
ADAPTABILITY OF UKRAINE'S PUBLIC PROCUREMENT SYSTEM IN THE CONTEXT OF TWO SIGNIFICANT CRISES: THE COVID-19 PANDEMIC AND THE FULL-SCALE MILITARY AGGRESSION OF THE RUSSIAN FEDERATION

Liudmyla Nefodova ^{1 A}; Vitalii Kushch ^{2 A}; Maksym Bondarenko ^{3 B}; Yaroslav Vovk ^{4 B}

¹ Senior Researcher at the Center, e-mail: inefol@gmail.com, ORCID: <https://orcid.org/0009-0005-2029-790X>

² e-mail: kvv_nao@ukr.net, ORCID: <https://orcid.org/0009-0002-1854-3591>

³ Senior Research Fellow, e-mail: maximbondarenko@gmail.com

⁴ e-mail: yaroslvovk@gmail.com

^A National Defence University of Ukraine, Kyiv, Ukraine

^B Ministry of Defence of Ukraine, Kyiv, Ukraine

Received: March 17, 2025 | **Revised:** March 27, 2025 | **Accepted:** March 31, 2025

DOI: <https://doi.org/10.33445/psssj.2025.6.1.6>

Abstract

The article analyzes the adaptability of Ukraine's public procurement system in the context of two significant crises: the COVID-19 pandemic and the full-scale military aggression of the Russian Federation. The article examines regulatory changes in the functioning of the Prozorro platform and identifies fundamental differences in state approaches to procurement in the medical and military security sectors. It was found that during the pandemic, targeted regulatory mechanisms were introduced to ensure the speed and targeting of procurement while maintaining a certain level of transparency. However, the military crisis led to a more significant reorientation of the system towards efficiency and confidentiality, which resulted in a reduction in competitive procedures and temporary restrictions on information disclosure. The dynamics of key procurement performance indicators (number of procedures, contract volumes, declared budget savings) in 2019–2023 were analyzed. It was proven that despite significant challenges, the Prozorro system demonstrated its ability to quickly restore competitive mechanisms and transparency after the acute phase of crisis situations. At the same time, the article emphasizes the need to improve the methodology for assessing budget savings for a more accurate analysis of the effectiveness of the procurement system. The results obtained are important for the formation of further regulatory strategies in the field of public procurement in Ukraine.

Key words: public procurement, Prozorro, COVID-19 pandemic, military aggression, non-competitive procedures, regulatory adaptation, procurement transparency, competitive bidding, budget savings, Ukraine.

Introduction

In the context of modern globalization processes, national public procurement systems are subject to periodic external shocks that require a quick and flexible response from state institutions. For Ukraine, the period since 2020 has been a vivid example of such challenges, which have been reflected in the practice and regulatory framework of procurement procedures. Of particular interest is the analysis of the adaptability of the Ukrainian Prozorro platform to two fundamentally different crises: the COVID-19 pandemic and the full-scale military aggression of the Russian Federation. While the pandemic brought to the fore the need for rapid and targeted provision of medical facilities while maintaining a certain level of transparency, military aggression radically changed the logic of priorities, bringing to the fore the speed and security of supply at the expense

of full public control. Therefore, an analysis of the transformation of the procurement system in the context of these crises allows us to identify the limits of Prozorro's flexibility and resilience, as well as to determine how successfully the balance between the urgent need for rapid response to crisis situations and the need to maintain openness and transparency of procedures has been maintained. This experience is important not only for the further improvement of the Ukrainian procurement system, but can also serve as a valuable reference point for other countries facing similar challenges in the context of global crises

