NEW PUBLIC PROCUREMENT SYSTEM IN THE REPUBLIC OF CROATIA

STANA DOLENAC
Senior Adviser in Department for Development and Education PP System
Cavtat, November 2008
According to the Central Bureau of Statistics the GDP amounted to HRK 275,078 million in 2007.

According to reports for 2007 the public procurement totalled cca. HRK 44.9 billion ~16.34% of GDP.

3753 persons subject to application of Public Procurement Act

Number of concluded contracts 61220 (13844 high value)

Increased Public procurement share in GDP by 4.5% if compared with 2006.
NEW ORGANISATION OF PUBLIC PROCUREMENT

• Ministry of Economy, Labour and Entrepreneurship

• Act on Amendments to the Act on the Structure and Scope of Central State Administration Bodies (OG 27/08), entered into force on March 13th, 2008

• Directorate for the Public Procurement System
DIRECTORATE FOR THE PUBLIC PROCUREMENT SYSTEM

- Department for the Analysis of Public Procurement Procedures
- Department for the Development of the Public Procurement System and for Training
- Department for Public Private Partnerships
- Department for Electronic Support to the Public Procurement System
DIRECTORATE FOR THE PUBLIC PROCUREMENT SYSTEM
- priorities -

• Development, improvement and co-ordination of the entire public procurement system;
• Propose, prepare and co-ordinate the process of drafting of all acts and other public procurement regulations;
• Prevention and instruction activities;
• Promotion of the PPP policy;
• Promotion of the use of the e-procurement in order to ensure economic viability and savings;
• Establishment of a central purchasing body;
• Raising of awareness through training and professional development on all levels.
PUBLIC PROCUREMENT SYSTEM

• Chapter 5 - Public Procurement
  – Public Procurement
  – Concessions
  – Public-Private Partnership

• Strategy for the Development of the Public Procurement System in the Republic of Croatia

• Action Plan for the Implementation of the Strategy for the Development of the Public Procurement System

• Decision on the Establishment of the Implementation Monitoring Committee in The Public Procurement System, July 31st, 2008
GOALS OF THE PP SYSTEM

• By promoting the values of the public procurement system as the point of synergy of public and private interests, efforts are made to ensure procurement based on the principle of the best value for money!
• Strengthening of the legislative framework
• Strengthening of the institutional framework
• Remedies in the public procurement system
• Training and measures of strengthening the public procurement system
• Suppressing Corruption in the System of Public Procurement
LEGISLATIVE FRAMEWORK OF THE PP SYSTEM

- **Public Procurement Act** (OG 110/07)

- **Amendments to the Public Procurement Act** – adopted on October 17th, 2008, enters into force January 1st, 2009 (OG 125/08)

- **Concessions Act** - adopted on October 17th, 2008, enters into force January 1st, 2009 (OG 125/08)

- **Act on Public-Private Partnership** – OG 129/08, adopted on October 24th, 2008
SUBORDINATE REGULATIONS

1. The Regulation on public procurement notices and records (OG 13/08; 77/08)
2. The Regulation on the conditions for applying the CPV (OG 13/08)
3. The Regulation on the methodology for drawing up and handling tender documents and tenders (OG 13/08)
4. The Regulation on the implementation of control through the activities of prevention and instruction (OG 14/08)
5. The Regulation on the content and the method of forwarding public procurement reports (OG 14/08)
6. The Regulation on the List of Entities Bound by this Act (OG 14/08)
7. Regulation on the format, methods and conditions of training in the public procurement system (OG 54/08)
PREVENTION OF CORRUPTION IN PUBLIC PROCUREMENT IS BASED ON:

A. strengthening the legal framework although the public procurement regulations are not primarily anti-corruptional
B. developing system of control
C. ethical education and strengthening of integrity
STRENGTHENING THE LEGAL FRAMEWORK

• article 5.c – so called “anti-corruption clause”
• reduced number of exclusions (confidential contracts, procurement for reasons of force majeure-viša sila)
• criminal acts from Directive 2004/18/EU are adjusted to croatian criminal legislation
• adoption of nullity of a contract which in their content are result of commitment of criminal act from a tenderer
• rejection of a tenderer who in the same procedure participate with two tenders
DEVELOPING SYSTEM OF CONTROL

• Control: Directorate for the PP System
• The Regulation on the implementation of control through the activities of prevention and instruction (OG 14/08)
• implementing control over the public procurement procedures by “random choice” and reporting a complain
• with the aim of protecting public interests, the Directorate for the PP System is authorised to launch legal protection procedures before the State Commission for Supervision of Public Procurement Procedure
• quadrilateral agreement on co-operation by and between the State Audit Office, the Ministry of Finance, the Ministry of the Interior and the State Attorney's Office/USKOK
ETHICAL EDUCATION AND STRENGTHENING OF INTEGRITY

- The Regulation on the forms, methods and conditions of training in the public procurement system (OG 54/08)
- Educational programs consists of:
  a. Ethical training module
  b. Strengthening of integrity
  c. Anti-corrosional training
- Co-operation with the Central State Office for Administration
- Agreement on Business Co-operation with the Croatian Chamber of Economy and the Agreement on Business Co-operation with the Croatian Employers’ Association
Reliable and transparent procedures on the one hand and quality training of employees in the public procurement system with other hand, reducing space for fraud and corruption, which ultimately results achieving benefits!
THANK YOU FOR YOUR ATTENTION!

STANA DOLENAC
Ministry of Economy, Labour and Entrepreneurship

e-mail: stana.dolenac@mingorp.hr