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ACTIVITY WORK PLAN

Covering the period July 2020 through September 2022

Fiscal Accountability and Sustainable Trade (FAST)

Effective Public Procurement for Kyrgyzstani Taxpayers



January 2021

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Task 6: Effective Public Procurement for Kyrgyzstani Taxpayers

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ACRONYMS

CEC	Central Election Commission
CSO	Civil Society Organization
DPP	Department of Public Procurement
DRM	Domestic Resource Mobilization
EPI	Enabling Environment for Private Investment
FAST	Fiscal Accountability and Sustainable Trade
FFM	Functioning Financial Markets
FGD	Focused Group Discussion
FMIS	Financial Management Information System
FSR	Financing Self-Reliance
FTA	Fiscal Transparency and Accountability
GDP	Gross Domestic Product
GPA	Agreement on Government Procurement
MAPS	Methodology for Assessing Public Procurement Systems
MoF	Ministry of Finance
OBI	Open Budget Index
OCDS	Open Contracting Data Standards
OECD	Organization of Economic Cooperation and Development
PFM	Public Financial Management
STTA	Short Term Technical Assistance
TCB	Trade Capacity Building
TPPR	Transparent Public Procurement Rating
USAID	United States Agency for International Development
WTO	World Trade Organization

BACKGROUND

The Kyrgyz Republic has made significant gains toward self-reliance over the past couple of years. The country showed progress in all five (5) areas of financing self-reliance (FRS), including domestic resource mobilization (DRM), public financial management (PFM), fiscal transparency and accountability (FTA), enabling environment for private investment (EPI) and functioning financial markets (FFM). The country recorded higher scores compared to its regional peers on almost all FSR sub-indicators. However, hurdles remain in making progress on improving doing business indicators, improving balanced budgets, reducing the debt to gross domestic product (GDP) ratio, improving civil society organizations' (CSOs) sustainability, and increasing access to domestic credit. Most of the country's foreign debt is owed to a single foreign creditor, which poses a serious risk of debt sustainability due to the country's inability to diversify its debt commitments. In turn, a large portion of budget expenditures are channeled through public procurement that is associated with high levels of corruption and limited transparency and civic oversight.

As a land-locked and mountainous country and the region's only liberal democracy, the Kyrgyz Republic requires non-traditional trade linkages and infrastructure to spur economic development. Public procurement is one of the areas in which the country still needs to improve both in terms of improving efficiency in conducting public procurement operations and increasing transparency, so its citizens can evaluate and understand the public expenditures. In addition, a low CSO sustainability index suggests that CSOs' engagement needs to be strengthened so they are able to monitor public procurement activity. The capacity for government to properly evaluate and communicate the procurement process needs improvement and civil society is one way for media and average citizens to gain oversight over often opaque procurement operations.

An effective public procurement system requires a robust legal and institutional framework; standardized procurement processes, procedures, and practices; a strong internal control environment; efficient transaction processes linked to financial management information systems and using e-procurement solutions; and a focus on accountability, transparency, integrity, and fairness.

PROJECT DESCRIPTION

Purpose/Objectives

The Fiscal Accountability and Sustainable Trade (FAST) task order supports rapid, sustainable, and equitable economic growth in USAID-assisted countries by enabling USAID to bring a systems approach to addressing Public Financial Management (PFM; public revenue, budget, expenditure, and debt), trade capacity building (TCB), macroeconomic planning and policies, and other economic governance issues, such as regulatory reform, and by supporting missions to improve a) host-country capacity to mobilize revenue and provide public services; b) policy climate for investment that generates more productive employment and inclusive growth, including issues specific to women and disadvantaged populations; c) host-country ability to recover from, prevent, and/or mitigate the impact

of conflict, natural disasters, or fiscal crises; and, d) host-country institutional capacity to identify, design, advocate, and implement better economic policies to enhance inclusive growth and gender equity.

“Effective Public Procurement for Kyrgyzstani Taxpayers” is a task under FAST which seeks to improve self-reliance of Kyrgyz Republic by improving public procurement systems. The project seeks reforms in public procurement systems and processes to increase efficiency and transparency, and reduce corruption, as well as enable civic engagement in the conduct of public procurement operations.

The project has two objectives.

Objective One: Increase efficiency and transparency of public procurement

Objective Two: Enable civic engagement and oversight over the public procurement

Technical assistance under the project is categorized in three broad categories. They include: (i) technical assistance aimed at improving technical capacity of the Ministry of Finance (MoF) Department of Public Procurement (DPP) and other procurement entities to conduct efficient procurement operations; (ii) technical assistance to the CSOs which aims to enable their participation in the public procurement tenders’ oversight as well as building their capacity to better understand public procurement operations; and (iii) capacity building of both the DPP and procurement entities’ staff to efficiently and transparently conduct public procurement operations. In addition, the project also seeks to improve the legal, regulatory and policy environment for public procurement operations while also helping to upgrade current procurement processes with the use of digital technologies which will help in reducing discretionary gaps that allow for corruption.

Management

DevTech Systems, Inc. is the lead implementer of the project, with contributions from Nathan Associates. The project is led by a Team Lead who is supported by at least five (5) national and international procurement specialists and program management support from the Home Office. Currently, four (4) international and two (2) local consultants and staff members are supporting the implementation. As the project started in a challenging global environment where COVID-19 stopped international travel around the world, the team lead, and the international consultants have been operating on a remote basis supporting the implementation of the project. Considering this situation and the nature of activities and technical interventions, the plan going forward is to recruit more local consultants for implementing specific activities during the life of this work plan.

