

Standard Summary Project Fiche – IPA centralised programmes
(Regional / Horizontal programmes ; centralised National programmes)

1. Basic information

1.1 CRIS Number: 2007/19322

1.2 Title: Strengthening the Serbian Public Procurement System

1.3 ELARG Statistical code: 01.05

1.4 Location: Serbia

Implementing arrangements:

1.5 Contracting Authority (EC)

The Contracting Authority is the European Commission on behalf of the Republic of Serbia

1.6 Implementing Agency: N/A

1.7 Beneficiary (including details of project manager):

The Beneficiary is the Public Procurement Office

Financing:

1.8 Overall cost (VAT excluded): 2 million Euros

1.9 EU contribution: 2 million Euros

1.10 Final date for contracting: 3 years after the signature of the Financing Agreement

1.11 Final date for execution of contracts: 5 years after the signature of the Financing Agreement

1.12 Final date for disbursements: 6 years after the signature of the Financing Agreement

2. Overall Objective and Project Purpose

2.1 Overall Objective:

Contribute to the development and strengthening of a stable, transparent and competitive public procurement system in the Republic of Serbia in accordance with EU standards.

2.2 Project purpose:

- Strengthening the legal, institutional and methodological framework of the Serbian public procurement system
- Strengthening professional skills and capacity of the staff of the Public Procurement Office, Commission for the Protection of Tenderers' Right and of the Public procurement system Group
- Ensuring availability to the public of transparent information related to public procurement

2.3 Link with AP/NPAA / EP/ SAA

Reference to the 2006 European Partnership for Serbia and Montenegro: is a strategic framework for creation of this project proposal. The document recommends to „implement consistent and effective public procurement regime. Ensure transparent procedures, regardless of the value of the contract concerned“.

Reference to the 2006 Progress Report: the document states “No particular development can be reported in the field of public procurement. The legislation on public procurement is to

a large extent based on the Community *acquis*. However, the implementation of a consistent, non-discriminatory and effective public procurement system was halted pending the adoption of a new Public Procurement Law. Further efforts are needed in strengthening the implementation capacity of the Public Procurement Office and the Public Procurement Commission, by increasing their independence vis-à-vis the Government and ensuring transparency in decision-making. Preparations for alignment with the *acquis* in this area have been launched. Overall, Serbia's preparation is relatively well advanced in the area of public procurement.

National Strategy of Republic of Serbia for SCG's EU Accession represents the basic national document, which defines mid-term framework for strategic development in this area. As it was indicated in the Strategy, „...The area of public procurement is especially important as its functioning affects the relations between the state and the economic sector, and influences proper use of the budget, the economic development of the Republic of Serbia, as well as other, non-economic parameters such as fight against corruption. Regulation of public procurement in the European Union has a significant role in the forming of common market with equal terms of participation for all interested economic entities in the European Union...”

In the **Action Plan for Strengthening of Institutional Capacity for Taking Over the Obligations in the Process of European Integration** 4 recommendations for the public procurement sector have been made: 1) Strengthen the capacities of the Public Procurement Office, 2) Strengthen the capacities of the Commission for the Protection of Tenderers' Rights and provide its autonomy, 3) Establishment of Supreme Audit Institution, 4) Strengthen the capacities of the Budget Inspectorate and the Ministry of Internal Affairs in the field of public procurement

Public Procurement Office has also produced the document called “**Baseline of Strategy for Upgrading the Public Procurement System in Serbia**”, which defines basic components of public procurement system reform.

The **National Anti-corruption Strategy** which was adopted by the Serbian Parliament gives the following recommendations regarding the public procurement sector:

1) Enhancing and strict implementation of legislation in the field of public procurement, 2) creation of an efficient control mechanism for monitoring of justification of planned public procurement, 3) creation of a control mechanism for realization of public procurement and 4) Providing the Commission for the Protection of Tenderers' Rights the autonomy and independence of from the executive power.

The draft text of **Stabilisation and Association Agreement** (Article 81, item 7) emphasizes the importance of public procurement: “... Serbia shall report annually to the Stabilisation and Association Council on the measures they have taken to enhance transparency and to provide for effective judicial review of decisions taken in the area of public procurement.”

