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PUBLIC PROCUREMENT INNOVATIONS IN THE REPUBLIC OF BELARUS

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Abstract

Digitalization of all public administration spheres is the most actual issue in the Republic of Belarus. The main directions of the public procurement reform in Belarus are associated with the expanding the information technologies application.

The article provides an overview of innovations in the field of public procurement of the Republic of Belarus. The authors consider the benefits of digitalization of all types of public procurement procedures. The most discussed is the legislative transfer to the electronic format of the procurement procedure from a single supplier, as the only non-competitive public procurement procedure. The authors pointed that the electronic trading platform as an innovative tool for the digitalization of public procurement makes it possible to expand sales markets, increase the transparency of procedures, develop fair competition and reduce corruption risks.

Keywords: public procurement, electronic trading platform, public procurement procedure, competition, electronic auction, procurement from a single source, corruption risk.

Introduction

The issue of digitizing all spheres of public administration is currently the most relevant in the Republic of Belarus. The innovative reform of the public procurement system in Belarus is also connected with the expanded use of information technologies.

Public procurement is commercial relations in the fiscal management. Procurement is a set of practical methods for organizing purchases involving state budget and funds, and the allocation of public contracts between suppliers through competitive procedures. All tax-paying citizens, whose contributions form the state budget, are interested in efficient expenditure of a budget. Regulation and supervision of these processes in all countries have always been and remain, in the spotlight. An urgent task of modern economics is the development of methodology and mechanisms of informatization and analytical support of decisions on procurement management in the context of developing international cooperation [1].

Continuous improvement is inherent in public procurement management in the Republic of Belarus. Its development aims at analyzing the accumulated experience in Belarus and using the best world practices.

The current stage of applying the rapidly-evolving information technologies is characterized by the large-scale development of global telecommunications networks and the widespread economic use of Internet opportunities. Achievements of research and technological progress create favorable conditions for the growing competitiveness of national economies. The era of digitalization provides enterprises with the opportunity to perform a number of typical business processes remotely, that is, unrelated to the physical workspace. At the same time, market participants are engaged in developing new strategies that allow counterparts to enter a technologically new level of trade.

Innovation in public procurement management is a search for optimal and creative solutions to existing issues, the most relevant of which are preventing expenditure of budget funds and creating conditions for fair competition. Digitizing procurement procedures is one of the modern tools to minimize corruption risks. The goal of the study is to reveal the existing problems in the public procurement management and to show possible options to solve them.

The main outcomes of changes in the sphere of public procurement regulation in the Republic of Belarus have been reviewed based on applying general scientific methods of analysis of official statistical data of the Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus, comparing the provided indicators and generalizing the conclusions.

Public procurement innovations in the Republic of Belarus

Fundamental reform of the procurement system in the Republic of Belarus dates back to 2011, when two state-accredited electronic trading platforms were launched: <http://www.goszakupki.by> (operated by National Centre for Marketing and Price Study") and <http://zakupki.butb.by> (operated by Belarusian Universal Commodity Exchange).

An electronic trading platform is an information trading system intended to organize and conduct public procurement procedures in e-format with an access through the Internet [2].

Therefore, an electronic trading platform is an Internet software platform with an integrated set of organizational and technical functions to ensure the buyer (customer) interaction with the contractor (supplier) through electronic communication channels.

The introduction of such a specialized Internet resource as an electronic trading platform into the public procurement practice has enabled to unite suppliers and consumers of various goods and services in a single information and trading space. This ensured a legally defined functionality for conducting electronic auctions in e-format, and later other types of public procurement procedures implemented in Belarus.

The main feature of the e-format of the procurement procedure is that direct communication between the customer and the participant is completely excluded at all stages of the procedure: from the moment the customer places an invitation to participate in the procedure to its completion by signing a contract with the successful participant. All information exchange is made only through the platform operator, and electronic workflow is provided by the functional means of the electronic trading platform [3]. At the same time, an integral attribute of electronic workflow on the electronic trading platform is a digital signature of authorized persons of the customer and participants of the procedure which ensures the full legal significance of their decisions.

In continuing the gradual reform of the public procurement system in the Republic of Belarus, a new version of Law 419-Z on public procurement of goods (works, services) came into force on July 1, 2019, which transferred the country's procurement system to a new stage of digitalization.

Law 419-Z addresses countering monopolism and corruption, it lays down the basic principles of global procurement practice, such as transparency, accountability and compliance with procedures, open and effective competition, equal opportunities for all participants.

At the same time, based on the previous domestic and foreign experience of public procurement, the updated Belarusian law was able to pay special attention to the further development of informatization and electronic workflow in this area. Thus, in order to provide comprehensive information support for public procurement in Belarus, a new official Internet resource has been put into operation since July 1, 2019 – <https://gias.by> representing a unified state information and analytical system for public procurement management (GIAS). At the same time, the former official website of procurement support, the Tenders information system (icetrade.by), after transfer of the entire block of data on public procurement to a new information resource, is used only for placing all information on procurement at own expense [4].

