Public Procurement Reform in Macedonia

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Objectives of PPB

• Legislation
• E-procurement
• Institutional capacity
• Implementation and practice
Legislation

• Objectives:
  – Harmonization of national legislation on public procurement with the EU acquis
  – Modern public procurement law
  – Flexibility of the legal framework – constant improvements and adjustments
  – Pro-active development of the national legal framework and introduction of new features
Harmonization with EU

• Stabilisation and Association Agreement with the EU
  – Requirements for harmonisation of the national legal framework with EU regulations
  – Equal treatment of foreign companies in Macedonia and vice versa

• The Law on Public Procurement from 2007 achieves this objective
Harmonization with EU

- Republic of Macedonia is a candidate country from November 2005
- Since 2009 Commission recommended opening of negotiations
- Waiting to enter into negotiations phase
Modern law

- Comprehensive and well structured legal framework
- Introduction of good practice for aspects not regulated by EU law
- Equal treatment of all economic operators – no discrimination nor preferences
- Easily available through the PPB’s website
Flexibility

• Many different procedures adjusted to value and complexity of the procurement
• Analysis of functioning of the procurement system and appropriate adjustments
• Open communication with both public and private sectors
Proactive development

• Introduction of new features in the procurement regulations
  – Framework agreements
  – E-procurement and e-auctions
  – Qualification systems
  – Professionalism in the review field
  – Concessions and PPPs
  – Technical dialogue on tender documentation in procedures subject to such obligation
E-procurement

• First national e-procurement system in the region – started up in 2006
• Web-based, simple and user-friendly
• Centralized system – one place for every e-procurement transaction in Macedonia
• Enables e-notices, e-tendering, e-awarding and e-auctions
E-notices

• The system is used for publication of contract notices and contract award notices (as well as several other types of additional notices)
• ESPP sends automated alerts to registered economic operators for new contract notices in the corresponding area of interest
• Over 18,000 contract notices and over 16,000 contract award notices were published on ESPP in 2013
E-tendering and e-Awarding

• The system enables procedures to be carried out fully electronically until the contract award
• The evaluation of the bids is conducted automatically and by electronic means
• Digital signatures are used
• Introducing the Profile of Economic Operator
• Over 2,500 procedures were conducted fully electronically in 2013, around 15% of the procedures
E-auctions

• The Government was very supportive of the use of e-auctions
• As of 2012 there is mandatory 100% use of e-auctions, except in rare cases defined by Law
• 34,000 auctions were carried out in 2013, or around 130 per day
• There is average of 17% reduction in price compared with initial prices
Institutional capacity

• PPB has taken significant steps to strengthen its institutional capacity in the past period

• As well It provides full support to contracting authorities and economic operators (contact center, website etc.)

• PPB owns the ESPP and has successfully managed the upgrade process over the years
Implementation

• During the first years our main focus was on the legal framework
• Now we are more focused in ensuring smooth and correct application of the regulations in practice
Self-sustainable training program

• Mandatory certification of procurement officers true electronic training system
  – Network of trainers established by PPB
  – Comprehensive training program for five days
  – Quality control mechanisms

• Certification & recertification of procurement officers and trainers

• 26 trainings carried out in 2013 with total of 475 people trained
Implementation

• Coordinative function
  – PPB coordinates activities & institutions related with EU for Chapter 5 in preparing – National Program for Approximation of the National Legislation (Ministry of Economy, State Audit, Ministry of Justice, Competition Commission etc.)
  – PPB participates in Chapter 23 Judiciary and fundamental rights

• PPB represents the Republic of Macedonia in the EU Advisory Committee on Public Contracts
Improvement in practice of PP by CO and EO

• Negative references for EO
• New mechanism of control for CO before publishing of contract notice in cases most susceptible to abuses, prescribed in the law, in form of prior approval by the Council for PP within the PPB
  - criminal liability is envisaged for subject who fail to obtain the prior approval
Way forward

“What’s New

“2014 – 2018 Strategic Priorities of the Public Procurement Bureau for Further Development of Public Procurement System in the Republic of Macedonia”
Way forward

• Adopted in 2013 with aim to achieve: professionalization of procurement officers; innovations, as well as full integration and coordination of the public procurement system

• A number of institutions involved
  – Grouped activities: legal framework, institutional framework, training and certification, competition strengthening, remedies and anti-corruption measures
    • Guidelines for fighting bid rigging in public procurements (fixing prizes) in cooperation with Commission for Protection of Competition; Academy on training of public procurement etc.
Way forward

  – Encouraging Innovations in Public Procurement by promoting functional requirements in public procurement
  – Guidelines for Innovation in public procurement in cooperation with SIGMA, training on public procurement in support of innovation for CO etc.

• A step forward in creating a sustainable public procurement system
Thank you for your attention!

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