



Republika e Kosovës/Republika Kosova/Republic of Kosovo
Komisioni Rregullativ i Prokurimit Publik
Regulatorna Komisija Javne Nabavke
Public Procurement Regulatory Commission



WORLD BANK ASSISTANCE ON PUBLIC PROCUREMENT SYSTEM IN KOSOVO

Dr. Sc. Ilaz Duli, Board Member of PPRC - Kosovo

11 June 2015
Batumi – Georgia

PUBLIC PROCUREMENT LEGISLATION IN KOSOVO

- From the introduction of the public procurement system in Kosovo in 1999, until now, the Public Procurement Law has been changed five times;
- Now in force is: Law on Public Procurement No. 04/L-042;
- PPL No. 04/L-042 is approved by the Assembly of Kosovo on August 29th, 2011, whereas has entered into force on October 05th, 2011;
- The PPL No. 04/L-042, which is in force, is harmonized in the most part with the previous EC directives (2004 and 2007);
- Now the government of Kosovo has established a working group for amendment of the Procurement Law, and the group is obligated to submit the First Draft in the Government, by the end of June 2015;
- The complete public procurement legislation is published in 3 languages in the official web-site for public procurement in Kosovo:
<http://krpp.rks-gov.net>

WORLD BANK ASSISTANCE ON PUBLIC PROCUREMENT SYSTEM IN KOSOVO

- Since the introduction of the public procurement system in Kosovo in 1999, World Bank is one of the biggest donors so far.
- WB has so far supported public procurement system in Kosovo with 5 projects:
 1. Operational Procurement Review - Kosovo (2004);
 2. Opportunity for Public Procurement - Quick Gains (2008);
 3. Implementation of Centralized Procurement Procedures based on Quick Gains Diagnostic Report - (2013-2014);
 4. Development of e-procurement system, including ICT infrastructure and contract management information system (2013-2015);
 5. An IDF Grant:
 - a) Designing a public procurement compliance and performance monitoring system in Kosovo (2013-2015);
 - b) Preparation of a unit prices manual for works, goods and services in Kosovo (2013-2015)
 - c) Capacity Building in investigation of Fraud and Corruption in procurement with Anticorruption Agency of Kosovo ;
 - d) Capacity Building in auditing of procurement with Kosovo Auditor General.

1. MEASURING OF PERFORMANCE IN PUBLIC PROCUREMENT SYSTEM IN KOSOVO

- Project for Measuring of Performance in Public Procurement System in Kosovo financed by WB, started November 2013 and will extend 24 months, until October 2015.
- One international consultant and two local consultants hired for designing a public procurement compliance and performance monitoring system in Kosovo.
- The purpose of the project is to:
 - a) Assist the PPRC, in the preparation of a strategy (three to five years) to enhance the implementation performance of the public procurement system in Kosovo;
 - b) Assist the Government in monitoring enforcement and compliance with of the PPL, improving procurement implementation and contract management and building capacity within the procuring authorities, control bodies and private sector.

METHODOLOGY

- The designed system includes establishing a set of indicators suitable for Kosovo that would be measured at all contracting authorities (CAs);
- As a first step, a list of CAs has been established for data collection for all types of contracts (with the exception of minimal value contracts) for procurement activities approximately by 10-15 cases;
- CAs to be monitored closely will be selected in order to select the CAs from all levels such: Central level, local authorities, public utilities, independent agencies or government organizations, regional hospitals etc.
- Procurement activities to be monitored will be selected from all categories such: goods, services and works.

REPORTING

- Progress achieved in the phase of data collection will be reported on a quarterly basis by teams which will include: the data collected by CA with the number of individual cases monitoring procurement and other authorities or interest groups, with findings.
- The project teams will prepare an annual report describing the data collected, analysis of the monitored data and the recommendations for improvement.
- The report shall be structured around the following headings:
 - a) Executive summary
 - b) Methodology
 - c) Key Findings
 - d) Conclusion and Recommendations

COVERAGE OF PERFORMANCE MONITORING

- Monitoring of Performance of public procurement will cover the following three phases:
 - a) Pre-tender phase: the phase before the formal initiation of a contract notice;
 - b) Contract award procedure: the phase from the formal initiation until the signature of the contract;
 - c) Execution of the contract : the phase after signing the contract until final handing over the project;

THE PURPOSE OF MEASURING PUBLIC PROCUREMENT PERFORMANCE

- Ensuring how the law is implemented;
- Improving efficiency and effectiveness in public procurement;
- The discovery of corrupt and fraudulent practices;
- Measuring procurement performance compared with objectives;
- The possibility of lowering the costs for projects implemented;
- Improving the overall system on the basis of recommendations and suggestions;

PERFORMANCE MONITORING

- Will help the Government:
 - a) To take appropriate decision for improvements in public procurement system;
 - b) Defines the policies and objectives of public procurement;
 - c) Measures to increase transparency, and accountability;
 - d) Application of new measures to increase efficiency and effectiveness of public procurement;

- Will help Contracting Authorities to understand:
 - a) Whether planning and management in procurement is made effective?
 - b) To identify strengths and weaknesses, and to take appropriate steps for positive change;
 - c) How Terms of Reference - Technical Specifications are prepared ;
 - d) Strategy and selected methods of procurement process;
 - e) Qualifying criteria for award of the contract;
 - f) Preparation of contract (general and special conditions)

2. PREPARATION OF A UNIT PRICE MANUALS FOR WORKS, GOODS AND SERVICES IN KOSOVO

- The project purpose is the publication of a database of goods, works, and services unit prices that can be used as a tool by procuring entities in preparation of cost estimates of projects and contracts as well as:
 - a) To help procuring entities in more accurately preparing their annual budget;
 - b) To help procuring entities during the evaluation of the tenders;
 - c) To help economic operators during the preparation of their Bids.

