



ReSPA

Regional School
of Public Administration

5th Working Group Meeting
**Public Procurement Trends and
New Practices**

14th-15th December 2016, Belgrade (Serbia)

Discussion Paper and Provisional Agenda



Background

Public procurement is a very important area with strong impact on a country's public service provision but also its overall economic and social development. Amounting to a significant percentage of national GDPs in all countries in the region, public procurement is directly related to the increasing competitiveness of the markets, improvement of electronic administration and business environment, promotion of environmental and social aspects and innovation. Due to its high total value, public procurement also has significant influence on risk of corruption level, as well as enforcement of integrity aspects at various levels.

Under the auspices of ReSPA, Western Balkan countries have established a Public Procurement Working Group in the summer of 2014, with the aim to contribute in developing a sound and transparent public procurement system which will be harmonised with the *acquis communautaire* and the relevant EU standards.

The three network meetings held so far and the joint workshop of ReSPA and EBRD devoted to PPP and PP working groups have paved the way for enhanced cooperation.

In the first PP network event held in Danilovgrad on July 2014, participants discussed new developments in public procurement at EU level, introduced by the 2014 directives, reviewed and analysed the existing national public procurement systems and key challenges in developing these systems within the framework of EU accession process.

The second PP working group meeting was organized in Warsaw in January 2015 with attention to two specific aspects of modern and flexible public procurement system: e-procurement and management of irregularities in PP (aside the review process). It combined the working group meeting with a study visit in order to identify tangible inputs and benchmarks for launching and development of the Regional Comparative Study in the selected topics.

The third meeting was organized jointly with the PPP working group in order to explore synergies between networks and to finalize the layout and anticipated results from the Comparative Study among the wider group of PP and PPP working group members. Additionally, a survey was prepared to confirm the topics for the regional comparative study and to provide suggestions for topics to be discussed and agreed regarding the envisaged training needs derived from the anticipated recommendations from the comparative study and ideas for further development of work group operation.

In 2015 ReSPA conducted a survey on the state of play in the field of PP related to the selected two topics: management of irregularities in PP (aside the review process) and e-procurement. The general objective of the study was to provide the ground for design of long – term investment policies in line with the EU aims. The recommendations from the study identified

the steps to be taken in mid – term to achieve this objective and to foster homogenous good practice in the region in the selected two topics.

The last activity in which the PP working group members were included was the joint workshop of ReSPA and EBRD devoted to PPP and PP working groups held in November 2015 in the EBRD headquarters in London, UK. The workshop was intended to be a study visit that would further strengthen the institutional capacity in the WB countries in the domain of two important thematic areas PPP and PP. The specific topics that were presented and discussed aimed also to improve the understanding of various aspects of the PP process (bottlenecks) and stakeholders' prospective.

Objectives

The purpose of this paper is to provide basis for contributions from and discussion among the representatives of the ReSPA PP working group at the 5th meeting of the working group to be held on 14-15 December 2016 in Belgrade (Serbia). The following specific objectives are expected to be accomplished:

- Comparative study on the two selected topics: management of irregularities in PP (aside the review process) and e-procurement with findings and recommendations re-structured, shortend and final draft provided by the expert and presented to the PP working group members;
- Elaboration of the legislative changes made as of November 2015 and current state of play in each ReSPA member state relating to the public procurement legislation in general and the two specific topics provided by the PP working group members respectively,
- Endorsment of the findings and recommendations proposed by the expert and additional recommendations that could be implemented in the region and in the countries respectively identified.
- Best practices and experiences in the field of e-procurement and the latest public procurement trends and developments within the EU presented and / or shared.

The preliminary agenda provides a framework for open discussion in which the participants are invited to take active part and share their experience and opinions.



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Content

Management of irregularities is of special importance for aspects related to establishment of transparent and efficient national procurement system. The monitoring and control mechanism in place should prevent irregularities and enhance trust in the law and administration. As the solutions for management of irregularities could differ from country to country (and even internally between contracting authorities), when their aim remains the same, the share of experience could be fruitful in planes for development.

e-procurement concept is perceived as a tool to significantly simplify the way procurement is conducted, reduce waste and deliver better procurement outcomes (lower price, better quality) by stimulating greater competition. As European Commission notes in the communicate *A strategy for e-procurement* - it can also contribute to addressing two of the main challenges the European economy is facing today: the need to maximise the efficiency of public expenditure in a context of fiscal constraints and the need to find new sources of economic growth. Directive 2014/24 put stress on use of electronic means of information and communication, stating that they should become the standard means of information exchange in procurement procedures. The provisions establish the transmission of notices in electronic form, electronic availability of the procurement documents, fully electronic communication (including the submission of bids). Furthermore the contracting entities will have the right to make use of electronic auctions, electronic catalogues and dynamic purchasing system.

Target group

This 2-day public procurement Working group meeting will gather 18 participants (three representatives from: Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia and Kosovo^{1*}), representing: *policy makers* - Heads/directors of public procurement offices, agencies, ministries in charge for policy development on public procurement and heads/directors of other key bodies within the national public procurement systems (review bodies, central purchasing bodies), who:

- Have at least 5 years of relevant work experience in the topic of the network.
- Possess a clear and demonstrated interest in the network topic and are motivated to participate in discussions and exchange of opinions/best practices with other colleagues from the WB countries.

The second day of the meeting will include the members of the ReSPA eGovernment Working Group.