2.4 Link with MIPD

MIPD states: “Supporting the development of sectoral strategies and policies compatible with EC internal market legislation and best practices in areas such as public procurement” is an area where EC assistance may be provided.

2.5 Link with National Development Plan (where applicable)

N/A

2.6 Link with national/ sectoral investment plans(where applicable)

N/A

3. Description of project

3.1 Background and justification:

Existing Public Procurement Law (PPL) was adopted by Parliament on July 4 2002 and came into force on 13 July 2002. Although it was a good basis for the initial steps in the Serbian Public Procurement system, the necessity of adoption of a new PPL is widely recognised.

Having in mind the importance of public procurement for Serbian economy it is indispensable to strengthen the capacities of the three public institutions, which have the key role in creation of necessary preconditions for enhancing efficiency and transparency in usage of the tax payers money for public procurement as well as for raising of competitiveness and equality of bidders in the public procurement procedures. These institutions are: Public Procurement Office (PPO), Commission for the Protection of Tenderers' (which is officially part of PPO) and Public procurement system Group of the Ministry of Finance.

The PPO was established under Article 18 of the Public Procurement Law (Official Gazette 39/2002) as an independent governmental organization accountable directly to the Prime Minister. It started its operations on 15 January 2003. The PPO aims are to ensure that appropriate procedures are being followed for the efficient, effective and transparent use of public funds covering the supply of goods, works and services. In order to achieve these goals, the PPO promotes competition and equal treatment of all bidders.

According to the PPL, the functions of the PPO are the following:

- Draft regulations for adoption by the government;
- Provide advisory services to contracting entities and tenderers;
- Organise training in the area of public procurement;
- Ensure international co-operation in the area of public procurement;
- Publish notices and distribute handbooks and guidance information;
- Prepare model tender documentation;
- Collect statistical data from contracting entities;
- Monitor public procurement;
- Submit to the government an annual report on public procurement.

However, the PPO faces the problem of weak human resource capacities. This is caused by the fact, that PPL inadequately defined duties and tasks which should be performed in the PPO. This imperfectness of PPL makes the derived concrete tasks and jobs rather difficult for direct administrators/employees in the PPO. The non-existence of some important institutions necessary for well-functioning of the PP system, (e.g. Supreme Audit Institution) makes the problem even more difficult.

The primary objective of the Commission for the Protection of Tenderers' Right is to ensure the full legal security of all participants in the process of awarding public procurement contracts. The relevant national strategic documents recommend formal separation of the Commission from the structure of the PPO and its establishment as a separate authority. In relation with that, it should be mentioned that the Commission, as a part of the PPO, does not have its own budget, which substantially limited its functionality. In addition, according to the PPL, the CPR rules in the administrative proceedings initiated by the PPO even though institutionally the CPR is a part of the PPO. The CPR is using the premises of the PPO. Other issues question the actual independence of the CPR.

The Commission has also a very limited time frame to take decisions (15 days) and this insufficient human/administrative capacity (12 employees) does not allow to rule within such a short delay. Furthermore, the Commission also depends very often on the opinion/information from other state organs which are not always quick in responding to the Commission's questions and requests. That risk may have significant consequences as the decisions of the Commission are final with no possibility of appeal or any further proceedings.

Public procurement system Group performs the tasks related to the drafting of the PPL and the by laws, as well as the interpretation of the provisions of the PPL.

Main partners in the implementation of the project are: Public Procurement Office, Commission for Protection of Tenderers' Rights, Ministry of Finance. It is also expected that the relevant Serbian Ministry in charge of IPA coordination should also participate in all activities related to the project. Having in mind its central coordinating role in the process of European integration the same is expected from the European Integration Office of the Serbian Government.

The Sigma Balkan Report on Public Procurement in Serbia issued in June 2006 listed the following recommendations:

“The government should take further steps to revise the PPL so that it is fully aligned with the EC Directives.

Consideration should be given to the organisation of internal and external audit so as to ensure the integrity of the procurement processes.

The government, in close consultation with all important stakeholders, should prepare a strategy and detailed action plan for the public procurement reform process, setting out clearly the needs and the measures to be taken.

The PPO should be strengthened, in particular in terms of training, organisation and IT systems.