Reporting

The project plans to produce and deliver several reports including both technical reports directly related to project implementation and contractual deliverables as follows:

Contractual Deliverables/Reports:

- Work Plan (plus revision in September 2021)
- Activity Monitoring, Evaluation, and Learning (AMEL) Plan
- Strategic Communication Plan

- Quarterly Progress Reports
- Annual Progress Reports

Technical/Work Plan Reports

- Scoping Study Report
- UNCITRAL Model Law Assessment and Recommendation Report
- MAPS Assessment and Recommendations Report
- TPPR Assessment and Recommendations
- Medium Term Public Procurement Strategy (2022-2025)
- Report on International Best Practices for Centralized Procurement
- E-procurement Technical Assistance Roadmap
- Capacity Building and Training Plan
- CSOs Engagement Strategy and
- Training Completion Reports

The above list includes only major technical reports. The project team anticipate that there will be several other short technical reports as the planned activities are implemented.

Table 1: Work Plan and Report Schedule

Contractual Deliverables	Due Date
Activity Work Plan	December 31, 2020
Activity Monitoring, Evaluation, and Learning (AMEL) Plan	January 30, 2021
Strategic Communication Plan	January 30, 2021
Quarterly Progress Reports	January 30, 2021, April 30, 2021, July 30, 2021, October 30, 2021, January 30, 2022, April 30, 2022, July 30, 2022. September 30, 2022
Annual Progress Report	October 30, 2021, September 30, 2021
Technical/Work Plan Reports	
Scoping Study Report	December 30, 2020
UNCITRAL Model Law Assessment and Recommendation Report	January 30, 2021
MAPS Assessment and Recommendations Report	January 30, 2021
TPPR Assessment and Recommendations	January 30, 2021
Medium Term Public Procurement Strategy (2022-2025)	June 30, 2021

Report on International Best Practices for Centralized Procurement	September 30, 2021
E-procurement Technical Assistance Roadmap	March 30, 2021
Capacity Building and Training Plan	March 30, 2021
CSOs Engagement Strategy	June 30, 2021
Training Completion Reports	March 30, 2021, June 30, 2021, September 30, 2021, December 30, 2021, March 30, 2022, June 30, 2022

Notes: *Quarter 4 progress report will be combined with annual report.

This work plan describes tasks already being implemented, as of this writing, including the UNCITRAL Model Law assessment, MAPS assessment, and the TPPR assessment while the scoping study report has already been completed.

WORK PLAN ACTIVITIES

This work plan was developed jointly between DevTech’s team, the DPP of the Ministry of Finance (MoF) and with inputs from CSOs and USAID. Since July 2020 when the project was initiated, the project team has been implementing the proposed Illustrative Work Plan with changes reflecting the realities on the ground. Subsequently, a four (4) day long “co-creation work planning” session was held between December 9 and 23, 2020. The purpose of the co-creation work planning session was to: (i) report on the implementation of the on-going activities, including the scoping study report, MAPS assessment, UNCITRAL model law comparison, TPPR assessment, and various consultations with officials from the DPP, CSOs and donors; and (ii) develop a comprehensive, realistic, and achievable work plan for the life of the Activity through September 2022 with inputs from the DPP, USAID and CSOs.

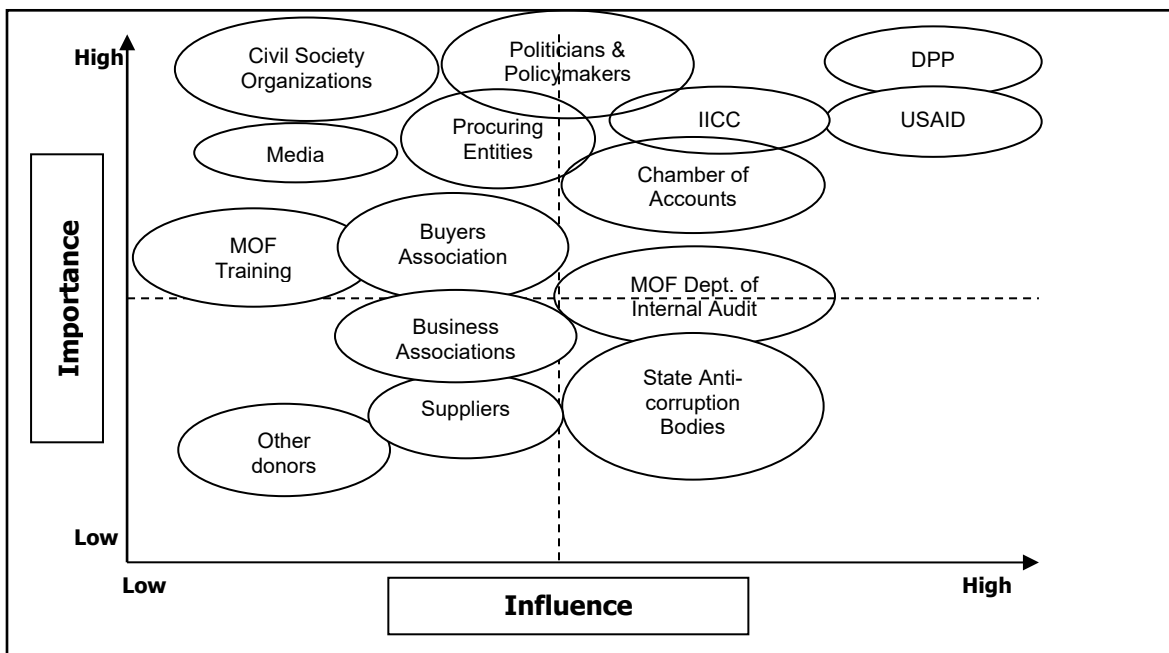
The co-creation work planning sessions were interactive where both activities from the illustrative work plan and eleven new requests for technical assistance (including a request to procure a new server) from the DPP were discussed for feasibility and realism. This process also took into consideration findings from the scoping study, and the on-going detailed assessments for UNCITRAL, MAPS and TPPR.

DevTech believes that this work plan is a living document and will be adjusted for changes and conditions on the ground during the implementation. There will also be a major revision for the planned activities for FY 2022 in August/September of 2021 and the process will take into account prevailing conditions on the ground, commitment to reforms from the DPP and an analysis of the available financial resources.

