



The Government of the Republic of Croatia

STRATEGY FOR THE DEVELOPMENT OF THE
PUBLIC PROCUREMENT SYSTEM IN THE REPUBLIC OF
CROATIA

June, 2008

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Abbreviations (alphabetical order):

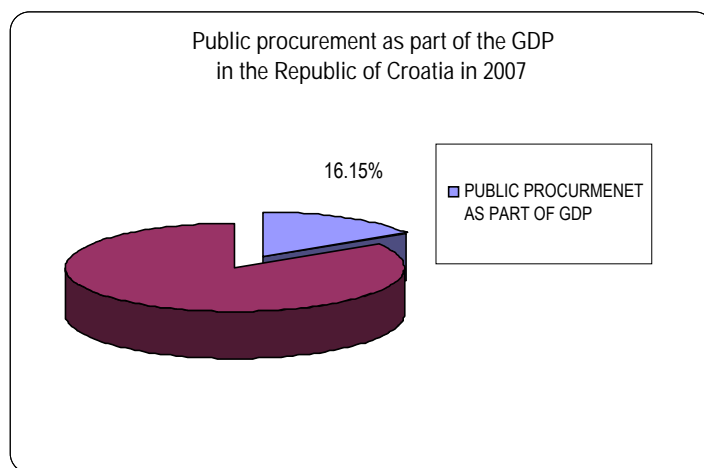
CEA – Croatian Employers’ Association
CEC – Croatian Chamber of Economy
CP – Croatian Parliament
CSAOeC – Central State Office for e-Croatia
CODEF – Central State Office for Development Strategy and Coordination of EU funds
CSOA – Central State Office for Administration
DKOM – State Commission for the Supervision of Public Procurement Procedures
GRC – Government of the Republic of Croatia
MELE – Ministry of the Economy, Labour and Entrepreneurship
MF – Ministry of Finance
PPP Agency – Agency for Public Private Partnership
TIPA – Trade and Investment Promotion Agency
USKOK – Office for Suppression of Corruption and Organized Crime

This Strategy arises from and relies on the framework strategic document of the Government of the Republic of Croatia “Strategic Development Framework 2006 – 2013”, and other documents of the Government of the Republic of Croatia which address the public procurement system from different frames of reference, such as the National Programme for the Accession of the Republic of Croatia into the European Union, the Pre-accession Economic Programme 2007 – 2009, the National Anti-Corruption Programme 2006 – 2008 and recently adopted Anti-corruption Strategy (5 June 2008).

The goal of the single public procurement system is co-ordinated implementation of procedures and the award of public procurement contracts and concessions transparently, providing equal treatment to all those participating in the public procurement system, encouraging competition and sustainable economic development, promoting the use of public-private partnerships, and simultaneously providing uniform legal protection.

According to the statistical reports collected by the Directorate for the system of public procurement in the beginning of 2008, the total amount of public procurement in 2007 amounted to HRK 44.4 billion (16.15 % of the GDP).

Figure 1



Source: Directorate for the System of Public Procurement – unofficial/preliminary data

In comparison to 2006, when the ratio of public procurement in GDP was 11.77%, the value of public procurement increased by 4.38%. This increase implies economic and investment growth along with a rise in competitiveness. Coherent relations between the public and private sectors serve as a signal to the economic operators in strengthening their competitive capacity to have more success in competition, while the public sector as an entrepreneur, by applying the principle of a being good manager and by providing equal opportunities to all, receives an opportunity to choose the best offer on the market. Therefore, this Strategy is aimed primarily at the growth of the economy and its vivacity in the segment of public procurement. Already opened to the EU economic operators and 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. By taking on the responsibility for spending taxpayers' money, the function of this Strategy is also to improve the management of public finances and guarantee legal security to all those participating in the public procurement system.

For the purposes of implementing this Strategy and its Action Plan, at the same time as adopting the two documents, the Government of the Republic of Croatia shall, at the time of their adoption, also adopt the Decision establishing the Implementation Monitoring Committee, which will primarily include the representatives of MELE, MF, DKOM and TIPA, but also other relevant public administration bodies engaged

in the implementation process. The Committee will report on the progress of implementation to the Government on a monthly basis, using the Action Plan as a monitoring tool.

With a view to enhancing the dialogue with the business community, trade unions, and non-governmental organisations and with the aim of enabling discussion on the system of public procurement and its novelties of institutional, legislative and educational nature, all the relevant stakeholders (such as the Croatian Parliament, employers, the Croatian Chamber of Economy, the Competition Council, trade unions, the academic community, DKOM, governmental bodies, etc.) will be invited to take part in the Public Procurement System Forum. The Forum will be set up by the end of 2008 and steered by MELE. Seeing as many novelties will be introduced into the system in 2009, including improved measures for fight against corruption and also awareness-raising campaigns that are planned, the Forum will be a meeting point for discussion, implementation assessment, and for specific responsibilities to be undertaken on the basis of the designated competencies. It is foreseen that the Forum should meet at least once a quarter. Nevertheless, it is intended that the Forum takes part in the implementation of individual measures defined in the Action plan which may positively influence the frequency of Forum's sessions.

II Legislative framework

The public procurement system includes public contracts, contracts for contracting entities in the utilities sector and concessions with uniform legal protection. The definitions of public works concessions and service concessions are not regulated within the scope of the Public Procurement Act. Those are to be defined in the Concessions Act which is to be adopted by the end of September 2008 at the latest. Also, the adoption of the Act on Public-Private Partnership is planned for the end of September 2008 to promote the use of PPPs, to establish a "check-list" for the preparation and selection of PPP projects, and to follow up and establish the responsible implementing institution. The Public Procurement Act represents the basis for preparation of the Concessions Act and the Act on Public Private Partnership considering that the principles, procedures and uniform legal protection in line with the Public Procurement Act apply in the procedures for the award of concessions and the selection of partners in public-private partnership projects. Certain legislative activities are presented below in the respective segments of the text.

1. The Public Procurement Act

At its session on 3 October 2007, the Croatian Parliament passed the Public Procurement Act published in the Official Gazette 110/07. The Public Procurement Act entered into force on 1 January 2008.