The efficiency of the procurement system should be increased through initiatives to set up arrangements for co-ordinated and centralised purchasing, including the introduction of framework agreements.

Preparations are required for the future use of electronic procurement. “

The Study also considered that the PPO would definitely benefit from external assistance and from closer international co-operation in the following areas:

- Review of the PPL to determine the need for further revisions, with a view to (i) achieving full alignment with the EC Directives, and (ii) introducing appropriate and efficient national procedures for contracts not covered by the Directives;
- Support for the development of the operations of the PPO through the provision of training, experience-sharing with PPOs in other countries, and help with the preparation of operational guidelines and tender and contract documentation;
- Support for the Review Commission and its operations;
- Support in the preparation and conduct of a comprehensive training programme and information programme targeting purchasers at all levels, but in particular units at regional and local levels; an information programme should also be designed for the private sector;
- Support for the introduction of modern techniques for tendering and contracting, such as electronic means and framework agreements.

In the GRECO Report (Group of States against corruption, which functions within the Council of Europe) published on 9 of October 2006, there are 25 recommendations for Serbia. According to a GRECO recommendation it is necessary to improve the implementation of the PPL, particularly through the training of public officials, which participate in the public procurement process.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

The setting up of an efficient public procurement system is a fundamental element for the success of a market economy and it contributes to long-term economic growth, job-creation, the development of business and the emergence of a competitive market culture focused on business efficiency and on “best value for money” in regard to government spending. A well-run public procurement system can secure considerable savings in public funds and therefore savings for taxpayers. Moreover, a modern and fully functioning system provides the added benefits of fairness and transparency and thus contributes to the reduction of corruption and the avoidance of the use of discrimination as disguised trade barrier.

3.3 Results and measurable indicators:

Expected results and measurable indicators for Component 1 (Strengthening the legal, institutional and methodological framework of the Serbian public procurement system):

Expected results include:

- Legal framework for public procurement is aligned with latest EU directives, including the general standard procedures requests and documents
- Revised organisational charts with clear distribution of tasks and procedures are designed and implemented for PPO, the Commission for the Protection of Tenderers' Right and the Public Procurement System Group
- Assigned roles and responsibilities of those involved in public procurement activities are designed precisely, clearly and without overlapping

Measurable indicators for reviewing progress include:

- Primary and secondary legislation adopted by Government and Parliament
- Revised standard bidding documents

- Manual (s) in CD-ROM format for procuring entities on tender preparation including supplies, services and works
- Organisational Development plan including operational implementation plan for the PPO, the Commission for the Protection of Tenderers' Right and the Public Procurement System Group
- Revised organizational charts for the PPO, the Commission for the Protection of Tenderers' Right and the Public Procurement System Group
- Guidelines on internal rules and procedures for the PPO, the Commission for the Protection of Tenderers' Right and the Public Procurement System Group.

Expected results and measurable indicators for Component 2 (Strengthening professional skills and capacity of the staff of the Public Procurement Office, Commission for the Protection of Tenderers' Right of the Public procurement system Group and of procuring entities)

Expected results include:

- Improved skills concerning public procurement law and processes of PPO, Commission for the Protection of Tenderers' Right and Public Procurement System Group staff

Measurable indicators for reviewing progress include:

- number of trainings/workshops/study visits
- number of staff trained
- number of training/workshop/study visit feed back questionnaires sent back by participants

Expected results and measurable indicators for Component 3 (Ensuring availability to the staff of the Public Procurement Office, Commission for the Protection of Tenderers' Right and of the Public procurement system Group and to the public of transparent information related to public procurement)

Expected results include:

- Public Procurement Office, Commission for the Protection of Tenderers' Right and Public procurement system Group are technically equipped to ensure reliable information access between themselves and towards the public
- An improved and compatible communication flow system between the PPO and the contracting authorities is installed
- An e-procurement system primarily used for transferring relevant information concerning public procurement to TED (Tenders Electronic Daily) is set up
- Information of bidders at all levels (national, regional and local) concerning procurement rules and processes is improved

Measurable indicators for reviewing progress include:

- Full list of equipment (hardware and software) is identified, tendered delivered and functional
- Technical equipment for introduction of an electronic public procurement system (hardware and software) is installed.
- Number of awareness raising events organised
- Number of monthly/quarterly newsletters disseminated

