

## Directions of Development of the Organization of Public Procurement in the Treasury

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**Abstract:** In this article, the issues of effective organization of the public procurement system implemented in the treasury system of the Republic of Uzbekistan, the need to effectively direct the funds that are important for society and the state, and some suggestions necessary for the implementation of public procurement and conclusions are presented. Also, the reasons, structure, and socio-economic significance of state procurement control are explained.

**Keywords:** state budget, state procurement, budget funds, budget code, subject of state procurement, main principles of state procurement, treasury system, electronic store, competition, tender, auction.

### Enter

As long as it exists as a state management institution, it is entrusted with a number of functions and tasks that it must perform in front of the society. Economic provision of these tasks, in turn, creates a need for financial resources. It is necessary to emphasize that a significant part of the expenses incurred by the state is carried out through the system of public procurement.

According to paragraph 1 of the Decision of the President of the Republic of Uzbekistan No. PQ-425 dated 17.11.2022, projects included in the program for the development of social and production infrastructure of the Republic of Uzbekistan from January 1, 2023 and in the programs implemented at the expense of the State budget, as well as electronic tenders (tenders) held without a human factor in the "Transparent Construction" national information system of the Ministry of Construction of the main design-research and main construction-contracting organizations of objects within the framework of construction-repair projects financed on the basis of initiative budgeting processes determined to be determined through:<sup>1</sup>

Also, according to Article 81 of the Law "On State Procurement", State procurement subjects and their officials shall comply with this Law and other legislative acts, as well as the legislation on fighting

<sup>1</sup> Decision of the President of the Republic of Uzbekistan "On measures to improve the control mechanisms in the implementation of construction projects, and further increase the openness and transparency of the process", No. PQ-425 dated 17.11.2022

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corruption. shall be responsible for compliance and proper fulfillment of the obligations assigned to him under the contract.<sup>2</sup>

Public procurement is the purchase of goods or works (services) for state needs. The rational organization and efficiency of public procurement is controlled directly through the treasury system. One of the important measures defined in the Development Strategy was: "maintaining macroeconomic balance, ensuring stable high growth rates of the gross domestic product at the expense of deepening structural and institutional changes based on the adopted medium-term programs" the state procurement system is an important tool for regulating the economy.

### Analysis of literature on the topic

Ways to effectively organize state procurement in the treasury and improve it were studied in the scientific works of U. Y. Orokov [4].

Legal basis of improvement of public procurement in Uzbekistan and priority directions of its development Chinkulov Q.R. Orokov U.Y. widely covered in scientific works. [5-6].

The issues of effective use of budget funds in the treasury system were studied in the scientific works of M. D. Zakirov [7].

The tasks of public procurement include the provision of goods, services and works necessary for the activities of public administration in a timely manner, in the required quantity and type, quality and price, to attract more business entities to public procurement for the development of competition, to improve the quality of manufactured products, is to encourage local manufacturers to produce quality products that meet international standards [11].

In the research works of T. Atamurodov, "the theoretical foundations of state procurement, research conducted by foreign and domestic scientists in this regard were studied and independent author's approaches were developed. Also, methodological aspects and foundations of the implementation of state procurement are analyzed"[12].