Pursuant to Article 174 of the Act, the Government of the Republic of Croatia passed all of the subordinate regulations (7).¹

The new Croatian legislative framework has transposed the *acquis communautaire* in the field of public procurement². The European thresholds which are in force have been laid down in the Regulation on public procurement notices and records.³

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1. ¹ The Regulation on the conditions for applying the Common Procurement Vocabulary (CPV) (OG 13/08);
 2. The Regulation on the methodology for drawing up and handling tender documents and tenders (OG 13/08);
 3. The Regulation on public procurement notices and records (OG 13/08);
 4. The Regulation on the implementation of control through prevention and instruction activities (OG 14/08);
 5. The Regulation on the content and the method of submitting reports on public procurement (OG 14/08);
 6. The Regulation on the list of entities bound by the Public Procurement Act (OG 14/08), and
 7. The Regulation on the forms, methods and conditions of training in the public procurement system (OG 54/08).

For capital investments in the field of public-private partnership, pursuant to the Regulation on the methodology of preparation, appraisal and implementation of investment projects, contracting authorities will have to prepare and adopt an investment project in advance. The adoption of this Regulation is envisaged under the Public Procurement Act. However, based on the analysis and opinion of SIGMA, the legal basis shall be provided either by new Budget Act or Act on Public Private Partnership with respect to its scope of application. Therefore, as to the necessity to amend the Public Procurement Act in terms of legal drafting, the obligation to adopt this Regulation pursuant to the Public Procurement Act will be deleted.

² Treaty establishing the European Community (TEC) Article 47, paragraph 2 Article 55 and Article 95.

The Public Procurement Act has introduced the same public procurement system as the one set up in European Union public procurement directives, and for procurements whose estimated value is lower than the European thresholds. Public procurement procedures and methods that are laid down in Part II (procurement procedures for the award of public works contracts, public supply contracts and public service contracts) and Part III (procurement procedures of entities operating in the water, energy, transport and postal services sectors) of the Act relate to the procurements whose estimated value is (exclusive of VAT) higher than:

- HRK 300,000.00 for goods and services,
- HRK 500,000.00 for works.

For procurements with an estimated value equal to or lower than the listed thresholds - procurements of lesser value, contracting authorities and contracting entities are obligated to apply the provisions of Part IV of the Act, which introduces all procurement procedures and methods regulated in EU directives, except competitive dialogue and the dynamic procurement system, i.e. open procedure, restricted procedure, negotiated procedure, design contest, framework agreement and electronic auction. For the estimated value of procurement less than HRK 70,000.00 (exclusive of VAT), the contracting authority may use the public procurement procedures specified in the Act.

Following the first few months of the implementation of the Act, MELE called for a wider feedback by all interested parties to assess the effectiveness of its application. Along with the need to amend the Act in terms of legal drafting, it was concluded that there was still space for legal improvements in the Act. Therefore, with a view to simplifying and accelerating the procedures, and with a view to further strengthening of anti-corruption measures, further alignment with the Council Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 amending 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts, the Public Procurement Act will be amended accordingly by the end of September 2008 in co-operation with SIGMA.

In addition, Amendments to the Public Procurement Act will regulate public procurement contracts in the field of defense and security of the Republic of Croatia that effect adoption of new Regulation on the public procurement in the field of defense and security.

The Government of the Republic of Croatia shall adopt Regulation on the public procurement in the field of defense and security within 12 months of the date of entry into force of Amendments to the PPA.

2. The Concessions Act

In order to further promote the opportunities and possibilities which present themselves through concession-based investments made by economic operators, resulting in increased budget revenues and multiplicative positive economic effects, the concessions system is deemed to be strengthened. The Government of the Republic of Croatia is preparing a new Concessions Act. This Act will regulate the general conditions, the

Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the co-ordination of procedures for the award of public works contracts, public supply contracts and public service contracts,

Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 co-ordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors,

Council Directive 92/13/EEC of 25 February 1992 co-ordinating the laws, regulations and administrative provisions relating to the application of Community rules on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors,

Council Directive 89/665/EEC of 21 December 1989 on the co-ordination of the laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts,

Commission Regulation (EC) No 2151/2003 of 16 December 2003 amending Regulation (EC) No 2195/2002 of the European Parliament and of the Council on the Common Procurement Vocabulary (CPV) (Text with EEA relevance),

Commission Regulation (EC) No 1564/2005 of 7 September 2005 establishing standard forms for the publication of notices in the framework of public procurement procedures pursuant to Directives 2004/17/EC and 2004/18/EC of the European Parliament and of the Council (Text with EEA relevance).

³ By amendments to the Regulation, these thresholds will be corrected in accordance with periodic fluctuations of the euro with respect to the Special Drawing Rights, which are announced by the European Commission in a Regulation. The provisions on the obligation of publication in the Official Journal of the European Union for procurements whose estimated value is equal to or higher than the European thresholds will enter into force on the day of accession of the Republic of Croatia to the European Union.

rules and the award procedures related to concessions awarded to economic operators, amongst other things. Said Act will also regulate services concessions, works concessions and concessions for the economic exploitation of common goods. For this purpose, the Concessions Act will introduce the basic principle that complies with all the provisions of the *acquis communautaire* which regulate works concessions (Directive 18/2004/EC). In that context, the new draft Concessions Act will refer to the application of the Public Procurement Act in the award of works concessions. Regardless of the absence of any special provisions in the directives, the services concessions will be regulated so as to be fully aligned with the *acquis communautaire*, specifically complying with the principles contained in the Treaty establishing the European Community. This particularly relates to the principles of equal treatment (non-discrimination) transparency, proportionality, and mutual recognition. The draft is in the final stages of alignment which is being conducted in co-operation with MELE as the body responsible for the public procurement system, the Trade and Investment Promotion Agency (TIPA), the State Commission for the Supervision of Public Procurement Procedures (DKOM) and the academic community. At the beginning of April 2008, the draft Act was sent to SIGMA and to the line ministries for review. In accordance with the planned activities and in co-operation with SIGMA, it is expected that the Draft Proposal of the Concessions Act will be adopted by the end of September 2008 at the latest. The link between the Concessions Act and PPPs will be set up through the provisions of an act which will regulate public-private partnerships

In that context, the award of concessions, as an integral part of some PPP project, will be conducted pursuant to the Concessions Act.

