POLICY BRIEF

Strengthening the Public Procurement System of the Republic of Azerbaijan

A reform agenda for the 2023 Public Procurement Law, structured under the OECD Methodology for Assessing Procurement Systems (MAPS)

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This brief consolidates a legislative amendment package developed for the Law on Public Procurement and presents it in the analytical structure used by MAPS assessments. It is intended as a contribution to the international procurement community and as a self-assessment reference should a MAPS country assessment of Azerbaijan be undertaken.

1. Executive summary

The Law of the Republic of Azerbaijan on Public Procurement, in force since 1 January 2024, was a substantial de jure advance. It made the single electronic portal the mandatory channel for procurement (Article 15.1), introduced a standstill period before contract award (Article 37.1), created a statutory basis for framework agreements (Articles 1.1.3 and 50–52), reserved lower-value quotation procedures for micro, small and medium enterprises (Article 48.2), and reduced the performance security burden on smaller firms (Article 38.3).

Two full years of application have, however, exposed a structural mismatch between the design of the Law and the way a modern procurement system is expected to perform. The mismatch is not one of insufficient control. It is the opposite: the Law concentrates so much ex-ante verification in the oversight body that the regulator has become a participant in the decisions it is later asked to review, while the substantive levers that generate value for money — competition, contract management, market access and data-driven monitoring — remain comparatively underdeveloped.

This brief sets out a package of legislative amendments addressing that mismatch. Three propositions organise it:

- **Oversight must be repositioned, not weakened.** Case-by-case approval of individual procurement decisions should be replaced by systemic, risk-based monitoring and by a review function that is genuinely independent of the decisions it examines.
- **Competition should be widened where the Law currently narrows it.** The three-bid quorum, the estimated price used as a hard ceiling, bank-issued bid securities and the effective closure of the portal to non-resident suppliers each suppress participation without a corresponding integrity gain.
- **Regulation should follow risk.** Low-value purchases, procurement planning and subcontracting are governed today with a level of formality disproportionate to their exposure, while contract execution — where most public value is won or lost — is barely regulated at all.

Diagnostic overview

MAPS pillar	Achievements of the 2023 Law	Residual vulnerability
I. Legal and regulatory framework	Mandatory e-procurement (Art. 15.1); statutory standstill (Art. 37.1); framework agreements introduced (Arts. 1.1.3, 50–52).	Commercial state-owned entities fall outside the Law for their own-source funds (Art. 3.2.8); single-source grounds depart from UNCITRAL and are heavily used; contract modification is effectively prohibited (Art. 42.1); framework agreements are confined to one budget year and to a narrow subject matter.
II. Institutional framework and capacity	A single national portal and a designated oversight body with a defined statutory mandate.	No central purchasing body and no legal basis for a parent entity to procure for its subordinate entities; procurement handled by ad hoc commissions rather than professional units; no real-time visibility of contract execution.
III. Operations and market practices	MSME set-asides by threshold (Art. 48.2); reduced performance security for micro and small enterprises (Art. 38.3).	Cancellation where fewer than three bids are received (Art. 36.1.1); estimated price operating as a budget ceiling (Art. 35.1.7); bank-issued bid securities; non-residents effectively unable to register on the portal; domestic preference of up to 20% (Art. 33.13).

MAPS pillar	Achievements of the 2023 Law	Residual vulnerability
IV. Accountability, integrity and transparency	Standstill period; publication obligations; a supplier complaint route to the oversight body and the courts (Arts. 53–55).	The oversight body approves every final evaluation protocol (Art. 34.7), every disqualification (Art. 35.2) and every cancellation (Art. 36.2) — and then reviews complaints against those same decisions; complaints are governed by the general citizens' petitions regime; the standstill is short and complaint deadlines are inconsistent.

Methodological note

The brief follows the four-pillar architecture of the OECD Methodology for Assessing Procurement Systems (MAPS, 2025 edition): Pillar I, legal, regulatory and policy framework (Indicators 1–4); Pillar II, institutional framework and management capacity (Indicators 5–8); Pillar III, procurement operations and market practices (Indicators 9–10); Pillar IV, accountability, integrity and transparency (Indicators 11–14). It is not a MAPS assessment: no assessment team, steering committee or evidence-gathering exercise stands behind it, and no scores are assigned.