The main goal of improving the procurement system in all countries is the preferential development of competitive procurement methods. At the same time, the main issue public procurement management in Belarus has been a consistently high proportion of public procurement contracts with a single supplier implemented without the use of a competitive procedure.

Following official statistics of the Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus, which acts as the authorized state procurement management body, for the first quarter of 2021, the main share in value terms is contracts signed based on results of procurement procedures from a single source (I half of 2021 - 75.8%, I half of 2020 - 75.2%). It was also noted that the total number of implemented public procurement procedures taking into account individual lots, for the first half of 2021 decreased slightly against the first half of 2020 figures, and amounted to 491.9 thousand (I half of 2020 – 519.6 thousand) [5]. At the same time, there is a slight decrease in the number of non-competitive purchases: 56.5% in the first half of 2021 compared to 64.5% in the first half of 2020. Nevertheless, the procurement from a single source remains one of the most widely used in Belarus (Table 1).

Table 1 – Values of public procurement contracts in Belarus

Type of public procurement procedure	The value of contracts signed in the first half of 2021, mln. BYN	Share %
Electronic auction	951.64	21.49
Procedure for requesting price offers	50.90	1.15
Open competition	22.17	0.50
Procurement from a single source	3357.89	75.82
Stock trading	46.32	1.04
TOTAL	4428.92	100,00

The rules for choosing the only possible non-competitive procedure for public procurement are strictly regulated by the legislation of the Republic of Belarus. Purchasing from a single supplier or from a single source is possible:

- with a small annual cost of the purchase item (up to 8,700 BYN) (paragraph 9 of the Appendix to Law No. 419-Z);
- when purchasing services related to the spheres of natural monopolies, for example, water supply, heat supply, electricity, etc. (Paragraph 1 of the Annex to Law No. 419-Z);
- when purchasing according to legally approved lists or from suppliers defined by law (Resolution of the Council of Ministers of the Republic of Belarus No. 395) [6];
- if the initial competitive procurement procedure has not taken place, and upon agreement with a higher organization or with the Ministry of Antimonopoly Regulation and Trade (Article 27 of Law No. 419-Z);
- after a repeated competitive procedure that has not taken place (paragraph 7 of the Annex to Law No. 419-Z), and in other cases specified in the Appendix to Law No. 419-Z [2].

At the same time, the latter two cases may be characterized by a relatively high cost of purchase items. This is what causes the fear of corruption risks and other illegal actions.

The predominant share of non-competitive procedures in public procurement is a serious challenge for procurement. Public procurement management in all countries is aimed at preventing corruption and promoting free competition. In order to reduce the corruption component in the procurement sector in Belarus, work is underway to introduce a number of measures in the procurement aimed at achieving transparency and accountability of purchases from a single source. In fact, along with legal reforms, the public procurement management in Belarus has been using the experience of digitizing the procedure of procurement from a single supplier for more than a year.

One of the recent innovations was the possibility to implement the procurement procedure from a single source in electronic form as well. Two official Belarusian electronic trading platforms provide with functionality of implementing this procedure in e-format.

The main feature of the procurement procedure from a single source in e-form is the implementation manner – submitting proposals, selection of a supplier, contract conclusion and formulating a procurement certificate are made on the electronic trading platform. Each event in the procedure is recorded chronologically and displayed in the public domain, thus timely informing stakeholders about the course of the procedure and providing maximum transparency [7]. Digital information about the subject of the upcoming purchase and the terms of the contract is available to all relevant suppliers who may submit their bids to the customer to participate in ongoing market research for choosing successful bidder. It should be noted that currently, according to the current legislation, there is no mandatory requirement for customers to carry out the procurement procedure from a single source in e-format. Nevertheless, in 2021, the electronic trading platform www.goszakupki.by included information about more than 14.1 thousand procurement procedures from a single source in e-form, resulted in purchasing more than 21 thousand items worth 89.1 million Belarusian ru-

bles [7]. These figures are an indicator of the attractiveness for customers of the technological convenience of the functionality, which automates a number of necessary actions, such as:

- prices study by placing a request on e-platform for potential suppliers to provide information about the proposed purchase items [8],
- simplified procedure of supplier selection,
- automatic generation in the required form of the final certificate of the procurement procedure from a single source, formulation of which is mandatory according to the legislation. This is what significantly reduces the time of customers to file a statement about the procedure, since the structure of the certificate is quite complex and large in content.

Suppliers, for their part, have obtained the opportunity to offer their participation in the purchase, without waiting for a direct invitation from the customer to participate in the procedure.

The electronic format of the procurement procedure from a single source helps the customer to decide on choosing a supplier in transparent format, which minimizes corruption risks and dishonesty of the parties. Besides, along with budget savings and reducing corruption, the proposed tools for digitizing public procurement provide small and medium-sized businesses with wide access to state orders, thereby contributing to the sale of their goods and services.