3.4 Activities:

Activities foreseen for Component 1 (Strengthening the legal, institutional and methodological framework of the Serbian public procurement system):

- Assist, in close coordination with PLAC III project, in drafting legislation, by laws and related procedures in line with EU directives and standards (emphasis on Directives 2004/18/EC; 2005/51/EC, and remedies directives 89/665 and 92/13/EEC);
- Assess the internal organizational chart and working procedures of the PPO, the Commission for Protection of Tenderers' Rights and the Public Procurement System Group of the Ministry of Finance;
- Prepare and implement proposals for further improvements (development plans) of the internal organizational structure, working procedures and their guidelines of the PPO, the Commission and the PPS Group;
- Revise standard bidding documents;
- Prepare manuals for bidding entities;

Activities foreseen for Component 2 (Strengthening professional skills and capacity of the staff of the Public Procurement Office, Commission for the Protection of Tenderers' Right, of the Public procurement system Group and of procuring entities):

- To carry out training needs analysis in PPO, Commission for the Protection of Tenderers' Right, Public procurement system Group and procuring entities concerning the public procurement process including e-procurement
- To design training plan including study visits in PPOs in EU countries
- To carry out trainings/workshops and study visits
- To regularly update training and study visits needs

Activities foreseen for Component 3 (Ensuring availability to the staff of the Public Procurement Office, Commission for the Protection of Tenderers' Right and of the Public procurement system Group and to the public of transparent information related to public procurement):

- To evaluate existing plans for establishing and installing of an electronic public procurement system compatible with EU standards.
- To develop systems and methodologies for e-procurement that forms a part of e-government program, to set up such a system compatible with SIMAP and to establish a mechanism for monitoring and control of that IT system.
- To set up internet-based publication systems of tenders and award notices, including the processing of notices, quality and legality controls of received notices, publication of notices, and submission of notices to TED

- To design technical specifications for equipment (hardware, software) necessary for a functioning of public procurement information system including information flows between the PPO and the contracting authorities
- To provide training for the use of the equipment purchased
- To design, produce and disseminate brochures, handbooks and publications for raising awareness of all stakeholders about the regulations and procedures aligned with EU directives and practices
- To set up a help-desk function at the PPO in order to provide legal professional support to purchasers and economic operators on a daily basis
- To assist the drafting the “corruption map” identifying the main risk areas and practices of corruption in the area of public procurement, which should be relevant both for procuring entities and for the bidders
- To draft and disseminate the Code of Ethics in the field of public procurement

The activities will be implemented through a service and supply contract.

3.5 Conditionality and sequencing:

Existing legislation does not match completely the adequate criteria requested for implementation of the project. Public Procurement Office, Commission for Protection of Tenderers’ Rights and Public procurement system Group of the Ministry of Finance do not dispose with enough number of employees, which jeopardizes the project implementation. The project will not be supported unless all these preconditions for its implementation are fulfilled. Therefore, the Government needs to continue providing full support to the Public Procurement Office and its activities, empower it by giving it more responsibilities and more staff.

Activities focused on the reform of the public procurement system are related to the activities of the public administration reform with regards to human resources management, introduction of ICT in public administration (e-government) and modern administrative procedures that have a direct effect on realization of the project.

3.6 Linked activities

Since 2003, EU, OSCE and other donors have supported different activities in public procurement sector.

The project proposal is particularly related to:

- The project “European Electronic Public Procurement Application Framework in the Western Balkan Region“(ELLECTRAWeB) started on 1st January 2007 for a two-year period; its objective is to introduce practices of electronic public procurement. The project is 50 % financed by the European Commission.

- The third phase of the CARDS project Policy and Legal Advisory Center due to start in June 2007 will have a specific component (PLAC) dedicated to assist in the revision of the current Public Procurement Law and its relevant by laws.
- OSCE project for the training of public officials engaged in public procurement affairs; first seminar was held in December 2006 and represented the first step in realization of the recommendations given in the Group of Countries for fight against corruption Report (GRECO) of the Council of Europe.
- World Bank Country Procurement Assessment Review (CPAR) for 2002.
- SIGMA Paper N°40: Central Public Procurement Structures and capacity in the MS of the EU.