What it does instead is map an already-drafted legislative amendment package onto the MAPS analytical grid, so that each proposal can be read against the indicator it is intended to move. The underlying diagnosis draws on published external reviews of the Azerbaijani system — SIGMA commentary on the draft law, the World Bank's country procurement work under the EU–World Bank rapid technical assistance facility, the Asian Development Bank's independent expert review, the OECD Istanbul Anti-Corruption Action Plan fifth-round monitoring report, and the recommendations and audit findings of the Chamber of Accounts — together with the operational experience of the oversight body itself. International benchmarks are drawn from the UNCITRAL Model Law on Public Procurement, EU Directive 2014/24/EU, the WTO Agreement on Government Procurement, and the procurement regulations of the World Bank and the Asian Development Bank.

Section 6 sets the Azerbaijani findings against four recent MAPS assessments — Armenia, Bhutan, Balochistan (Pakistan) and Sierra Leone — because the pattern they describe is strikingly consistent with what Azerbaijan is experiencing.

2. Pillar I — Legal, regulatory and policy framework

MAPS Indicators 1–4. The pillar asks whether the legal framework achieves the agreed principles, whether implementing regulations support it, whether it enables sustainable procurement, and whether procurement is properly integrated with public financial management.

2.1 Coverage: commercial state-owned entities

Article 3.2.8 removes from the scope of the Law those commercial legal entities whose supervisory or management boards are approved by, or in agreement with, the designated executive authority, in respect of goods, works and services financed from sources other than the state budget. The exclusion is broad, and it removes from public view a category of spending that is economically significant and, in market terms, indistinguishable from public procurement.

The OECD Guidelines on Corporate Governance of State-Owned Enterprises draw the relevant line differently: where an SOE is fulfilling a governmental purpose, or operates as an administered monopoly, it should follow the procurement rules applicable to general government; a margin of appreciation as to method is appropriate only for genuinely commercial activity exposed to private-sector competition.

Recommendation. Retain the commercial margin of appreciation, but not the transparency exemption. Entities covered by Article 3.2.8 should be required to advertise, receive and open bids through the portal and to publish award information, subject to a narrow carve-out for information whose disclosure would genuinely damage their commercial position. A new Article 15.7 should carry this obligation, aligned to the notice requirements of Articles 26.1 and 26.8 and to the award-publication requirements of Article 38.11.

2.2 Scope, exclusions and the low-value threshold

Article 3.8 disapplies the Law where the aggregate value of procurement not foreseen in the current year's procurement plan remains below AZN 10,000 in a budget year, or AZN 20,000 for higher, first and second category state bodies and for entities not financed from the state budget. Two difficulties follow. First, tying the exemption to the procurement plan rather than to value alone produces uncertainty as to which purchases are covered. Second, because the exemption is cumulative rather than per-contract, the Law's full procedural apparatus can in principle apply to a purchase of a single manat — an outcome no comparable system produces, and one that generates a large volume of low-value single-source requests.

Recommendation. Replace the cumulative, plan-linked exemption with a clear per-contract de minimis threshold of AZN 5,000, coupled with (i) an express anti-fragmentation rule in Article 45.3 prohibiting the splitting of similar subject matter to evade the threshold, (ii) monthly publication on the portal of every contract concluded below the threshold, and (iii) quarterly publication of the number and value of procurements carried out under each statutory exclusion. Transparency, not procedural formality, is the proportionate control at this level of value.

The list of exclusions in Article 3.2 should at the same time be aligned with international practice by adding the categories that are conventionally excluded and that today generate avoidable single-source traffic: acquisition of or rights over real property; legal representation, arbitration and mediation; employment contracts; membership and registration fees for international organisations and events; subscriptions purchased directly from publishers; training and certification delivered abroad; procurement by entities located abroad for use abroad; and compulsory insurance, where the insured is free by law to select any authorised insurer.

2.3 Single-source procurement

The share of single-source procurement is the most serious empirical finding about the system. Successive external reviews record a rise from roughly one third of total procurement value to more than half within three years. The grounds in Article 49.1 are broader than those of UNCITRAL Article 30, and the urgency ground in particular is drafted in terms that admit wide interpretation. The oversight body must consent to the use of the method, but without defined assessment criteria or verification tools that consent is a formality rather than a control.

Recommendation. Realign the grounds in Article 49.1 with UNCITRAL Article 30(5). Remove the prior-consent requirement for all grounds except the socio-economic policy ground, which should be retained under Article 49.1.5 with the safeguards the Model Law attaches to it: advance public notice and an adequate opportunity for other suppliers to respond. Where the notice attracts a capable alternative supplier, the procurement should revert to a competitive method. Every single-source contract, and the reasoning supporting it, should be published; the control should sit in disclosure and ex post monitoring, not in a pre-approval that the oversight body has no evidentiary basis to refuse.