Conclusion

Thus, the electronic trading platform is one of the modern tools for procurement and sale of goods, works, services in e-format.

For enterprises, the electronic procurement format can be considered as:

- innovative development strategy;
- information and logistics activities that provide a complete closed procurement cycle (planning, ordering goods, making payments, participating in goods delivery control) based on electronic workflow;
- customer-managed order fulfillment based on remote contacts with the supplier;
- online networking, including cooperation between developers, users and buyers; automatic flow of approvals, transfer of ownership of goods, delivery, as well as financial flows [9].

The use of innovative methods in conducting public procurement in e-format enables to implement the basic principles of procurement:

- efficient spending of budget financing,
- procedure transparency,
- the possibility of participation of any legal entities and individuals involved, including entrepreneurs,
- creating conditions for developing free and fair competition,
- ensuring fair and impartial attitude to potential suppliers (contractors),
- providing support to domestic producers to the extent that it does not contradict international treaties of the Republic of Belarus,
- preventing corruption and other offenses in the field of public procurement [10].

Thus, acting as an innovative tool for procurement digitizing, the electronic trading platform and the transfer of all public procurement procedures in e-format will enable solving a number of important tasks:

- expansion of sales markets – a large number of companies work on electronic platforms, the most complete and up-to-date database of offers is being formed, which can be used by all counterparts of trade and procurement relations;
- ensuring transparency of procurement procedures for counterparts – the trading platform does not lobby anyone's interests and guarantees impartiality in determining the winner;
- development of marketing tools – with the help of information provided on the electronic trading platform, it is possible to analyze the dynamics of sales of own company, assess the demand for goods and its profitability, plan purchases and sales.

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SCIENTIFIC DISCOVERIES IN THE INTELLECTUAL PROPERTY MANAGEMENT REPUBLIC OF BELARUS

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The article addresses the features of scientific discovery as a result of intellectual activity. The attributes of a scientific discovery and its difference from invention, have been identified. The article also considered the retrospective experience of legal protection of scientific discoveries, determined the role of science in modern society development, revealed modern economic and legal challenges resulted from discovery and use of new patterns and phenomena in the intellectual property management system, revealed the main ways of their solution.

Keywords: scientific discovery, intellectual products, intellectual property, world novelty, fundamentality, invention

Introduction

Over the past centuries, science had created many miracles and started playing a critical role in the community development. Human evolution and the development of civilization were determined, first of all, by human achievements in science and technology. The ideas of converting thermal energy into mechanical facilitated activating various mechanisms, constantly improving them, from steam engines to atomic ones. Each 30-40 years we discover new sources of energy, using it for our needs. The use of electricity allows to perform many industrial and entertainment tasks, chemical developments boost crop yields, creation of new materials, production of cosmetics, detergents, etc.; discoveries in medicine help to fight diseases, save people's lives and provide people with a better quality of life. Great discoveries have changed the course of history and the quality of human life. It is well known that it is to the surrounding world that humanity owes most of its great discoveries. It is no coincidence that Marcus Cicero said: "There is nothing more inventive than nature".

Initially, inventions were created by masters and craftsmen, whose activity results were obtained through trials and errors, while intellectual activity was not their main activity. Since the end of the XIX century, there has been a convergence of science and production. The authors of inventions and scientific discoveries were scientists practicing systematic scientific research, research teams were involved in professional research. Recently, science has taken a critical position in states' economy, it enhances technological progress and changes our reality.

The core of all progressive technologies are intellectual products, assets that ensure super profits and high competitive position for a country with new technologies.

The protection of the rights of intellectual property owners is ensured by international legislation and national legislation of countries. Intellectual property (IP) is the result of a human creative activity which can have a very different form, be it a work of art, an invention, a software, a trademark, or other commercial designation [1].

The Stockholm Convention of 1967, which established the World Intellectual Property Organization (WIPO), determined that intellectual property includes rights related to literary, artistic and scientific works; performing artists, sound recordings, radio and television broadcasts; inventions in all fields of human activity; scientific discoveries; industrial designs; trademarks, service marks, brand names and commercial designations; protection against unfair competition, as well as all other rights related to intellectual activity in the industrial, scientific, literary and artistic fields [2].

Scientific discovery is undoubtedly an achievement of research activity, it is a WIPO-recognized intellectual property. At the same time, the Republic of Belarus has no instruments regulating legal and economic relations that arise from creation and use of scientific discoveries. As per Civil Code of the Republic of Belarus, a scientific discovery does not refer to the intellectual products.

A scientific discovery can be the result of numerous theoretical and experimental studies. The emerging scientific hypotheses do not always find support of scientific colleagues and are finally formulated definitively only with time, sometimes it is a matter of more than one decade. Often scientific discoveries are created by chance and completely unpredictably.