3. CAPACITY BUILDING IN AUDITING OF PROCUREMENT WITH KOSOVO AUDITOR GENERAL

- The main aim of the project "Value for Money in Procurement" is the support of the Department's audit teams that which is seen as the performance of organizations in the management of the procurement budget.

- Until now are completed two reports:
 - a) The first report produced "Procurement Systems in the Health Sector" had as aim to provide information on recent reform of the health sector and which would be potential risks based on deficiencies that have appeared in the past.
 - b) The second report, "Maintenance and Repair of Official Vehicles" which was supposed to be seen how the maintenance contracts managed by budget organizations taking into account the audit of these processes in five of them, as well as providing comparative data procurement equal parts between different branches of the same institution, procurement price comparisons between different institutions and between the market price, and the price at which buying institutions;

4. E - PROCUREMENT IN KOSOVO

- Kosovo is in the process of development of e-procurement system;
- This project is financed by the World Bank, under the Public Sector Modernization Project (PSMP);
- Implementation of the project has start on 15 December 2014, and is expected to be completed within a year (14.12.2015);
- For implementation of this project is contracted one consortium consisting of a Croatian company (INFODOM) and a Kosovo company (COMTEL);
- The Public Procurement Regulatory Commission, serves as the implementing agency for the project;
- The company will implement the e-Procurement System and also provide training, and relevant support / maintenance during warranty period;
- The software package offered by the bidder MUST function as a full unitary e-Procurement System to assist Kosovo.

E - PROCUREMENT IN KOSOVO

- The company will develop complete e-Procurement System with the ownership transferred to Kosovo;
- Supply, install, configure, and commission the key information technologies, data center hardware equipment, and related services for running proposed e-Procurement system;
- Establish Disaster Recovery Site (DRS) with same replication of the data center (production system);
- Provide Training on e-Procurement System, technology and data center hardware and software;
- The e-Procurement System should support three official languages in Kosovo: Albanian, Serbian, and English;
- This e-Procurement System shall be required to be interfaced with external systems for the verification and information about Business registration, e-ID, tax and VAT clearance, daily information on currency exchange, and e-Catalog.

E - PROCUREMENT IN KOSOVO

- Contractor will complete public procurements electronically, and include major modules for:
 - a) Centralized Registration of EO, CA, CPA, PRB, PPRC and other users;
 - b) E-Tendering (Indicative Notice/Annual Procurement Plan to signing of contract);
 - c) Framework Agreements;
 - d) e-Auctions;
 - e) e-Reverse Auctions;
 - f) Contract Management;
 - g) Central Procurement Agency (CPA) Functionalities
 - h) Complaint Procedures handling of Procurement Review Body (PRB);
 - i) e-PMIS;
 - j) User Activities and System Audit trails, and
 - k) Online Help.

OBSTACLES AND CHALLENGES IN DEVELOPMENT OF PUBLIC PROCUREMENT SYSTEM IN KOSOVO

- Regarding the challenges that is facing e-procurement in Kosovo, I can't mention any of them, because still did not start implementation of the e-procurement
- But, the main challenges that accompany the public procurement system in Kosovo are:
 - The pressure made to procurement officers during the performance of procurement activities, especially on the contract award;
 - Non-appropriate implementation of public procurement legislation;
 - Frequent replacing the procurement officers in Contract Authorities;
 - Very small number of licensed procurement officers in Kosovo, comparing with budget spent for procurement;
 - Lack of e-procurement
 - Not enough training of procurement officers in the public sector and in the private sector;

CONCLUSION

- It can be concluded that, in general, the public procurement system in Kosovo has shown significant results within a relatively short time (A decade and a half);
- If current achievements in PP are compared to the past time, from the introduction of the PP, it can be concluded that considerable results have been achieved within a short time.
- Factors that impacted in these results can be split into two groups:
 - a) A large number of international procurement experts, who established the public procurement system in Kosovo, were engaged immediately after the war in the field of public procurement in Kosovo;*
 - b) Many different donors offered funds for training Kosovar procurement officers in Kosovo and abroad;*
- From the introduction of the PP in Kosovo up to the end of 2014, the PPL has been changed 5 times.
- All these changes aimed to further reform and improve the public procurement system, in general by approximating and harmonizing it with the EC procurement directives, as well as with the best international practices.
- The PPL No. 04/L-042, which is in force, is harmonized in the most part with the previous EU Procurement Directives.
- This law provides for the performance of public procurement activities in Kosovo in a transparent, professional and non-discriminatory manner;
- The secondary legislation is comprehensive, complete and contains all the necessary forms for the successful implementation of procurement activities; (78 parts)

FALEMINDERIT !