Prior to developing a detailed work plan, the project team determined that an understanding of the status quo of the public procurement system including the comprehensiveness of the public procurement law (PPL) is key to adequately diagnosing the strengths and weaknesses of the system and identifying appropriate technical interventions. The team conducted the following key activities:

Stakeholder Consultation: The project team conducted multiple rounds of consultations with the project’s stakeholders including the DPP, CSOs, MoF’s Training Center, other donors, and various other procurement entities and other interest groups. The purpose of these consultations was to better understand the procurement system’s functionality, legal, regulatory and policy environment, capacity requirements, the availability of information on procurement operations, and engagement of CSOs in analyzing the procurement process including monitoring and oversight. During this period, a total of 35 procurement experts, CSO members and other stakeholders were interviewed both individually and in group settings. Initial stakeholder consultations began in July and were completed in December 2020 and the project team will continue to conduct needed consultations with stakeholders for the life of the project.

Graph 1: Stakeholder Mapping



Scoping Study Report: The project team began conducting a Scoping Study that provided an overview of the key issues including in legal framework, institutional arrangements, the electronic procurement portal (e-portal), procurement transparency, procurement guidelines, procurement methods, evaluation and contract management, internal control framework, complaints management, procurement monitoring and oversight, CSO’s engagement, prospective information users and activities undertaken by other donors in support of improving public procurement systems in Kyrgyz Republic. This report was finalized with feedback and inputs from the DPP and USAID Bishkek in December 2020.

Detailed Assessment of the Public Procurement System: Based on the findings from the first draft of the Scoping Study Report, the project team began conducting “a detailed assessment of the public procurement system” in September 2020. This assessment includes mapping the PPL against the UNCITRAL Model Law on Procurement, Transparent Public Procurement Rating (TPPR) and the Methodology for Assessing

Procurement Systems (MAPS) developed by the Organization of Economic Cooperation and Development (OECD). The objective of the detailed assessment is to assess the public procurement system of the Kyrgyz Republic against international standards and good practice and identify strengths and weaknesses with a view to providing input into the project activities and the development of the work plan. In addition, the assessment also aims to provide a wider and more detailed perspective to inform the public procurement reform program. The assessment began in September 2020 and will be completed in January 2021 in three (3) separate reports.

Objective I: Improve Efficiency and Transparency of Public Procurement

Technical interventions and activities under objective I focus on improving efficiency and transparency of the public procurement system. During this work plan period, the project will implement the following key activities:

Improve Legal and Policy Framework

The PPL was first developed in 1997 on the basis of the 1994 UNCITRAL Model Law. Since then, there were major revisions including the 2015 revision that adopted some aspects of the improved UNCITRAL Model Law of 2011 to reflect international best practices, including the use of e-portal and electronic communications in public biddings. However, revisions of the PPL did not stop there and over time 8 additional revisions to the PPL took place between 2016 and 2020. These revisions, although aimed at improving the PPL in line with best international standards, also led to deviations from the original concepts of the Model Law where many articles were either modified, distorted, and in some cases eliminated.

Findings from the detailed assessment of UNCITRAL – PPL comparison, MAPS Pillar I on Legal, Regulatory and Policy area, and TPR (uniformity of the PPL) will be presented to the DPP and representatives of key procurement entities. These findings will help identify strengths and weaknesses of the PPL against international best practices and will include a set of recommendations for improving the legal, regulatory and policy framework for the public procurement system. A one-day long workshop will be held to disseminate findings and recommendations and prioritize the reform plan over the remaining life of the project. This activity will be completed in February/March 2021.

Following the workshop, the project will prioritize the implementation of legal, regulatory and policy reform agenda and will include process analysis and re-engineering, drafting legal amendments, drafting regulatory and policy changes and technical assistance to strengthen dialogue with legislators. If implemented, the recommended changes to the legal framework will improve transparency and efficiency of the public procurement system.

Considering that legal changes and amendments follow a complex political process, the project will be ready to provide recommendations and assistance with drafting while understanding that political decisions rely on counterparts and the government. This activity will be a continuous process and will begin in the third quarter of the fiscal year 2021 (April 2021) and will continue for the remaining life of the project (September 2022). The project team will support the implementation of legal reforms and conduct focused-

group discussions (FGDs) with various stakeholders including the CSOs, supplier community, procurement entities and others as needed.

WTO GPA Analysis and Developing a Package

The World Trade Organization (WTO) Agreement on Government Procurement (GPA) is a "plurilateral" agreement, meaning that it applies to several WTO member countries (not all member countries). More specifically, members that either signed the GPA or that have subsequently acceded the Agreement are required to negotiate accession to the GPA. Several countries including Kyrgyz Republic are currently negotiating accession to the GPA.

Following the 2012 revision of the GPA, the procurement covered under the GPA now provides suppliers of both goods and service with new opportunities to participate in central and sub-central procurement in the other GPA Parties. If the Kyrgyz Republic can successfully negotiate and finalize the accession to the GPA, its public procurement system will benefit from expanded competition, which will significantly assist in cost-effectiveness and efficiency gains in public procurement.

The project will assist the Kyrgyz Republic, especially the DPP in: (i) reviewing the PPL for non-compliance clauses; (ii) providing technical assistance with drafting the needed legal clauses; (iii) conducting analysis of the regulatory impact; (iv) developing an analysis of the risks to local producers and mitigation measures; and (v) assisting with developing a final package of offer for accession. This activity will begin in January 2021 and will be completed in March 2021.

This is a comprehensive task and requires matching counterpart resources (person hours) where DPP has agreed to provide the needed resources. In addition, this task also requires a strong political will on part of the Government of the Kyrgyz Republic to follow up on next steps of legal amendments, especially on "protectionism" required for the WTO GPA accession.

Strengthen Institutional Development of DPP

The functions of the DPP are established by the law and regulations. Based on findings from the scoping study report and stakeholder consultations, the DPP is operating under difficult conditions with insufficient human resources to fulfill its functions. This significantly complicates the prospect of effectively regulating, overseeing and facilitating public procurement given that there are at least 4,059 purchasing organizations with over 27,527 registered suppliers. In addition, the DPP also suffers from significant staff turnover every year.

