



NEW PUBLIC PROCUREMENT SYSTEM IN THE REPUBLIC OF CROATIA

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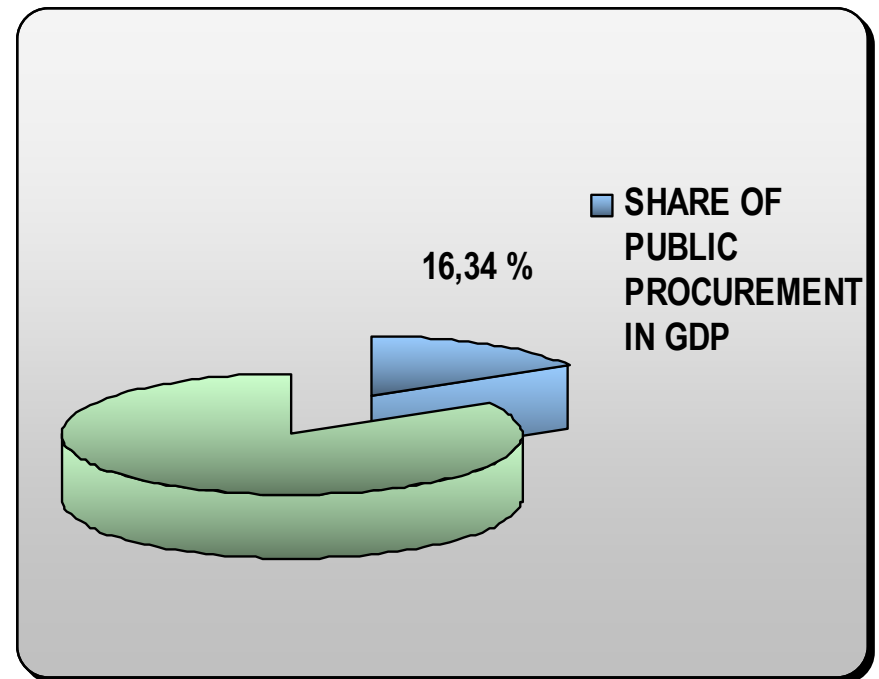
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Cavtat, November 2008



PUBLIC PROCUREMENT AS PART OF THE GDP IN THE REPUBLIC OF CROATIA IN 2007

- 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





Ministry of Economy
Directorate for

CROATIAN PARLIAMENT

GOVERNMENT OF THE REPUBLIC OF
CROATIA

IMPLEMENTATION MONITORING COMMITTEE

DEPUTY PRIME MINISTER OF THE GOVERNMENT OF
THE REPUBLIC OF CROATIA FOR THE ECONOMY
AND THE MINISTER OF THE ECONOMY, LABOUR AND
ENTREPRENEURSHIP

UNFORMAL
OPERATIONAL
WORKING
GROUP

STATE SECRETARY
– NEGOTIATOR FOR CHAPTER 5 – PUBLIC
PROCUREMENT

MINISTRY OF THE ECONOMY, LABOUR AND
ENTREPRENEURSHIP
Directorate for the Public Procurement
System

AGENCY FOR PUBLIC
PRIVATE PARTNERSHIPS

MINISTRY OF FINANCE

PARTICIPANTS
IN THE SYSTEM
OF PUBLIC
PROCUREMENT
APPEALS

State
Commission
for THE
Supervision of
Public
Procurement
Procedures

WORK REPORT





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 programmes consists of:
 - a. ethical training module
 - b. strengthening of integrity
 - c. anti-corruptional 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



PUBLIC PROCUREMENT SYSTEM

- 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!**

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