Materials and methods

The materials used for this study included regulatory and legal acts governing the public procurement system in Ukraine, statistical and analytical reports from organizations such as Transparency International Ukraine, VoxUkraine, Euromaidan Press, SmartTender, and official sources from the Ministry of Economy of Ukraine and the Accounting Chamber of Ukraine for the period 2019–2023. A comparative analysis method was used to conduct a comprehensive analysis, which made it possible to assess the impact of two key external crisis factors—the COVID-19 pandemic and the full-scale military aggression of the Russian Federation—on the practice and regulatory structure of public procurement. In addition, elements of qualitative content analysis of regulatory documents and reports were used to identify key trends and changes in regulatory policy. Statistical methods were used to aggregate and summarize data on quantitative and qualitative changes in the procurement procedure, including the increase or decrease in the number of competitive lots, total procurement volumes, and the number of active participants on the Prozorro platform. The use of these methods made it possible to obtain a comprehensive picture of the adaptability of the public procurement system to crisis situations, assess the effectiveness of the measures taken, and formulate practical recommendations for the further development of regulatory mechanisms in the field of public procurement in Ukraine.

Result and Discussion

Since 2020, Ukraine's public procurement system has been affected by two external destabilizing factors, each of which necessitated regulatory reconfiguration of the Prozorro platform, albeit according to different principles. The COVID-19 pandemic temporarily brought medical security to the forefront, while the full-scale military aggression of the Russian Federation against Ukraine brought military security issues to the fore.

On March 17, 2020, the Verkhovna Rada of Ukraine adopted Law No. 530-IX, which implemented the right to use a negotiated procurement procedure without prior competition for goods and services aimed at countering COVID-19, with subsequent reporting on concluded contracts within one day [1, 2]. At the executive level, on March 20, 2020, the Cabinet of Ministers of Ukraine approved Resolution No. 225, which contained a fixed list of anti-COVID goods and services, legitimizing the conclusion of direct contracts for personal protective equipment, diagnostic test systems, and oxygen concentrators, limiting their display in the Prozorro system to a short information card. In the peak months of 2020, there was a more than threefold increase in the share of non-competitive procurement, and the total volume of medical masks purchased during the year amounted to 179 million units worth UAH 685 million. At the same time, the pandemic became a catalyst for innovative development. In particular, the Prozorro Market electronic catalog for the purchase of tests and protective equipment was quickly launched, enabling small customers to make purchases without tender procedures, using open price lists. After the stabilization of the epidemic situation and the expiry of Resolution No. 225 in September 2021, the public procurement system returned to competitive procedures without significant complications, demonstrating the importance of limiting the duration and scope of emergency

regulatory measures.

With the start of the full-scale invasion by the Russian Federation on February 24, 2022, new systemic challenges arose. On the fourth day of the conflict's escalation, the government adopted Resolution No. 169, which effectively suspended competitive tenders and allowed documentation not to be made public until the end of martial law [6]. Customers were given the right to conclude direct contracts in all areas, and instead of holding tender procedures, only aggregated reports were to be submitted to the State Treasury Service of Ukraine. During the first six months of military operations, the number of competitive lots in the system fell fourfold, and 30% of contracts already concluded were terminated due to logistical problems and a shortage of suppliers. In October 2022, by Resolution No. 1178, the government codified military procurement rules, retaining the possibility of direct agreements for critical needs, but reinstated the requirement for most civilian procurement to be conducted through the Prozorro system with the simultaneous concealment of sensitive information (Anon n.d.-j). Further regulatory changes, in particular Resolution No. 382 of April 9, 2024, reinstated Eurotenders, extended the deadline for submitting tender bids, and limited the possibility of manipulating the lower price limit, which contributed to the restoration of competition and meets the requirements of Ukraine's international partners for post-war reconstruction [7].

An analysis of both crisis situations revealed a dialectical tension between the speed of supply and the transparency of procurement. During the COVID-19 pandemic, the state applied a targeted procurement regime focused on a specific list of goods and services, but maintained the publication of price offers in full, which provided tools for public control over price levels. During the full-scale war, the opposite trend was observed: most data was temporarily closed to protect information about logistics and supply locations. Only after high-profile public discussions in 2023 did the Ministry of Defense of Ukraine and civilian customers begin to publish prices for food and fuel within a ten-day period [8].