2.4 Contract modification

Article 42.1 prohibits any modification of a procurement contract after entry into force, save in the circumstances of Article 422 of the Civil Code. The intention — to prevent the award of an artificially cheap contract that is subsequently enlarged — is sound. The effect is not. Construction and other complex contracts cannot in practice be performed without variation, and a rule that forbids what execution requires drives modification into informal channels where it is neither documented nor supervised. Where price adjustment is unavailable, bidders price inflation and currency risk into their offers, or decline to bid.

Recommendation. Redraft Article 42 along the lines of Article 72 of Directive 2014/24/EU: permit modification without a new procedure where the need arises from circumstances a diligent contracting authority could not foresee, the overall nature of the contract is not altered, and the increase does not exceed 50% of the original contract value, with the same ceiling applying to each successive modification. Define substantial modification expressly — a change that would have admitted different candidates, that shifts the economic balance in the contractor's favour, that materially extends scope, or that substitutes the contractor. Require publication on the portal, within ten working days, of every modification to contract value or performance period, and of every termination, including under subcontracts.

2.5 Sustainable public procurement

Article 33.11 lists the factors a commission may weigh when identifying the most efficient offer: operating, maintenance and repair costs, delivery periods, functional characteristics and warranty terms. Sustainability does not appear. Since the most-efficient-offer criterion is itself optional, the system defaults to lowest price. Nothing in the Law obliges an authority to consider whole-life cost, and no implementing guidance explains how life-cycle costing is to be applied.

Recommendation. Add sustainable and green characteristics of the subject matter to the factors enumerated in Article 33.11, and issue implementing guidance on life-cycle costing, sustainable technical specifications and contract performance conditions. The point is worth stating plainly: sustainable procurement is not a decision to pay more. It is the application of technical specifications, selection criteria and performance conditions that capture cost over the asset's life rather than at the moment of purchase.

2.6 Framework agreements

Article 1.1.3 defines a framework agreement as an arrangement concluded with two or more suppliers for a single budget year, and Article 50.1 confines its use to periodic or repeat maintenance of vehicles, machinery, equipment and installations. Both limits depart from international practice and, taken together, remove almost all of the instrument's value. Aggregation of demand cannot be demonstrated within twelve months; the two-supplier minimum forces cancellation where only one qualified supplier responds; and the narrow subject matter excludes precisely the standardised, repeat-purchase categories where framework agreements perform best. A further practical obstacle arises from the estimated price: bidders must secure participation against a notional aggregate far exceeding the budget actually available, and against which no order is guaranteed.

Recommendation. Extend the maximum duration to three calendar years; permit conclusion with a single qualified supplier; broaden the scope in Article 50.1 to common-use and off-the-shelf goods and services, emergency preparedness, and multi-region supply; define the estimated value as the budget allocated to the requirement rather than an aggregate of possible demand; treat an offer covering at least 90% of the listed items as admissible; and allow a parent entity to conclude a framework agreement on behalf of its subordinate entities. Detailed operating rules belong in secondary legislation.

3. Pillar II — Institutional framework and management capacity

MAPS Indicators 5–8. The pillar asks whether the country has a functioning normative and regulatory institution, whether procuring entities and their mandates are clearly defined, whether procurement is embedded in an effective public financial management system, and whether the system has the capacity to develop and improve.

3.1 The regulator's conflict of roles

Under Articles 34.7, 35.2 and 36.2, the oversight body must decide whether to approve every final evaluation protocol, every decision to disqualify a supplier and every cancellation, in each case within five working days, with silence operating as approval. With well over ten thousand contracts concluded annually and no minimum value threshold, this is not oversight. It is co-decision at national scale.

Four consequences follow, and each of them is documented in the external reviews of the system. Accountability is diluted, because a procuring entity whose decision has been approved can attribute the outcome elsewhere — a difficulty the Law does not resolve by providing in Article 58.2 that responsibility nonetheless remains with the entity. Timelines lengthen, because approvals are frequently issued on the final day of the statutory period. The oversight body cannot exercise substantive judgment across every sector at this volume, so approval becomes a formality. And, decisively for Pillar IV, the body that has approved a decision cannot then review a complaint against it without being simultaneously defendant and judge.

Blanket ex ante verification of individual transactions is, in any event, no longer standard practice. Contemporary systems rely on complaint-triggered review, real-time risk monitoring, and targeted scrutiny of high-risk projects.

