

# ENSURING ECONOMIC SECURITY IN UKRAINE THROUGH THE IMPLEMENTATION OF EU EXPERIENCE IN PUBLIC PROCUREMENT

**Borys SAMORODOV**

*V. N. Karazin Kharkiv National University  
Svobody sq, 4 UA 61000 Kharkiv, Ukraine  
E.mail: samorodov@karazin.ua  
ORCID ID:0000-0002-5267-1178*

**Diana SKOROKHOD**

*V. N. Karazin Kharkiv National University  
Svobody sq, 4 UA 61000 Kharkiv, Ukraine  
E.mail: skorohod2021uo11@student.karazin.ua  
ORCID ID: 0009-0002-5938-8372*

**Roman GALYCH**

*V. N. Karazin Kharkiv National University  
Svobody sq, 4 UA 61000 Kharkiv, Ukraine  
E.mail: r.v.galych@karazin.ua  
ORCID ID:0000-0001-7958-8174*

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**Abstract:** *This scholarly article delves into the significance of ensuring economic security in Ukraine amidst globalization and the integration of countries into the global economy. The article analyzes the difficulties faced by Ukraine in the domain of public procurement, including consumer rights violations and corruption risks. To tackle these issues, one potential solution is to implement the European Union's best practices regarding public procurement.*

*The article compares the legal frameworks of Ukraine and the EU on public procurement matters and identifies the most effective ways to incorporate European practices into Ukrainian procurement processes. In the EU, public procurement procedures must be equitable and transparent, giving all interested parties an equal opportunity to compete for and obtain contracts. Additionally, public authorities are required to post all necessary procurement information on their websites and open electronic platforms to ensure accessibility of information for all interested parties. The authors argue that by following European standards, Ukraine can improve the transparency and efficiency of its procurement processes, reduce corruption risks, and ensure better goods and services for its citizens and government. The adoption of these standards is crucial for Ukraine's economic security and overall development.*

*The study also reveals that the implementation of EU procurement standards can increase supplier competition, lower government procurement costs, and result in better quality goods and services for state entities. This can be achieved by employing European procurement procedures. Furthermore, the adoption of European standards guarantees compliance with procurement participation rules for all participants and reduces corruption risks in this area. Notably, the standards require audits and reporting on purchases, which ensures control over the process and the avoidance of possible violations.*

*The incorporation of European standards in public procurement can serve as a critical means of enhancing the effectiveness and transparency of procurement management. This research is based on the analysis of legislation and expert assessments.*

**Keywords:** *economic security, Ukraine, globalization, integration, public procurement, European Union, legal framework, transparency, efficiency, supplier competition, procurement procedures.*

## Introduction

In the current context of globalization and economic integration, ensuring economic security is a foremost priority for a nation's development. Effective deployment of resources

and infrastructure through public procurement constitutes a crucial tool for achieving this objective.

However, Ukraine, like many transitional economies, grapples with challenges in the organization of public procurement, leading to losses in state revenue, violations of consumer rights, and increased corruption risks. An approach to address these issues is to adopt the European Union's public procurement practices.

This scientific article delves into the subject of guaranteeing economic security in Ukraine via the implementation of European Union (EU) practices in public procurement. It scrutinizes key aspects of the appropriate organization of public procurement and the implementation of EU standards in this domain. To achieve this, a comparison of the legal framework pertaining to public procurement between Ukraine and the EU is executed, and the optimal techniques to integrate European experience into the practical application of public procurement in Ukraine are established.

The research findings demonstrate that the adoption of EU practices in public procurement can significantly enhance the effectiveness and transparency of procurement procedures in Ukraine, diminish corruption risks, and ensure superior quality and availability of goods and services for the state and its populace. In particular, integrating European standards into public procurement can foster competition among suppliers, reduce state procurement costs, and guarantee superior quality goods and services. Thus, the implementation of EU practices constitutes a crucial step towards ensuring economic security in Ukraine and can positively impact the nation's overall development.