In 2019, according to an analytical report by the Accounting Chamber on the report of the Ministry of Economy of Ukraine, 1.378 million procurement procedures were announced, which is 14.27% more than in the previous year. The expected value of completed procurements was UAH 581.3 billion, and the declared savings were over UAH 28.2 billion. It is important to note that the Accounting Chamber expressed doubts about the validity of the savings figure due to the lack of analysis of the factors that influenced its formation, in particular, the adequacy of the expected value. This criticism of the methodology for calculating savings is typical of reports from different years, indicating the potential inaccuracy of this indicator as a reflection of the real effectiveness of procurement.

For 2020, the aggregated data on the total number and value of procurements are fragmentary. According to a study by Transparency International Ukraine, as of June 2020, an average of 3,087 lots were announced daily in the Prozorro system for a total amount of UAH 1.48 billion. The state-owned enterprise Prozorro publishes financial statements, but they do not contain direct aggregated procurement statistics. The report of the Ministry of Economy of Ukraine for 2020 is available on the official website of the ministry, but specific statistical data on procurement were not highlighted in the materials provided.

In 2021, there was a significant intensification of procurement activities: more than 5 million procurements were carried out, and the total amount of contracts concluded reached UAH 965 billion. The number of suppliers participating in procurement was 263,138, which is 6.9% more than in 2020. According to some estimates, the declared savings in 2021 amounted to about UAH 50 billion. However, the report of the Ministry of Economy of Ukraine for this period was also criticized by the Accounting Chamber due to insufficient data for a comprehensive analysis.

The year 2022 was marked by radical changes as a result of the full-scale invasion of the

Russian Federation. The number of procurements made fell to 2.8 million, and the total amount of contracts concluded decreased to UAH 484 billion. This was a direct consequence of the military actions and the temporary permission to conduct a significant part of procurements outside the Prozorro system in order to promptly meet the urgent needs of the country's defense and vital functions. The number of customers operating in the electronic procurement system decreased by 14.21% compared to 2021 and amounted to 29,610. The number of suppliers also decreased slightly to 242,067. The declared savings in 2022 amounted to approximately UAH 20 billion, which is significantly lower than in the previous year, and the Accounting Chamber again emphasized the lack of proper analytical justification for this indicator.

There was a significant decrease in the number of active suppliers on the Prozorro platform (Fig. 1).