Following the adoption of the Concessions Act, the next phase will include the screening and alignment of sector-regulating concessions legislation regarding the Concessions Act (approx. 30 primary and secondary pieces of legislation). The Government Implementation Monitoring Committee will be tasked with the screening and subsequently with the co-ordination of amendments to the sector-regulating concessions legislation, in accordance with the key principles of the Concessions Act. A Road map for the alignment of the sector-regulating legislation with the umbrella Concessions Act and the PPP Act will be prepared in July 2008, indicating the exact legislation which needs to be amended. The sector-regulating legislation will have to comply with the Concessions Act in every aspect (basic principles, procedures, legal protection, etc.), while only additionally regulating those specifics that relate to the area they cover. The timetable to align the sector-regulating concessions acts is by 1 April 2009. The alignment process will be performed with SIGMA's assistance.

The Ministry of Finance keeps and maintains the Concessions Register, which represents an integral electronic record of all concession contracts awarded in the Republic of Croatia. The activities of the MF in this regard include the gathering and recording of data from concession documents, the storing of such data and database management, the provision of access to the data and the protection of the database and the documents stored in the archive. The Concessions Register can be accessed through the web site of the MF (www.mfin.hr). Concession grantors and concessionaires have unlimited access to their contracts including due and paid concession fee liabilities. The Concession Register database can also be expanded with data on future PPP concession contracts, including additional specific information and system tools. The data recorded in the Concessions Register is provided to the MF by concession grantors solely. It has been assessed that the present Regulation on the establishment and management of the Concession Register does not fully contribute to further enhancement of the reporting discipline among concession grantors. In this regard, following the adoption of the Concessions Act, the MF will propose a new set of provisions amending the Regulation on the establishment and management of the Concession Register. These aim to result in significant improvements in this segment of the concession system and in its long term sustainability.

3. The Act on Public-Private Partnership

Following the adoption of the Policy for the Development of PPP which will be adopted by the Government of the Republic of Croatia by the end of July 2008, the Government of the Republic of Croatia is planning to adopt the Act on Public Private Partnership (hereinafter: the PPP Act) by 30 September 2008 in order to enable and promote the use of public-private partnerships as an investment method. MELE will draw up the PPP Act in co-operation with the MF, the Trade and Investment Promotion Agency (TIPA), the State Commission for the Supervision of Public Procurement Procedures (DKOM) and the academic community. The preparation of the Act is facilitated by SIGMA assistance. It will regulate pre-tendering procedural steps for approval of PPP projects in line with the PPP policy, as well as post-tendering procedural steps in order to follow-up the execution of contracts.

The pre-tendering PPP related procedure will be carried out in close co-operation with MELE concerning the policy and with MF concerning the budget and overall fiscal related issues. The pre-tendering procedure itself will include two major steps:

- the approval of a PPP project proposed by the public body in charge and
- the approval of the final draft of the tender documents, before the tendering procedure itself is launched.

The post-tendering procedure comprises the logging of signed contracts into the PPP Register and the follow-up to their execution during the PPP project implementation period.

Furthermore, based on the PPP Act, the PPP Agency will be established, as an authorised institution for PPP-related procedures and issues. From the practical implementation point of view, the steps are foreseen as follows:

1. The project proposal is submitted to the PPP Agency for feasibility assessment; cost-effectiveness, technical, economical and legal aspects of the project proposal. PPPA shall verify the validity and integrity of all documentation attached;
2. the PPPA seeks MELE's opinion concerning the project's alignment with the umbrella investment plans and the PPP policy of the Government;
3. the PPPA seeks MF's opinion concerning the related fiscal issues;
4. The PPPA seeks the opinion of the line ministry or ministries responsible for the area covered by the project proposal, regarding the conformity of the project proposal with the related sector-regulating strategy objectives;
5. If the preconditions are met, the PPPA "stamps" the project proposal as a PPP project and delivers this decision to the public body that initiated the procedure;
6. Public authority are prepared the tender documents and delivered to the Agency for final assessment; PPP Agency again seeks MF's opinion concerning the conformity of the tender documents with the previously approved project proposal concerning the budget and fiscal issues; PPPA compares and evaluates the tender documents against the pre-approved project proposal and the PPP regulation;
7. If the findings under p.6. are positive, the PPP Agency issues a decision that the public procurement process can be initiated for the realisation of that project according to a specific PPP model;
8. The tendering procedure to follow.

Further development of the legislative framework for public-private partnerships is dependant on the drafting of the relevant implementing regulations, which ought to further elaborate certain issues (5). The Government of the Republic of Croatia shall adopt Regulation on Establishment of the PPP Agency by the end of 2008, and planned deadline for the drafting and adoption others implementing regulations is the 1 April of 2009. The Implementation Monitoring Committee as mentioned previously, will also be tasked with the screening of the national legislation in terms of the PPP Act in order to identify and resolve potential obstacles to its smooth implementation and to include its findings in the Road Map.

Under the Act on Amendments to the Act on the Structure and Scope of Central State Administration Bodies (OG 27/08), which entered into force on 13 March 2008, the MELE took over responsibility for the public procurement from the Government's Public Procurement Office. Having regard to the unity of the public procurement system and to the vertical hierarchy of decision-making competence at the level of the Croatian Government in the position of the Deputy Prime Minister responsible for the economy, the MELE closely co-operates with the MF on all the activities for the alignment of legislation in the area of concessions, as well as with TIPA, whose Management Board is headed by the Deputy Prime Minister and the Minister of the Economy, Labour and Entrepreneurship, for the area of public-private partnership.

