

**The importance of monitoring public  
procurement from a civil society  
perspective**  
**Problems, challenges, opportunities and  
development prospects**

*Batma Estebesova*

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## **Public Association for Social Development and Adaptation of a Person in Society “Socium” PA**

Since 1998, we have been working in Kyrgyzstan to introduce innovative approaches in the prevention and treatment of socially significant public health diseases (HIV, TB, harm reduction, and others) and social protection of vulnerable groups of population.

Low-threshold harm reduction programs among drug users, prevention programs in the field of HIV/TB and other socially significant diseases, rehabilitation of vulnerable groups, network of AIDS service NGOs and much more have been introduced and developed.

Since 2014, due to the reduction in donor funding, the organization's priorities have been aimed at ensuring the sustainability of ongoing programs in the field of public health, expanding partnerships at all levels, budget advocacy, and increasing the capacity of NGOs.

Also, the main focus of work in our organization was aimed at ensuring the budget transparency in the Ministry of Health of the Kyrgyz Republic, the MHIF, monitoring the processes of consideration of the republican budget in the Government, Parliament, monitoring the public procurement.

## Some results

- 2018 - The Coalition for Budget Advocacy was created - over 50 NGOs.
- The initiative of Socium and Coalition “Open Data of Healthcare Institutions” received support within the framework of “Open Government” platform and creates opportunities to monitor the costs of program activities, identify the additional financial opportunities.
- In 2019, they prevented the sequestration of the budget of the MHIF in the amount of 873 million KGS, achieved the allocation of 160 million KGS for treatment of cancer patients and 100% provision of treatment for hemodialysis patients.
- 2021 - 1 billion KGS in excess of the allocated amount for health sector.
- Assisted in the creation of the Union of Patient Communities.
- A permanent platform has been created for effective communication with the Ministry of Finance.
- Study – “Efficiency and Fairness of Public Procurement” with the support of Open Contracting Partnership Innovation Challenge.
- The “Procurement” page in the vaccines section has been opened on the Republican Health Promotion Center website.

**However, problems arose in the implementation of the planned budget advocacy activities.**

# *Why has work in the field of public procurement become one of the important priorities of the work of Socium and Coalition?*

## *Challenges in budget advocacy activities*

- Chronic lack of funding in the public sector
- Cuts in donor support
- World crisis, inflation, political, economic and social tension
- COVID-19

**Don't allow spending cuts in the health sector!**

## Strategy to increase funding for programs in the field of HIV, TB.

### “Sustainable Harm Reduction Programs” OSI, 2015 - 2018)

#### Possible sources of funding for HIV programs

Increase in republican budget expenditures. Procurement and public social order

Reimbursement of funds for medical institutions from the MHIF for services for PI

Implementation of the mechanism for applying the public social order in the MH KR

Allocation of local budget funds for HIV and TB programs

Preservation of funds from the PF and other donors for programs for PI

2015

Consolidation of efforts to expand funding - coordination, review, dialogue, roadmap, advocacy

2016

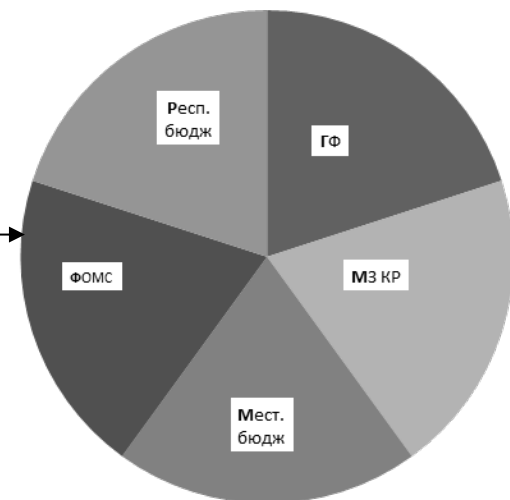
Launch of pilot programs based on the principle of co-financing from various sources, inclusion of articles of expenses in the republican and local budgets, introduction of public social order

2017

Lessons learned from pilot programs, service standards implemented, expansion of co-financing model