Recommendation. Remove from the Law the requirement that the oversight body approve final protocols, disqualifications and cancellations, together with the deemed-approval mechanism that accompanies it. Restate the oversight body's mandate around risk-based monitoring of procurement procedures under criteria it establishes internally (a revised Article 14.2.2); the issuance of findings where a commission's decision breaches the Law (Article 14.2.6); and the power to annul an unlawful decision of a procuring entity or commission (Article 14.4.4). Responsibility for the decision returns, unambiguously, to the procuring entity.

3.2 Centralisation and aggregation of demand

The Law provides no basis for a central purchasing body, and no mechanism by which a parent entity may procure on behalf of its subordinate entities. The most commonly purchased goods and services in the country are therefore bought repeatedly by small entities that lack specialist staff, at volumes too small to attract supplier interest, with elevated cancellation rates and no economies of scale.

Recommendation. Confer on procuring entities the power to conduct procurement for their subordinate entities, and establish a central purchasing body with a defined catalogue of common-use categories, operating principally through framework agreements. This is a medium-term reform requiring institutional design, budget and staffing decisions that exceed the scope of a legislative amendment; the enabling provisions, however, should be introduced now so that implementation is not later blocked by the absence of a legal basis.

3.3 From procurement commissions to procurement professionals

Article 1.1.19 defines the procurement commission as a temporary working group. Every decision must pass through it, which slows the process; its members are drawn from the entity's other functions, which

prevents specialisation; and because it is temporary it neither accumulates institutional expertise nor bears durable responsibility. Professionalisation is not achievable on this foundation.

Recommendation. Amend Article 1.1.19 so that the procurement function may be discharged either by a commission or by a permanent organisational unit to which the function is assigned, and simplify the composition and quorum requirements in Articles 20 and 34 accordingly. Responsibility for the proper conduct of procurement should rest with the senior management of the procuring entity, supported over time by a professional certification track.

3.4 Procurement planning

The planning provisions impose a level of formality disproportionate to the risk at that stage: the plan may be adjusted no more than once a month and only on three enumerated grounds, while procurement may only be conducted in accordance with an approved plan (Article 18.8). Requirements change, prices move and funding sources shift, and the rules impede rather than support the response.

Recommendation. Recast Article 18 on the model of UNCITRAL Article 6: procuring entities may publish information on planned procurement activities and advance notice of possible future procurement, and such publication does not constitute a solicitation, does not oblige the entity to solicit, and confers no rights on suppliers. Remove the consequential planning references from the operative provisions of the Law. Planning should serve budget preparation and market signalling; it should not function as a precondition to lawful procurement.

3.5 Digital infrastructure and open data

Mandatory use of the portal under Article 15.1 is the single strongest feature of the 2023 Law, and it should be built upon. Two extensions matter most. First, the categories of procurement and the process stages that remain outside the portal — single-source procedures and, critically, contract execution — should be brought within it, since red-flag monitoring is only as good as the completeness of the underlying data. Second, information published as open data should be issued in the Open Contracting Data Standard by default, so that it is machine-readable and comparable rather than merely visible.

Recommendation. Establish a legal basis for real-time monitoring of contract execution — payments, delivery notes, contract modifications and acceptance — with transmission of that data to the portal made mandatory. Article 39.5 already requires payment information from budget-financed entities to be transmitted to the portal; the obligation should be extended across the contract lifecycle. Adopt OCDS as the default publication format under Articles 1.1.4 and 15.6.

The gap this closes is a real one. A procedure may be conducted impeccably and still deliver nothing of value, and today problems in execution surface only when the Chamber of Accounts or the financial control service reaches them, long after the fact. A significant share of supplier complaints in fact rests on a well-founded suspicion that the winning bidder is not delivering what was offered.

4. Pillar III — Procurement operations and market practices

MAPS Indicators 9–10. The pillar asks whether procurement practices achieve their stated objectives and whether the procurement market is fully functional.

4.1 The three-bid quorum

Article 36.1.1 requires cancellation where fewer than three suppliers have submitted bids. Reported cancellation rates of 20–30% are substantially attributable to this rule. The requirement is neither necessary nor sufficient for competition: it is straightforward to circumvent, it penalises markets that genuinely contain fewer than three capable suppliers, and it creates an incentive to solicit accommodation bids. Where a procurement has been properly advertised, qualification criteria are not unduly restrictive, and prices are reasonable against market values, the process is competitive irrespective of how many bids arrive.