This results in inefficient public procurement operations, insufficient monitoring and oversight of public procurement, and inadequate administrative systems and procedures required for efficient and effective public procurement. In addition, lack of standard operating procedures and business processes with inadequate job descriptions to the functions of the DPP leads to inefficiency while increasing the risk of corruption and other procurement management failures.

The project will provide technical assistance to the DPP and help with the development of a medium-term public procurement strategy (2022-2025). This will require matching

resources from the DPP to share information and develop a broader development roadmap for the DPP. The strategy development process will begin in January 2021 and will be completed in June 2021.

The project will also conduct institutional strengthening analysis, in addition to those from MAPS Pillar II, and review organizational goals of the DPP, job descriptions, functions and other internal business processes and develop institutional reform recommendations to strengthen institutional aspects of the DPP. The project will also provide technical assistance to help revise internal business processes, job descriptions and administrative functions of various wings of the DPP. Proposed changes to the business process will be presented in a day-long workshop. The first part to the analysis related to institutional strengthening (MAPS Pillar II) began in September 2020. The remaining activities will begin in January and will be completed in December 2021.

Improve Public Procurement Cycle Management

The public procurement cycle suffers from various challenges and gaps affecting procurement efficiency. At the procurement planning stage, small value items are frequently and repetitively purchased by various procurement entities thus generating an enormous number of procurement actions that are posted on the e-portal. In addition, in the absence of standardized qualification requirements and technical specifications for frequently purchased goods and services, value for money is not achieved for individual purchases and the process only results in inefficient procurement operations. At the procurement operations stage, the existing evaluation procedures for highly technical bids are inadequate while a large number of complaints are being received every year. Finally, there are apparent technical gaps in appropriately defining the requirements, tendering, and sourcing process and overall contract management that require significant technical assistance. There is a need to provide targeted technical assistance to improve the public procurement cycle management.

The project will provide technical assistance to both strengthen procurement planning and operations.

Strengthening Procurement Planning: To strengthen procurement planning, the project will provide technical assistance to: (i) develop recommendations on standard norms for volume and amount spent on goods by procurement entities each year; and (ii) develop standard qualification requirements and technical specifications for common user items.

These technical interventions will result in improving efficiency, cost effectiveness and transparency of the public procurement system by reducing waste through procurement of excess or unnecessary goods and improving value for money through standardized specifications and qualification requirements that ensure procurement of goods and services of an appropriate quality from reliable suppliers. These interventions will also facilitate the introduction of centralized and/or collaborative procurement arrangements that will lead to reduced unit cost for procurement of common user items, ensuring the availability of goods and services in a timely manner and ensuring transparency in the contracting process. These activities will begin in January and will be completed in June 2021.

Strengthening Procurement Operations: To strengthen procurement operations in support of improving efficiency of the public procurement system, the project will: (i) conduct a study of the best practices for centralized procurement; (ii) strengthen evaluation procedures for highly technical bids; (iii) review and strengthen complaints management process; (iv) improve requirements definition; and strengthen tendering and sourcing as well as overall contract management processes.

These technical interventions and activities will improve efficiency of the public procurement system. This will be done through improved awareness of the DPP where they will have access to international best practices of how centralized procurement operations are conducted. In addition, these activities will also assist DPP in strengthening procedures for evaluation of highly technical and complex bids in a more transparent way, while a strengthened and improved contract management aspect of the procurement actions will result in increased efficiency and transparency. These activities will begin in April 2021 and will be completed in March 2022.

At least two workshops will be held in Q4, FY2021 and Q2, FY2022 to disseminate findings and ensure buy-in for the implementation of technical activities. All technical activities in support of improving public procurement cycle management require significant coordination efforts as well as sharing procurement files and other necessary documents on the part of the DPP and other procurement entities. In addition, there will be a need to continuously update and maintain the e-procurement system after completion of the technical assistance and will require allocating significant resources by the DPP and procurement entities for ensuring the sustainability of technical interventions.

Strengthen e-procurement Systems

The basic functionality of e-procurement has been developed including registration of procurement entities and suppliers, legislation and process documentation, announcement of procurement opportunities, standard documentation and templates, proposal and quote submission, bid evaluation, submission of complaints, and procurement reports. However, there are several gaps in the e-portal that compromise the efficiency and transparency of the overall public procurement system, as well as having low server capacity for the large volumes of procurement files. Reports on the Portal, for example, are static, and dynamic reports could be added for more robust data analytics. In addition, the catalog features are very limited in their capabilities. Finally, there is no technical assistance roadmap which prioritizes technical interventions to the e-portal, and this needs to be developed.

The project will implement several technical assistance interventions in support of strengthening the e-portal which will help improve efficiency and transparency in public procurement system. Following are the planned technical activities:

E-procurement Technical Assistance Roadmap: The project will develop an e-procurement technical assistance roadmap which will outline and prioritize the required interventions in a chronological order. This activity will require a detailed review of the functional requirements of the e-portal and map out the needed interventions and will be completed between January and March 2021.

Evaluate e-procurement infrastructure, identify gaps, and make recommendations: Findings from the scoping study suggest that there are number of technical gaps in catalog, product classification, centralized procurement, contract modules, procurement plans, integration with the Financial Management and Information System (FMIS), application programming interface, and open contracting data standards (OCDS). The project will evaluate e-procurement infrastructure, identify gaps, and make recommendations. This will be an on-going activity for the remaining life of the project, and the project's resources will be made available for advice, recommendations, and limited procurement support.

