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# E-PROCUREMENT SYSTEM IN UZBEKISTAN



Presenters:

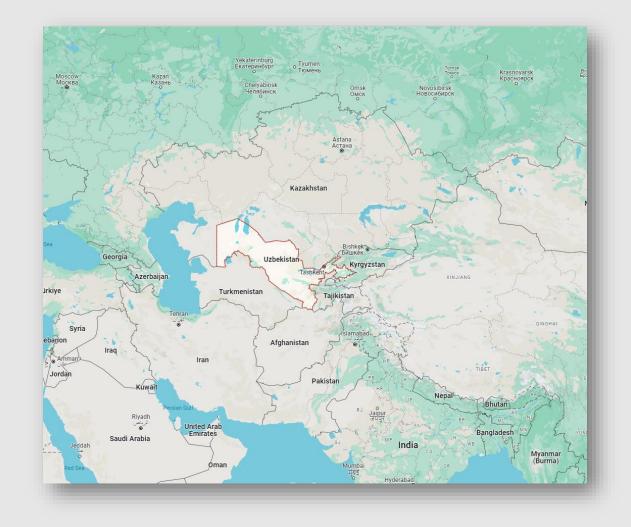
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## Content:

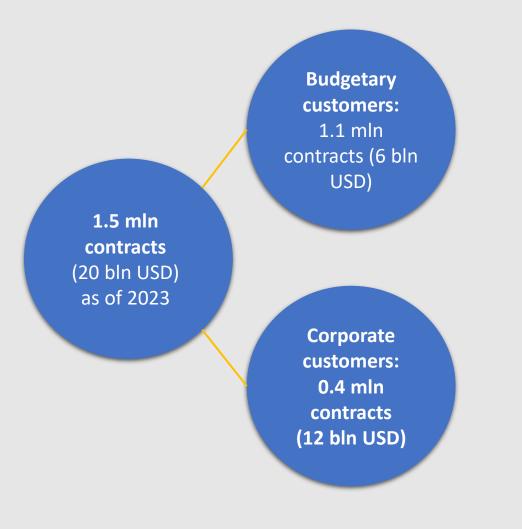
- General Information
- Procurement Statistics
- Legal Framework
- Organizational Structure & Stakeholders
- Procurement Procedures
- E-procurement System
- Challenges

## **General Information**

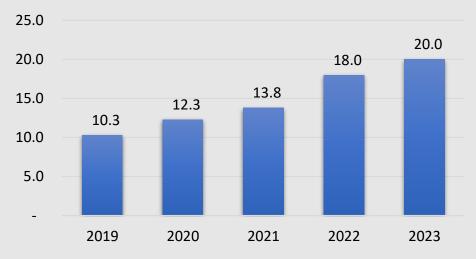
- **Population:** 37 mln (2024)
- GDP: 91 bln USD (2023)
- GDP growth: 6% (2023)
- Structure of GDP (2023):
  - Services: 44%
  - Industry: 26%
  - Agriculture: 24%
  - Construction: 6%
- Unemployment: 5% (2023)
- Inflation: 11% (2023)

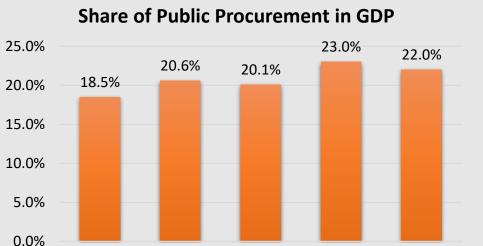


### **Procurement Statistics**









# Legal Framework

Law "On Public Procurement" (2021):

- Establishes the legal framework for public procurement in Uzbekistan
- Outlines principles, procedures, and regulations for government agencies to follow when purchasing goods, works, and services

### Law "On Competition" (2023):

- Regulates competition-related activities, focusing on controlling and preventing actions that may restrict competition in commodity or financial markets
- Protects the rights and legitimate interests of consumers in competitive environments or natural monopolies.

#### Law "On Combating Corruption" (2017):

- Sets the principles of anti-corruption policy
- Outlines the responsibilities of various parties in combating corruption

### **Organizational Structure & Stakeholders**

**General Prosecutor's Office** Coordinating body in the field of crime prevention and criminal justice **Cabinet of Ministers** Ensures the formation and implementation of government policy in the field of public procurement

Accounts Chamber Conducts an audit of procurements of procuring entities

Anti-corruption Agency Authorized body in the field of preventing and combating corruption Ministry of Economy & Finance Authorized body in the field of public procurement

