# GLOBAL RESEARCH NETWORK

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### Legal basis of implementation of public control over public procurement system in Uzbekistan

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As we all know, in the recent past, the global spread of the coronavirus infection, the temporary suspension of business operations, the sharp reduction in production and consumption volumes in the countries with the largest economies, the derailment of global production chains and trade relations, raw materials in the world financial markets caused a decrease in the price of goods and a worsening of the economic situation.

These factors also affected the economy of Uzbekistan, which is part of the global economic system, and is still affecting it. This, in turn, requires taking effective, preventive measures to mitigate the negative effects of this situation. According to the decree "On the development strategy of New Uzbekistan for 2022-2026" it is determined to transform the activities of state administration bodies based on the principle of "directing them to serve citizens". Special attention is being paid to support and ensure their stability in rapidly developing sectors of the republic's economy, such as production, service, agriculture, tourism, transport, pharmaceutical and textile industries.

Therefore, in order to maintain the amount of public procurement at the optimal level, it is an urgent issue to ensure its high efficiency. The solution of this issue is directly related to the introduction of modern information technologies in the process of public procurement, which is one of the main directions of the reforms implemented in the field of public procurement today. Honorable President Shavkat Mirziyoyev also expressed his opinion about the importance of this situation, "In the near future, it is necessary to create a single space on the Internet for the implementation of all state purchases and the sale of state property. "This will allow to reduce budget expenses, effectively manage state property and save large financial resources," he said.

The development of the state procurement system in our country can be conditionally divided into four stages<sup>3</sup>.

In the first stage (the period until 2011), public procurement is governed by the Civil Code of the Republic of Uzbekistan, the Law of the Republic of Uzbekistan "On the Contractual-Legal Basis of the Activity of Business Entities", as well as "Organization of Tenders" was formed and developed on the basis of the Decision of the Cabinet of Ministers on measures to improve.

<sup>&</sup>lt;sup>1</sup> Oʻzbekiston Respublikasi Prezidentining Farmoni, 28.01.2022 yildagi PF-60-son

<sup>&</sup>lt;sup>2</sup> O'zbekiston Respublikasi Prezidenti Shavkat Mirziyoyevning Oliy Majlisga Murojaatnomasi. – T.: "Xalq so'zi", 23.12.2017.

<sup>&</sup>lt;sup>3</sup> Oʻroqov U.Yu. Davlat xaridi. Oʻquv qoʻllanma.T.:«Nihol print» OK, 2022. 200 b

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The second stage (the period from 2011 to 2017) is distinguished by the fact that it is aimed at ensuring the transparency of the procurement system based on international experience, and ensuring competition through the wide involvement of business entities in this system. By this time, the development of legislation in the field of public procurement to meet the requirements of the private and public sector has become a demand of the times.

The third stage covers the period from April 9, 2018 to April 21, 2021. As we have seen above, until recently, the field of public procurement in our country was regulated by more than 30 legal documents, in which there was no integrated system. As a result of this, sometimes there were situations that rejected each other from a legal point of view. In some cases, repetitive procedures created conditions for corruption and caused a lot of time loss. The Law of the Republic of Uzbekistan "On State Procurement" was adopted on April 9, 2018 in order to prevent such problems, to form a single and integrated legal framework regulating public procurement and to apply it uniformly. The Law, consisting of 12 chapters and 79 articles, ensures the openness and transparency of public procurement and the competition of entrepreneurs in this field, and made it possible to effectively use the funds of the state budget, centralized resources and state-owned enterprises.

The fourth stage covers the period after April 22, 2021. It was on this date that the new version of the Law "On State Procurement" was adopted. In the preparation of the law, the main provisions of the UN Commission on International Trade Law (UNCITRAL) model law on public procurement, recommendations of the Organization for Economic Cooperation and Development and the experience of a number of foreign countries were used. The law will serve to improve the position of our country in international ratings such as the monitoring of the Istanbul Action Plan for Combating Corruption of the Organization for Economic Cooperation and Development, the International Assessment of the Effectiveness of Public Finance Management (PEFA).

It should be said that constant monitoring and strict control over procurement procedures was established through the law brought into a unified system. The important thing is that together with the state control, the procurement procedure for the purpose of supporting the development and improvement of state procurement, preventing and identifying violations of the requirements of the legislation on state procurement, and informing state customers and authorized state bodies about the identified violations. a norm of public control over food was introduced. It was determined that public control over procurement procedures will be implemented through the implementation of the principles of openness and transparency. In accordance with Article 5 of the Law of the Republic of Uzbekistan on "Public Control" adopted on April 12, 2018, citizens of the Republic of Uzbekistan, citizens themselves It was established that self-management bodies, as well as non-governmental non-profit organizations and mass media registered in accordance with the procedure established by law, can carry out public control.

