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E-PROCUREMENT SYSTEM IN UZBEKISTAN



Presenters:

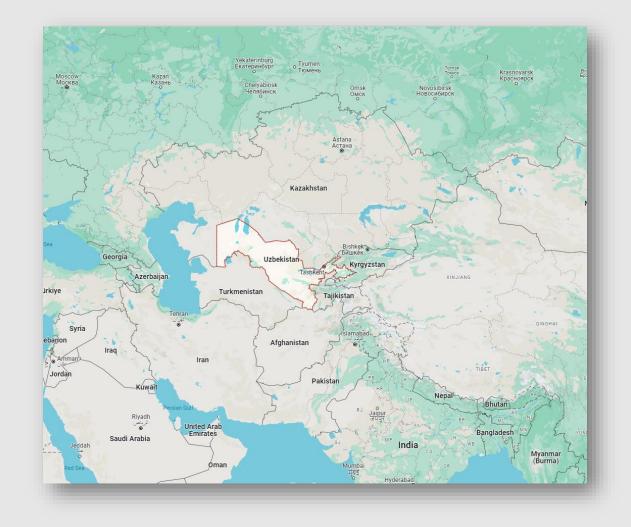
Khurshid KABULOV Durbek Tokhirov

Content:

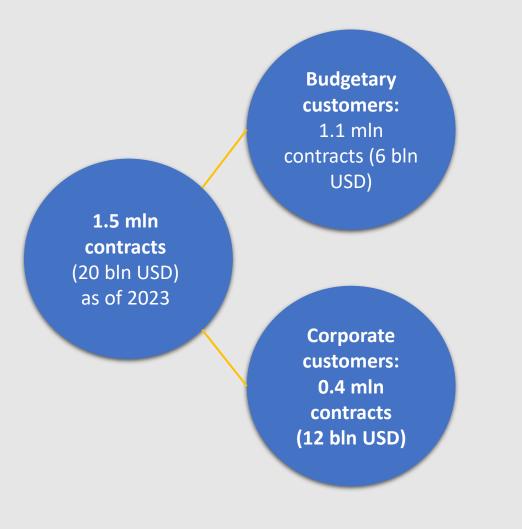
- General Information
- Procurement Statistics
- Legal Framework
- Organizational Structure & Stakeholders
- Procurement Procedures
- E-procurement System
- Challenges

General Information

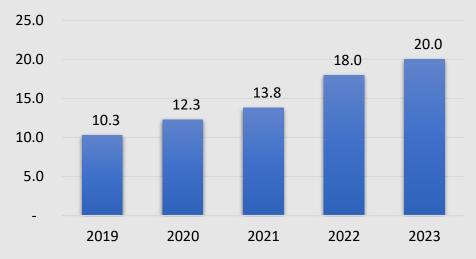
- **Population:** 37 mln (2024)
- GDP: 91 bln USD (2023)
- GDP growth: 6% (2023)
- Structure of GDP (2023):
 - Services: 44%
 - Industry: 26%
 - Agriculture: 24%
 - Construction: 6%
- Unemployment: 5% (2023)
- Inflation: 11% (2023)

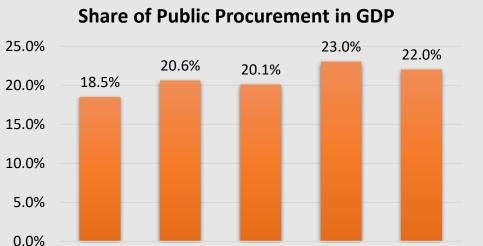


Procurement Statistics









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

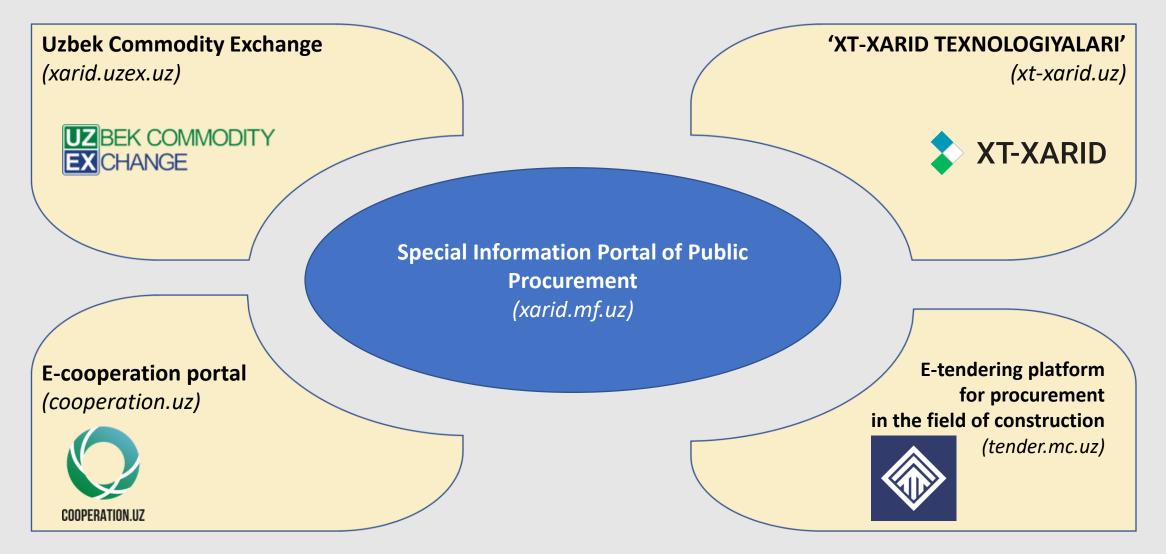
Antimonopoly Committee Authorized body in the field of preventing and combating corruption

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/

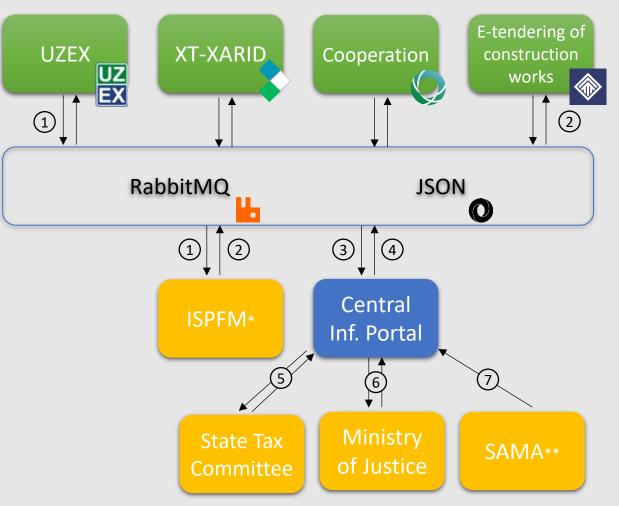
Nº	Operator	Procurement Volume (equivalent of billion USD)	Share
1	Uzbek Commodity Exchange	16.6	81.6%
2	'XT-XARID' E-procurement system	0.9	4.5%
3	E-cooperation portal	1.2	5.7%
4	E-tendering platform for procurement in the field of construction	1.7	8.2%
	Total:	20.4	100%

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!