Procurement of Server: Although the MoF made significant investments in procuring server capacity for the operation of the e-portal, the existing servers are old, have limited capacity, and need replacement. To date, approximately 4,059 purchasing organizations and about 27,527 suppliers (contractors) are registered on the e-portal. Procurement entities continue to publish between 400 and 500 tenders for the purchase of goods, works and services on daily basis which limits the e-portal's ability to appropriately function—especially with old servers. In addition, there is lack of storage space for uploading documents to the data warehouse, and full operations can be supported after needed improvements to the Portal. When implementing and deploying ready-made solutions, the existing servers also fail to accommodate the additional load. Therefore, for the e-portal to efficiently operate, there is a need to increase capacity and purchase an additional server. The project will assist in using some of the funds (approximately \$30,000 – \$40,000) to procure a new server. The procurement process for purchasing the server will be conducted in close collaboration with USAID and in compliance with USAID's contracting requirements. This activity will begin in January when the requested specifications will be received and will be completed by June 2021.

Upgrade Planning Module on e-portal: The e-procurement portal provides functionality for creating procurement plans for budgetary buyers. These plans are used for financial planning and budgeting. While there is value in including the functionality to prepare procurement plans in the e-portal, integrating the e-portal with MoF's budgeting system would add value and improve the reliability of budgeting, especially over the medium term.

The project will identify gaps in this area against international best practices, design and develop technical and system interventions and provide technical assistance for implementation. This activity will begin in January and will be completed by September 2021.

Upgrade bid evaluation functionality on e-portal: The project will provide recommendations on improving bid evaluations, and based on these, additional evaluation data will need to be captured by the e-portal. Furthermore, evaluation information that is currently prepared by the tender committee is not fully posted on the e-portal. The project will evaluate and recommend that additional bid evaluation information is posted for review by the general public, other suppliers, and CSOs, to reduce the number of

complaints that are generated, due to lack of complete information and lack of transparency.

The project will identify gaps in this area against international best practices, design and develop technical and system interventions, and provide technical assistance for implementation. This activity will begin in April and will be completed by September 2021.

Upgrade contracts module on e-portal: The e-portal currently does not fully support contracts primarily because the e-portal lacks an official electronic signature mechanism, which needs to be resolved. In addition, during the post-tender phase of the public procurement, the e-portal provides only limited information about the contract including information that is needed for ensuring transparency of the public procurement system.

The project will advise on the functional and technical requirements for implementing a robust contracts module and will develop recommendations in addition to providing technical assistance for the implementation. In addition, the project will also review the available information on project implementation in the e-portal and ensure to add additional sections including the date of competition, subject of procurement, unit price, total contract value, date of award, information on schedule and delivery, bid security amount, the complete evaluation report, and contract warranty. In addition, the project will assist in ensuring that public and CSOs have access to all the information above including the entire text of the procurement contracts except for confidential clauses as per the law. This activity will begin in January (depending on adoption of needed legislation) and will be completed by June 2021.

Upgrade e-portal to be fully trilingual: Though there are some functions of the e-portal translated into English, the Public Procurement Law itself is available only in the Russian language. Although the e-portal was designed to be fully trilingual in Russian, Kyrgyzstani and English, not all procedures and documents are available in English. To expand the procurement market and attract suppliers from a larger geographic area, the e-portal needs to be fully trilingual.

The project will identify gaps in this area against international best practices, design and develop technical and system interventions and provide technical assistance for implementation. This activity will begin July and will be completed by September 2021.

Increase Transparency and Accountability in Public Procurement

An assessment of the transparency of public procurement in Kyrgyzstan in 2018¹ revealed significant weakness related to the lack of public access to machine-readable procurement data and that the post-tendering phase is not covered by the procurement legislation. In addition to legal issues in transparency and accountability, the e-portal also lacks necessary

¹ Transparent Public Procurement Rating (TPPR) 2018

functions needed for transparent public procurement. Although the e-portal is accessible to the public, several limitations remain that hinder the prospect for transparency and accountability in the public procurement system. Key documents including evaluation reports, procurement contracts, amendments and compliance reports are not published which means that procurement cannot be monitored from cradle to grave. The search functionality on the portal is limited and does not allow for custom-made reports while issues with the API hamper structured monitoring of procurement activities. In addition, there has been consistent complaints about lack of public consultation when new procurement legislation is being drafted. Finally, the e-portal is not 100% trilingual, thus limiting access to non-Russian, non-Kyrgyz speaking users.

The project will implement a set of technical interventions in support of increasing transparency and accountability. They include.

- Developing a fully trilingual e-portal which will attract new suppliers from a wider geographic area as explained under the “Strengthening e-portal” above.
- Review, analysis, and recommendations from the TPPR Pillar III on transparency, accountability, and integrity,
- Review, analysis, and recommendations from MAPS assessment, especially the Pillar IV on Accountability, integrity, and transparency as well as relevant recommendation from the most recent Open Budget Index (OBI) survey; and
- Implementation of priority recommendations from TPPR, MAPS and OBI.

These activities will be implemented between October 2021 and March 2022.

Training and Capacity Building for the DPP and other Procurement Entities

Training and capacity building form a significant part of the project’s technical assistance. The project will conduct training and capacity building workshops for staff from DPP and other procurement entities throughout the work plan period. These training activities will help improve technical knowledge and understanding of the officials working in public procurement and will increase their awareness of the international best practices. In some instances, staff from the DPP and other procurement entities may become the trainers and the project will train the trainers so that the DPP and other procurement entities are able to widely conduct training activities, not only for their own staff at the national level but also at the subnational level.

As a first step in the capacity building, the project will develop a detailed training plan which will be implemented for the remaining life of the project. Tentative topics for the training include the following:

- Training on Strengthening Public Procurement Systems, International Best Practices. This training will be held between January and March 2021 in Bishkek for the staff of the DPP.
- Training on Procurement Cycle Management. This training will also be held between January and March 2021 in Bishkek with participation from the DPP and procurement entities.
- Training on Making Effective use of e-portal for Transparency and Efficiency of Public Procurement. This training will be held between July and September 2021

- with participation of staff from the DPP and procurement entities in Oblasts. This training will be conducted by staff from the DPP who will be trained in the first two trainings and will be facilitated using the project's resources.
- Training on Procurement Planning, Evaluation, and Contract Management. This training will be conducted in Bishkek with participation from the DPP staff and procurement entities and will be conducted in Oblasts.
 - Training on Procurement Cycle Management. This training will be for participants from the procurement entities at subnational level and will be held in the Oblast while the training will be conducted by staff from the DPP who will be trained by the project's trainers while the training will be facilitated by the project.