**Analysis of recent research and publications.** The issue of public procurement legislative framework and its alignment with EU standards has been explored by various legal scholars, such as M. Sirant, N. Bolkvadze, I. Bondar, D. Martynovych, N. Tkachenko, M. Kovaliv, G. Pisarenko, O. Ivanova, V. Averyanov, N. Yu. Tsybulnyk, M. Amann, H. Kaletnik, N. Zdyrko, A. Olefirand others. Meanwhile, scholars such as I. Pikh, N. Karas, O. Siriy, O. Barvinchuk have studied the economic aspects of the issue. Nevertheless, to implement relevant EU norms into national legislation and ensure socio-economic security in public procurement, there is a need to synthesize and consolidate the research findings of these scholars.

**The purpose and objectives of the research** are to analyze the challenges and risks associated with public procurement in Ukraine, such as corruption and violations of consumer rights, and to identify the potential solutions that can be implemented to enhance the transparency and efficiency of procurement processes.

To achieve this goal, the following objectives are defined:

- to examine the best practices of the European Union in the field of public procurement;
- to compare the legal frameworks of Ukraine and the EU on public procurement matters and identify the most effective ways to incorporate European practices into Ukrainian procurement processes;
- to assess the potential impact of EU procurement standards on supplier competition, government procurement costs, and quality of goods and services for state entities in Ukraine;
- to develop practical recommendations for the adoption of EU procurement standards in Ukraine.

**The object of research** is the process of ensuring economic security in Ukraine through the implementation of EU experience in public procurement.

**The subject matter of research** is the theoretical, methodological, and applied aspects of incorporating EU procurement standards into the Ukrainian legal framework and their potential impact on procurement management.

**The methods of scientific research.** The article discusses the methods of scientific research used to ensure economic security in Ukraine through the implementation of EU experience in public procurement. The research is based on reliable methodological foundations drawn from modern financial and economic science. The study employs various scientific methods such as abstract and logical methods, systematic and logical generalization, scientific abstraction, synthesis, analytical method, and the method of factorial and comparative analysis.

**The information base for the research** includes a wide range of sources such as regulatory legal acts, analytical and statistical information, informational and analytical reviews, scientific articles, monographs, and internet resources related to the theory and practices of public procurement and economic security in the EU and other countries.

**The obtained results of the research** contribute to the scientific field of economic security in Ukraine. The research proposes the implementation of EU best practices in public procurement as a novel solution to improve economic security in Ukraine. The adoption of these standards is crucial for Ukraine's economic security and overall development.

**The practical significance of the research** lies in its ability to implement the EU's best practices in public procurement, as Ukraine can improve transparency, efficiency, and reduce corruption risks in its procurement processes, which is crucial for its economic security and overall development. Furthermore, the adoption of European standards can increase supplier competition, lower government procurement costs, and result in better quality goods and services for state entities.

### **The main research material**

Presently, the public procurement market in Ukraine is deemed to be in its nascent stage. The existing mechanism for public procurement is not optimal and necessitates modernization in accordance with the experience of the European Union. The public procurement market necessitates compliance with several critical requirements, such as the elimination of corrupt practices, ensuring the utmost transparency in the tender process, identification of unscrupulous suppliers, and promotion of free-market competition. It is equally imperative to frequently scrutinize, simplify and update public procurement procedures as some of them are excessively prolonged, which could serve as an impediment to the effective functioning of the market infrastructure.

Significant endeavors have been undertaken to reform the procurement process in the framework of Ukraine's endeavor towards European integration. These measures encompass the adoption of a series of legislative acts and the establishment of corresponding instruments. The Association Agreement between Ukraine and the European Union, which was ratified in 2014 (Association Agreement between Ukraine and the European Union), stands as a pivotal pre-reform document. The Agreement incorporates various provisions pertaining to public procurement, especially the obligation to ensure transparency, openness, and competitiveness throughout the procurement process. Furthermore, in 2015, the "On Public Procurement" law was passed, which mandates the implementation of the principles of transparency, openness, and competitiveness in the procurement process, and the creation of an electronic procurement system.