Based on these laws, measures to prevent corruption and ensure transparency were established.

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<sup>&</sup>lt;sup>4</sup> O'zbekiston Respublikasining Qonuni, 12.04.2018 yildagi O'RQ-474-son

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- Anti-corruption agency was included in the list of bodies controlling state procurement;
- The participation of a participant in the procurement procedures and his affiliate in the same auction, and the voting of the member of the procurement commission in the case of affiliation with the participants was limited;
- It was decided that the Chamber of Accounts will conduct an audit of state purchases and submit the results to the Legislative Chamber of the Oliy Majlis every year and publish them in open information sources;
- The Ministry of Finance and other participants were assigned the task of publishing trading results, cases of law violations, and analytical data in open information sources;
- The processes of planning public procurement, implementation of procurement procedures, contract conclusion, monitoring and control of public procurement have been systematized on the special information portal.
- The period of restriction on the participation of entities included in the unified register of dishonest performers in public procurement was reduced from three years to two years;
- Many other changes aimed at further development of the state procurement system, broad involvement of business entities in the field and ensuring openness and transparency were envisaged.

A number of changes have been made to procurement procedures:

Table 1.1

State procurement procedures from April 22, 2021<sup>5</sup>.

Purchase type			Corporate for customers	Term
Direct (simplified selection)	Goods Work,	0-25 BCA*	0-50 BCA	-
	service In one fiscal year		0-1000 BCA	
	praduct	0-2500 BCA (up to 10,000 times the same type of goods in one financial year)	0-25000 BCA	

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<sup>&</sup>lt;sup>5</sup> O'rogov U.Yu. Davlat xaridi. O'quv qo'llanma.T.:«Nihol print» OK, 2022. 200 b.

<sup>\*</sup>base calculation amount



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Elektron doʻkon	Work, service	0-12 250 000 soum (up to 500 times the same type of work,	0-100 BCA (up to 1000 times	
Auction	praduct Work, service	0-6000 BCA	0-25000 BCA	5 working
	WOIK, SCIVICC		_	days
Choosing the best	praduct	0-6000 BCA		5 working
offers	Work, service	0-6000 BCA	0-25000 BCA	days (2 working days discussion )
Tender	praduct	6000 BCA	25000 BCA	12-30 work
	Work, service			day

State procurement under direct contracts can be carried out in the following cases: $\Box$ State
procurement of goods (works, services) authorized for state procurement with a single supplier
included in the register of single suppliers; $\Box$ State procurement of goods (work, service) carried
out under direct contracts based on decrees and decisions of the President of the Republic of
Uzbekistan, decisions of the Cabinet of Ministers of the Republic of Uzbekistan;
procurement of goods (works, services) necessary to meet the needs of the Republic of
Uzbekistan in order to eliminate emergency situations;   state procurement related to the
appointment of a lawyer (representative) to participate in court proceedings; $\square$ the sole holder of
the exclusive right to these intellectual property objects of the results of intellectual activity, such
as works of science, literature and art, performances, phonograms, broadcasts or broadcasts of
broadcasting organizations on air or cable public procurement from an individual; $\square$ state
procurement of goods (works, services) whose price (tariff) is regulated by the state. State
contractors must post information about the conclusion of direct contracts on a special
information portal within three working days from the moment of conclusion of the contract. If
the information on the conclusion of direct contracts is not posted on a special information
portal, payments for these contracts will not be made. The state customer may use other
competitive types of procurement procedures in accordance with the requirements of the Law
during the implementation of public procurement provided for in this article.

Public control over procurement procedures is carried out by implementing the principles of openness and transparency.

Citizens of the Republic of Uzbekistan, self-government bodies of citizens, as well as non-governmental non-commercial organizations and mass media registered in accordance with the



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law, have the right to exercise public control over compliance with the legislation on public procurement.

Citizens of the Republic of Uzbekistan exercising public control, self-government bodies of citizens, as well as non-governmental non-profit organizations and mass media registered in accordance with the law: to prepare proposals for improving the legislation on public procurement; to send requests to state customers to provide information on the implementation of procurement procedures and the progress of contract execution; to carry out independent monitoring of procurement procedures and evaluation of the efficiency of public procurement, including the assessment of their compliance with the requirements of the Law on State Procurement; they have the right to apply to state bodies with the initiative of carrying out inspection activities.

In addition, people's representatives have the right to appeal to law enforcement agencies or to appeal to the court in accordance with the law in cases where violations are detected in the actions (inaction) of the state customer, state e-procurement system operator.

In conclusion, the legal basis for the implementation of public control over procurement procedures in our country has been created. Public control over procurement procedures is carried out in order to support the development and improvement of public procurement, to prevent and identify violations of legislative requirements on public procurement, and to inform public customers and authorized state bodies about identified violations