2018



Full transition to national funding



# Expenses for healthcare in the KR

**16,5 bln KGS**  
(MH KR+ MHIF)  **171,8 bln KGS**  **9,6 %**

## Budget deficit for healthcare in the Kyrgyz Republic

**3,4 %**  **171,8 bln KGS**  **5,8  
bln  
KGS**

Annex 5 - Expenses according to the departmental classification of the RB for 2018

<http://kenesh.kg/ru/draftlaw/401051/show>

## Sources of covering the deficiency of funds for healthcare in 2018 (1)

**Total savings on public procurement in 2016**  **9.1 bln KGS**

**Savings on public procurement by budgetary institutions in 2015**  **4.5 bln KGS**

Annual report on public procurement for 2015

Annual report on public procurement for 2016

Public Procurement Department

<http://zakupki.gov.kg/popp/home.xhtml?cid=1>

***Why is public procurement important?  
Why is transparency, accountability and good  
governance needed?***

**57%**

OF INTERNATIONAL CORRUPTION  
CASES ARE RELATED TO PUBLIC  
CONTRACTS

**40%**

OF EXPENSES ARE NOT FULLY  
DETERMINABLE (OECD)



# *The importance of a civil society involvement in public procurement monitoring*

**Around 30 bln KGS** are in the field of public procurement of Kyrgyzstan.

• **More than 15% of the gross domestic product** is spent annually on public procurement.

<https://www.pplo.kg/repository/>

Considering the constant deficit of budgetary funds, their efficient and economical use has always been and remains a topical issue.

# *Research in the sphere of procurement*

“Efficiency and fairness of public procurement” of independent expertise, monitoring, analysis, evaluation in the field of budgetary and social policy;

## Research goal:

•Identification and assessment of factors affecting the efficiency and openness of public procurement in the field of healthcare, as well as the development of recommendations for optimization of this process.

## Objectives:

- 1.identify and evaluate the factors affecting the degree of openness and clarity of the public procurement process in the field of healthcare;
- 2.identify and evaluate the factors that affect the possibility of open and successful participation of all interested parties in public procurement;
- 3.identify and assess the factors that contribute to the emergence of corruption schemes in public procurement in the field of healthcare;
- 4.develop guidelines for monitoring the public procurement system to ensure the sustainability of this project;
- 5.develop recommendations to increase the openness and inclusiveness of public procurement in the field of healthcare for the subsequent development and implementation of an advocacy and monitoring plan;
- 6.transfer the data obtained in the course of the study, developed conclusions and recommendations to the members of the “Socium” PA coalition for the subsequent use in advocacy and promotion of recommendations for optimization of public procurement in the field of healthcare.

# **RECOMMENDATIONS (1)**

- 1. Introduce the norm of mandatory centralized procurement of strategic goods into the NPB.**
- 2. Develop standards that determine the cost of goods and products.**
- 3. Create separate procurement agencies in areas (for example, as structural divisions of the Ministry of Healthcare), which will include procurement professionals, in particular, category managers.**

## **RECOMMENDATIONS (2)**

**4. Improve and finalize the public procurement web portal in the following areas:**

- The functionality of the portal should oblige the purchasing organizations to fill in all fields of the order for supplies;**
- All procedures must be carried out in electronic format, automated, i.e. completely switch to the electronic trading format;**
- The functionality of the portal should ensure the price monitoring (by improving the classifier of medicines, integrating the forms of release and dosage of medicines to more accurately determine the subject of procurement);**
- Ensure the disclosure of prices for each unit of goods in tenders with a large range of purchases (because now the total cost is published without the price details);**
- Refine the functionality of execution of contracts on the Portal to ensure the transparency at all stages of public procurement up to the acceptance of goods and making payments.**

## **RECOMMENDATIONS (3)**

- 5. Use price monitoring tools.**
- 6. At the legislative level, assign the responsibility for the administration of contracts to a unit or an individual specialist in the procuring organization (it is possible to provide a contract manager, logistician, etc. in the staff).**
- 7. The Ministry of Healthcare and departments to develop instructions for receiving the supplied goods for each category.**
- 8. Introduce into the NPB a norm on the mandatory provision of publicly available information on implementation of the procurement plan on the departmental websites.**
- 9. Conduct regular consultative meetings between the state and business (for example, on the platform of the Chamber of Commerce and Industry of the Kyrgyz Republic), as well as capacity building trainings for all stakeholders (suppliers, buyers, NGOs) on the basis of donor platforms.**

# ***Public analytics module (BI) of public procurement system of Kyrgyzstan*** (<http://zakupki.gov.kg/>).

As part of the project, specialists from RBC IT International Group Ltd developed an analytics module that makes it easy and simple to understand where and how people's money is spent.