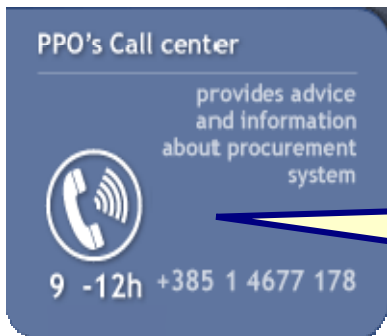
Emphasis is put on the co-ordination of activities in the public procurement system, prevention and instruction activities, and pointing to important issues in the public procurement system on a daily basis. The daily operative work is entrusted with the co-ordination of MELE; informal inter-institutional working groups have been established with respect to drafting legislation on concessions and private-public partnerships, and developing strategic documents. The operational level is represented by the relevant officials and civil servants of MELE, MF, TIPA and DKOM. At the political level, the public procurement issues are discussed at the meetings of the Government's Co-ordination for Economic Issues headed by the Deputy Prime Minister and the Minister of the Economy, Labour and Entrepreneurship. In co-operation with SIGMA, the Directorate for the Public Procurement System will evaluate the operation of the system by the end of 2008 and based on SIGMA's opinions and recommendations, if necessary, it will continue to further improve the institutional framework and activities within its competence.

The Directorate for the Public Procurement System has been set up within MELE and is responsible for the development, improvement and co-ordination of the entire public procurement system. It is authorised to propose, prepare and co-ordinate the process of drafting of all acts and other public procurement regulations, to analyse the implementation of regulations in the public procurement system through prevention and instruction activities, to file requests for the initiation of misdemeanour procedures, to prepare the PPP policy to the Government, to prepare and implement training and professional development for those involved in public procurement and to administer the Public Procurement Portal, to monitor the Electronic Public Procurement Classifieds, to publish the e-Public Procurement Bulletin and professional publications. The Directorate currently has 19 employees. The average number of cases per advisor in the first 5 months of 2008 was 75.

During 2008, the Directorate plans to fill 11 vacancies by recruiting people with university qualifications pursuant to the Civil Service Act, thus achieving full administrative capacity. The budget for further recruitment of the said 11 members of staff has been ensured already.

The Directorates will place more emphasis on the following priorities:

1. prevention and instruction activities;
2. the promotion of the PPP policy;
3. the promotion of the use of the e-procurement in order to ensure economic viability and savings;
4. the establishment of a central purchasing body;
5. the raising of awareness through training and professional development on all levels.

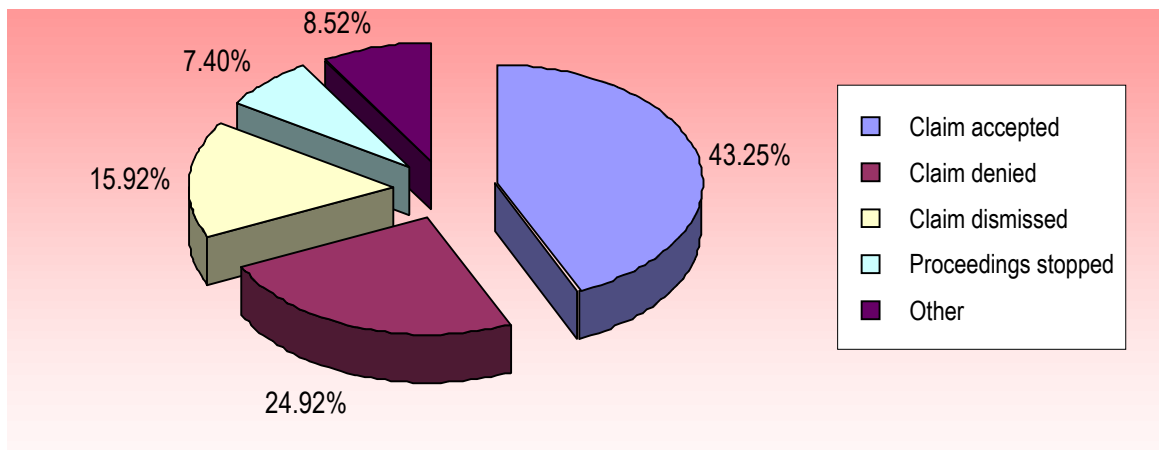


In order to provide interested parties with the relevant information on the public procurement system, a help line has been established through the call centre; advisors in the Directorate provide immediate assistance to contracting authorities/entities and tenderers on a daily basis from 9-12. Questions are analysed, grouped and answers posted on the internet website to be available to wider public.

Ad1) The Directorate for the Public Procurement System will put a stronger emphasis on prevention and instruction activities in accordance with its competences and as stipulated in the Public Procurement Act (Article 170) and the Regulation on the implementation of control through the activities of prevention and instruction. Prevention and instruction activities will aim to remedy any irregularities detected in parties obliged to adhere to the Public Procurement Act, but attention will mostly be paid to those noted to frequently be in breach of the provisions of the Public Procurement Act and to those parties obliged to adhere to the Public Procurement Act who are involved in procurement procedures with the highest value. The current regulations stipulate the possibility of initiating misdemeanour procedures. High fines for the perpetrators of misdemeanours have a very good preventive effect in the current system of public procurement (up to HRK 1,000,000 for legal persons and up to HRK 100,000 for the persons responsible).

Supervision covers all parties obliged to adhere to the Public Procurement Act, without any distinctions. The Directorate is entitled to initiate a misdemeanour procedure against the party obliged to adhere to the Public Procurement Act and against the responsible person for irregularities observed.

An important tool is the analysis of DKOM's jurisprudence; analyses of the decisions of DKOM provide the Directorate with the insight into specific issues in the public procurement cases, which are subject to appellate proceedings. The analysis is used to address the authorities found to be most frequently in breach of the Act on one hand, but also for the benefit of preparation of the annual programme of training.



Source: Draft Report by DKOM - 2007

In order to ensure further strengthening of the prevention and instruction activities in the Directorate, the process of upgrading the Electronic Public Procurement Classifieds at the portal of the Official Gazette is currently underway. The upgrade will allow for statistical reports for the contracting authorities based on contract award notices to be generated and also for the Directorate, DKOM and the State Attorney's Office to view and analyse published notices (according to the criteria such as the biggest tenderers over a given period, the type and procedure methods, CPV, the subject of procurement). If the data cause any suspicion as to the existence of irregularities, the Directorate may request the contracting authorities to submit the

tender documents. The upgrade is being finalised in co-operation with the Official Gazette and it is foreseen to make it operative at the same time as the adoption of the legislative package in September 2008.