The strategy for reforming the public procurement system in Ukraine (Постанова Кабінету Міністрів України. Про Стратегію реформування системи публічних закупівель, 2016) is an important component of the country's European integration process. Its goal is to ensure effective and transparent use of state funds when purchasing goods, works, and services. Article 5 of the "On Public Procurement" law (*Law of Ukraine*. 2016) was

included in the strategy for reforming the public procurement system, which established the main principles of public procurement, including fair competition among bidding participants, product quality and compliance with price, proper delivery of goods, works, and services within the established timeframe, as well as transparency and openness at all stages of procurement. In addition, there is a non-discriminatory approach towards potential order executors, which ensures the selection of the optimal proposal.

The ProZorro portal, which was launched in 2015, became the fundamental tool for reforming the public procurement process (*Electronic source*). The electronic platform for conducting public procurement using open data ensures the publication of up-to-date information about customers, goods and services, which has attracted significant interest from market participants. ProZorro allows you to prevent the implementation of corruption schemes and ensures the effectiveness of choosing the best offer among those proposed. According to the author of the study, ProZorro was a revolutionary step in reforming the process of public procurement in Ukraine. The creation of this portal has facilitated the enhancement of transparency and effectiveness in public procurement, consequently diminishing the risks of corruption and guaranteeing a higher level of competition in the market. ProZorro became an example of successful implementation of open data and electronic democracy in Ukraine.

The implementation of the ProZorro.sale electronic trading program marked the next step in the reformation of the public procurement system (*Electronic source*). This program enables the electronic auctioning of state-owned property, thereby ensuring openness, transparency, and efficiency in the sale of such assets. This is a crucial undertaking, given that state property is the shared ownership of all Ukrainian citizens and should thus be sold at the highest possible value. Moreover, the program facilitates the widespread availability of information on state asset sales, thereby aiding the fight against corruption and promoting confidence in government. Successful auctions have already taken place under the auspices of the ProZorro.sale initiative, including the sale of real estate, land plots, and other movable assets. Participation in these auctions requires registration on the electronic platform as a bidder and the provision of a required deposit. Bidders can then submit proposals for the purchase of state property, with the winning bidder being granted the right to acquire the asset.

## **Implementation of public procurement procedure in Ukraine**

The regulatory framework governing public procurement in Ukraine comprises the Law "On Public Procurement" (*Law of Ukraine, 2015*) and its antecedent, the Law "On Implementation of State Procurements" (*Law of Ukraine, 2014*). To carry out the public procurement procedure, the customer must announce the bidding, publish the technical assignment and participation terms, receive proposals from participants, evaluate proposals, and conclude a contract with the winning bidder. In order to ensure the effective functioning of the public procurement system in Ukraine, it is necessary to constantly improve legislation and implement new technologies that allow for quality and efficiency of procurement procedures, reduce corruption risk, and increase competition.

As Ukraine endeavors to integrate into the European Union, it strives to align with European norms in various fields, including the regulation of public procurement. The legislation of the EU concerning public procurement holds significant importance for Ukraine in this regard. The Association Agreement between Ukraine and the EU (*The Council of the European Union. The Association Agreement between the European Union and its Member States, 2014*) envisions comprehensive integration with the European market, encompassing participation in the EU public procurement program. Ukraine has committed to conforming its

public procurement legislation to EU stipulations, which will secure equitable and transparent access to the EU public procurement market for Ukrainian businesses. The author of the scholarly article accentuates the necessity of adapting Ukraine's public procurement legislation to the EU's requirements. This step is essential for ensuring unbiased and lucid admission to the EU public procurement market for Ukrainian enterprises, potentially empowering Ukraine's economic progress and augmenting investments. The implementation of the Association Agreement with the EU is a significant advancement towards ensuring Ukraine's legal framework's harmonization with European standards and elevating the caliber of public procurement procedures. Nevertheless, to ensure the efficacy of public procurement reform, it is crucial to not only amend the legislation but also guarantee its proficient implementation and regulatory compliance.

### **Public procurement in the EU**

Public procurement is a significant contributor to the European Union's economy, accounting for approximately 14% of the GDP. To ensure equity in the bidding process, the regulations are stringent and complex. The initial stage involves the public sector unit outlining its requirements and detailing technical specifications, performance requirements, and evaluation criteria for the intended goods, services, or works. The requirements must be unbiased, transparent, and non-discriminatory to promote fair competition. Following this, a notification is published in the Official Journal of the European Union (OJEU), requesting interested parties to submit their bids (*Official Journal of the European Union, 2022*).