Objective II: Enable Civil Engagement in the Public Procurement

Transparency of government operations in general is insufficient, especially when it comes to CSOs' engagement in monitoring and oversight of public procurement. The government has taken steps to improve transparency, but they have been inconsistent. Although the national budget is published annually, the follow-on information on budget modification, budget execution reports and key information on public procurement is neither widely published nor available to the public. In addition, the CSOs, and the public face challenges in understanding their role for procurement oversight.

In addition, the CSO sector is fragmented and lacks the capacity to fully understand and interpret the available information for procurement oversight. CSOs also lack awareness and an understanding of the public financial management (PFM) concepts and applications. Finally, there is no CSO Engagement Strategy and other mechanisms in place that can facilitate dialogue between the CSOs and DPP/procurement entities. To enable effective CSO engagement in the monitoring and oversight of the public procurement, the project will implement the following activities:

Develop CSO Engagement Strategy: The project will develop a CSO Engagement Strategy. To develop the Strategy, the project team will hold consultations with CSOs and public advisory councils. The project will also hold FDGs and workshop during the process before finalizing the development of the strategy. This activity will be implemented between January and June 2021.

Establish and Strengthen Mechanisms for Civic Oversight of the Public Procurement

Establish Procurement Transparency and Accountability Forum: The project will provide technical assistance to establish a "Public Procurement Transparency and Accountability Forum". This will be a regular but joint forum with participation from DPP, procurement entities and CSOs representatives which will meet bi-annually and hold a dialogue aiming at improving civic engagement in the oversight of the public procurement and improve coordination between the stakeholders. The project team will also develop the terms of reference (TOR) for the forum and assist with developing a membership protocol for the forum. The forum will have a secretariat that will be jointly held between the DPP and CSO's representatives which will be identified through a transparent voting system. This activity will be implemented between March 2021 and June 2022.

Assist CSOs (national and sub-national level) to Establish Access to E-Portal:

The project will also work with CSOs at both national and subnational levels and will help establish their access to the e-portal. The project will also assist them in improving their understanding and knowledge on the use of the e-portal and making effective use of the available documents on public procurement actions. This activity will begin in July 2021 and continue for the remaining life of the project.

Conduct a Study on Community Monitoring of Contract Implementation:

Based on the findings from the scoping study and the on-going detailed assessment, it appears that the local community organizations can play a vital role in effective public procurement oversight at the subnational level. This activity will be subject to available resources and is tentatively planned to be conducted between April and September 2022.

Training and Capacity Building of CSOs and Trainers

Training and capacity building form a significant part of the project's technical assistance especially under Objective II. The project will conduct training and capacity building workshops for the CSOs throughout the work plan period. These training sessions will help improve technical knowledge and understanding required for effective oversight and monitoring of the public procurement. The trainings will also increase CSOs' exposure to international best practices for effective oversight and monitoring. The project will mostly train the "trainers" so CSOs are able to widely implement training and capacity building programs, especially for members of the CSOs in Oblasts.

As a first step in the capacity building, the project will develop training modules to focus on CSO monitoring of procurement and contract implementation. The project will conduct specialized training for the CSOs in Bishkek and Oblasts as follows:

- Training and Capacity Building on Transparency in Public Procurement, Concepts and International Best Practices. This training will be conducted in Bishkek between January and March 2021 under the "Train the Trainers" model where several CSO trainers will be trained so that they can deliver the same training to CSOs representatives in Oblasts.
- Training and Capacity Building on Monitoring Public Procurements. This training will be held in Bishkek between April and June 2021 under the "Train the Trainers" model where several CSO trainers will be trained so they can deliver the same training to CSOs representatives in Oblasts; and
- Training on Understanding Public Procurement and Public Procurement Monitoring. These are a series of three (3) training sessions that will be held in Oblasts by the Trainers in Q3, 2021, Q1, 2022 and Q3 2022. The project will monitor these trainings and will assist with the development of training modules.

Table 2: Planned Trainings

	FY2021	FY2022
Number of trainings in Bishkek	5	1
Number of trainings in Oblasts	2	5
Number of days per training	2	2
Number of participants in each training	20	20

RISKS AND CHALLENGES

The project team anticipates certain risks and challenges that could potentially impact the project implementation. The team will remain vigilant of these risks and will implement mitigation measures to minimize potential adverse impacts. In parallel, the project team will regularly report and keep USAID and DPP posted if any of these risks would result in delaying the implementation of project activities.

COVID-19

COVID-19 has fundamentally changed the way the world operates. In the same way, it has also impacted the implementation of development projects. During the proposal stage, DevTech anticipated that COVID-19 and related travel restrictions will be relaxed by September 2020 and the project team would be able to travel to Kyrgyzstan and implement the project. However, the prolonged nature of the pandemic has negatively affected the project implementation. The project team has completed the scoping study report remotely and has been conducting the “detailed assessment” including PPL’s comparison with UNCITRAL Model Law, TPPR and MAPS assessments remotely. The project team developed this workplan with an assumption that travel restrictions related to COVID-19 will relax sometime between the second and third quarter of FY 2021. If the pandemic and related travel restrictions are not over by then, this will risk delaying some of the planned activities and will affect the quality of the technical deliverables and interventions.

Political Uncertainty

The project began in an election year with largely contested recent parliamentary elections. The presidential elections are also now set for January 10, 2021 while challenges have been filed over the cancellation of the parliamentary redo. The Kyrgyz Supreme Court’s Constitutional Chamber has agreed to hear the appeals filed by the Reforma party. This appeal challenges the law adopted last month by the sitting parliament to cancel the Central Election Commission’s (CEC) earlier decisions. There remains a high level of political uncertainty. If the results of the presidential election are not accepted and there are large scale demonstrations in the post-election period, this will significantly impact the project implementation and some planned project’s activities may be delayed.