The State Audit Office plays an important role in the supervision processes. In that sense, the audit relates to compliance with the Public Procurement Act – the reports state any irregularities observed, which are then drawn to the attention of the contracting authorities. The State Audit Office submits its reports to the Directorate for the Public Procurement System as part of its co-operation with the state authorities. The Directorate for the Public Procurement System analyses the reports with a view to determining the most frequent irregularities and the most frequent violators of the provisions of the Public Procurement Act, and then takes measures to implement the activities of prevention and instruction. In the event of any suspicions as to the existence of criminal offences, USKOK intervenes on the basis of the data included in the submitted reports. Furthermore, the State Audit Office is competent to supervise the activities of the contracting authorities after the conclusion of the public contract.

According to the Act on the System of Public Internal Financial Control (OG 141/06), each budgetary user must have internal control. Internal control serves to examine the overall operation of the entity, including the implementation of public procurement procedures. The purpose and the goals of establishing internal control in terms of public procurement would be the following: to implement public procurement procedures in a lawful, cost-efficient and effective fashion, to achieve responsible behaviour and to protect against losses resulting from poor conduct and irregularities.

Ad2) Taking account of the international experience, there is an increasing potential for the use of PPPs in Croatia, in particular in areas such as roads, public transport, education, water and waste services, public buildings, nursing homes and car parks. Potential benefits of adopting a PPP approach include increasing the speed at which capital projects are brought to development, allocating risk between the public and private sectors, sourcing alternative financing for major infrastructural developments and reducing project costs by virtue of the synergies and innovative approaches that the private sector can bring to the project.

In terms of organisation, the aim of setting up a PPP Department within the Directorate for the Public Procurement System in MELE is:

- to identify the potential of making investments via the PPP model based on the PPP policy to be adopted by the Government;
- to encourage and support the use of PPPs within the framework that protects the public interest and the consumer, and to promote measures that encourage a fair and balanced division of responsibilities between the public and private sectors and a competitive environment for the delivery of infrastructure and services across the range of areas for which central and local authorities are responsible;
- to use the PPP policy to embed PPP as a procurement method across the central and local authorities allowing the model to play a full role in a changing environment for the delivery of public services.

Ad3) The new Public Procurement Act enabled the application of electronic commerce in the field of public procurement, in accordance with Directives 2004/17/EC and 2004/18/EC. The Directorate for the Public Procurement System is currently defining requirements to bring the system of electronic procurement into operation and is aligning them with the provisions of the Public Procurement Act and the subordinate legislation on public procurement. Based on a comparative analysis of electronic procurement in the EU Member States, the Directorate is drawing up a draft proposal of a project to introduce an IT system as support to the system of electronic procurement and is participating in its implementation by providing guidelines and by co-ordinating the activities of competent bodies and institutions.

Ad4) With a view to generating savings through a systematic approach to public procurement, by 2011 the Republic of Croatia will set up the central purchasing body. It is assessed that pursuant to the priorities of the Government of the Republic of Croatia to further modernise state administration, and based on the projected savings of HRK 800 million at the level of the annual budget, the project involving the central purchasing body will optimise the central process of procurement for the needs of the Government of the Republic of Croatia. With SIGMA's assistance, in September 2008, the Government of the Republic of Croatia will begin to analyse current needs and the state-of-play. Following the assessment, in January 2009 MELE will publish a tender for the establishment and implementation of a pilot project of central procurement at the level of several categories (e.g. heating, maintenance, office supplies). On completion of the pilot phase, recommendations will be made to set up the central purchasing body and to define all procurement categories in which the central purchasing body will take part. It is planned to achieve full functional operation of the central purchasing body by the beginning of 2011.

Through the Act on Amendments to the Act on the Structure and Scope of Central State Administrative Bodies (OG 27/08), MF was given responsibility for concessions and the fiscal aspects of PPPs. All measures and activities are aimed at defining an efficient and effective system for awarding concessions and for maximising the positive economic impact arising from the rights awarded under concession agreements. With these specific aims in mind, MF has introduced adequate provisions within the new Concessions Act that clearly identify the elements of the concessions policy and the co-ordinating role of MF, subject to co-ordination with the body competent for the public procurement system, i.e. MELE.

The scope of activities of MF regarding PPPs is limited to fiscal and to related risk assessments of PPPs during the pre-tendering procedure as the basis for project proposal and draft contract approval by the Agency. MF also assists the Agency in the post tendering phase of contracts enforcement monitoring in relation to fiscal sustainability. The said institutional setting will thus provide a fully co-ordinated PPP system with clear obligations of authorities involved, with the aim of achieving a comprehensive approval and monitoring methodology resulting in fiscally sustainable and high-performing PPP projects that will be specified and defined in the relevant implementing legislation.

One of the preconditions for establishing an efficient concessions system is to provide sufficient administrative capacity within the MF. As part of the alignment and strengthening of the MF, the new Act on the Structure and Scope of Central State Administrative Bodies stipulates changes to the structure of the MF. In this regard the Section for Concessions and PPPs was formed within the Department for Concessions, in addition to the existing Section for the Concessions Register. The current organisational structure and the number of employees of the Economic Affairs Directorate engaged on concessions are not sufficient. The Section for Concessions Register currently has four employees, while the Section for Concessions and PPPs has three, including Section heads. Together with the head of the Department, the total number of employees engaged on concessions and PPPs within the Economic Affairs Department currently totals eight. In order to effectively implement the newly-awarded tasks, the MF has amended the job description and classification scheme of the Economic Affairs Directorate which now foresees a total number of 13 employees in the Department for Concessions. The planned number of staff is sufficient to perform activities relating to the field in question. In that regard, the MF is in the process of conducting a call for applications for the civil service, which will serve to fill four positions foreseen by the new structure of the MF, the Economic Affairs Directorate, leaving one position vacant for a trainee to be filled by the end of 2008. The new staff will be continuously trained in the field on concessions and the fiscal aspects of PPPs in co-operation with MELE (see heading Training and the measures of strengthening the public procurement system and Annex I). In that respect, MF will initiate a Twinning Light project with reference to education in the field of concessions and the fiscal aspects of PPPs under unallocated envelope (IPA 2007). Subsequently, MF, in co-operation with MELE, will further organise training for persons obligated to adhere to the Concessions Act and for the public sector.