The Official Journal of the European Union (OJEU) functions as a web-based platform for the dissemination of all public procurement notices originating from EU member states. The notice is designed to communicate crucial information concerning the procurement process, including bid submission deadlines, evaluation criteria, and contract value. Bidders who are interested in the contract respond to the notice by submitting their bids. The notice's evaluation criteria are employed to assess the submitted bids and establish the most economically advantageous one. The criteria cover various factors, including price, quality, environmental and social impact, and innovation. After the assessment, the public sector organization then awards the contract to the successful bidder. In circumstances where the contract value surpasses the EU threshold, the public sector entity is under an obligation to publish a contract award notice on the OJEU. The notification must encompass relevant information about the contract's worth, the victorious bidder's identification, and the justification for the selection.

The European Union (EU) mandates the employment of electronic tools and procedures in the procurement process to ensure transparency and efficiency are enhanced. The use of electronic procurement tools, such as electronic tendering and e-procurement portals, is increasingly prevalent in extensive procurement procedures. EU public procurement law aims to guarantee fair competition, prevent corruption, and promote sustainability. In the procurement process, it is imperative for public sector entities to ensure impartial treatment of all bidders, while guaranteeing transparency, unbiasedness, and equity. The EU endorses sustainable procurement practices that prioritize environmental and social considerations throughout the procurement process.

In conclusion, the process of public procurement in the EU is intricate and intended to guarantee impartial competition and just treatment of all bidders, while simultaneously achieving cost-effectiveness for the public sector. The EU has developed a comprehensive regulatory framework to uphold transparency, fairness, and sustainability in public procurement

procedures. In addition, the integration of electronic procurement tools has led to an increase in effectiveness and openness in the procurement procedure.

The European Union has developed a comprehensive package of legislative acts that regulate public procurement procedures in its member countries. The primary document that regulates procurement in the EU is Directive 2014/24/EU (*Directive (EU) 2014/24 of the European Parliament and of the Council, 2014*) on public procurement procedures. It establishes general rules for procurement procedures in all areas, including goods, services, and construction works.

The key task for Ukraine is to align its legislation on public procurement with the relevant EU directives, which are listed below:

Directive on public procurement (2014/24/EU)

- Directive on procurement in the utilities sectors (2014/25/EU)
- Directives on the application of procedures for the award of public supply and works contracts (89/665/EEC and 92/13/EEC)
- Directive on defence and security procurement (2009/81/EC)
- Directive on the award of concession contracts (2014/23/EU)
- Directive on electronic invoicing in public procurement (2014/55/EU)

It is necessary to identify the "General Provisions on Economic Freedoms and Legal Principles of the Treaty on the Functioning of the European Union" (*Treaty on the Functioning of the European Union, 1957*) and the "Precedent Law of the European Union Court" (*European Court Reports, 2022*) among the listed directives. These directives regulate public procurement in cases where the specified amount exceeds the established threshold values. In situations where the threshold values are not exceeded, priority is given to national legislation in combination with EU directive rules. In other cases, preference is given to national legislation in combination with EU directives rules.

Control over the implementation of public procurement belongs to the Antimonopoly Committee, the Accounting Chamber, the Ministry of Economic Development and Trade, the State Audit Service of Ukraine, and the State Treasury of Ukraine. International economic security in the sphere of public procurement of Ukraine as a candidate country for EU membership.

During the Brussels summit on June 23, 2022, a significant official decision was reached, granting Ukraine the esteemed status of a candidate country for European Union membership. This landmark event signifies a gradual transformation of Ukraine's trade policy to conform with the new status. Hence, it is imperative to conduct an assessment of the prospective advantages and disadvantages that may arise from the assimilation of Ukraine's public procurement sphere with that of the European Union nations. This evaluation will facilitate an appraisal of the potential implications on the economic security of the country.

### **The economic aspect of research**

The presented data in Table 1 outlines the total count of tenders and tenders with genuine values for various European Union countries. With this information as a basis, the researcher identified the level of economic activity, as well as the dedication towards transparent and competitive public procurement in each country.