Recommendation. Amend Article 36.1.1 so that cancellation follows only where no compliant bid has been received. Where the number of bids is low, the appropriate responses are to verify that the solicitation was sound and to assess the market for signs of collusion — not to cancel and repeat. The confidentiality of the number of bids received until the submission deadline, now reflected in Article 8.2, should be maintained, so that each bidder prices on the assumption of competition.

4.2 The estimated price as a budget ceiling

An estimate is an estimate. Under Article 35.1.7 it operates as an absolute ceiling: a bid exceeding it must be rejected, however marginally, and the procurement is cancelled even where the entity holds funds sufficient to award — including funds saved on other procedures. Publication of the estimate compounds the problem. Because Article 35.1.8 exposes bids more than 20% below the estimate to rejection, suppliers cluster their prices just above that boundary, and the disclosed estimate becomes an anchor that dampens price competition rather than a planning figure.

Recommendation. Substitute the available budget for the estimated price as the rejection criterion in Article 35.1.7. Give procuring entities discretion as to whether the estimate is disclosed. Dispense with the calculation of an estimated price for single-source procurement, where it serves no evaluative function. Retain the 20% threshold in Article 35.1.8 as a trigger for scrutiny of an abnormally low bid — not as a ground for automatic exclusion — and introduce the concept of an unbalanced bid, defined as one in which items representing at least 20% of the bid value are priced at least 20% above the estimate while the remainder is priced at or below 20% under it.

4.3 Bid securities

Bank-issued bid securities impose direct cost and administrative burden, deterring participation, particularly by smaller firms. Because the instrument is issued electronically, its release depends on a letter from the procuring entity; where that letter is not sent, the supplier's funds remain immobilised at the bank.

Recommendation. Replace the bid security with a bid-securing declaration — a binding undertaking issued by the supplier itself, in the same amount and on the same terms, extending to quotation procedures. Where a supplier breaches the declaration and fails to pay, entry on the register of unreliable suppliers is the enforcement mechanism. The regime should be set out in a new Article 30, with consequential amendments to Articles 1.1.27, 29.1, 31.2, 31.3 and 38.5.

4.4 Evaluation: discretion, sequencing and proportionality

Three defects in the evaluation regime work against both efficiency and equal treatment. Whether to request a missing document from a supplier is presently discretionary, which allows an entity minded to exclude the lowest bid to find a reason, and equally leaves an entity minded to award to the lowest bid unable to cure a defect. Every bid must be assessed against general and specific requirements and the assessment recorded in the final protocol, even where twenty bids have been received and even where a bid has already been rejected on other grounds. And once a supplier has been excluded on a statutory ground, the remaining components of its bid are still examined.

Recommendation. Under Article 33.2, make it mandatory for the commission to request clarification or documents from the supplier presenting the lowest-priced or most efficient offer where an inconsistency or omission is identified, allowing not less than three working days to respond; the request should be triggered automatically by the portal for standardised fields, which removes discretion and guarantees equal treatment. Where a bid is more than 20% below the estimated price, an explanation with supporting evidence should be required in every case. Under Article 33.3, where no scoring criteria apply, evaluate only the three lowest-priced bids, proceeding down the ranking as required until three compliant bids are identified. Under Article 35.3, once a supplier is excluded on a statutory ground, the other components of its bid should not be assessed.

4.5 Access for non-resident suppliers

Since all procurement runs through the portal, registration requires an electronic signature, and an electronic signature requires a local tax identification number, participation is in practice confined to foreign companies that have established a local presence. External monitoring records that the value of contracts awarded to foreign suppliers fell to approximately 3% of total procurement value in 2024, materially below the level observed before the current Law. Non-residents are additionally unable to produce most of the certificates prescribed as conformity documents — although, in single-source cases, their applications are nonetheless approved without them, which exposes the requirement as formal rather than substantive.

Recommendation. Create a separate registration pathway for non-residents on the portal, with automated verification against defined criteria or verification by a designated body. Under Article 23.9, permit non-residents to submit conformity documents obtained in their country of registration, legalised or apostilled, and disapply the domestic certificate requirements they cannot satisfy. Differentiate conformity requirements for foreign and domestic suppliers in Article 23 generally.

4.6 Domestic preference

Article 33.13 provides a preference of up to 20% in favour of offers for subject matter of local origin. The margin substantially exceeds international practice — multilateral development banks apply 15% for goods and 7.5% for works — and its methodology for determining local content is complex enough to permit outcomes at odds with its purpose, including awards at materially higher prices to suppliers holding a favourable origin opinion for goods that are locally supplied in any event.