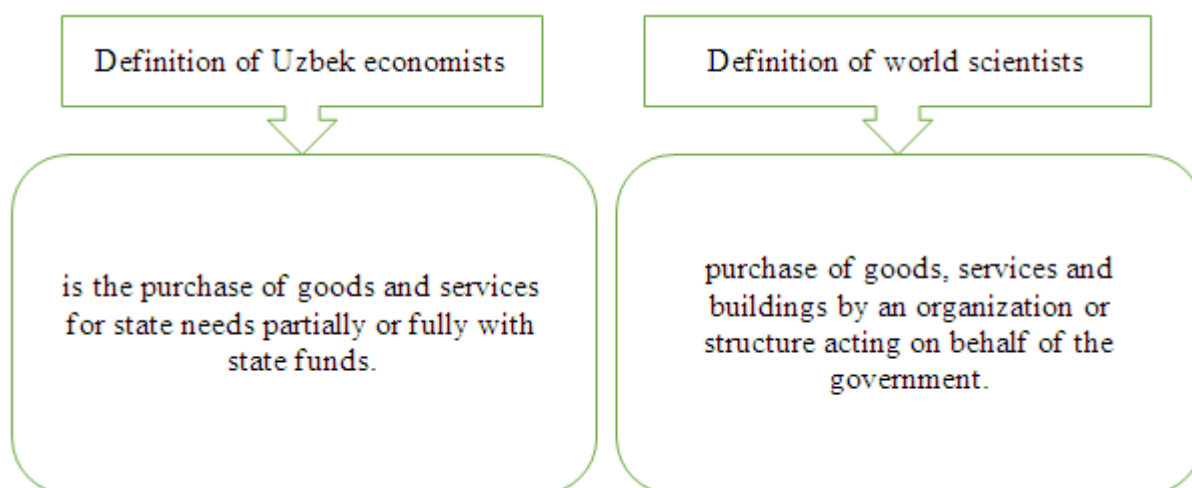
### Analysis and results

The funds allocated for public procurement are a component of the national income generated by the members of the society, the organization and implementation of public procurement must be organized effectively, following clearly defined measures and criteria, strict financial discipline. In this regard, the following comments of President Sh.M. Mirziyoyev are appropriate: "it is necessary to further improve the system of effective use of budget funds"<sup>3</sup>, which shows how urgent it is to organize public procurement effectively. When public procurement is purchased by budget organizations and recipients of funds from the budget, their correct structure, the absence of corruption, the absence of inflated prices, and compliance with the requirements of the current legislation are preliminary checks carried out by the treasury. and implemented through current controls. Different definitions of public procurement in each country by different scholars can be seen below.

<sup>2</sup> Law of the Republic of Uzbekistan "On State Procurement", dated 04.22.2021 No. ORQ-684

<sup>3</sup> Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis 28.12.2018

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**Figure 1. Definitions of public procurement<sup>4</sup>**

Necessity of the legal basis of the public procurement system.

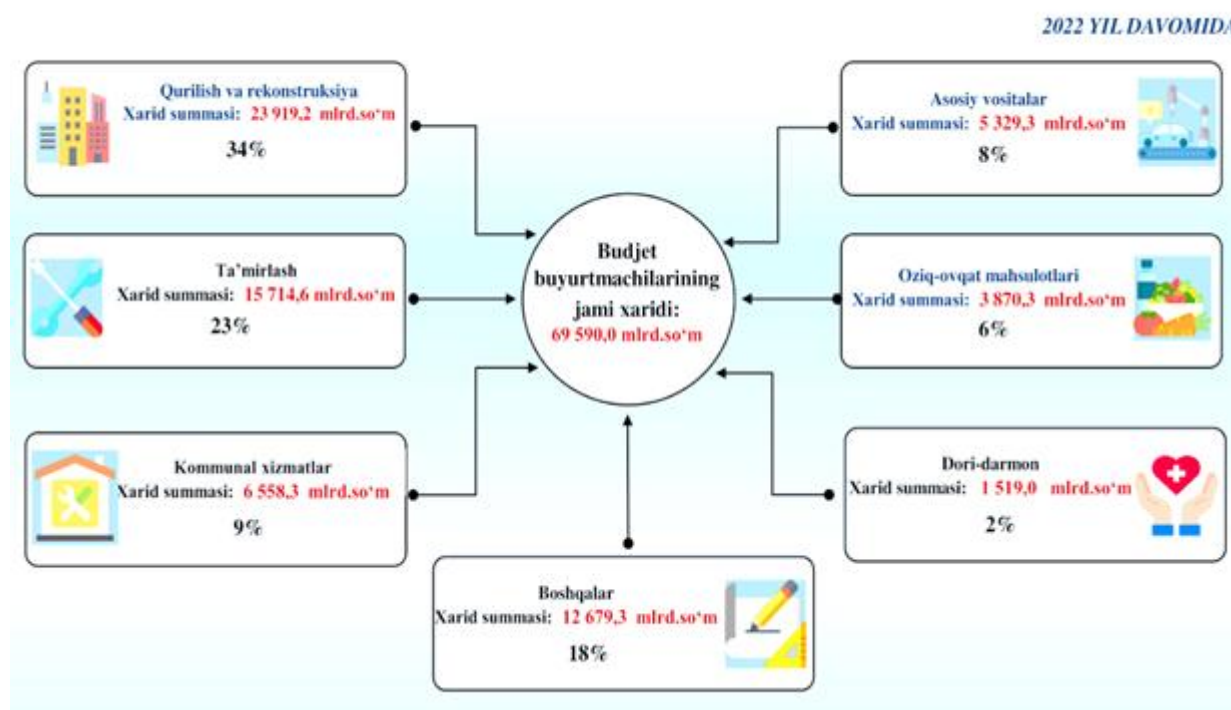
- A large part of the state expenses is carried out through state purchases, and the purchases have a direct impact on the economy.
- It is very important for the economy to ensure the rational implementation and high efficiency of public procurement.
- Public procurement is an important tool of the state that regulates the economy.