Besides the bilateral cooperation with countries in the region of Western Balkans, PPO maintains regular cooperation with National Review Commission of the Republic of Slovenia. Exceptionally successful cooperation is also being maintained with the OSCE Mission to Serbia particularly as to the short-term engagement of foreign experts needed for scrutinizing of legal regulations' provisions.

3.7 Lessons learned

Previous experiences show that it is necessary to invest significant efforts to make a full harmonization of the Serbian public procurement system with EU standards. In relation with that, it must be emphasized that the limited aid absorption capacity could be a significant limitation as to the reforms of the public procurement system. Reasons for such a situation are, inter alia, insufficient number of employees, limited knowledge on EU integration process, as well as non-existence of some inevitable institutions and regulations.

4. Indicative Budget (amounts in €)

Activities	TOTAL COST	SOURCES OF FUNDING										
		EU CONTRIBUTION				NATIONAL PUBLIC CONTRIBUTION					PRIVATE	
		Total	% *	IB	INV	Total	% *	Central	Regional	IFIs	Total	% *
Activity Component 1.2.3- TA	1.5	1.5	75%									
contract 1.1												
Activity Component 3 - Equipment	0.5	0.5	25%									
contract 2.1												
.....												
TOTAL	2.0	2.0	100									

* expressed in % of the Total Cost

5. Indicative Implementation Schedule (periods broken down per quarter)¹

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1	T+1Q	T+2Q	T+8Q
Contract 1.2	T+1Q	T+3Q	T+10Q

All projects should in principle be ready for tendering in the 1st Quarter following the signature of the FA

6. Cross cutting issues (where applicable)

Development Policy Joint Statement by the Council and the European Commission of 10 November 2000 establishes that a number of Cross-cutting Issues shall be mainstreamed into EC development co-operation and assistance.

Cross-cutting issues will be addressed in the project so as to comply with the best EU standards and practice in that area and in a way which demonstrates how they will be dealt with within the project's framework, its activities and outputs.

Cross-cutting issues will be addressed in a proactive manner, and will present a specific component of projects (at all levels of projects' development, starting from the project identification stage). Synergies between the projects and the objectives of will be identified and developed. Also, the projects' objectives and activities need to be screened in order to ensure they won't impact negatively on gender equality, minorities' inclusion and environment.

Finally, the beneficiary will make sure its objectives, policies and interventions have a positive impact on and are in line with the main principles of gender equality, minorities' inclusion and environment.

6.1 Equal Opportunity

Equal treatment and opportunities for women should be realised through provisions that take into account the working capacities and family obligations. In particular, curricula and delivery mechanism (place and time schedule) of training programmes for the staff should be thought of so as to favour women's participation.

6.2 Environment N/A

6.3 Minorities N/A

¹ [where T=the date of the signature of the FA and xQ equals the number (x) of quarters (Q) following T].

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number	Strengthening the Serbian Public Procurement System
•	Contracting period expires 5 years after the signature of the Financing Agreement	Disbursement period: expires 6 years after the signature of the Financing Agreement
	Total budget : EUR 2.0 Million	IPA budget: EUR 2.0 Million

Overall objective	Objectively verifiable indicators	Sources of Verification	
Contribute to the development and strengthening of a stable, transparent and competitive public procurement system in the Republic of Serbia in accordance with EU standards.	Conclusion of SA Agreement	Commission Progress reports Project documents	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> - Strengthening the legal, institutional and methodological framework of the Serbian public procurement system - Strengthening professional skills and capacity of the staff of the Public Procurement Office, Commission for the Protection of Tenderers' Right and of the Public procurement system Group - Ensuring availability to the public of transparent information related to public procurement 	<ul style="list-style-type: none"> - Revised organisational charts of the beneficiaries - Legislation amended - Number of staff trained - Number of information dissemination events 	Project documents	Adequate number of staff in the Beneficiary institutions
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p><u>Component 1</u> (Strengthening the legal, institutional and methodological framework of the Serbian public procurement system):</p> <ul style="list-style-type: none"> - Legal framework for public procurement is aligned with latest EU directives, including the general standard procedures requests and documents - Revised organisational charts with clear distribution of tasks and procedures are designed and implemented for PPO, the Commission for the Protection of Tenderers' Right and the Public Procurement System Group - Assigned roles and responsibilities of those involved in public procurement activities are designed precisely, clearly and without overlapping 	<ul style="list-style-type: none"> - Primary and secondary legislation adopted by Government and Parliament - Revised standard bidding documents - Manual (s) in CD-ROM format for procuring entities on tender preparation including supplies, services and works -Organisational Development plan including operational implementation plan for the PPO, the Commission for the Protection of Tenderers' Right and the Public Procurement System Group - Revised organizational charts for the PPO, the Commission for the Protection of Tenderers' Right and the Public Procurement System Group - Guidelines on internal rules and procedures for the PPO, the Commission for the Protection of Tenderers' Right and the Public Procurement System Group. 	Commission Reports Project documents	

