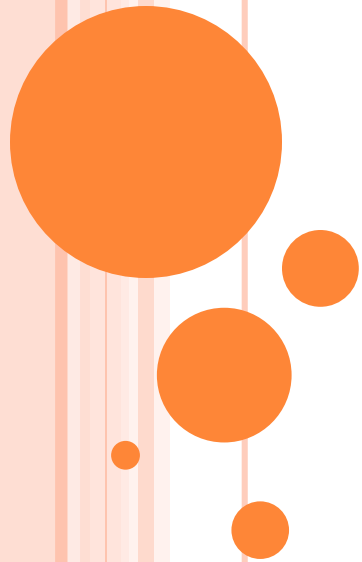


11th Public Procurement Knowledge Exchange Forum

"



IMPORTANCE OF PUBLIC PROCUREMENT

Main goal -

A significant share of public spending is executed in the public procurement system.

16% GDP in the EU.

Statistical data in MNE:

In 2011 = 11,43 % of the total GDP

In 2012 = 9,72 % of the total GDP

In 2013 = 8,30 % of the total GDP



IMPORTANCE OF PUBLIC PROCUREMENT

Public procurement represent one of the most important factors that determine realization of national economy and influences the economic activity.

This means that public procurement determine:

- quality of public services and public infrastructure,
- affect the micro and macroeconomic aspects of economy and public finances.

At the micro and macroeconomic levels, better results are achieved:

- contracting authority gets better value for money,
- healthier public finances, increased quality of public services,
- economic growth,
- creating public spending in time of crisis,
- strengthening small and medium-sized enterprises,
- creating new jobs,
- increased accountability for use of public funds.

Public procurement market amounts to 8-16 % of GDP

The afore-mentioned figures represent a very significant amount that public authorities spend for the purchase of goods, services and works. Increased efficiency of the procurement processes leads to



IMPORTANCE OF PUBLIC PROCUREMENT

Achieving a better "value for money", represents the substantial goal of public procurement.

In a public procurement procedure there are some **basic principles** to be followed which determine the public procurement:

- **Cost-effectiveness** - (degree of savings in achieving results, reflects the extent to which the business results are achieved as well as the extent of savings in business resources used for obtaining these results - minimizing costs used in procurement procedures),
- **Efficiency** - related to the cost-effectiveness (whether the results achieved are the same, similar or better using the same amount of invested assets),
- **Effectiveness** - is essentially the concept of achieving the goal, means doing the right things,
- **Quality**



DESCRIPTION OF ACTIVITIES SINCE THE LAST YEAR'S FORUM IN ISTANBUL UNTIL TODAY

The Law on Amendments to the Public Procurement Law was adopted (OG of MNE, 57/14 of 26 December 2014);

Drafting of secondary legislation in accordance with Changes and amendments to the PPL, as well as the accompanying software solution adjusted to the amendments at the Public Procurement Portal;

During 2014, the Government, on quarterly basis, adopted Reports on operation of the Coordinating Body for monitoring and realization of the Strategy for development of the public procurement system;

Discussions related



PUBLIC PROCUREMENT IN MONTENEGRO

-LEGISLATIVE FRAMEWORK-

Law on
Amendments to
the Public
Procurement Law
of MNE(OG of
MNE 57/14 of 26
Dec 2014)

Drafting
secondary
legislation in
2015

Public Procurement Law of MNE (OG of
MNE 42/11 of 15 August 2011)

Rulebook on methodology of
expressing criteria into an appropriate
number of points, method of
assessment and comparison of bids