Recommendation. Set the margin at 15% for goods of local origin and 7% for local works, remove the preference for services, cap the contract value to which the preference applies, and revise the methodology for determining local origin. These parameters sit in the implementing Cabinet decision rather than in the Law.

4.7 Proportionality in debarment

Article 16 provides for entry on the register of unreliable suppliers for up to three years, during which the supplier may not participate in procurement directly, as a member of a consortium, or as a

subcontractor. That is a severe sanction, and the Law provides no lesser measure. A graduated response is missing, and in a market with a limited supplier base, indiscriminate debarment reduces competition without a corresponding integrity benefit.

Recommendation. Amend Article 16.4 to provide for a formal warning as an alternative to registration, with the choice determined by the gravity of the breach and whether the supplier has previously committed a similar breach. Due process, and a route to review and appeal, should attach to debarment decisions.

4.8 Subcontracting

The conformity requirements applicable to subcontractors are not workable in practice, with the result that suppliers frequently disclose no subcontractors at all — the opposite of the transparency intended. The 50% cap in Article 38.10 is, moreover, unrealistic for certain categories, notably organisational and management services, and pushes suppliers to misrepresent the true allocation of work.

Recommendation. Remove the subcontractor conformity requirements from the Law, following the EU approach of requiring disclosure of subcontractors and their contact details after award, together with self-declarations, rather than full qualification at bid stage. Retain the 50% cap only where it is meaningful, and remove the requirement that 20% of subcontracted volume be allocated to micro, small and medium enterprises where it cannot be met.

5. Pillar IV — Accountability, integrity and transparency

MAPS Indicators 11–14. The pillar asks whether transparency and civil society engagement strengthen integrity, whether control and audit systems are effective, whether appeals mechanisms are effective and efficient, and whether ethics and anti-corruption measures are in place.

5.1 From transaction approval to systemic red-flag monitoring

Section 3.1 sets out why case-by-case approval should be discontinued. What must replace it is a monitoring function with real analytical capability. The Open Contracting Partnership has published a set of seventy-three data-driven red-flag indicators derived from procurement data, capable of surfacing bid-rigging patterns, excessive reliance on single-source procedures, unusual concentration of awards and anomalies in contract execution.

Recommendation. Give the oversight body an express mandate to conduct risk-based monitoring under criteria established by internal instrument. The selected criteria should be approved internally and not published, so that they cannot be reverse-engineered. This is a materially more demanding function than approving protocols, and it requires analytical staff, data infrastructure and complete coverage of procurement stages on the portal — which is why the digital and coverage reforms in Sections 2.1 and 3.5 are preconditions to it rather than parallel initiatives.

5.2 An independent complaints review function

The present arrangement cannot deliver independent review. The oversight body approves the decision and then reviews the complaint against it. In 2024, roughly one quarter of complaints were upheld and the remainder found unsubstantiated, which suggests both that the review function is doing real work and that a substantial volume of unmeritorious complaints is absorbing capacity.

Three structural defects compound the problem. Complaints are governed by the general law on citizens' petitions, under which any person may complain about anything from anywhere and receive a reasoned response — a regime that invites tactical and vexatious filings. The route through the procuring entity is largely illusory, since the complaint is considered by the same people whose decision is challenged. And the deadlines are internally inconsistent: a challenge to the terms of the solicitation may be filed up to a minute before bid opening, in which case a well-founded complaint cancels the procedure and restarts it; while disqualified suppliers are notified only after the final protocol is approved, and then have fifteen working days to complain — a period during which the contract may already have been signed, leaving the complaint incapable of effective remedy.

Recommendation. Establish a review function whose independence, stability and protection from interference are secured in law, deciding collegially. Disapply the law on citizens' petitions to procurement complaints. Require that complaints be submitted only to the review body and only through the portal, with real-time notification to the procuring entity and mandatory minimum content, non-compliant submissions being left without consideration. Set clear deadlines: challenges to the solicitation documents up to five working days before the deadline for submission; all other complaints before expiry of the standstill period. Extend the standstill in Article 37.1 from five to ten working days, consistent with the WTO GPA minimum and with World Bank and ADB practice. Where a complaint is upheld but the contract has already been signed, empower the review body to award compensation for participation costs and lost profit up to 10% of the contract value. Where a complaint turns on formal technical requirements, provide for decision on the basis of a sectoral expert opinion, with the fee refunded by the procuring entity if the complaint succeeds.

