4-ŞÖBA · QIŞLOQ XÖJALIGINI BARQAROR RIVOJLANTIRIŞ

TRANSPARENCY OF PUBLIC PROCUREMENT AS A FACTOR IN INCREASING BUDGET EFFICIENCY: MECHANISMS AND STRATEGIES

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ABSTRACT The article analyzes ways to ensure the efficient and targeted use of budgetary funds by increasing transparency in the public procurement system. It explores opportunities to optimize procurement processes through the prevention of corruption and conflicts of interest, the implementation of open electronic platforms, the strengthening of public oversight, and the widespread use of information technologies. Furthermore, based on advanced international experience, the advantages and shortcomings of the existing system in Uzbekistan are identified, and proposals and recommendations are developed to improve the effectiveness of the state budget. The research results highlight the practical importance of implementing the principles of openness and accountability in public financial management.

KEY WORDS Public procurement, transparency, budget efficiency, e-procurement system, open data, anti-corruption, financial control, public oversight, accountability principle, public finance.

INTRODUCTION

In the context of a market economy, the issue of the rational and efficient use of state financial resources is becoming increasingly relevant. In particular, the public procurement system is an important instrument determining the efficiency of financial flows in the economy, encompassing a significant portion of budget funds. The transparency and openness of this system not only increase economic efficiency but also serve to prevent corruption, strengthen public trust, and develop a competitive environment.

In recent years, Uzbekistan has implemented important reforms in public procurement, including digitalization, the introduction of electronic trading platforms, and the creation of open databases. However, several challenges remain, including conflicts of interest, information asymmetry, weak control mechanisms, and corruption risks. This can lead to the inefficient expenditure of budget funds.

Therefore, the main goal of this research work is to analyze ways to increase budget efficiency by ensuring transparency in the public procurement system, identify existing

problems, and develop proposals and recommendations aimed at their elimination.

LITERATURE REVIEW

The public procurement system is one of the largest types of state budget expenditures and plays an important role in economic efficiency, developing a competitive environment, and reducing corruption. Therefore, in recent years, many domestic and foreign researchers have focused on the in-depth study of this field.

Among Uzbek researchers, B. Akhmedov examined the organizational and legal foundations for ensuring transparency in public procurement. He substantiated the possibility of reducing corruption risks and ensuring the targeted and rational expenditure of budget funds through the implementation of electronic procurement platforms. The author also emphasizes the maturity of legal mechanisms in implementing the principles of openness and accountability [1].

M. Karimova has scientifically revealed the role of the principles of openness and accountability in public financial management, their application in practice, as well as the negative impact of factors such as conflict of interest and information asymmetry on the efficiency of public procurement. In her opinion, the existing system will not yield the expected results until institutional reforms and open access to information are ensured [2].

The report "Public Procurement in Uzbekistan: Efficiency and Transparency Review", published by the World Bank, provides an in-depth analysis of the state, strengths, and weaknesses of the procurement system in Uzbekistan. It highlights the opportunities for increasing transparency through the implementation of electronic trading platforms, as well as the challenges arising in this process [3].

Furthermore, materials published by the OECD and Transparency International outline international standards, evaluation indicators, and monitoring methods for ensuring transparency and competition in public procurement. In particular, through the results of the CPI (Corruption Perceptions Index), the level of transparency in the public sector is monitored from year to year, and differences between countries are analyzed.

Reports and projects developed by the UNDP promote ideas for increasing efficiency by introducing digital technologies into public financial management and ensuring the active participation of society and civil institutions [4].

Although existing studies have examined transparency in public procurement from theoretical and practical perspectives, further improvements are needed to adapt international best practices to Uzbekistan's specific conditions. The combination of a systematic approach, institutional reforms, and modern technologies serves as an important factor in achieving the expected positive results in this field.

RESEARCH METHODOLOGY

In this study, methods of systems analysis, comparative analysis, and evaluation based on indicators were used.