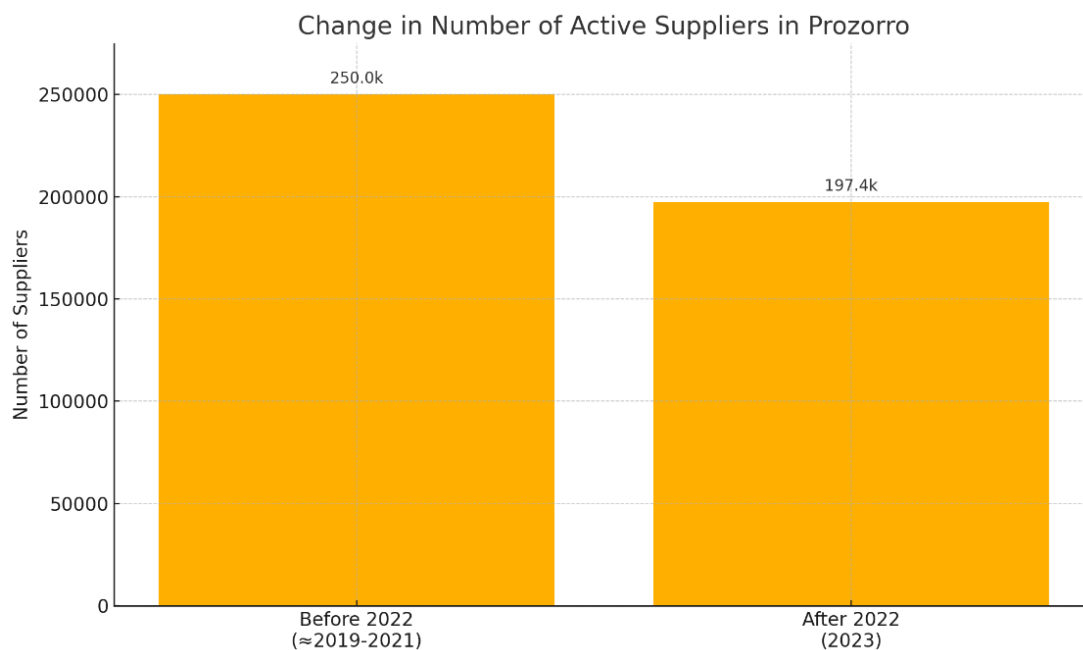


Figure 1: Change in the number of active suppliers in Prozorro

The chart is based on two aggregate indicators that are often used by independent analysts:

- Approximately 250,000 suppliers participated in at least one tender before 2022.
- 197,400 suppliers registered by SmartTender/BI Prozorro at the end of 2023.

In 2023, the public procurement system demonstrated significant stability and a trend towards recovery. According to the Ministry of Economy of Ukraine, procurement volumes tripled compared to 2022, reaching UAH 480 billion [9]. However, the more complete data provided by SmartTender and the TAPAS project indicate a larger scale: 3.62 million procedures were successfully completed (96.5% of the total number announced), the total announced value of tenders amounted to UAH 1.27 trillion, and the total amount of contracts signed was UAH 1.25 trillion [10]. According to various estimates, the savings ranged from UAH 37 billion to UAH 42 billion [11]. In 2023, 9,099 new suppliers and 1,435 new organizers joined Prozorro competitive tenders for the first time [9]. This rapid recovery in procurement volumes demonstrates the adaptability of the system and the desire to return to transparent mechanisms. Discrepancies in statistical data from different sources, in particular regarding procurement volumes in 2023, may be due to differences in data collection and processing methodologies or different reporting periods, which should be taken into account when interpreting the data.

Table 1: Summary indicators of the effectiveness of Ukraine’s public procurement system (2019-2023) [9–11]

Year	Total number of procedures announced/conducted (million)	Expected value of announced procedures (billion UAH)	Number of contracts concluded (million)	Total value of contracts concluded (billion UAH)	Declared savings (billion UAH)
2019	1,378 (reported)	581.3 (completed)	Н/Д	Н/Д	>28,2
2020	N/A (fragmentary data)	Н/Д	Н/Д	Н/Д	Н/Д
2021	>5 (completed)	Н/Д	Н/Д	965	~50*
2022	2.8 (conducted)	Н/Д	2,8	484	~20
2023	3.75 (announced) / 3.62 (successful)	1270	3.62 (successful)	1250	37-42

Note: The savings indicator for 2021 is based on a comparison with the Accounting Chamber’s data for 2022. Data on the number of contracts concluded and their value may vary depending on the source and methodology. “N/A” means no data is available in the sources provided.

Table 1: This table is key to understanding the scale and dynamics of the public procurement system. It visualizes the main trends, including growth prior to the full-scale war, a decline in 2022, and a recovery in 2023. The inclusion of the “savings” indicator with a caveat regarding criticism of its methodology provides a balanced assessment. A comparative analysis of data over time helps to assess the overall effectiveness of the system and the impact of external factors.

In conclusion, the COVID-19 pandemic has shaped an operational protocol that combines targeting and responsiveness to health crises but has not led to the destruction of a culture of openness. Instead, full-scale military aggression necessitated deeper compromises, temporarily shifting priority from transparency to operational efficiency. The gradual return of the Prozorro system to public scrutiny demonstrates the Ukrainian model’s ability to adapt its level of openness without fundamentally changing its underlying principles. This flexibility is the most valuable institutional outcome of both crises, as it lays the foundation for a resilient and agile public procurement system in future emergencies.