5.3 Conflict of interest

The conflict-of-interest provisions in Article 6 are drafted in exhaustive detail — enumerated degrees of kinship, defined categories of officers — yet in operation they are largely unverifiable, and the greater the specificity, the more certain it is that something falls outside. Beneficial ownership, which is where the substantive risk sits, is a matter for separate legislation.

Recommendation. Simplify Article 6 into general, enforceable statements of principle supported by legally binding declarations of impartiality, rather than attempting to enumerate every prohibited relationship. Investigation of specific alleged conflicts is properly a matter for the audit and law enforcement authorities.

5.4 Transparency of contract execution

Publication currently ends, in substance, at award. Yet the material integrity risk lies downstream: acceptance of goods of lower quality than offered, acceptance of goods never delivered, undocumented variation, and payment delay. The real-time execution monitoring proposed in Section 3.5 is therefore as much an integrity measure as an efficiency one, and it is the single reform that would most improve performance against Indicators 11 and 12.

6. Comparative perspective: four recent MAPS assessments

The difficulties described above are not distinctive to Azerbaijan. Four recent MAPS assessments — Armenia, Bhutan, Balochistan (Pakistan) and Sierra Leone — identify closely comparable patterns, which is itself evidence that these are structural features of a stage of procurement system development rather than local administrative failings.

Finding recurring across assessments	Where it appears	Azerbaijani parallel
The regulator holds prior-review or no-objection powers over individual transactions, becoming implicated in operations it also regulates. The Sierra Leone assessment recommends removing that function from the regulator and, so far as it is retained, relocating it elsewhere.	Sierra Leone (2026)	Articles 34.7, 35.2 and 36.2 — approval of every protocol, disqualification and cancellation.
The independence of the second-tier review body from the regulator is questionable or unclear, undermining supplier confidence in the remedy.	Sierra Leone; Balochistan	The oversight body reviews complaints against decisions it has itself approved.
Framework agreements and centralised purchasing remain underdeveloped, so demand is not aggregated and unit prices stay high.	Armenia; Sierra Leone; Bhutan	Framework agreements limited to one budget year, two suppliers and maintenance services; no central purchasing body.
The coverage of state-owned enterprises is unclear or they sit outside the national procurement rules altogether.	Balochistan; Bhutan	Article 3.2.8 excludes commercial legal entities for own-source funds.
Wide exceptions to competitive procedures, weakening the presumption of open competition.	Armenia	Single-source procurement exceeding half of total procurement value.
Complaint mechanisms are slow, costly to access and poorly trusted; a substantial share of cases exceeds statutory time limits.	Armenia; Bhutan	Complaints handled under the general citizens' petitions regime, with inconsistent deadlines.
Award on lowest quoted price without adequate examination, producing poor-quality outcomes, especially in works.	Bhutan	Life-cycle costing available but optional and unsupported by guidance; no sustainability criteria.
Absence of streamlined methods for low-value and micro purchases.	Sierra Leone	Full procedural apparatus applicable in principle from the first manat.
Contract management provisions are thin, and contract variation is a recurring source of concern.	Balochistan; Sierra Leone	Modification effectively prohibited by Article 42.1, driving variation into informal channels.

The Sierra Leone parallel deserves particular emphasis. That system moved in 2016 from a decentralised model overseen by a non-operational regulator to one in which the regulator conducts prior review and issues no-objections — a shift the 2026 assessment characterises as a partial return to a central tender board model, and which it recommends reversing. Azerbaijan's 2023 Law made a comparable move, and encountered the same consequences: administrative overload, diluted accountability, and a review function that cannot be independent of the decisions it examines. The value of the comparison is that the corrective is already documented, and Azerbaijan need not derive it from its own experience alone.

7. Consolidated recommendations and sequencing

Sequencing follows MAPS convention: ST — short term, achievable within twelve months; MT — medium term, one to three years; LT — long term.