Appetite and Political Will for Reforms

Several planned activities require political will on part of the Government of Kyrgyzstan and their implementation is dependent on factors outside the project's reasonable control. Currently, the project team operates under certain assumptions with regards to political will on the part of the government as indicated by the DPP. If those assumptions turn out to be untrue, certain activities may need to be dropped.

Limited Resource Availability

The project has limited funds available. Initially the project was assumed to be implemented mostly using short-term technical assistance (STTAs) where needed to implement planned activities. The co-creation work planning resulted in the need for: (i) additional activities based on the requests received from the DPP; and (ii) the need for employing fulltime local staff members to implement certain activities. The project team estimates that we will be able to implement additional activities and fund additional costs of local employees within the overall budget ceiling especially given the fact that travel expenses will be less, given the reduced number of planned trips by international staff. However, implementation of additional activities may result in cost overruns, and in that case, the project team will make sure that USAID and DPP are made aware in a timely manner. In addition, in such circumstances, the project team will propose the needed adjustments to the scale of activities for USAID approval and DPP's concurrence.

STAKEHOLDER PARTICIPATION

Public procurement is an area that is of importance to and is influenced by a wide range of different stakeholders, and an important aspect in both the development of the Project Workplan and the implementation of project activities is identifying the relevant stakeholders and engaging them appropriately.

The project team has identified several relevant stakeholders and conducted a mapping of these depending on their relative influence and importance to different aspects of the project. Stakeholders identified include the DPP, USAID, other development partners, Independent Interagency Complaints Commission, Procuring Entities, Chamber of Accounts, Ministry of Finance Department of Internal Audit, Ministry of Finance Training Centre, Ministry of Finance Anti-corruption Office, Buyer's Association, Civil Society Organizations, independent media organizations, politicians and policy makers, Business Association and Suppliers.

The level of interaction with these stakeholders has varied from day-to-day contact (e.g., DPP); conducting interviews and meetings; to consulting on websites or reports. The project team will continue to monitor the stakeholder map throughout the life of the project to ensure the relevant participation of stakeholders for project activities.

BUDGET AND FINANCIAL MANAGEMENT

The project has an aggregate budget ceiling of approximately \$1.5 million that will be executed over the life of the project. There may be some internal adjustments between the direct and indirect costs as the implementation advances, and the project team will make USAID aware during the quarterly and annual progress reports. There will be a

dedicated section in the progress reports explaining the actual expenditures, accrued expenditure, the average monthly burn rate, and the available pipeline.

Cost Elements	FY2020	FY2021	FY2022	Total
Subtotal Direct Costs	\$75,097	\$545,008	\$544,639	\$1,164,744
Indirect Costs	\$21,416	\$120,290	\$113,478	\$255,184
Fixed Fee	\$5,308	\$36,294	\$35,881	\$77,483
Total Cost with Fee	\$101,821	\$701,592	\$693,998	\$1,497,412

ANNEX I: DETAILED WORK PLAN (FY 2021-FY2022)

Fiscal Accountability and Sustainable Trade (FAST) Project									
Effective Public Procurement for Kyrgyzstani Taxpayers									
Work Plan for FY 2021 - FY 2022									
Activity Description	Timeline (FY)								
	Q4, 2020	Q1, 2021	Q2, 2021	Q3, 2021	Q4, 2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022
I. Management and Reporting									
1.1. Scoping Study Report		10-Dec-20							
1.2. Monitoring and Evaluation Plan			30-Jan-21						
1.3. Strategic Communication Plan			30-Jan-21						
1.4. Quarterly Progress Reports			30-Jan-21	30-Apr-21	30-Jul-21		30-Jan-22	30-Apr-22	30-Jul-22
1.5. Annual Progress Report (Q4 included)						30-Jan-22			15-Sep-22
1.6. Activity Work Plan (2 years, will be revised in Sep 2021)		31-Dec-20			30-Sep-21				
2. Objective One: Improve Efficiency and Transparency of Public Procurement									
2.1. Improve Legal and Policy Framework									
2.1.1. Improve legal and policy framework									
2.1.1.1. UNCITRAL Model Law Assessment and Recommendation Report									
2.1.1.2. MAPS Assessment and Recommendations Report (Pillar 1)									
2.1.1.3. TPPR Assessment and Recommendations									
2.1.2. Workshop on legal, policy and procedural recommendations prioritization (DPP)									
2.1.3. TA to implement legal, regulatory and policy reforms									
2.1.3.1. Process Analysis and re-engineering									
2.1.3.2. TA to draft legal amendments (if any)									
2.1.3.3. TA to draft regulations and policy changes									
2.1.3.4. TA to support dialogue with parliament and other key stakeholder including business community and CSOs									
2.1.4. Conduct Focused Group Discussions/Workshops with CSOs, Supplier community, procurement entities and other relevant stakeholders									
2.2 WTO GPA Analysis and Developing a Package									
2.2.1 Review Documents and Requirements									
2.2.1 Complete analysis									
2.2.3 Develop a package									

Task 6: Effective Public Procurement for Kyrgyzstani Taxpayers, Activity Work Plan, December 2020