The Act on Public Private Partnerships, as an implementing body, will set-up Government's Agency for Public Private Partnerships by the end of 2008. In co-operation with MELE and MF, the Agency will perform assessments of proposed projects and adopt binding opinions on projects which can be implemented according to the PPP model. The main role of the future Agency for PPP is pre-tendering preparation and selection of PPP projects as well as follow-up of PPP projects implementation, including the maintenance of the PPP Register. Whenever necessary and depending on certain specific needs, the Agency can request an opinion on other specific issues from the line ministries and state bodies. A positive opinion of the mentioned state bodies will be a precondition for the Agency's final positive opinion regarding a project proposal, which would otherwise be based on own project evaluation by the Agency, based on the criteria included in the PPP Act and the subordinate legislation. Evaluation of the projects concern first of all on evaluation those elements what every project in general should satisfy, feasibility study, evaluation of all elements that are relevant for implementation of project according to the PPP model, such as relevant risk matrix, calculation of the value that get in for invested money, as well as others criteria that imply on legal, economical and technical side of the project.

The Agency will also make an evaluation of the attached documentation concerning its quality and integrity, especially concerning the existence of all necessary permits and evidence of ownership issues, prior to the sending of the project proposal, had been resolved. The Agency will carry out assessments of draft PPP contracts, process data for the needs of maintaining the PPP Register in co-operation with MELE and monitor the implementation of such contracts, collecting experiences and their analysis for the purpose of improving the existing PPP models, and the existing legislative and institutional framework. MF will give its opinion concerning fiscal risks and possible constrains concerning the state or local budgets. Thus, MELE is in charge of drafting the umbrella investment plans and developing strategic Government's PPP policy; MF is responsible for drafting budget forecasts and evaluation of fiscal risks for the PPP project, regulating the procedure for the award of concessions, and control of the collection of concession fees, if such fees constitute an integral part of the contract for the implementation of the PPP project, whereas the Agency serves as the implementation facilitator.

The Agency will be formed from the current Sector for Public Private Partnerships within the Trade and Investment Promotion Agency, and will take over the current employees and the current material resources. As the Sector for Public Private Partnerships currently employs five people, by the end of March 2009 it will increase the number by another ten employees. By the end of December 2009, ten more staff members will be recruited. The budget for the plan of recruitment in 2009 will be allocated, including the adequate equipment and technical means .

In co-operation with MELE, the Agency is making and implementing training and development programmes for its own employees and for all other persons involved in PPPs, especially representatives of public bodies. In the achievement of the said goals, the Agency uses EU pre-accession funds (IPA 2007 - technical assistance facility,) and bilateral assistance programmes. Under the Regulation on the forms, methods and conditions of training in the public procurement system, in co-operation with MELE's Directorate for the Public Procurement System, the Central State Office for Administration and scientific institutions, the Agency is developing a system of continuous education for civil servants (by setting up three tiers of knowledge: basic, advanced and instructor, subject to the issuance of certificates); the deadline is the fourth quarter of 2009. At the same time, the Agency is also acceding to Co-operation Agreements between MELE and the Croatian Chamber of Economy, and between MELE and the Croatian Employers' Association in the part concerning the training and exchange of experiences with the business community.

IV Training and the measures of strengthening the public procurement system

With a view to creating an efficient, professional and highly-educated state administration which will be able to respond to all the challenges placed before it in the process of becoming a member of the European Union, and before other participants in the system of public procurement, the process of planning and implementing the activities which will lead the field of public procurement as a whole to the said goal has begun. To make the system efficient, effective, transparent and, in particular, to transform it into a system which will use the tax payers' money in accordance with the law and achieve "value for money", the Government of the Republic of Croatia adopted the programme of training and professional development for the purposes of the public procurement system with a view to developing and strengthening a simple and modern system of public procurement based on the professional development of the human resources involved in public procurement procedures. The programme is adopted on a yearly basis, following the needs assessment, evaluation by the target groups and is accompanied by the Implementation Programme for the Training of Persons Involved in the Public Procurement System.

The training concerning the implementation of the Public Procurement Act began following its adoption and it also includes the aspects of concessions and PPP.

Goals in the development of the system of professional development are the following:

1. To raise the level of professional development in the organisation of public procurement,
2. To make the system of public procurement functional, efficient and transparent, to be achieved by raising the level of professional development of those involved in implementing public procurement procedures,
3. To provide support to civil servants and employees participating in the system of public procurement through the system of continuous professional development, manuals and recommendations, and the use of ICT.
4. Awareness arising of the relevant state administration bodies about importance of the public procurement field in the context of management EU structural instruments and awareness readiness potential users of that funds at all levels regard to national public procurement system (on the date of accession of the Republic of Croatia to the European Union, public procurement in the context EU funds sub-financed projects will be implemented according national legislation practice besides possibility of additional elaboration procedures and templates).

Professional development in the system of public procurement is based on the following (see Annex I for details):

1. The Regulation on the forms, methods and conditions of training in the public procurement system (OG 54/08),
2. Co-operation with the Central State Office for Administration,
3. Agreement on Business Co-operation with the Croatian Chamber of Economy and the Agreement on Business Co-operation with the Croatian Employers' Association,
4. Twinning Light project in co-operation with the Government of the Republic of Hungary,
5. Project "Further strengthening of the public procurement system in the Republic of Croatia" /Dutch programme G2G.NL(G2G)/

Ad1) In order to promote the values and objectives of the public procurement system, to enable a widespread understanding of the public procurement system legislation, MELE adopted the Regulation on forms, methods and conditions of training in the public procurement system (OG 54/08). The Regulation defines the list of topics – contents that should be implemented in 2009 as per target groups through Educational programmes I, II and III (further in Annex I). Tasking into account "zero" year of PPA implementation and adoption of PPP

Act and Concessions Act, in the second part of 2008 the implementation of the entire programme has not been made possible, except for programmes by Annex II and III.

According to the Regulation, professional development is organised at the following levels:

1. specialised programmes for contracting authorities and contracting entities;
2. specialised programmes for local government and self-government civil servants (counties and municipalities);
3. specialised programmes for tenderers;
4. specialised programmes for trainers in the public procurement system based on the type of programme.