ANALYSIS AND RESULTS

Improving budget efficiency by ensuring transparency in the public procurement system requires a series of important measures. The following measures can improve transparency

in the public procurement system:

Implementation of electronic systems: Implementing public procurement on electronic platforms will help make procurement processes more transparent. This will also make all information about tenders, procurements, contracts, and payments publicly available.

Monitoring and evaluating the procurement process: Effective budget utilization is ensured through the continuous monitoring and evaluation of the public procurement system. To achieve this, it is necessary to create separate monitoring and audit systems.

Public disclosure of information about tenders and contracts: Combating corruption can be achieved by disclosing information about tenders and their results to the general public, including citizens and public organizations.

Public oversight of procurement: Creating opportunities for citizens to monitor public procurement and increasing the transparency of the procurement process, for example, by involving public observers and civil society.

Measuring and analyzing procurement effectiveness: Evaluating the successful implementation of procurement, specifically analyzing whether it was carried out within the established timeframe and budget.

Improving legislation: It is necessary to update and strengthen laws and regulations on public procurement, as well as improve the mechanisms of penalties applied to ensure transparency.

Strengthening governance and accountability: Make procurement officials responsible for ensuring transparency. Also take punitive measures for any mistakes or abuses committed by them [5].

Increased transparency will promote fairness and openness in public procurement and reduce the risk of corruption.

Budget efficiency increases as purchases are made more efficiently, within the specified timeframe and budget.

Increased competition ensures the best prices and quality of services or goods.

Through the participation of citizens and the public, errors and abuses in public procurement are quickly identified (Figures 1 – 2).

As a result of these measures, the public procurement system will become more efficient, transparent, and reliable, which, in turn, will ensure the effective use of the state budget.

CONCLUSION AND PROPOSALS

Improving budget efficiency through transparency in public procurement is a key priority in modern public financial management. Analysis shows that the introduction of electronic systems, public oversight, legislative improvements, and continuous monitoring mechanisms not only reduce corruption risks but also ensure the targeted and efficient use of budget funds.

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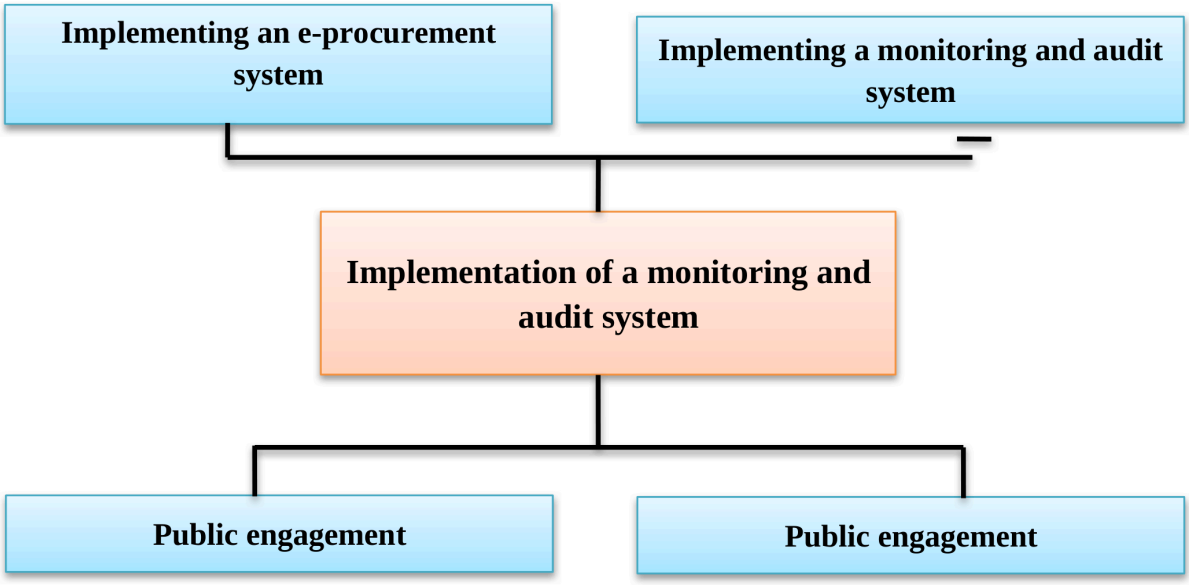