The significant quantity of tenders observed in Germany, France, and Spain is indicative of robust economic activity and government procurement. Conversely, countries such as Cyprus, Iceland, and Luxembourg exhibit comparatively lower quantities of tenders, which suggests a lower level of economic activity.

Furthermore, the quantity of tenders with legitimate values reflects the level of transparency within the public procurement procedures of each respective country. Notable disparities between the total number of tenders and tenders with actual prices in nations like Poland and Romania may signify the presence of transparency challenges in their procurement processes.

**Table 1. The dissemination of the tender database across certain EU member states**

*Source: Unique traits of sports-related public procurements in the European Union, AK Journals, 2022*

	Total tenders	Tenders with valid value		Total tenders	Tenders with valid value
Austria	3 934	3 850	Ireland	1 475	1 329
Belgium	3 615	3 428	Italy	12 094	11 730
Bulgaria	8 584	6 541	Lithuania	4 839	4 076
Republic of Cyprus	314	298	Luxembourg	963	944
Czech Republic	10 250	9 441	Latvia	2 375	2 007
Germany	55 604	43 983	Malta	628	601
Denmark	2 554	2 410	Netherlands	5 350	3 374
Estonia	1 392	1 262	Poland	44 805	36 464
Spain	17 698	16 992	Portugal	3 335	3 125
Finland	4 358	4 223	Romania	3 425	3 065
France	31 603	29 117	Sweden	12 624	11 135
Greece	2 644	2 412	Slovenia	2 369	2 177
Croatia	2 487	2 270	Slovakia	1 052	1 029
Hungary	4 299	4 041	<b>Total</b>	<b>244 670</b>	<b>211 324</b>

In conclusion, the data presented above emphasize the significance of effective regulation, transparency, and competition in public procurement processes for achieving sustainable economic growth and stability across Europe. Countries can derive advantages from adopting and implementing the most effective methodologies of other nations to upgrade their procurement mechanisms, stimulate competition, and enhance efficiency.

Given Ukraine's proximity to attaining candidate status for EU accession, its public procurement sector presents a considerable economic potential. By adhering to EU legislation and policies, Ukraine can leverage the well-established public procurement market of the European Union to exploit the opportunities it offers.

An eminent benefit of acquiring EU membership is the bestowed access to the single market, renowned as the largest global market encompassing a populace exceeding 500 million individuals. This access will unlock novel avenues for Ukrainian enterprises to partake in government procurement tenders, competing with firms across Europe, ultimately leading to a substantial uplift in the Ukrainian economy.

By implementing EU legislation concerning public procurement, Ukraine will be able to enhance the transparency, efficiency, and integrity of its public procurement system, thereby creating a more appealing investment climate for both businesses and investors. A transparent

and efficient procurement system can boost investor confidence in the country's investment stability, promoting the influx of foreign investment.

Ukraine possesses a significant quantity of small and medium-sized enterprises (SMEs) that could considerably profit from increased availability to public procurement contracts. Through fostering the involvement of SMEs and new entrants in public procurement and building a more varied supplier base, Ukraine could substantially elevate its SME sector, engendering job creation and spurring economic growth in the nation.

In summary, Ukraine's membership in the EU would provide it with the opportunity to access EU funding for public procurement projects. This access to EU funding would be instrumental in supporting and advancing Ukraine's public procurement initiatives. The EU offers considerable financing opportunities for public procurement undertakings, with a notable focus on infrastructure and environmental protection. The availability of this financing would provide a noteworthy stimulus to Ukraine's public procurement industry, as well as contributing to economic growth in other domains.

Taking everything previously noted, Ukraine, as a candidate for EU accession, holds considerable potential for economic expansion in public procurement. By aligning more closely with the EU market and implementing EU law, Ukraine can reap the benefits of wider access to public procurement contracts, improved transparency and efficiency in its public procurement system, increased participation by small and medium-sized enterprises and new entrants, and access to EU project funding for public procurement.