Component 2

- To carry out training needs analysis in PPO, Commission for the Protection of Tenderers' Right, Public procurement system Group and procuring entities concerning the public procurement process including e-procurement
- To design training plan including study visits in PPOs in EU countries
- To carry out trainings/workshops and study visits
- To regularly update training and study visits needs

Component 3

- To evaluate existing plans for establishing and installing of an electronic public procurement system compatible with EU standards.
- To develop systems and methodologies for e-procurement that forms a part of e-government program, to set up such a system compatible with SIMAP and to establish a mechanism for monitoring and control of that IT system.
- To set up internet-based publication systems of tenders and award notices, including the processing of notices, quality and legality controls of received notices, publication of notices, and submission of notices to TED
- To design technical specifications for equipment (hardware, software) necessary for a functioning of public procurement information system including information flows between the PPO and the contracting authorities
- To provide training for the use of the equipment purchased
- To design, produce and disseminate brochures, handbooks and publications for raising awareness of all stakeholders about the regulations and procedures aligned with EU directives and practices
- To set up a help-desk function at the PPO in order to provide legal professional support to purchasers and economic operators on a daily basis
- To assist the drafting the "corruption map" identifying the main risk areas and practices of corruption in the area of public procurement, which should be relevant both for procuring entities and for the bidders

ANNEX II: amounts (in €) Contracted and disbursed by quarter for the project

Contracted	1st Q2009	2nd Q 2009	3rd Q 2009	4th Q 2009	1st Q 2010	2nd Q 2010	3rd Q 2010	4th Q 2010	1st Q 2011	2nd Q 2011	3rd Q2011
Contract 1.1	1.5 M										
Contract 1.2			0.5 M								
Contract 1.3											
Contract 1.4											
.....											
Cumulated	1.5M		2M								
Disbursed											
Contract 1.1	0.3 M		0.35M		0.35M		0.35M		0.15M		
Contract 1.2			0.3M		0.15M				0.05M		
Contract 1.3											
Contract 1.4											
.....											
Cumulated	0.3M		0.95		1.45M		1.8M		2M		

ANNEX III

Description of Institutional Framework

The Public Procurement Office is in charge of implementation and monitoring of this project. The Office falls under the competence of the Ministry of Finance. The work, mandate and authorisations of the Ministry are regulated by the Law on Ministries (adopted on May 15, 2007 (Official Gazette of Republic of Serbia no. 48/07)) – i.e. Article 6. Organisational chart of the Ministry of Finance is given below.

Minister of Finance

State Secretaries

Secretariat

Independent executives

Independent Inspector
of Internal Control

Coordinator of Public
Administration Reforms

Departments

Tax
Administration

Public Debt
Administration

Treasury
Administration

Customs
Administration

Tobacco
Administration

Administration for
Money Laundering
Prevention

Gaming
Administration

Foreign Currency
Inspection

Free Zones
Administration

Macro-economic and Fiscal
Analysis Department

Budget Inspection and
Audit Department

Fiscal System Department

Department for Property
related Legal Affairs

Finance System Department

Customs System and
Policy Department

Chamber of Appeals for
Infractions Procedures

Department for International
Financial Relations

Project Management
Department

Public Procurement
System Group

ANNEX IV

Reference list of relevant laws and regulations

Reference list of relevant laws and regulations in the area of training and public procurement