In co-operation with MF, TIPA and DKOM, the Ministry organises professional development within several categories:

- aimed at the public procurement system,
- aimed at the public-private partnership system,
- aimed at the system of suppression of corruption in the public procurement system,
- aimed at the system of concessions,
- "Train-the-Trainers" programme for persons obliged to adhere to the Public Procurement Act,
- training qualifying for the status of trainer in the public procurement system for persons obliged to adhere to the Public Procurement Act.

The topics primarily represented in the programmes of professional development would be, amongst others, the contract award criteria, tender assessment, cancellation, information to tenderers for the award of contracts, the documentation, statistics, reports, contract enforcement, the way of presenting the needs of the contracting authority to potential tenderers in a comprehensive manner and the criteria for the assessment and selection, as well as the suppression of corruption with exercises for suppressing corruption.

The models of implementing the programmes take the form of modules, lectures, seminars, workshops/exercises, conferences and round tables with manuals, instructions, standard forms and standard documents. Each programme is interlinked as to enable progress through various learning stages. Also, the programmes of education are determined with regard to the objectives to be achieved; assessment techniques and methods are introduced in order to receive the appropriate feedback from attendants in order to evaluate the approach and to improve the curriculum and the teaching method.

On the entry into force the Regulation on forms, methods and conditions of training in the public procurement system achieved the legal conditions for continuous implementation education, according to implemented plans elaborated under terms adoption Proposal on State Budget for next year. Frequency of implementation workshops is planned by quarters for next year.

By the end of 2008 through education in public procurement and anticorruption programme education shall have covered:

- 80 governmental officials through 5 modules in the duration of 13 days
- 480 participants from local government and self-government units and the utilities sector 16 workshops in the duration of 3 days and
- 90 participants from tenderers through 3 workshops in the duration of 1 day.

"Train the trainer" and "Train the trainer in public procurement system" is planned for October 2008 for 12 participants. With the adoption of the PPP Act and Concessions Act, the content of modules and workshops will be amended accordingly. In 2009, they shall encompass 498 attendants in 21 modules and workshops.

In view of the new legal framework for concessions and public-private partnerships, MF and MELE/Agency will prepare a Guide for Concessions and a Guide for Public-Private Partnerships at the time of entering of the new legislation into force.

It is important to emphasize that the education in public procurement system is based on co-operation with Central State Office for Development Strategy and Coordination of EU funds (CODEF), particular in preparing

and implementation umbrella Strategy for Co-ordination Training Activities for using EU structural instruments, and Annual training plans at level on particular Operating programmes sub-financed EU funds.

Ad 2) In co-operation with the Central State Office for Administration, in 2008 MELE is organising five modules in the duration of 13 days. Each module accommodates 16 civil servants. Frequency of implementation modules is higher in first two quarters taking into account bigger needs of public authorities for initiation a public procurement procedure and engagement financial funds from State budget.

Frekvencija održavanja modula veća je u prva dva kvartala obzirom na povećane potrebe javnih naručitelja za pokretanjem postupaka nabave i angažiranjem financijskih sredstava iz Državnog proračuna.

In 2008, the modules will include a total of 80 attendants.

So far, 3 modules have been held (January, April, May) whereas the rest of the modules (2) shall be organised in September and November 2008. In 2009 it is planned 4 modules, i.e. in every quarter 1 modul in the duration of 13 days.

U 2009. godini planirana su 4 modula, odnosno u svakom kvartalu po jedan u trajanju od 13 dana. The training is financed fully from the State Budget from the position of the Central State Office for Administration.

Ad 3) In co-operation with the Croatian Chamber of Economy and the Croatian Employers' Association under the Agreement on Business Co-operation of March 2008, in the current year it is planned to organise a total of 19 workshops in the duration from one to three days for 30 attendants each. The attendants are persons working in local government and self-government units and the municipal sector (in co-operation with the Croatian Chamber of Economy) and representatives of the private sector (tenderers – in co-operation with the Croatian Employers' Association). The workshops are mostly organised in large towns across the Republic of Croatia (Rijeka, Zagreb, Varaždin, Osijek, Zadar, Split, Dubrovnik, Pula) and will include a total of 570 attendants by the end of 2008.

In 2009, the same dynamics is planned vis-à-vis the implementation of workshops evenly arranged through quarters. Co-operation with Croatian Chamber of Economy(CEC) and Croatian Employers' Association (CEA) will be continued in following medium-term period.

Ad4) The said training is in line with the activities included in Component 1 of the Twinning Light Phare 2005 project "Strengthening administrative capacity for the implementation of the legislative framework of the public procurement system". The project will also result in the preparation of the Manual for Contracting Authorities and the Manual for Tenderers – the guiding tool for participants in the public procurement system. The project is implemented in co-operation with the Republic of Hungary of 8 January 2008.

Ad5) The MELE, the Directorate for the Public Procurement System is also a beneficiary of the project "Further strengthening of the public procurement system in the Republic of Croatia" /Dutch programme G2G.NL(G2G)/ being implemented by the Dutch partner BIZOB (Bureau Inkoop en Aanbestedingen Zuidoost-Brabant). The goal and the purpose of the project is to strengthen the capacity both of those participating and making decisions in the public procurement system by professionalising the function of public procurement/procurement. The project will result in a Manual regarding the professionalisation of the procurement function and the Glossary of Public Procurement (Croatian/English) as a tool in tendering procedures. The value of the project is EUR 150,000. The project should be implemented in 2008 and completed on 31 December 2008.

Legal protection in the system of public procurement in the Republic of Croatia includes review of public procurement procedures by the State Commission for the Supervision of Public Procurement Procedures (DKOM), court protection before the Administrative Court, the right to damage compensation, criminal procedure before the Municipal Court, misdemeanour procedure before the Court of Misdemeanours, and supervision of the implementation of the Public Procurement Act.

At this moment DKOM does not have control over the award of public works concession contracts and services concession contracts, however, this will change after the adoption of the Concessions Act.

DKOM was founded pursuant to the Public Procurement Act, and established by the Act on the State Commission for the Supervision of Public Procurement Procedures (OG 117/03) in line with Council Directive 89/665/EEC, which sets the rules for conducting review (appeal) procedures in the system of public procurement.

