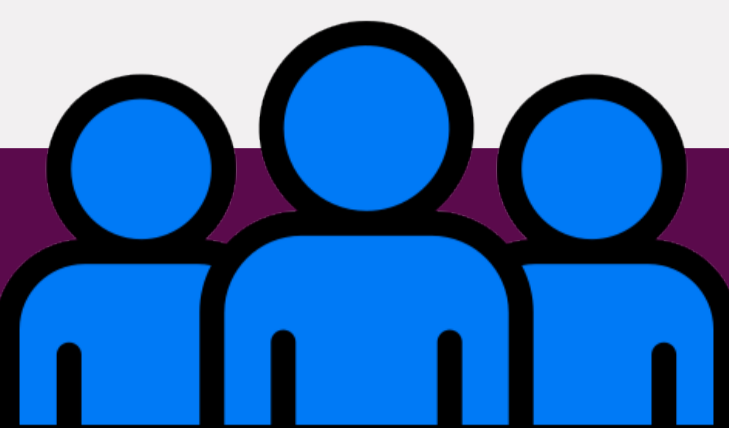
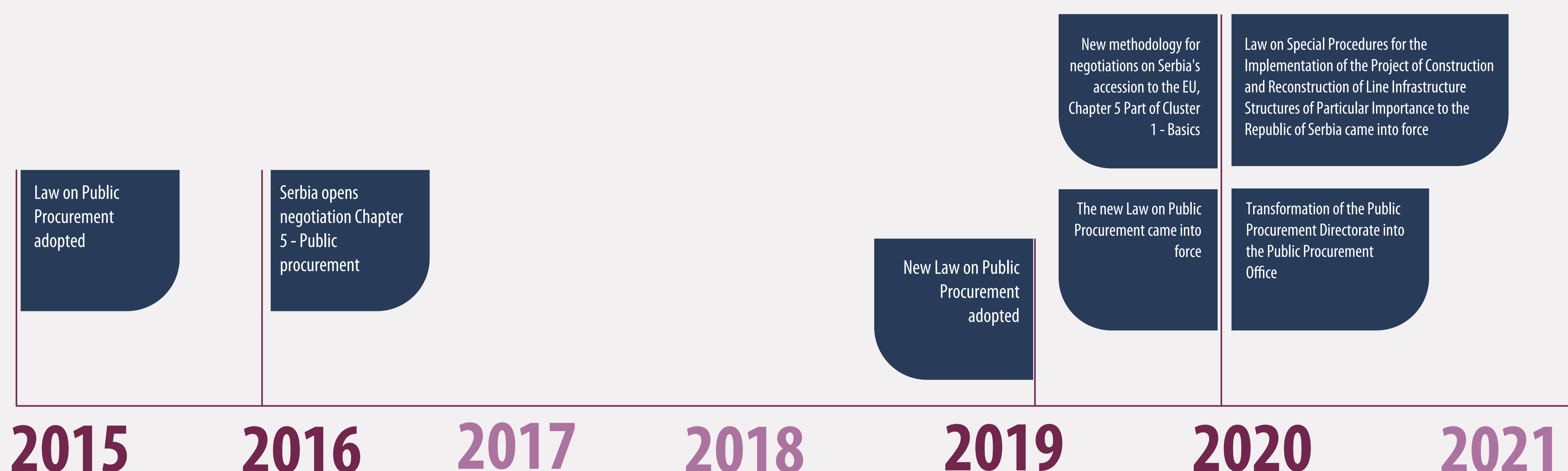


ONE STEP FORWARD, TWO STEPS BACK

WHAT'S HAPPENING WITH PUBLIC PROCUREMENT IN SERBIA



WHAT DO THE SIGMA REPORTS TELL US

SIGMA

Quality of the legislative framework for public procurement and private-public partnerships/concessions.

Capacity of central institutions and administration to develop, implement and monitor public procurement effectively and efficiently.

Efficiency, non-discrimination, transparency and equal treatment are practiced in public procurement affairs.

Availability and quality of support to customers and entrepreneurs to strengthen the professionalisation of public procurement procedures.

2017 2021



WeBER findings found that ministries in Serbia do not publish **annual plans** or **annual public procurement reports** on a regular basis.

The availability of public procurement in 2020 was assessed with a score of two.

Score scales are 0-5. SIGMA is an OECD and EU initiative to strengthen and improve the public administration system in countries that are part of the EU's enlargement policy. WeBER is a Western Balkan civil society initiative for monitoring public administration reform. These indicators were evaluated only for the years shown in the infographic.