Figure 2 Implementation of a Monitoring and Audit System

Transparency is not just a technical or administrative mechanism, but an institutional approach based on the principles of civil society participation, openness, responsibility, and accountability. Every reform in the public procurement system directly affects the transparency and effectiveness of budget policy.

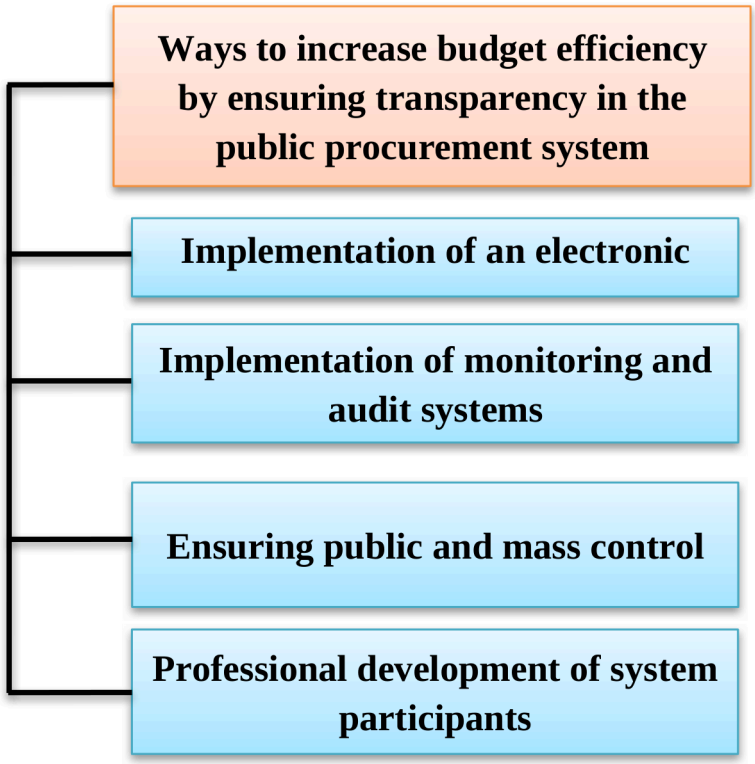


Figure 1 Measures to Improve Budget Efficiency Through Transparency in Public Procurement.

Based on the research results, the following proposals were developed:

Expanding the role of electronic systems in public procurement.

Full automation of all processes (announcement, submission of documents, evaluation, conclusion of contracts) in the Unified Electronic Public Procurement System;

Public disclosure of information on contracts in an open database.

Creation of institutional foundations for public oversight.

Legalizing the participation of citizens, the media, and NGOs as direct observers in the procurement process through special legal documents;

Development of a "Public Monitoring Platform".

Implementation of an open reporting system in public procurement.

Publish quarterly and annual statistical and financial results of all public procurement;

Providing real-time information on tender winners, prices, and payments.

Strengthening the accountability of responsible officials.

Development of a system of indicators for evaluating the performance of procurement organizations and their heads;

Strengthening administrative and criminal liability measures for violations in tender processes.

Creating a procurement efficiency assessment system: developing a 'Procurement Efficiency Index' based on the compliance of procurement with budget, deadlines, and quality

Establishing the activities of a group of independent audit and assessment experts.

Improving legislation based on international standards

Revision of the Law 'On Public Procurement' and related regulatory legal acts based on OECD, EU Procurement Directives, and other best international practices;

Integration of anti-corruption legal norms into procurement processes.

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