

# Optimizing Public Procurement through Treasury

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**Abstract:** This article highlights the management of the public procurement system in the Republic of Uzbekistan through Treasury bodies and the efficiency indicators of this process. The research examines the legal, theoretical, and practical foundations of public procurement, and analyzes the mechanisms of real-time financial control by the Treasury and the monitoring system via electronic platforms. Based on the results achieved from digitization measures implemented from 2020 to 2023, the article substantiates the increase in transparency and efficiency of public procurement. The article concludes with the identification of existing system shortcomings and provides recommendations for their elimination.

**Keywords:** Public procurement, Treasury, budget control, electronic tender, financial discipline, real-time control, transparency, government order.

## Introduction

The effective implementation of public procurement in our country holds significant scientific and practical importance. Under the conditions of economic modernization, the volume of procurements by government customers has expanded, which directly raises the responsibility for the rational use of budget funds and financial resources of corporate structures with state ownership.

The Treasury is a state financial institution that coordinates the movement of budget funds and carries out financial control. In public procurement, it performs the following functions:

- ✓ Registration of procurement plans and contracts;
- ✓ Approval and execution of payments for procurements;
- ✓ Verification of the legality and compliance of expenditures with the budget;
- ✓ Monitoring and analysis of procurement processes.

The mechanism of organizing public procurement within the Treasury system is a crucial part of state financial policy. Transparency, efficiency, and legality in procurement depend on the control and financing stages led by Treasury bodies. The improvement of the public procurement system enhances budget management.

## Materials and method

In almost all countries, public procurement accounts for a significant share of government budget expenditures, necessitating the development of an effective public procurement management system.

From this perspective, improving the system to ensure effective use of budget funds, transparency in order placement, fair competition, and prevention of corruption is of paramount importance.

It is important to note that economic literature lacks a clear and unified definition or conceptual framework for "government order" aimed at enhancing and optimizing satisfaction of state needs. According to scholars like L.M. Davletshina and V.S. Gladkov, the current interpretations do not fully reflect its essence and often conflate "government order" with "public procurement," negatively affecting practical procedures.

L.V. Andreyeva emphasized the term "state needs" as an independent legal concept when studying the legal aspects of public procurement. These needs include goods, works, and services essential for executing the functions and authorities of the state and its customers.

The Law of the Republic of Uzbekistan "On Public Procurement" defines public procurement as "the process of meeting the needs of state customers for goods (works, services) on a paid basis."

The essence of Treasury control in public procurement is reflected in the literature, indicating that such control ensures the proper allocation and targeted use of state financial resources.

### **Methods**

This article uses analytical, synthetic, economic, logical, and abstract thinking methods.

### **Analysis and results.**

Public procurement refers to the purchase of goods, works, and services by the state using budget funds, playing a vital role in the sustainable development of the national economy. In recent years, Uzbekistan has undertaken significant reforms aimed at improving and enhancing transparency in the public procurement management system. The role of Treasury bodies in this regard is increasing.

### **Managing public procurement within the Treasury system includes:**

- ✓ Ensuring targeted and efficient use of state budget funds;
- ✓ Executing payments within the scope of expenditure estimates;
- ✓ Ensuring financial discipline;
- ✓ Monitoring procurements on electronic platforms.

### **Electronic Public Procurement Portal (etender.uz):**

- ✓ Full digitization of procurements started in 2020;
- ✓ Monitoring via the Treasury became possible;
- ✓ In 2023, over 150,000 contracts were concluded (according to the Statistics Committee);
- ✓ 85% of tender sales were under Treasury monitoring.

### **Real-time expenditure control:**

- ✓ Financial discipline in real-time has strengthened;
- ✓ Cases of illegal procurements have decreased;
- ✓ Treasury intervention by blocking or rejecting payments has prevented misuse of funds.

### **Results and Issues**

#### ***Positive outcomes:***

- ✓ Strengthened Treasury control;
- ✓ Increased procurement transparency;
- ✓ Budget savings;

- ✓ Digitization reduced corruption risks.

**Current issues:**

- ✓ Lack of qualifications in regional Treasury departments;
- ✓ Poorly prepared tender documentation;
- ✓ Excessive bureaucracy in some cases;
- ✓ Technical failures in electronic systems.

**Conclusion and Recommendations**

- To improve the efficiency of public procurement, it is necessary to strengthen the human resource capacity in the Treasury system;
- Automated risk monitoring systems should be introduced for procurement processes
- Technical capabilities of electronic platforms must be expanded;
- Transparent control systems should be reinforced for local budget procurements as well.

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