequences in the area of procurement and negatively impact public confidence in the system.

The study shows a number of significant problems in the country's procurement system, such as a lack of transparency and openness in the procurement process; no formal approach to fulfilling the requirements of the law in terms of procurement planning, contract administration, publication of procurement data; and a lack of access to API data and the possibility of analyzing big data and developing forecasts based on it to improve the efficiency of public procurement.

Based on the results of the study, the following recommendations were formulated:

- Improve the e-procurement portal, providing access to public procurement data in OCDS format and resuming their publication through the API;
- Implement a risk assessment system for procurement based on data analysis, to improve oversight.
 Improve mechanisms for interaction with law enforcement agencies to enhance accountability for violations of the procurement law;
- Take steps to reinstate the law "On Public Procurement" for state-owned enterprises and joint-stock companies, or review the procurement requirements of these entities so that they comply with the data openness requirements established by the public procurement legislation;
- Promote the idea that a strategy for the development of the public procurement system should involve
 the participation of public procurement experts and representatives of state bodies with its further
 approval at the state level;
- Expand the mechanisms of public control over the process of development and adoption of public
 procurement legislation, for example, through the strengthening of the role of independent
 organizations or the creation of interdepartmental commissions with the participation of
 representatives of civil society organizations;
- Organize work on the formation of a dialogue platform between the expert community and the Ministry of Finance of the Kyrgyz Republic;
- Ensure all stakeholders in the public procurement process, including citizens and the business community, are informed on the rules and procedures for public procurement;
- Increase the coverage of standardization of technical specifications of goods, works, services, as well as standardize qualification and technical requirements;
- Conduct centralized procurement in order to reduce costs and improve the quality of purchased goods and services;
- Strengthen work to ensure the openness of contract administration.

The <u>full version of the study</u> reveals in detail the problems and prospects for the development of the public procurement system in the Kyrgyz Republic and provides the rationale for the proposed recommendations.