Rulebook on
manner of keeping
and contents of



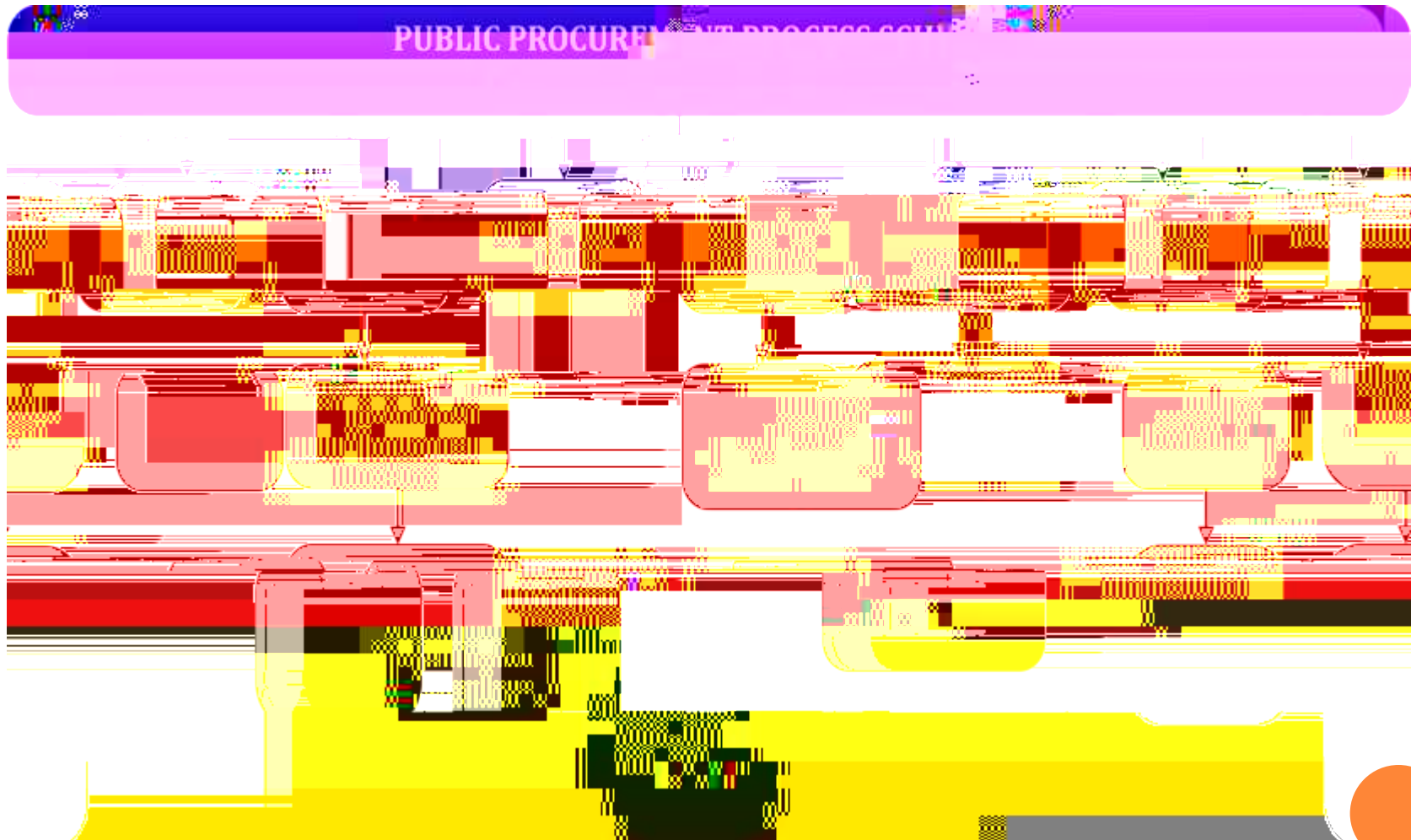
PUBLIC PROCUREMENT IN MONTENEGRO

-COVERED PARTIES-

- The List of covered parties for classical and utilities sector was published at the portal www.ujn.gov.me.
- contracting authorities are obliged to apply the PPL even when they are not at the mentioned - the List is indicative.
- Considering the options for centralization of public procurement.



INSTITUTIONAL FRAMEWORK IN PUBLIC PROCUREMENT FIELD



COMPETENCES OF THE PUBLIC PROCUREMENT ADMINISTRATION
REGARDING MONITORING IN ACCORDANCE WITH THE AMENDMENTS TO THE
PPL



MONITORING BY THE PUBLIC PROCUREMENT ADMINISTRATION

Monitoring encompasses the following: monitoring, analyzing public procurement, alerting the contracting authority and informing the competent institutions about infringements of the Public Procurement Law.

The objective of monitoring: reducing the number of errors and infringements of the Law while limiting the circumstances leading to corruptive actions in public procurement procedures, providing recommendations and good practices aimed at securing transparency and cost-effectiveness of the public procurement system.