¹ This designation is without prejudice to positions on status, and it is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

Experts' bios

Mr. Darko Janevski

Mr. Janevski is a co-founder and legal / project management consultant at ACT! Consultancy Services Ltd. Skopje. He is graduate of the Law Faculty "Lustinianus Primus" (University „Ss. Cyril and Methodius“ Skopje) and has over 16 years of professional experience in providing legal, analytical, project management and training services. During his span at the USAID funded e-Gov Project (2004-2011) and on other short-term and long-term assignments on public administration reform oriented projects funded by donor institutions he provided: analysis and drafting of legislation; preparation and implementation of tenders; management of e-Government projects/electronic systems and delivery of trainings in the areas of: e-Procurement, e-Signatures and e-Data, e-Government, e-commerce, personal data protection, online registration of employments, import-export licenses, etc.

Ms. Vidosava Dzagic

During a 30 year long career, Ms. Dzagic worked both in private and public sector, as well as associations, research institutes and development institutions. Valuable experience she gained in implementation of the public procurement programme in cooperation with the EBRD, as well as in strategic planning and designing of action plans. As a State Secretary in the Ministry of Public Administration and Local Self-Government of Serbia, she led and coordinated a numerous reform programs – from inspection oversight reform to the optimization of the public administration programme. Ms. Dzagic is currently working as an Adviser to the president of the Chamber of Commerce and Industry of Serbia (CCIS), and as a Team leader of the Performance and Value Chain Analysis Project.



PROVISIONAL AGENDA – 14th -15th December, 2016

Day 1 – Wednesday, 14th December

| Time | Session | Presenter / moderator |
|---------------|---|--------------------------------|
| 9:15 – 9:30 | Registration | |
| 9:30 – 9:45 | Welcome note | ReSPA Programme Manager |
| 9:45 – 10:00 | Presentation of the Comparative Study <i>- background, goals, methodology</i> | Darko Janevski |
| 10:00 – 11:00 | Country presentations <i>- progress made and state of play in the field of public procurement, including any TA projects implemented</i> | One representative per country |
| 11:00 – 11:15 | Coffee break | |
| 11:15 – 11:40 | Presentation of the findings related to management of irregularities (1) <i>- Legal framework and institutional set-up;</i> <i>- Administrative capacities and allocation of resources in PP authorities /audit bodies</i> | Darko Janevski |
| 11:40 – 12:00 | Discussion | Vidosava Dzagic |
| 12:00 – 12:20 | Presentation of the findings related to management of irregularities (2) <i>- Performance indicators for control / audit institutions; risk based analysis for audits/control instruments;</i> <i>- “Check points” of surveillance by control institutions – control in ex – ante stage</i> | Darko Janevski |
| 12:20 – 12:45 | Discussion | Vidosava Dzagic |
| 12:45 – 14:00 | Lunch break | |



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| 14:00 – 14:20 | Presentation of the findings related to management of irregularities (3) - <i>civil society's involvement in control of irregularities;</i> - <i>corruption and conflict of interest in PP</i> | Darko Janevski |
| 14:20 – 14:40 | Discussion | Vidosava Dzagic |
| 14:40 – 15:05 | Presentation of the findings related to management of irregularities (4) - <i>Control of PP in ex-post stage (audits of PP procedures and contract management)</i> | Darko Janevski |
| 15:05 – 15:30 | Discussion | Vidosava Dzagic |
| 15:30 – 15:45 | <i>Coffee break</i> | |
| 15:45 – 16:10 | Presentation of the recommendations related to management of irregularities | Darko Janevski |
| 16:15 – 16:45 | Discussion | Vidosava Dzagic |
| 16:45 – 17:00 | Wrap-up | ReSPA Programme manager / Darko Janevski and Vidosava Dzagic |



Day 2 – Thursday, 15th December

| Time | Session | Presenter / moderator |
|---------------|---|---|
| 9:30 – 10:00 | Registration | |
| 10:00 – 10:30 | Introductory speech | ReSPA programme managers |
| 10:30 – 11:00 | Presentation of the ReSPA Comparative Study country findings in the field of e-Procurement | Darko Janevski |
| 11:00 – 11:30 | Country presentations <i>- progress made and state of play in the field of e-procurement</i> | One representative per country |
| 11:30 – 11:45 | Discussion | Vidosava Dzagic |
| 11:45 – 12:00 | Coffee break | |
| 12:00 – 13:10 | Presentation of the latest trends and developments in EU related to e-Procurement and innovative procurements <ul style="list-style-type: none">- <i>PEPPOL and Open PEPPOL project</i>- <i>e-CERTIS</i>- <i>Transposition of EU Directives provisions related to e-procurement</i>- <i>EU best practices and global trends in e-Procurement</i>- <i>Innovative procurements – sustainable, energy efficient and green procurements</i> | Timo Rantanen (TBC) Isabella Rapisarda (TBC) |
| 13:10 – 13:30 | Discussion | Vidosava Dzagic |
| 13:30 – 14:15 | Lunch break | |



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| 14:15 – 15:15 | <p>Overview of the 1st international public procurement week 2016 and key recommendations:</p> <ul style="list-style-type: none"> - <i>Professionalization</i> - <i>Multi-sector or integrated approach</i> - <i>Economic development – investments – public procurement – corporate management</i> - <i>Joint public procurement</i> - Presentation on the establishing of the Regional Procurement Centre for South-East Europe - <i>Introduction of the International Master Study Programme in Public Procurement Management in Belgrade, Serbia</i> | Vidosava Dzagic |
| 15:15 – 15:30 | Discussion | Vidosava Dzagic |
| 15:30 – 15:45 | <i>Coffee break</i> | |
| 15:45 – 16:00 | Presentation of the Comparative Study recommendations related to e-Procurement | Darko Janevski |
| 16:00 – 16:45 | Discussion and defining time-frame for joint activities related to e-Procurement | Vidosava Dzagic |
| 16:45 – 17:00 | Wrap-up | ReSPA Programme Manager / Darko Janevski and Vidosava Dzagic |