It is these aspects that require the development and improvement of legislative documents regulating the public procurement system. Currently, several legal documents are the basis for the implementation of public procurement;

- ✓ Budget Code of the Republic of Uzbekistan.
- ✓ Law of the Republic of Uzbekistan "On State Procurement", dated 22.04.2021 No. ORQ-684;
- ✓ Treasury execution rules of budgets of the budget system of the Republic of Uzbekistan;
- ✓ Decision PQ-594 of the President of the Republic of February 28, 2007 "On measures to further develop the treasury execution system of the state budget".

The Cabinet of Ministers of the Republic of Uzbekistan ensures the formation and implementation of state policy in the field of public procurement. In addition, in the field of public procurement, the budget system takes measures for the rational use of budget funds, improvement of the types of procurement procedures and expansion of their application, as well as ensuring wide participation of business entities.

<sup>4</sup> Orokov U.Y. State procurement. Study guide. T.: "Nihol print" OK, 2022. 125 p

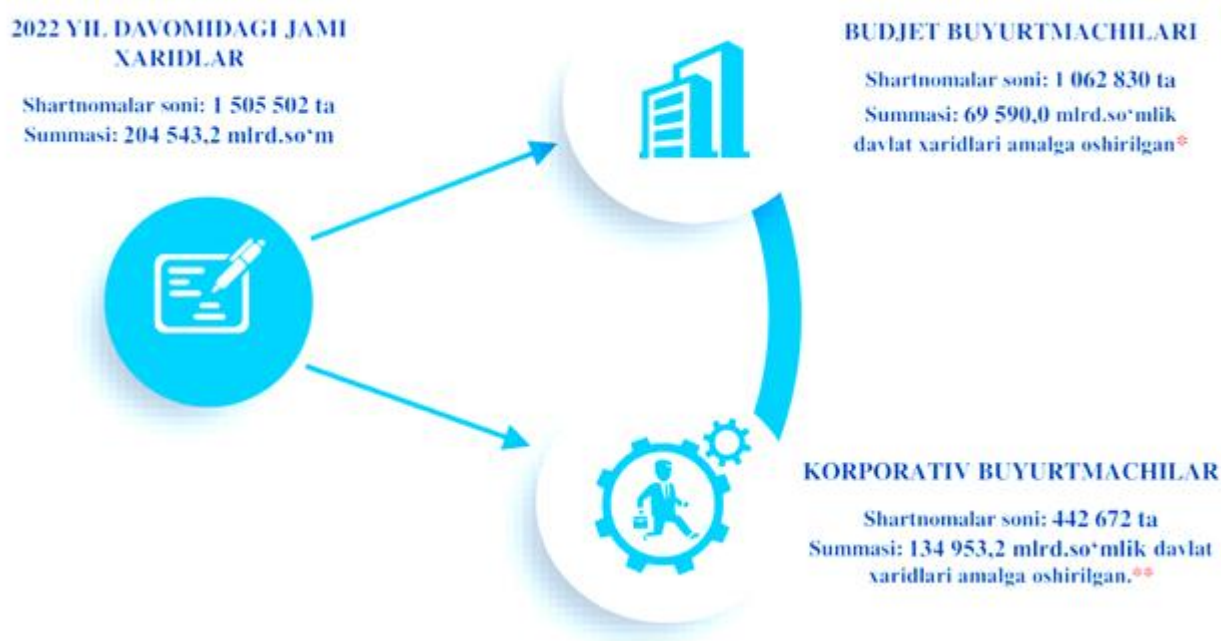


**Figure 2. State procurement of the Republic of Uzbekistan by categories of goods (works, services) in 2022.<sup>5</sup>**

Citizens of the Republic of Uzbekistan, self-government bodies of citizens, as well as non-governmental non-profit organizations and mass media registered in accordance with the procedure established by law, have the right to exercise public control over compliance with the legislation on state procurement. Citizens of the Republic of Uzbekistan exercising public control, citizens' self-management bodies, as well as non-governmental non-profit organizations and mass media registered in accordance with the law:

1. to prepare proposals for improving the legislation on public procurement;
2. to send requests to state customers to provide information on the implementation of procurement procedures and the progress of contract execution;
3. to carry out independent monitoring of procurement procedures and evaluation of the effectiveness of public procurement, including the assessment of their compliance with the requirements of the Law "On Public Procurement";
4. they have the right to apply to state bodies with the initiative of carrying out inspection activities. In addition, public representatives have the authority to apply to law enforcement agencies or to apply to the court in accordance with the law in cases where violations are detected in the actions (inaction) of the state customer, operator of the state electronic procurement system, authorized body, procurement commissions and their members.