Conclusions

The main conclusions of the study are that the Ukrainian public procurement system has demonstrated significant institutional flexibility and adaptability to various crisis situations, while maintaining fundamental principles of transparency despite temporary restrictions on information disclosure. During the COVID-19 pandemic, targeted regulatory decisions were quickly put in place to effectively meet urgent medical needs, while keeping enough transparency for the public to keep an eye on how budget money was spent. In the event of full-scale military aggression by Russia against Ukraine, the system underwent a more significant regulatory transformation, with the operational efficiency and confidentiality of procurement procedures temporarily taking precedence over the principle of openness due to national security requirements. However, the gradual restoration of competitive procedures in 2023 and a return to greater disclosure of information indicate that the key principles of Prozorro remain intact. At the same time, the study revealed certain methodological problems in calculating savings, which may distort the assessment of the procurement system’s effectiveness. To improve the reliability of the analysis, it is recommended to develop a more accurate methodology for calculating savings, including details of

the impact of external factors. Overall, the experience gained suggests that the Prozorro system has the potential to be an effective public administration tool capable of adapting to different types of emergencies, which is important both for current challenges and for Ukraine's post-war recovery.

Funding

This study received no specific financial support.

Competing interests

The authors declare that they have no competing interests.

References

1. On amendments to certain legislative acts of Ukraine regarding the prevention of the spread of coronavirus (COVID-19). Available from : <https://zakon.rada.gov.ua/go/530-20> (accessed: 15.01.2025).
2. Resolution of the Cabinet of Ministers of Ukraine No. 225 of March 20, 2020. Available from : <https://zakon.rada.gov.ua/go/225-2020-n> (accessed: 15.01.2025).
3. Prozorro. Documents of SE "PROZORRO". Available from : <https://prozorro.gov.ua/prozorro-documents> (accessed: 14.01.2025).
4. Ministry of Economy of Ukraine. Public procurement reports. Available from : <https://me.gov.ua/Documents/List?lang=uk-UA&id=ca5d0012-c7f9-4750-b1f8-cf5550ecb270&tag=Zviti> (accessed: 12.01.2025).
5. Transparency International Ukraine. How are medical masks bought through Prozorro? Available from : <https://ti-ukraine.org/en/blogs/how-are-medical-masks-bought-through-prozorro/> (accessed: 12.01.2025).
6. Postnikov O. Balance between transparency and security in public procurement management in crisis situations. Problems of Systemic Approach in the Economy. 2024. No. 2. <https://doi.org/10.32782/2520-2200/2024-2-7> (accessed: 10.01.2025).
7. Kuts A. 12 April amendments to procurement rules. Transparency International Ukraine. 2024. Available from : <https://ti-ukraine.org/en/news/12-april-amendments-to-procurement-rules/> (accessed: 10.01.2025).
8. Ben B. Army procurement scandal prompts Ukraine to boost transparency. Euromaidan Press. March 20, 2023. Available from : <https://euromaidanpress.com/2023/03/20/army-procurement-scandal-prompts-ukraine-to-boost-transparency-but-more-needed-for-sustainable-reform/> (accessed: 09.01.2025).
9. SmartTender. Prozorro performance results for 2023. Available from : <https://smarttender.biz/blog/view/rezultati-roboti-prozorro-na-maydanchiku-smarttender-biz-za-2023-rik/> (accessed: 09.01.2025).
10. VoxUkraine. Procurement during the full-scale war. Available from : <https://voxukraine.org/en/procurement-during-the-full-scale-war> (accessed: 08.01.2025).
11. National Defence University of Ukraine. Public procurement: Evolution and best practices. Problems of Systemic Approach in the Economy. 2024. No. 1. <https://doi.org/10.32782/2520-2200/2024-1-14> (accessed: 08.01.2025).