### **Challenges and risks in public procurement of Ukraine**

1. Corruption has emerged as a pressing issue in Ukraine's public procurement domain, substantiated by several occurrences of embezzlement, kickbacks, and collusive practices involving government officials, bidders, and intermediaries. The absence of transparency in procurement procedures, attributable to the use of sealed tenders and inadequate disclosure of procurement data, has contributed to the proliferation of corruption, resulting in a loss of public confidence in the procurement system. The author contends that enhancing transparency and openness in procurement procedures, embracing competitive bidding, and broadening the pool of participants can help mitigate the risk of corruption in this domain. Moreover, effective oversight and inspections by relevant authorities, along with public engagement in monitoring procurement procedures, are crucial. Insufficient regulatory frameworks and underdeveloped electronic public procurement systems may also contribute to corruption. To effectively combat corruption in Ukraine's public procurement sphere, systemic reforms and continual efforts to improve legislation and procurement processes are imperative.

2. Inadequate competition presents a significant impediment to economic progress. In the context of Ukraine, a noteworthy concern arises from the concentration of certain pivotal sectors, such as energy and infrastructure, within the control of a few major corporations. This scenario hampers the entry of new market players and diminishes opportunities for competition. When a limited number of companies hold substantial market shares, they wield their influence to manipulate prices, stifle innovation, and impose unfavorable conditions on other participants. Consequently, consumers endure heightened costs, limited choices, and decreased investments in the development of emerging enterprises and technologies.

According to the author, one potential remedy to address the issue of inadequate competition is to enhance regulatory oversight over competition in Ukraine, encompassing the regulation of company mergers and acquisitions. This entails fostering an environment conducive to the advancement and reinforcement of competition, facilitating the entry of new



market participants, broadening consumer choice, enhancing efficiency, and reducing the cost of goods and services. Furthermore, it is crucial to foster the development of Ukraine's technological and innovative infrastructure, while providing support to small and medium-sized enterprises to enable their active participation in competition. Promoting the advancement of novel technologies and innovative solutions is also imperative to bolster companies' competitiveness.

In order to foster effective competition, it is imperative to promote the advancement of new technologies and innovative solutions within key sectors of the economy. This will unlock opportunities for new market entrants and enhance the overall competitiveness of all companies operating within the market. To illustrate, facilitating the growth of green energy and the implementation of energy-efficient technologies can create fresh opportunities for companies and enhance their competitive advantage in the energy industry. Similarly, the proliferation of information technology and the digital economy can introduce novel channels for companies operating in sectors such as transportation, logistics, and trade, among others. Effective progress in these domains can further engender cost reductions in goods and services, making them more accessible to consumers and elevating demand. Consequently, this will contribute to heightened market competition and the creation of new employment opportunities. Ergo, the advancement of new technologies and innovative solutions assumes a crucial role in fostering market competition and facilitating sustainable economic growth.

3. Furthermore, in addition to the aforementioned challenges, Ukraine confronts risks stemming from its legal and institutional framework. These include a deficiency in clarity and coherence in procurement regulations, insufficient institutional capacity and expertise, and inadequate resources for oversight and enforcement. These risks can seriously undermine the effectiveness of public procurement in Ukraine and cause corruption and inefficient use of budget funds. For example, if procurement rules are not clear and agreed, this may lead to contracts being awarded to substandard suppliers, or procurement procedures not being transparent enough, making them vulnerable to corruption schemes.

The inadequacy of institutional capacity and expertise can also impede the procurement process, particularly in instances where government entities lack the necessary proficiency to identify optimal bids and execute efficient procurement procedures. This may result in inefficient and superfluous use of public funds, with adverse effects on the country's budget and economy. Insufficient resources for oversight and enforcement can also create challenges for public procurement in Ukraine. Without sufficient means to monitor procurement processes and protect against corruption, this may encourage unscrupulous suppliers and procurement authorities to engage in negligent and corrupt behavior.

Ukraine needs serious reforms and efforts to make its public procurement efficient and transparent. This requires not only legal and institutional support, but also investment in the professional development of public procurement workers.

To tackle the challenges mentioned above, the author recommends the provision of professional training to specialists engaged in public procurement and the establishment of mechanisms for their continuous professional development. Additionally, it is crucial to ensure a robust monitoring mechanism for procurement processes to prevent corruption. This can be accomplished by setting up independent bodies responsible for overseeing public procurement and enforcing compliance with the rules.

