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## Executive Summary

# The state of public procurement in Tajikistan

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Tajikistan has recognized public procurement as a key tool for combating corruption in investment projects and state-owned companies, through government strategies focused on ensuring transparency, clear regulations and automation of procurement processes (in the framework of the NDS-2030 and RPS 2021-2025<sup>1</sup>). It is expected that by 2025, 90% of all public procurement will be carried out through a single e-procurement portal, and the share of open procurement by this time will be 70%.

The centralized system of public procurement has been actively developing in recent years. Key achievements in this are include:

- the main provisions and instructions for the functioning of a centralized procurement system have been developed and are available to the public,
- legal conditions have been established for decentralizing procurement, expanding the coverage of public procurement procedures and methods, developing the e-procurement system, developing mechanisms related to complaints, consultations, etc.<sup>2</sup>;
- a single public procurement regulator has been created and is functioning in the form of the Agency for Public Procurement of Goods, Works and Services under the Government of the Republic of Tajikistan (AGZTRU), which carries out public procurement reform, as well as unified coordination and monitoring of procurement procedures in the country<sup>3</sup>;
- a central national e-procurement platform is being developed (<http://eprocurement.gov.tj/>) and the volume of public procurement through the e-procurement system is growing every year.

Despite the positive growth in the volume of public procurement (including open tendering, which accounted for 97.8% of the total volume in 2021, according to AGZTRU) observed in recent years, the share of purchases made through the central procurement system is only 22% of all annual budget expenditures for goods, works and services. Certain types of procurement, such as those related to state security, emergency cases, certain threshold amounts, are not yet included in the centralized system. This is partly due to insufficient inclusion of state organizations in the process.

The Ministry of Finance of the Republic of Tajikistan and AGZTRU, as the main stakeholders, have officially declared the following priorities for the development of the public procurement system:

- ensuring the effective functioning of the system via automation and the application of modern information technologies through a single e-procurement portal;
- introducing new and effective mechanisms for the implementation of procurement activities, and strengthening the capacity of all participants in the contracting authority, as well as the coverage of state-owned companies within the single e-procurement portal.<sup>4</sup>

Specifically, the Ministry of Finance is interested in integrating e-procurement with the treasury and budget modules of the public finance management information system (ISUGF); as well as introducing new FMIS modules for processing contract awards, and creating a single portal for machine-readable open budget data.

AGZTRU is interested in developing the analytics and reporting module of the procurement system and creating a unified classifier (catalog) of goods, works and services.

Counting palace RT as an external audit institution, it is also interested in integrating contracting data with the external audit system.

The study shows that there is considerable interest and potential among public organizations to work on the transparency and accountability of the public procurement system, including in such areas as:

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<sup>1</sup> National Development Strategy of the Republic of Tajikistan for the period up to 2030. Chapter 3, paragraph 3.1. - With. 33-37. Medium-term development program of the Republic of Tajikistan for 2021-2025. Article 522, paragraph 6, 7. - p. 83.

<sup>2</sup> Law of the Republic of Tajikistan "[About public procurement](#)", dated March 15, 2023, No. 1955. Access mode:

<sup>3</sup> [Agency for Public Procurement of Goods, Works and Services under the Government of the Republic of Tajikistan](#).

<sup>4</sup> Public Financial Management Strategy for the period up to 2030, article 20.

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- analyzing and assessing the transparency and accountability of the system, monitoring the openness of procurement procedures and disclosure of contracts, searching and documenting violations in the planning and conduct of tenders;
  - developing a complaint handling mechanism in the system through public participation, developing regulations and procedures for involving business in the process of monitoring the effectiveness of public procurement;
  - analyzing the effectiveness of IT tools and IT modules, and data security of existing electronic services, including electronic procurement;
  - developing and conducting research on open data users to assess needs and use cases;
  - conducting a public review of anti-corruption in relation to public procurement legislation and review of Tajikistan's response to recommendations provided by the OECD anti-corruption network.

The latest independent estimates from TPRP<sup>5</sup> and PEFA<sup>6</sup> highlight several problems in the transparency and accountability of the public procurement system:

- underdeveloped public consultation mechanisms,
- protectionism favoring domestic suppliers, violating the rules of open competition;
- weaknesses and a lack of transparency in the complaints handling system;
- a lack of machine-readable information on the stages of the public procurement process.

Routine monitoring of contracting authorities and performance measurement is difficult because not all state-owned entities are covered on the portal, and AGZTRU does not have enough IT staff resources to maintain the system. In addition, there has been no third-party review of the e-procurement system. The Chamber of Accounts could also conduct periodic external inspections and audits of the activities of the AGZTRU and public procurement in general or its individual elements.

In terms of information accessibility, problems persist with access to information in a machine-readable format, lack of access to procurement complaint resolution data, and limited access to annual procurement statistics, published systematically. Moreover, the existing mechanism for resolving administrative complaints in the AGZTRU lack independence. The e-Procurement Portal is also used to handle complaints and finalize appeals, but ideally this should be done by an independent body that is not involved in procurement in any way.

Based on the results of the study, the following recommendations were formulated:

1. provide AGZTRU assistance in promoting the policy to disclose public procurement information in electronic, machine-readable and free-of-charge formats, including using OCDS standards;
2. provide technical assistance to implement recommendations of the Institute for the Development of Freedom of Information of Georgia (IDFI) to increase the [Transparent Public Procurement Rating in Tajikistan](#) in the areas of transparency, accountability and integrity. This includes developing consultation mechanisms with the private and public-civil sectors to obtain feedback and identify issues, and including civil society actors in the complaints body.
3. provide technical assistance to introduce mechanisms for public participation in monitoring procurement;
4. provide assistance to AGZTRU and state financial control bodies to increase their analytical capacity, in particular, to monitor contract implementation for all contracting authorities, as well as developing methodologies and an electronic risk assessment system to improve the effectiveness of state financial control measures
5. provide technical assistance to AGZTRU to develop the reporting module of the electronic portal of the CP;
6. provide technical assistance to AGZTRU to develop a national standard for goods, works and services;
7. strengthen interaction with existing stakeholders and public organizations to promote open contracting initiatives in Tajikistan.

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<sup>5</sup> [Public Procurement Transparency Rating of Tajikistan](#). Survey results 2019. Freedom of Information Development Institute, Georgia.

<sup>6</sup> [Assessing the effectiveness of Public Expenditure and Financial Accountability in Tajikistan](#), 2022.

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