Sources: WeBER PAR Monitor for Serbia: <https://bit.ly/3thcbMJ>, SIGMA reports: <https://bit.ly/33Wxpql>

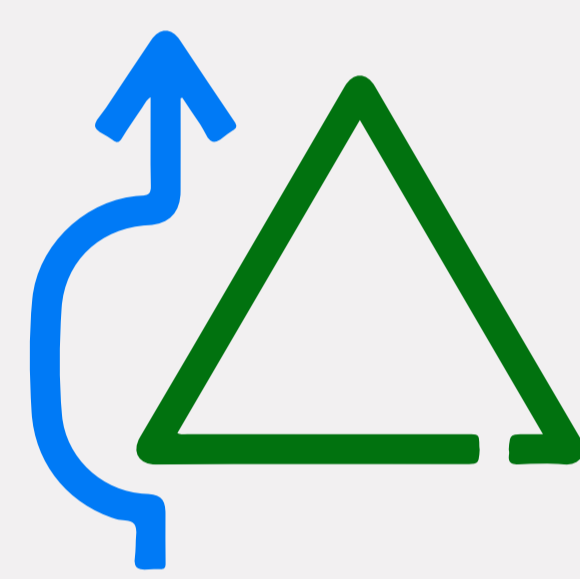


WHAT DO EUROPEAN COMMISSION REPORTS TELL US

Chapter 5 - Public procurements is part of Cluster 1 - Basics

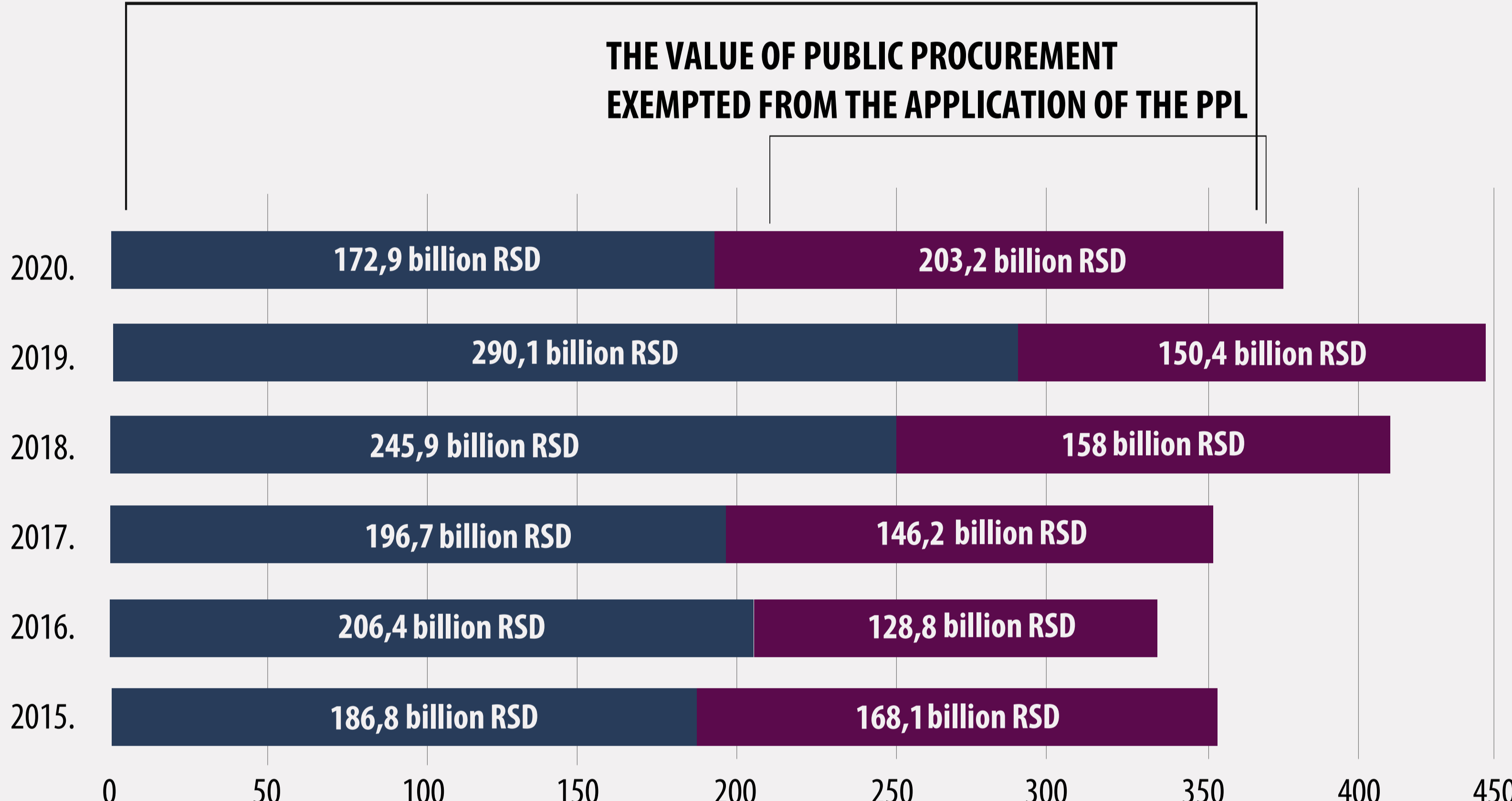


Source: European Commission reports for Serbia: <https://bit.ly/3KgGhH5>



HOW MUCH IS SPENT ON PUBLIC PROCUREMENT

TOTAL VALUE OF PUBLIC PROCUREMENT



Sources: <http://www.ujn.gov.rs/izvestaji/izvestaji-uprave-za-javne-nabavke> <https://jnportal.ujn.gov.rs/annual-reports-ppo-public>



AVERAGE NUMBER OF BIDS PER CONCLUDED CONTRACT IN THE PUBLIC PROCUREMENT PROCEDURE

| | |
|-------|-----|
| 2020. | 2,6 |
| 2019. | 2,5 |
| 2018. | 2,5 |
| 2017. | 3,0 |
| 2016. | 2,9 |
| 2015. | 2,9 |

Sources: <http://www.ujn.gov.rs/izvestaji/izvestaji-uprave-za-javne-nabavke> <https://jnportal.ujn.gov.rs/annual-reports-ppo-public>



WHAT PRINCIPLE IS USED FOR PUBLIC PROCUREMENT?

| | VALUE FOR MONEY | LOWEST PRICE |
|-------|-----------------|--------------|
| 2020. | 6% | 94% |
| 2019. | 10% | 90% |
| 2018. | 11% | 89% |
| 2017. | 10% | 90% |
| 2016. | 12% | 88% |
| 2015. | 19% | 88% |

Sources: <http://www.ujn.gov.rs/izvestaji/izvestaji-uprave-za-javne-nabavke>, <https://jnportal.ujn.gov.rs/annual-reports-ppo-public>



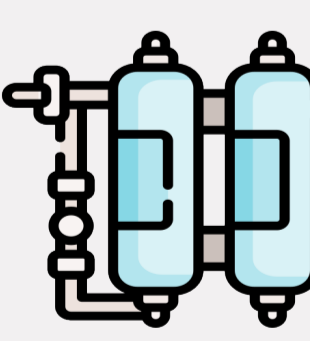