General:

- Constitution of the Republic of Serbia
- Law for the Implementation of the Constitution of the Republic of Serbia
- National Strategy for Serbia and Montenegro's Accession to the European Union
- Action Plan for the Implementation of the European Partnership

Public Administration/Public Procurement:

- Public Procurement Law
- Law on State Administration
- Law on Civil Servants
- Civil Service Salary Law
- Civil Servants Classification Decree
- Civil Servants Performance Appraisal Decree

In addition to the above-mentioned Legislation also important are the following strategies and documents:

- Strategy for Development of the State Administration
- European Partnership
- SAA

Reference to AP /NPAA / EP / SAA

Reference to the 2006 European Partnership for Serbia and Montenegro: is a strategic framework for creation of this project proposal. The document recommends to „implement consistent and effective public procurement regime. Ensure transparent procedures, regardless of the value of the contract concerned“.

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In the Action Plan for Strengthening of Institutional Capacity for Taking Over the Obligations in the Process of European Integration 4 recommendations for the public procurement sector have been made: 1) Strengthen the capacities of the Public Procurement Office, 2) Strengthen the capacities of the Commission for the Protection of Tenderers' Rights and provide its autonomy, 3) Establishment of Supreme Audit Institution, 4) Strengthen the capacities of the Budget Inspectorate and the Ministry of Internal Affairs in the field of public procurement

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Reference to MIPD

MIPD states: “Supporting the development of **sectoral strategies and policies compatible with EC internal market legislation and best practices** in areas such as public procurement” is an area where EC assistance may be provided.

Reference to National Development Plan

N/A

Reference to national / sectoral investment plans

N/A

ANNEX V

Details per EU funded contract (*) where applicable:

Activities foreseen for Component 1 (Strengthening the legal, institutional and methodological framework of the Serbian public procurement system):

- Assist, in close coordination with PLAC III project, in drafting legislation, by laws and related procedures in line with EU directives and standards (emphasis on Directives 2004/18/EC; 2005/51/EC, and remedies directives 89/665 and 92/13/EEC);
- Assess the internal organizational chart and working procedures of the PPO, the Commission for Protection of Tenderers' Rights and the Public Procurement System Group of the Ministry of Finance;
- Prepare and implement proposals for further improvements (development plans) of the internal organizational structure, working procedures and their guidelines of the PPO, the Commission and the PPS Group;
- Revise standard bidding documents;
- Prepare manuals for bidding entities;

Activities foreseen for Component 2 (Strengthening professional skills and capacity of the staff of the Public Procurement Office, Commission for the Protection of Tenderers' Right, of the Public procurement system Group and of procuring entities):

- To carry out training needs analysis in PPO, Commission for the Protection of Tenderers' Right, Public procurement system Group and procuring entities concerning the public procurement process including e-procurement
- To design training plan including study visits in PPOs in EU countries
- To carry out trainings/workshops and study visits
- To regularly update training and study visits needs

Activities foreseen for Component 3 (Ensuring availability to the staff of the Public Procurement Office, Commission for the Protection of Tenderers' Right and of the Public procurement system Group and to the public of transparent information related to public procurement):

- To evaluate existing plans for establishing and installing of an electronic public procurement system compatible with EU standards.
- To develop systems and methodologies for e-procurement that forms a part of e-government program, to set up such a system compatible with SIMAP and to establish a mechanism for monitoring and control of that IT system.
- To set up internet-based publication systems of tenders and award notices, including the processing of notices, quality and legality controls of received notices, publication of notices, and submission of notices to TED

- To design technical specifications for equipment (hardware, software) necessary for a functioning of public procurement information system including information flows between the PPO and the contracting authorities
- To provide training for the use of the equipment purchased
- To design, produce and disseminate brochures, handbooks and publications for raising awareness of all stakeholders about the regulations and procedures aligned with EU directives and practices
- To set up a help-desk function at the PPO in order to provide legal professional support to purchasers and economic operators on a daily basis
- To assist the drafting the “corruption map” identifying the main risk areas and practices of corruption in the area of public procurement, which should be relevant both for procuring entities and for the bidders
- To draft and disseminate the Code of Ethics in the field of public procurement