The analytics module consists of two analytical applications in Qlik Analytics Platform BI system. Their functionality is similar:

- 1) Appendix: “Analysis of Public Procurement in the Kyrgyz Republic” <https://bi.open-contracting.org/kyrgyzstan/>
- 2) Appendix “Analysis of public medical procurement in the Kyrgyz Republic” [https://bi.open-contracting.org/kyrgyzstan\\_med/](https://bi.open-contracting.org/kyrgyzstan_med/)

# ***Public analytics module (BI) of public procurement system of Kyrgyzstan*** (<http://zakupki.gov.kg/>).

- The public launch of the analytical module (BI) of public procurement system of Kyrgyzstan took place on September 2, 2021.
- The data of the analytical module enables independent experts, civil society and the media to conduct independent analytical work and investigations of suspicious procurement.
- Now everyone in Kyrgyzstan who wants can receive information in real time.

# *Other activities*

- LekInfo application as part of Sanarip Tona competition.

The use of IT technologies to ensure the transparency and accountability in the field of medicines and medical devices and combating corruption in the Kyrgyz Republic aims to promote the identification of low-quality medicines and ensure the participation of citizens in combating corruption in the Kyrgyz Republic

- Price aggregator Baa.kg - price aggregator, analytics tool.

Price control will allow efficient distribution of budget money, create competition among the suppliers, eliminate corruption in procurement, reduce procurement costs and allow money to be released for priority tasks, availability of medicines, increase in public coverage of social projects.

- Continued work within the framework of the Open Government/Open Health Data platform
- Sak Salamat website, <https://saksalamat.info/>, Republican Health Promotion Center in “Vaccines” section, “Procurement” tab
- Creation of a database of organizations working in the field of procurement
- Creation of a community united by a common goal
- Cooperation with audit firms that are not yet open for joint work



# ***Prospects and development opportunities***

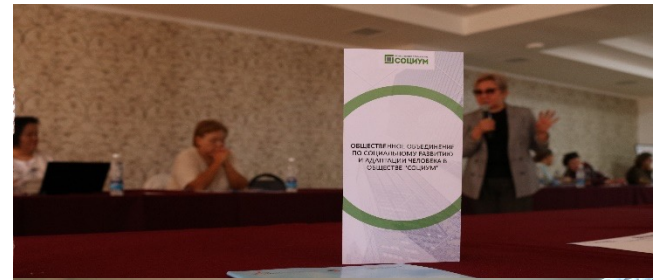
- Promotion of the tool (analytics module and new features)
- Creation and maintenance of a group of users of the analytical tool
- Conduction trainings and a series of webinars for healthcare institutions and CSOs on procurement issues
- Continuation of conduction of a comprehensive study on the functioning of the sphere of public procurement
- Creation of the Forum of Civic Initiatives to improve the public procurement system of the Kyrgyz Republic – a platform for formulation of common positions, expression of support and solidarity, as well as for strengthening the influence of a civil society on state and municipal authorities and intergovernmental relations.















# Contact information

## **“Socium” Public Association**

**82/1 Shookum Street, Bishkek city,  
the Kyrgyz Republic, 72008**

**Tel +(996 550) 125 -124**

**E-mail: [ooosotsium@gmail.com](mailto:ooosotsium@gmail.com)**

**Website: [www.sotsium.kg](http://www.sotsium.kg)**

Link to our website and advocacy  
campaign <http://sotsium.kg/advokacziionnaya-kampaniya-koaliczii-za-byudzhetnuyu-advokacziyu/>

- Link to our social media page: <https://www.facebook.com/sotsium.kg>  
title: “Socium - help to health”
- Link to the page “For budget advocacy”  
<https://www.facebook.com/BudgetAdvocacyGroupkg>

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# Thank you for attention!

