

UZBEKISTAN ANTI-CORRUPTION DIGEST

ANTI-CORRUPTION

WORK DONE TO PREVENT CORRUPTION IN THE PUBLIC PROCUREMENT SYSTEM

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Abstract: *Actions and problems to prevent corruption in the public procurement system are discussed, and proposals for their elimination are presented.*

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Ensuring openness and transparency, reducing the involvement of the human factor due to the rapid development of digitalization processes is the greatest achievement in any area, namely in the ongoing reforms in the field of corruption prevention. Today, every citizen of our country has the opportunity to observe the daily expenditures of the state budget, which is important for ensuring broad competition in the field of public procurement, rational and efficient use of funds, as well as creating favorable conditions for entrepreneurs.

In total, **in 2021**, public procurements worth 147.4 trillion soums was carried out in the Republic. This is **20.1% GDP**. Of these, purchases in the amount of about 28 trillion soums (20% of the total amount of purchases) was carried out through electronic trades. As a result of the implementation of competitive procurement procedures, **it was possible to save funds** in the amount of **5.8 trillion soums**.

In order to reduce the participation of the human factor in public procurement and digitalization of the industry, from January 1, 2022, the practice of conducting selection and tenders mandatorily in electronic form has been introduced.

The Code of Administrative Responsibility of the Republic of Uzbekistan **established liability** for violation of legislation in the field of public procurement, including for violation of the conditions for determining the types of procurement procedures and choosing a contractor, in order to strengthen the responsibility of state customers in the field of public procurement, ensuring their strict compliance with the requirements of the current legislation in the field of public

procurement, prohibition of non-competitive bidding and ensuring equal opportunities for all business entities.

In order to ensure openness and transparency in the field of public procurement, improve procurement procedures by creating conveniences and opportunities for participants in public procurement, the following key innovations have been introduced into the Law of the Republic of Uzbekistan "On public procurement":

- the requirements of the law shall also apply to the procurements of strategically important business companies and enterprises, i.e. large corporate enterprises;

- the powers of the Accounts Chamber of the Republic of Uzbekistan to conduct an audit of public procurement and, at the end of the year, publishing the results of the audit in open information sources and submit them to the Oliy Majlis of the Republic of Uzbekistan;

- The Anti-Corruption Agency of the Republic of Uzbekistan is included in the composition of the bodies exercising state oversight over the conduct of procurement procedures.

- the article on the principle of inadmissibility of corruption in the field of public procurement was re-examined and improved. At the same time, the prevention of corruption in the field of public procurement shall be carried out by:

- ensuring fair competition and using impartial criteria in decision-making;

- creation of an effective system of monitoring and control;

- publications in open sources of information about violations of the legislation and other regulations in the field of public procurement.

- participants in procurement procedures and executors of public procurement shall be obliged to disclose information about their beneficial owners;

- government customers shall be obliged to provide information on affiliation in the field of public procurement;

- conditions are included that the participant and the affiliated person of the participant in the procurement procedure shall not be entitled to participate in the same lot in the electronic market, auction, selection of the best offers and tenders;

- the participant shall not be allowed to participate in public procurement if close relatives of the participant and (or) an authorized representative of the participant in the public procurement process have the right to make a decision on the selection of the contractor or are a representative of the state customer or a specialized organization involved by them in the public procurement process;

- mandatory requirement for bidders to submit an anti-corruption statement.

We all know that the "Sphere without corruption" project is currently being implemented in the field of public procurement. "Roadmap" of 28 points of measures for the implementation of the "Sphere without corruption" project in the field of public procurement has been approved, and at meetings of the National Anti-Corruption Council of the Republic of Uzbekistan, discussions are being held on the work carried out to implement the project "Sphere without corruption" in the field of public procurement.

In this regard:

- an anti-corruption expertise of acts of legislation in the field of public procurement was carried out;

- agreements have been signed with the relevant international financial institutions, and to date, standard procurement documents have been developed within the framework of this project;

- The Training Center of the Ministry of Finance organized advanced training courses for employees of state administration bodies and their systems, as well as employees of business companies and enterprises of strategic importance and other organizations.

For information, to date, 6979 employees of state customers have been trained under the Special Course.

– A **distance learning platform** to improve the skills of government customers in the field of public procurement has been created.

To date, there are a number of measures that need to be taken to further develop this area, including: -

– critically consider initiatives to define a supplier as an exception or enter into a direct contract without grounds, in the availability of competition,

– take measures to prevent conflicts of interest in public procurement, create the possibility of automatic identification of affiliated persons through an electronic system. In this respect, it is necessary to introduce a mechanism for electronic identification of affiliated people of public procurement participants by establishing the exchange of information between the electronic database of personal identification numbers (PIN) and electronic public procurement systems.

Also, in order to further increase the openness and transparency of public procurement, the formation of a competitive environment, to conduct a comprehensive analysis of procurement, including the creation of a system for analyzing information about participants, their number, offered price, level of competition, analytical data by industry and region, as well as systems for automatic analysis of information about conflicts of interest and other information (**Business Intelligence**). In this regard, continue work to improve the Central Information Portal of public procurement.

Accordingly, to complete work in the Central Information Portal on the implementation of the **risk management system, monitoring tools** according to various criteria and the BI – **Business Intelligence software**.