<sup>5</sup> <https://openbudget.uz/statebudgets> "Open budget" portal of the Republic of Uzbekistan



**Figure 3. Purchases made by government customers (2022)<sup>6</sup>**

Documents to be submitted to the treasury for registration of legal obligations for expenses of groups III and IV in state procurement:

- ✓ Contract
- ✓ Appropriate license of the performer
- ✓ Product quality certificate
- ✓ Payment schedule
- ✓ Decision of the procurement commission

There are also rights and obligations of the Treasury in the implementation of state purchases.

- The submitted contract will be reviewed within three working days, if it is properly formalized, it will be registered, otherwise it will be returned to the customer with the deficiencies indicated.
- Monitors prices, communicates the limit prices set for goods (work, services) to budget organizations.
- If cases of misuse of budget funds are detected in concluded contracts, it will notify the law enforcement authorities and provide them with relevant information.

## Conclusion

Based on this article, I will give conclusions and suggestions in the analysis of public procurement. The state procurement system is considered an important component of the economy, and according to the World Trade Organizations, it accounts for 15-20 percent of the gross domestic product of many countries, therefore, the state procurement process must be strictly systematically controlled by the state. Also, the importance of public procurement - based on the special role of the public sector in the socio-

<sup>6</sup> <https://openbudget.uz/statebudgets> "Open budget" portal of the Republic of Uzbekistan

economic development of the country, it is important to provide it with the necessary goods, services and works for its continuous and effective operation. Public procurement serves the same purpose.

One of the main problems in the state procurement system is that the purchases of corporate customers are not included in the treasury execution system. In the future, it is necessary to improve the efficiency of the use of state funds by organizing and improving the inclusion of state enterprises and organizations in the treasury execution system.

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