Changes and amendments to the PPL resulted in improvements in terms of integrity of recognizing potential cases of conflict of interest on the sides of both contracting authorities and bidders and method of prevention and elimination thereof, as well as envisaging specific prescribed consequences in case the public procurement procedure is conducted with existence of conflict of interest.

Preparation of the Methodology for determining risk analysis in public procurement was envisaged.



MONITORING BY THE PUBLIC PROCUREMENT ADMINISTRATION

On basis of the issued Reports on public procurement, the PPA is preparing the analysis of the situation which would shape the proposals for improvement of the public procurement system and possible legislative changes.



ADVANCEMENT OF THE PUBLIC PROCUREMENT SYSTEM

Focusing on the powers of training as a means of strengthening the capacities of public procurement officers to conduct the procurement in an efficient and effective manner may raise the procurement above its administrative function, as it is sometimes considered to have, and put an emphasis to



OBJECTIVES OF THE EXISTING INSTITUTIONAL FRAMEWORK AND ADMINISTRATIVE CAPACITIES FOR ESTABLISHING AN EFFICIENT PUBLIC PROCUREMENT SYSTEM

The main objectives of the existing institutional framework and administrative capacities for establishing an efficient public procurement system are as follows:

- to improve the planning skills, as well as the skills of organization and implementation of the Public Procurement Law, and thereby to ensure realization of basic principles of public procurement;
- to make public procurement system functional, efficient and transparent through undertaking further professional development of the persons who were assigned the duties related to public procurement processes;
- to provide support to public officers and employees participating in public procurement system through a continuous process of professional development by sharing knowledge and experiences;
- to improve understanding of importance of the public procurement field in context of management over national funds and the EU financial instruments.



PROCESS OF EUROPEAN INTEGRATION OF MONTENEGRO

Stabilization and Association Agreement (SAA) entered into force on 1 May 2010.

Entry into force of the SAA marked the beginning of a new stage of integration which formally obliges Montenegro to harmonize its legislation with the EU acquis.



PROCESS OF EUROPEAN INTEGRATION OF MONTENEGRO

Adoption of the European Commission Report on Screening for Chapter 5 – Public Procurement.

The European Council was provided the Negotiating Position for the public procurement field, on 14 October 2014.

At the third session of the Conference on Montenegro's accession at the ministerial level, held in Brussels on 18 December 2013, the negotiations on the Chapter 5 – Public Procurement were open.



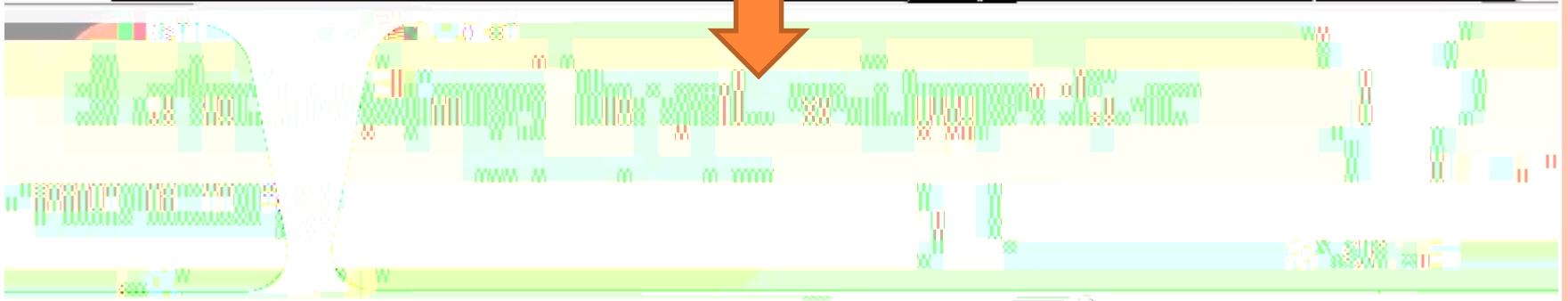
FUTURE DIRECTIONS OF DEVELOPMENT OF THE PUBLIC PROCUREMENT SYSTEM IN MONTENEGRO

The public procurement system in Montenegro requires further harmonization in accordance with the relevant



INTRODUCTION OF VARIABLES FOR MEASURING THE MOST IMPORTANT PERFORMANCES IN PUBLIC PROCUREMENT

Rational use of public funds



Thank you for your attention!
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