

SIGMA Mission in the Visit to the PPA for the Purpose of Planning Further Operational Goals and Developing the Public Procurement System

The meeting held in the PPA premises on 8 and 9 October 2014 between the SIGMA representatives, Mr Daniel Ivarsson, consultant Teja Kolar and the PPA representatives - Director DSc Mersad Z Mujević, Head of Department for professional development, training and international cooperation MA Sandra Škatarić, and the Senior Adviser Sanja Poleksić.

1. Purpose and the Mission of the SIGMA Visit

Main objective and the mission of SIGMA representatives related to the ongoing Amendments to the Law on Public Procurement defining relevant actions that should be undertaken for the purpose of improving public procurement legislation in Montenegro, and its strategic documents, organizing Forums on public procurement and workshops on public procurement procedures in Health Sector, monitoring in public procurement, as well as anticorruption measures and presentation of cases of the European Court of Justice (CJEU) in respect of public procurement, all with the aim of further development and support provided by SIGMA.

2. Subject of the Discussion Between SIGMA Representatives and Public Procurement Administration

On this occasion PPA representatives presented the undertaken and realized activities in view of implementing strategic goals of Montenegro in the field of public procurement.

Therefore, presentations included as follows: submitted statistical data, activities on implementation of the Strategy of the public procurement system followed by the Action plan, coming plans in regard of harmonization and development of the legislation stemming from the Closing Benchmark Meeting (CBM) under the Chapter V. The obligation of appropriate preparation of the new draft of the Strategy for Development of the Public Procurement System in Montenegro for the period 2016-2020 asserted for the beginning of the next year in which preparation except from the PPA representatives, SIGMA representatives actively participate as well. On this occasion the word was also about the ongoing revision of the Programme of Montenegro Accession to the EU.

Namely, the opinions agreed in regard of the planned draft of the Strategy to be single and overall and based on the respected Croatian experience to be realistic in its objectives as well. Sandra Škatarić, PPA representative drew attention to the countries in the region, and their solutions in regard to the drafting of the Strategic document.

SIGMA representatives praised the contribution of Montenegro Accession to the GPA and pointed out the successful conclusion of negotiations and of becoming the full GPA member within the shortest time period.

Special attention drawn to the administrative capacities noting that the word is about expert job which requires long period of training and additional motivation due to complexity of the subject-matter. SIGMA representatives expected from the line Ministry i.e. the Ministry of Finance to have recognized the need for higher financial support in this field. Current budgetary funds are limited having in mind obligations and further activities of autonomous body within the System of Public Administration – the Public Procurement Administration.

Certain challenges that the PPA would face in the coming period relate to its active role, and as it was stated by its Director Mersad Mujević they relate to the accomplishment of benchmarks for closing the negotiations in the area of public procurement. As to the EU, special attention would be focused on monitoring of all specific issues mentioned in the joint positions.

First of all, benchmarks for the opened Chapter V – Public Procurement related to the following:

1. Alignment of the national legal framework that cover all areas of public procurement, especially the area of concessions, public-private partnership and procurement in the field of defence with the EU legislation according to the Treaty on the functioning of the European Union and other relevant provisions of the **acquis**.
2. Appropriate administrative and institutional capacities at all levels undertaking specific measures in order to ensure proper appliance and implementation of the national legislation in this area.
Special attention paid to the following:
 - (a) Implementation of the Strategy for development of the Public Procurement System in Montenegro for the period 2011-2015 as well as the Action Plan for its implementation in order to improve its administrative capacities along with the appropriate training for all stakeholders at all levels;
 - (b) Preparation of practical instruments for implementation and monitoring (including administrative rules, instructions, manuals, and documents of the standard contracts);
 - (c) Strengthening the control mechanisms essential in view of ensuring comprehensive knowledge and reliability of the system, including close monitoring and increased transparency in executive phase of public procurement contract based on systematic risk assessment by giving priorities to the monitoring sensitive sectors and procedures;
 - (d) Effective functioning of the system of legal remedies in the field of concessions, public-private partnership, and procurement in the field of defence;
 - (e) Actions/measures taken with regard to the prevention and fight against corruption and conflict of interest in public procurement both on central and the local level.

On this occasion Mr Mujević highlighted that Montenegro develops the path to the regular and transparent system of public procurement in order to ensure principles such as the best value for money, competition, and tight preventive measures against corruption.

SIGMA representatives expressed readiness to put forward their views in further reports concerning the questions on the fight against corruption and award of the contract.

On this occasion they were acquainted with outcomes of the previous project achievements, and with the coming EU programmes of assistance, when it comes to introducing of the E-public procurement. Yet, SIGMA representatives indicated of the close approach regarding the preparation of technical specifications for new electronic procurement by due appreciation of Montenegro specific features using the experience of the EU countries.

Besides, the subject of the meeting was the workshop organization in regard of procurement in Health sector focused mainly on the preparation of tender documents for medical equipment and pharmaceuticals. As agreed, the workshop will be held in November of the current year accompanied by the expert assistance of SIGMA. Mr Ivarsson indicated that

along with essential ambition, we have to be sensible just in a manner Englishmen often love to say: `Hurry, but not haste` in regard to the ultimate terms of implementation, but he also believes that MNE team will have liable and responsible approach to such obligations as so far.

Proposal shared related to the organization of the Forum on public procurement on the topic concerning the future steps of Montenegro to the EU, where SIGMA would offer its assistance through consulting, while the technical assistance and organization would be supported by the PPA.

3. Challenges Facing Public Procurement Administration

Special attention drawn to the administrative capacities noting that the word is about expert job which requires long period of training and additional motivation due to complexity of the subject-matter. SIGMA representatives expected from the line Ministry i.e. the Ministry of Finance to have recognized the need for higher financial support in this field. Current budgetary funds are pretty scarce in regard of obligations and further activities of autonomous body within the System of Public Administration – the Public Procurement Administration.

Certain challenges that the PPA would face in the coming period relate to its active role regarding the process of the European Integration, and as it was stated by the Director Mersad Mujević concerning the accomplishment of benchmarks for closing the negotiations in the area of public procurement and obligations stemming from the accession to the Agreement on Public Procurement . Of course that some things are impossible to foreseen,for the serious solutions require holistic approach and adequate preparation.

4. SIGMA Assistance and Plan for the Coming Activities

- SIGMA experts expressed their willingness to offer expert support in the current year regarding the preparation of the new Strategy for development of the Public Procurement System in Montenegro for the period 2016-2020, and which preparation will be commenced next year;
- Organization of Forums on public procurement on the topic entitled: Further steps of Montenegro Accession to the EU (SIGMA expert support; organization will be taken over by the PPA), while exact date and location will be subsequently determined;
- Workshop on procurement in the health sector to be held in November of the current year and focused on preparation of tender documents for medical equipment and pharmaceuticals (SIGMA will be completely responsible for expert assistance and logistic support)
- Assistance in proper defining of the project task concerning the introduction of the Electronic system of procurement financed by the IPA Project 2014, which announcement should be expected early in 2015.
- Submission of the request by the PPA for the purpose of the SIGMA budget planning for 2015.