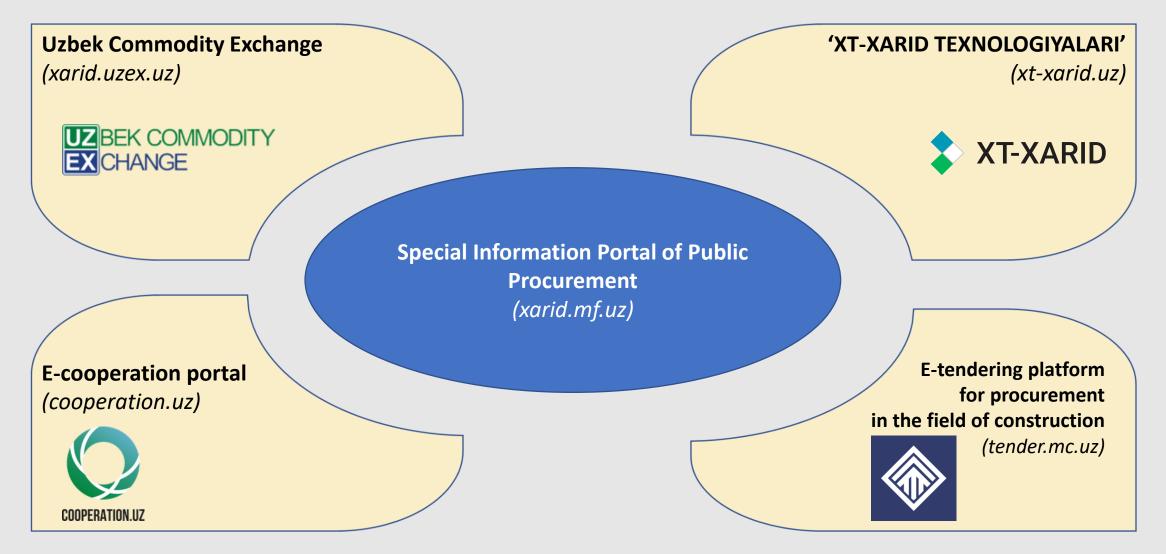
Antimonopoly Committee Authorized body in the field of preventing and combating corruption

Public Procurement

### **Procurement Procedures**

Electronic Store	Goods by general characteristics; Similar to e-trading platforms like Amazon or Alibaba	E-planning of procurement; Automatic registration of contracts in the treasury; E-invoice; E-payment.	
Reverse Auction	Competitive procedure; Price is the only criteria.		
Competitive Bidding	One-stage procedure; Contract is awarded to the participant which offered the best terms of execution	E-planning of procurement; Electronic submission of documents; Assessment criteria; Electronic determination of results;	
Tender	Two-stage procedure; Contract is awarded to the participant which offered the best terms of execution.		
Direct contracting	Natural monopolies; Unique goods or services.	E-contracting; Verified suppliers; Less time spent on signing of the contract.	

## **E-procurement System**



## **E-procurement System**

#### UZBEK COMMODITY EXCHANGE

Uzbek Commodity Exchange Established in: 2011 Coverage: All procurements https://xarid.uzex.uz



**'XT-XARID' E-procurement system** *Established in:* 2020 *Coverage:* All procurements

*Coverage:* All procurement <u>https://xt-xarid.uz/</u>

COOPERATION.UZ		

E-cooperation portal Established in: 2020 Coverage: Domestic producers <u>https://cooperation.uz</u>



E-tendering platform for procurement in the field of construction Established in: 2019 Coverage: Construction works https://tender.mc.uz/

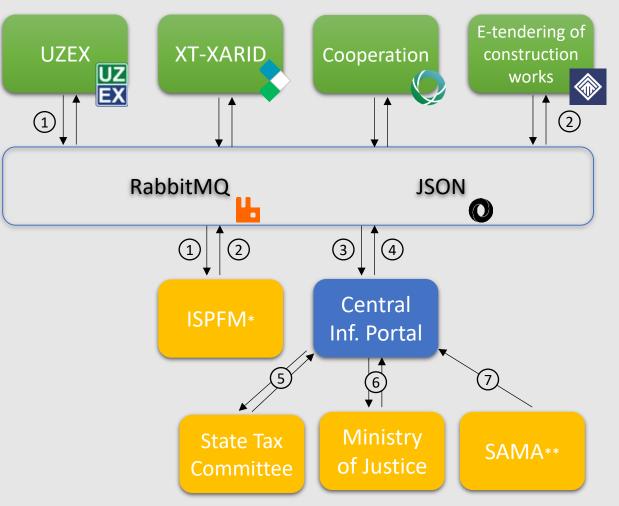
Nº	Operator	Procurement Volume (equivalent of billion USD)	Share
1	Uzbek Commodity Exchange	16.6	81.6%
2	'XT-XARID' E-procurement system	0.9	4.5%
3	E-cooperation portal	1.2	5.7%
4	E-tendering platform for procurement in the field of construction	1.7	8.2%
	Total:	20.4	100%

# **E-procurement System**

- Requests, contracts, payment, invoice information for conducting electronic transactions
- Responses to requests for electronic transactions (estimate available funds, booking them)
- Requests for identification of affiliation between procurer and bidder based on the procurer's Tax ID (details, management, accounting, shareholders, Tax Gap, etc.) and Individual ID-number of the bidders. Information on the result of electronic bidding.
- (4) Responses to requests in (3)
- 5 The procurer's Tax ID (details, management, accounting, shareholders, Tax Gap, etc.)

Result of the screening for identification of affiliation

- 6 between procurer and bidder based on the bidder's Individual ID-number
- (7) Information on State-owned enterprises (SOEs)



\* Information System of Public Finance Management (ISPFM) \*\* State Assets Management Agency (SAMA)

# Challenges

#### **Disadvantages of Multiplatform E-Procurement System**

- More complex to develop and maintain due to multiple platforms
- Ensuring a consistent user experience across platforms is more difficult
- More expensive to build and maintain
- More difficult to ensure cybersecurity and protection

#### Lack of advanced risk management system

- Conflict of interests, bribery and other 'red flags'
- Introduction of AI

### **THANK YOU FOR ATTENTION!**