CONTINUITY IN DISPUTED PUBLIC PROCUREMENT ACCORDING TO THE CIVIL SOCIETY RESEARCH



CLINICAL CENTER OF SERBIA (2021)

During the equipping of the Clinical Center of Serbia (KCS) in 2021, the contracting authority determined as the subject of the procedure the procurement of as many as 602 items of various functions and purposes - including medical and non-medical equipment.

The fact that the subject of procurement is shaped as a whole, and not divided into several lots, can be characterized as a restriction of competition that resulted in only one bidder.

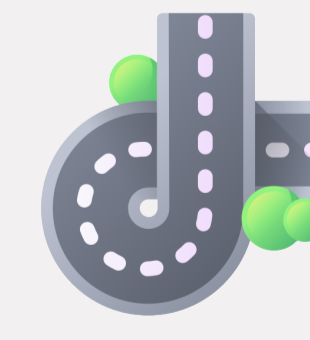


WASTEWATER TREATMENTS (200)

In January 2020, the Ministry of Construction, Transport and Infrastructure signed two agreements with the Chinese company "China Machinery Engineering Corporation" (CMEC) and agreed on the collection and treatment of wastewater from the central sewage system of Belgrade without a public procurement procedure.

The basis for the exemption from the application of the PPL was the *Agreement on Economic and Technical Cooperation in the Field of Infrastructure* between the Government of China and the Government of Serbia.

The conditions under which the realization of that project was contracted remained unknown to the public, as well as whether the contractor will respect Serbian and European regulations and standards during the construction of the mentioned plant.