Fiscal Accountability and Sustainable Trade (FAST) Project									
Effective Public Procurement for Kyrgyzstani Taxpayers									
Work Plan for FY 2021 - FY 2022									
Activity Description	Timeline (FY)								
	Q4, 2020	Q1, 2021	Q2, 2021	Q3, 2021	Q4, 2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022
2.3. Strengthen Institutional Development of DPP									
2.3.1 Develop Public Procurement Development Strategy (2022-2025)									
2.3.2. Improve and Reform Business Process									
2.3.2.1. Conduct Intuitional Strengthening Analysis and Recommendations (i.e. MAPS Pillar II)									
2.3.2.2. Review organization, goals, functions, job descriptions, and processes									
2.3.2.3. TA to revise processes and procedures									
2.3.5. Conduct Workshops (1. Present Strategy in Q2,21, and 2. Proposed organizational Structure)									
2.4. Improve Public Procurement Cycle Management									
2.4.1. Strengthen Procurement Planning									
2.4.1.1. Norm setting for volume and amount spent on goods by PEs per annum.									
2.4.1.1.1. Conduct analysis and develop recommendations.									
2.4.1.1.2. Conduct Workshops (1. Disseminate findings in Q2, 21; 2. Review Process in Q3, 21)									
2.4.1.2. Develop standard qualification requirements and technical specifications for common user items.									
2.4.1.2.1. Conduct analysis, consult with PE entities and subject matter experts, and develop recommendations on which goods to be included and which state bodies should be responsible for developing each category.									
2.4.2 Strengthen Procurement Operations									
2.4.2.1. Conduct a study of international practice re. centralized procurement									
2.4.2.2. TA to strengthen evaluation procedures for highly technical bids									
2.4.2.3. TA to strengthen Complaints Process and Management									
2.4.2.4. TA to strengthen Requirements Definition									
2.4.2.5. TA to strengthen Tendering & Sourcing									
2.4.2.6. TA to strengthen Contract Management									
2.4.2.7: Conduct Workshops									

Task 6: Effective Public Procurement for Kyrgyzstani Taxpayers, Activity Work Plan, December 2020

Fiscal Accountability and Sustainable Trade (FAST) Project									
Effective Public Procurement for Kyrgyzstani Taxpayers									
Work Plan for FY 2021 - FY 2022									
Activity Description	Timeline (FY)								
	Q4, 2020	Q1, 2021	Q2, 2021	Q3, 2021	Q4, 2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022
2.5. Strengthen e-procurement Systems									
2.5.1. Develop e-procurement technical assistance roadmap									
2.5.2. Evaluate e-procurement infrastructure, identify gaps, and make recommendations									
2.5.3. Procurement of server									
2.5.4. Upgrade planning module on e-portal									
2.5.4.1. Identify gaps, challenges and international best practices									
2.5.4.2. Design and develop technical and system intervention									
2.5.4.3. TA to implement									
2.5.4. Upgrade bid evaluation functionality on e-portal									
2.5.5.1. Identify gaps, challenges and international best practices									
2.5.5.2. Design and develop technical and system intervention									
2.5.5.3. TA to implement									
2.5.6. Upgrade contract module on e-portal									
2.5.6.1. Design and develop technical and system intervention for post-award monitoring									
2.5.6.2. TA to implement									
2.5.7. Upgrade e-portal to be fully trilingual									
2.5.7.1. Design and develop technical and system intervention									
2.5.7.2. TA to implement									
2.6. Increase Transparency and Accountability in Public Procurement									
2.6.1. Review, analysis and recommendations of TPPR (pillar III), MAPS (pillar iv) and Open Budget									
2.6.2. TA to implement priority recommendations									
2.6.3. TA to Publish Procurement Information/Contracts on Portal									
2.7. Improve Capacity of DPP and Select Procurement Entities to improve efficiency and transparency									
2.7.1. Develop a Training Plan									
2.7.2. Conduct Trainings									
2.7.2.1. Training 1: Strengthening Public Procurement Systems, International Best Practices (DPP) - Bishkek									
2.7.2.2. Training 2: Procurement Cycle Management (DPP+PEs) - Bishkek									
2.7.2.3. Training 3: Making effective use of e-portal for Transparency and Efficiency of Public Procurement (DPP+PEs) - Oblasts (to be conducted by DPP)									
2.7.2.4. Training 4: Procurement Planning, Evaluation, and Contract Management (DPP+PEs) - Bishkek									
2.7.2.5. Training 5: Procurement Cycle Management (PEs) - Oblasts (to be conducted by DPP)									

Task 6: Effective Public Procurement for Kyrgyzstani Taxpayers, Activity Work Plan, December 2020

Fiscal Accountability and Sustainable Trade (FAST) Project									
Effective Public Procurement for Kyrgyzstani Taxpayers									
Work Plan for FY 2021 - FY 2022									
Activity Description	Timeline (FY)								
	Q4, 2020	Q1, 2021	Q2, 2021	Q3, 2021	Q4, 2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022
3. Objective Two: Objective 2: Enable Civic Engagement and Oversight									
3.1. Develop CSO Engagement Strategy									
3.1.1. Consultations with CSOs									
3.1.2. Consultations with public advisory councils/public supervisory board									
3.1.3. Hold Focused Group Discussion (FGDs)									
3.1.4. Conduct a workshop									
3.1.5. Develop Strategy Document									
3.2. Establish and Strengthen Mechanisms for Civic Oversight of the Public Procurements									
3.2.1 Establish Procurement Transparency and Accountability Forum									
3.2.1.1 Stakeholder Consultations									
3.2.1.2 Consensus Building									
3.2.1.3 Develop TOR for the Forum									
3.2.1.4 Identifying/granting Memberships									
3.2.1.5 Hold Semi-Annual Meetings									
3.2.2. Assist CSOs (national and sub-national level) establish access to e-portal									
3.2.3. Conduct a Study on Community Monitoring of Contract Implementation									
3.3. Improve Capacity Building of CSOs to engage in and monitor/oversee public procurement									
3.3.1. TA to Develop Training Modules on CSO Monitoring of Procurement and Contract Implementation									
3.3.2. Training and Capacity Building (Train the Trainers)									
3.3.2.1. Training 1: Capacity Building on Transparency in Public Procurement, Concepts and International Best Practices (B									
3.3.2.2. Training 2: Monitoring Public Procurements (CSOs) - Bishkek									
3.3.2.3. Training 3: Understanding Public Procurements and Public Procurement Monitoring - Oblasts (to be conducted by Trainers - we will monitor it)									