

DOI: <https://doi.org/10.30525/978-9934-26-569-3-33>

KEY CHALLENGES TO PROCUREMENT TRANSPARENCY IN UKRAINE'S NON-GOVERNMENTAL ORGANIZATIONS

Transparency and accountability are key principles in procurement practices of international NGOs. However, these principles are not always observed in local Ukrainian organizations, which discourages international donors from engaging with them due to heightened corruption risks during project implementation.

The aim of this study is to identify common challenges affecting procurement transparency and to develop strategies for optimizing procurement management mechanisms within non-profit civil society organizations.

A lack of understanding among local NGOs in Ukraine regarding the importance of maintaining transparent procurement processes may result in reduced donor assistance, ultimately hindering the delivery of humanitarian missions in de-occupied regions.

Identifying typical challenges will make it possible to design a methodology for enhancing procurement transparency and to establish improved procurement mechanisms. This, in turn, is crucial for ensuring organizational efficiency and achieving mission-oriented goals.

Despite the ongoing reform of Ukraine's public procurement systems, the Law of Ukraine "On Public Procurement" [1] does not regulate procurement procedures within NGOs. In their operations, such organizations primarily rely on their own statutory documents, internal procurement policies, and grant conditions or donor requirements under which they operate.

By employing both quantitative and qualitative methods of data collection – such as surveys, interviews, and the analysis of tender platforms and accompanying documentation – it is possible to identify a range of common issues that affect the transparency of procurement processes in Ukrainian NGOs (see Table 1) [2, 3].

Table 1

Common violations in the procurement practices of non-governmental organizations

Type of Violation	Description of the Violation
Violation in Tender Documentation	Intentional concealment of information regarding the full list of required documents that must be submitted by tender participants. This practice leads to unequal conditions among bidders and may indicate bias or collusion with a preferred supplier
Improper Use of Tender Platforms	Many NGOs use tender platforms mainly for announcements, while conducting the actual process privately through non-transparent procedures. This weakens openness and competition
Imposition of Discriminatory Eligibility Requirements	Tender conditions often include discriminatory criteria, such as requiring bidders to have prior experience specifically with non-governmental organizations. This practice restricts the pool of potential suppliers, reduces competition, and may indicate bias on the part of the procurement organizers
Unjustified Rejection of Tender Proposals by Contracting Authorities	Bids are sometimes rejected for trivial errors – like missing page numbers or checkmarks – despite their irrelevance to content. Such actions erode trust and suggest bias

The analysis of these violations reveals significant deficiencies in the procurement practices of non-profit civil society organizations, which undermine the principles of transparency, equal access, and fair competition. These irregularities may also indicate attempts to manipulate tender procedures and suggest the presence of corruption risks, thereby damaging the reputation of Ukrainian NGOs and hindering future donor engagement.

These issues are often linked to insufficient government oversight, a lack of procurement expertise among specialists, and inconsistent monitoring by donors. The consequences extend beyond reputational harm, potentially resulting in the loss of future donor engagement and a reduced capacity to deliver timely humanitarian assistance.

Addressing these challenges requires a structured approach, including the development of a unified procurement mechanism for non-governmental organizations, capacity-building in compliance

management, and the creation of transparent procurement monitoring tools to ensure accountability – not only to donors but also to the public.

A more in-depth study will provide a comprehensive and detailed inventory of common procurement violations, offer practical recommendations for mitigating such practices in the future, and outline potential directions for further research in the field of non-profit procurement management.

References:

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2. Procurement Platform zakupivli.pro. URL: <https://zakupivli.pro/commercial/tenders/r-ua-2025-01-16-1000105-k> (accessed: 17.05.2025)
3. Cabinet of Ministers of Ukraine Resolution “On Approval of the Procedure for the Operation of the Electronic Procurement System and Authorization of Electronic Platforms.” URL: <https://zakon.rada.gov.ua/laws/show/166-2016-%D0%BF#Text> (accessed: 17.05.2025).