Ukraine can benefit from adopting the best global procurement practices to improve the efficiency and transparency of its procurement processes. For instance, the country can learn from the procurement practices of EU and OECD member states and adopt international standards and norms governing procurement activities.

All these important measures ultimately aim to make public procurement in Ukraine significantly more efficient, transparent, and widely accessible to all interested parties, while also preventing corruption and completely eliminating careless or inappropriate use of public funds. This will undoubtedly ensure much more efficient and stable functioning of the national economy and guarantee the long-term stability and prosperity of the country as a whole.

### **Recommendations on strengthening the security of public procurement according to the conducted research**

In order to bolster the economic security of public procurement in Ukraine, various recommendations have been put forth. Andrii Olefir presents a study on the problems of public procurement in Ukraine called "Problems of public procurement in comparison with European experience" (A. Olefir, 2017), suggesting several proposals to improve the national legislation in this regard. These proposals concern the electronic auction procedure, supplier qualification, the selection of the most economically advantageous tender, and corruption prevention. The author of the study also analyzes the EU's experience in the legal resolution of public procurement problems, and trends to stimulate the development of the national economy through public procurement. While corruption prevention is a widespread goal in Ukraine, the primary objective of legal policy in public procurement should be the development of competition, which provides the most cost-effective acceptance of proposals. The article further highlights the shortcomings of the new legislation on public procurement, which introduced electronic auctions but did not resolve most of the problems arising during the tendering process. These problems include distorted competition, divided subjects of procurement for tendering concealment, and unjustifiably broad application evaluation criteria of price proposals. Besides corruption, it also identifies hazards such as lobbying and the reduced usefulness of public goods due to product purchases based only on prices. To address these issues, the article suggests that Ukraine adopt the provisions of Directive 2014/24/EU (*Directive (EU) 2014/24 of the European Parliament and of the Council, 2014*), which establish more effective approaches to the legal regulation of public procurement than Ukrainian laws. These approaches include evaluating bids after their qualifying examination, not announcing public tenders if state (municipal) enterprises can satisfy procurement needs, and the tendency to unite demand from customers to achieve economies of scale. The article also recommends that legislation include special measures that stimulate enterprises to implement environmental and other standards and encourage the participation of small and medium enterprises in tenders and businesses of disabled and other socially disadvantaged groups. To expand the range of "connected persons" who cannot participate in tenders, the article suggests adopting a list of products (with division into categories) for which a permanent market exists, where customers are entitled or required to use a mixed system of evaluation.

In the article "Public procurement in Ukraine as a state governance instrument: evaluation, control, improvement", H. Kaletnik and N. Zdyrko (H. Kaletnik and N. Zdyrko, 2019) conducted an analysis of the crucial role of public procurement in implementing sustainable development policies in economic, social, and environmental fields. The article details the tactical and strategic goals of public procurement and highlights the problematic aspects of the process, including changing legislation, inconsistent terminology, and inadequate supervision. Additionally, the authors examine the established components of public procurement and the classification of procedures for their implementation, outlining the peculiarities of the procedures for different types of public procurement concerning their value and fulfillment order. The article also analyzes the positive tendencies in quantitative and

qualitative indicators of public procurement in Ukraine, and provides examples of disqualifications and rejections of participants. The study also highlights the importance of controlling bodies in public procurement, including their composition and subordination, and typical violations of control results. According to the suggested measures, it is essential to reform the control system, eliminating duplication of functions and powers, and creating a single controlling specialized body, the Public Procurement Inspectorate, to increase the efficiency and effectiveness of control. It also emphasizes the need to boost institutional capacity and transparency in public procurement to ensure compliance with procurement rules and reinforce monitoring.

## Conclusions

In summary, the domain of public procurement assumes critical importance in ensuring the economic security of Ukraine, particularly as the nation aspires to integrate into the European Union. However, Ukraine encounters various challenges and risks in this sphere, including corruption, limited transparency, and inadequate competition. To fortify the economic security of public procurement, Ukraine should undertake measures to bolster the legal and institutional framework, enhance transparency and oversight, foster competition, and address issues pertaining to corruption and integrity. The implementation of the aforementioned measures has the capacity to foster heightened confidence among the public with regard to the procurement process, thus supporting Ukraine's economic expansion and progress towards EU accession.

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