Pillar	Recommendation	Articles	Term
I	Require entities under Article 3.2.8 to advertise, open bids and publish awards through the portal, subject to a narrow commercial carve-out.	3.2.8; new 15.7	ST
I	Replace the cumulative, plan-linked exemption with a per-contract de minimis of AZN 5,000, with anti-fragmentation rules and monthly publication.	3.8; 3.9; 45.3	ST
I	Align the list of statutory exclusions with international practice.	3.2	ST
I	Realign single-source grounds with UNCITRAL Article 30(5); retain prior consent only for the socio-economic policy ground, with advance public notice.	49.1; 44.5	ST
I	Permit contract modification within EU-style limits; define substantial modification; require publication within ten working days.	42	ST
I	Add sustainable and green characteristics to the most-efficient-offer criteria; issue life-cycle costing guidance.	33.11	ST
I	Extend framework agreements to three years and one supplier; broaden scope; redefine estimated value as the allocated budget.	1.1.3; 50–52	ST
II	Abolish approval of final protocols, disqualifications and cancellations, together with deemed approval.	34.7; 35.2; 36.2	ST
II	Restate the oversight mandate around risk-based monitoring and annulment of unlawful decisions.	14.2.2; 14.2.6; 14.4.4	ST
II	Permit the procurement function to be discharged by a permanent organisational unit; simplify commission requirements.	1.1.19; 20; 34.2	ST
II	Recast procurement planning on the UNCITRAL Article 6 model.	18	ST
II	Empower parent entities to procure for subordinate entities; establish a central purchasing body.	New provisions	MT
II	Establish a legal basis for real-time contract execution monitoring; adopt OCDS as the default publication format.	39.5; 1.1.4; 15.6	MT
III	Cancel only where no compliant bid is received.	36.1.1	ST
III	Substitute available budget for estimated price as the rejection criterion; make disclosure of the estimate discretionary; introduce the unbalanced bid concept.	35.1.7; 35.1.8; 19.1	ST
III	Replace bid securities with bid-securing declarations, extended to quotation procedures.	30; 1.1.27; 29.1; 38.5	ST
III	Make clarification requests mandatory and portal-triggered; evaluate only the three lowest bids where no scoring applies; stop assessment once a supplier is excluded.	33.2; 33.3; 35.3	ST
III	Create a non-resident registration pathway; accept legalised or apostilled foreign conformity documents.	23.5.1; 23.9	MT

Pillar	Recommendation	Articles	Term
III	Recalibrate domestic preference to 15% goods and 7% works; remove it for services; cap the eligible contract value.	33.13 and Cabinet decision	ST
III	Introduce a formal warning as an alternative to debarment.	16.4	ST
III	Remove subcontractor conformity requirements; adopt post-award disclosure.	38.10; 33.1	ST
IV	Mandate risk-based red-flag monitoring under internally approved, unpublished criteria.	14.2.2	ST
IV	Secure the independence and collegiality of the complaints review function.	53–55	MT
IV	Disapply the citizens' petitions regime; require portal-only filing with mandatory minimum content.	53.3; 55.1	ST
IV	Set coherent complaint deadlines; extend the standstill to ten working days.	37.1; 55.2	ST
IV	Empower the review body to award compensation of up to 10% of contract value where a complaint is upheld after signature.	55.5	MT
IV	Simplify conflict-of-interest provisions into enforceable principles supported by binding declarations.	6	ST

8. Conclusion

The 2023 Law established the infrastructure of a modern procurement system: a single mandatory portal, a standstill period, a statutory oversight mandate, and the beginnings of a framework agreement regime. What it did not establish is the operating logic that allows that infrastructure to generate value. Control was placed at the point of individual transactions, where it consumes capacity, delays delivery, dilutes accountability and forecloses independent review, rather than at the level of the system, where data can identify risk at scale.

The amendments proposed here are not a deregulatory programme. Several of them increase obligations: state-owned entities would publish where they now do not, contract execution would be monitored where it now is not, single-source procurement would face advance public notice, and every contract modification would be disclosed. What changes is the location of control — from a pre-approval that cannot in practice be substantive, to disclosure and analysis that can.

Azerbaijan has not undergone a MAPS assessment, and it should. The question is when. On the strength of the comparative material assembled here, the principal findings of such an assessment are broadly foreseeable: they are, in substance, the findings set out in this brief. That is not an argument against the exercise. It is an argument about sequencing. An assessment mission that spends its weeks establishing a diagnosis the system could have supplied on day one converts a scarce external resource into a confirmation exercise. The same mission, arriving after the well-understood problems have been addressed, is free to do what external assessment does uniquely well — identify what those working inside the system cannot see from within it. The recommendations in this brief are therefore offered as preparation for a MAPS assessment rather than as a substitute for one. Acting on them first would raise, not reduce, the value of the assessment that follows.

Prepared in a personal capacity. Comments, corrections and counter-arguments are welcome — particularly from colleagues who have participated in MAPS assessments elsewhere.