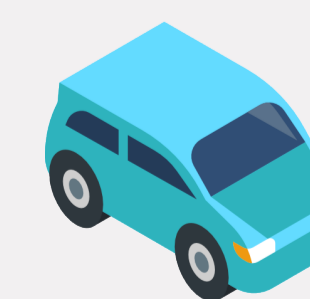


ROAD SECTION POJATE-PRELJINA (2019)

The PPL was not applied to the procurement of design and execution of works for the construction of the infrastructure corridor of the highway E-761, section Pojate-Preljina.

Exclusively for the purpose of this public procurement, a special Law on Determining the Public Interest and Special Procedures for the Realization of the Project for the Construction of the Infrastructure Corridor of the E-761 Motorway, Pojate-Preljina Section, has been adopted.

This practice is criticized by the European Commission in its regular annual reports.

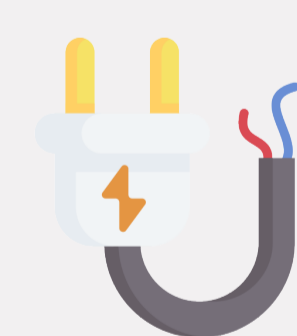


"HAWKEYE" (2019)

In 2019, JKP "Parking servis" Belgrade conducted a public procurement procedure of license to control illegally parked cars.

In the tender documentation, the contracting authority set the detailed technical characteristics that correspond to only one car model - "Land Rover Discovery Sport".

This significantly limits the principle of competition, given that there is only one official distributor of this vehicle brand



ELECTRIC POWER INDUSTRY OF SERBIA - EPS (2018)

The State Audit Institution (SAI) detected that the Electric power industry of Serbia (EPS) during 2018 and 2019 did not act in accordance with the Law on Public Procurement.

In this period, EPS contracted procurement worth 31.53 billion dinars.

During 2018 and 2019, this public company concluded contracts for the procurement of services in the total value of 1.64 billion dinars and conducted them in the total value of 884.97 million dinars without a public procurement procedure, although there was no basis for exemption from application of the Law on Public Procurement.

The State Audit Institution then warned on exceeding the term of office of the acting director of EPS.



THE "NEW YEAR'S TREE" AFFAIR (2017)

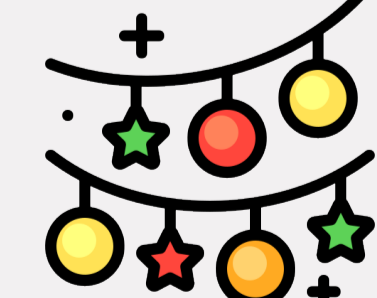
The New Year's tree, which was placed on the Republic Square in Belgrade, cost many times more than similar Christmas trees around the world, which aroused the suspicion of investigative journalists.

On this occasion, as in the case of the procurement of New Year's lighting in 2016, the company "Keep Light doo" won the tender.

After investigation by journalists, it was discovered that the Christmas tree was placed three days before the procurement procedure was completed and the contract was awarded.

After great public interest, the movement Ne davimo Beograd filed a criminal complaint against the director of the company "Keep Light doo".

The then mayor of Belgrade, Siniša Mali, announced that the city of Belgrade would terminate the contract with "Keep Light doo", while the company stated that the Christmas tree would be a gift to Belgrade.



NEW YEAR'S LIGHTING (2016)

The Pištaljka portal raised doubts about the validity of the tender for the purchase of New Year's lighting in Belgrade.

The tender documentation includes luminous decorations from the catalog of the company "Fotodijastasi", whose only distributor in Serbia is the company "Keep Light doo" won the tender.

Not only did the tender documents used examples of lighting from the catalog of the company that participated in the tender, but it required each bidder to submit a physical copy of each item, along with a bid, effectively excluding competition and providing unequal treatment for "Keep Light Ltd".

The tender announced by JKP Javno osvetljenje Beograd was also under investigation by the Public Procurement Administration, after which it was concluded that there were no irregularities, stating that the use of photos from the catalog was justified for "aesthetic reasons".

Sources: media.cpes.org.rs/2021/03/Alarm-2020.pdf, media.cpes.org.rs/2021/12/Alarm-4.pdf, pistaljka.rs/home/read/687, pistaljka.rs/home/read/576

The infographic was prepared within the Regional Good Governance Public-Private Partnership Platform (R2G4P). Analysis on this topic will be included in the Report on Good Governance in Southern and Eastern Europe countries (SEE), which will be published on the R2G4P website.

Miloš Pavković, Junior Researcher
Anesa Omeragić, Events and Communication Coordinator

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