Concerning the work of DKOM, it is important to point out the fact that DKOM makes its decisions at sessions by a majority vote of the present members. It is important that no one may abstain from voting. The organisation of the State Commission, with detailed information connected with legal protection can be found on DKOM's website at www.dkom.hr.

In accordance with Council Directive 89/665/EEC, if a body in charge of reviewing public procurement procedures based on appeals filed by the economic operators concerned is not a judicial body, it is necessary to ensure the right to court protection against the decisions of such a body. The Public Procurement Act grants such court protection against the decisions of DKOM to the Administrative Court of the Republic of Croatia.

In accordance with the provisions of the Public Procurement Act (OG 110/07), an economic operator is entitled to demand damage compensation from the contracting authority for the preparation of the tender and for the costs of participation in the public procurement procedure before the competent Municipal Court, in line with Council Directive 89/665/EEC and the judgment of the Court of Justice of the European Communities C-81/98, Alcatel Austria AG and Others, Siemens AG Osterreich, Sag-Schrack Anlagen technik AG against Bundesministerium fur Wissenschaft und Verkehr of 28 September 1999.

In accordance with the provisions of the Criminal Procedure Act (OG 62/03), the municipal court is competent to decide on matters in public procurement procedures involving criminal offences, which have the characteristics laid down in the Criminal Act of the Republic of Croatia.

In accordance with the provisions of the Courts Act (OG 3/94, 100/96, 115/97, 131/97, 129/00, 67/01, 5/02, 101/03, 117/03, 17/04), the misdemeanour courts make decisions on transgressions and misdemeanours in the first instance, unless the competence of some other body is laid down in some other act. Part Seven of the Public Procurement Act, "Provisions Concerning Misdemeanour Offences", does not stipulate the competence of some other body, so the competence for the misdemeanours listed in Article 172 of the Public Procurement Act is placed before the misdemeanour court having territorial and real jurisdiction.

Legal protection in the segment of supervising the implementation of the Public Procurement Act is described in Part III, Ad1).

Developing the system of legal protection - control

The provisions of the Public Procurement Act (Article 132) open the path for the control of procedures for the award of concessions and projects funded under the PPP model before DKOM. The legal preconditions are

in place, so the law which will regulate PPPs and concessions will have to determine the competence of DKOM in terms of legal protection procedures. The provisions of Directives 89/665/EEC, 92/13/EEC, Directives 2004/17/EC, 2004/18/EC and 2007/66/EC will thus be incorporated into the Croatian legal protection system in the system of public procurement.

The Act on Amendments to the Public Procurement Act, which is planned to be adopted by 30 September 2008 will serve to complete the alignment of legal protection with Directive 2007/66/EC. To achieve full alignment of the system of legal protection in public procurement with the Directives on public procurement, in the new Concessions Act the procedures for awarding concessions will be covered by legal protection before DKOM. Legal protection before DKOM will also include the field of public-private partnerships.

At the same time, the legislative package for September 2008 foresees amendments to the Act on the State Commission for the Supervision of Public Procurement Procedures, whereby the name of the institution will be changed. The Act will standardise the appointment of members of DKOM in accordance with the provisions of Council Directive 89/665/EEC, specifically with respect to the condition that the members of the body must be appointed and relieved of their duty under the same conditions as the representatives of the judicial authority (criteria for the appointment of judges). DKOM will also establish a department for international co-operation and development of legal protection, with a view to developing the best practice model for legal protection in public procurement. In addition to international co-operation, the department would also be tasked with the monitoring and analysis of the statistics connected with public procurement, with the analysis and selection of decisions of DKOM, etc.

Proceeding with the vision of an "institution of knowledge", DKOM applied for the funds from PHARE 2006 pre-accession fund, which were approved for a Twinning project entitled "Further Development of State Commission for the Supervision of Public Procurement Procedures and Review System in the Republic of Croatia". The activities should begin in November 2008. The foreseen activities are connected with study visits, internships, tailor-made seminars, both for the members and advisors of DKOM. As the mandate of the current members of DKOM expires in November 2008, and new appointments are expected in September 2008, it was decided that the project should begin with the appointment of a new convocation of DKOM. The tailor-made seminars will relate to both concessions and public-private partnerships. Thus investing into and developing human resources, DKOM is preparing for future use of the judgments of the European Court in its everyday work, and for providing appropriate answers in terms of becoming competent for the control of concessions and PPPs.

At the moment, DKOM, along with its five members, has 11 expert advisors, three administrative clerks, and a secretary. The human resources will increase through the recruitment of six new advisors by the entry into force of the new legislative package in the system of public procurement. The capacities are sufficient to realise the mission, under which the procedure of legal protection in the Republic of Croatia is:

- fast, foreseeable, easily accessible and efficient, realisable in all phases of the procurement procedure, from the adoption of a decision on the commencement of the procedure to the conclusion of the contract.

Provided that the approved annual budget, which in 2008 amounts to HRK 6,012,000, will not change, the said human resources guarantee continued implementation of the mission of this state body, and adjustments being made to the work of the institution in terms of the control for the award of concessions and PPPs. In 2009, it is expected that the budget of DKOM will increase by 5%, and if it becomes necessary to increase the number of expert advisors, in view of a rise in the number of appeals relating to the award of concessions, the MF and the State Treasury announced the possibility of further budget increases.

Corruption has got harmful social and economic effects as it undermines efficient distribution of the resources and fair distribution of income. Corruption in any economy reduces economic efficiency and has a negative impact on growth and development. Corruption hits the public sector hardest, because it decreases the income of the state, limits the possibility of financing public services, makes public procurement more expensive, and diminishes the efficiency of public administration and the measures of the economic policy. As corruption further taxes the economy, it increases the costs of business, undermines competitiveness and increases the business risk.

While respecting and acknowledging the goals and principles of the system of public procurement, the prevention of corruption in the system of public procurement is based on the following measures:

1. Strengthening the legal framework

The aim of strengthening the legal framework is to ensure that all procedures in which the state is a partner or a contractual party are subject to strict rules, thus reducing the risk of corruption. It is therefore necessary to regulate the overall system of public procurement, which, along with the conclusion of public contracts for products, works and services, includes concession contracts and public-private partnerships. By amending the legislative framework of public procurement, stricter rules and conditions for the participation of economic operators at competition tender procedures will apply if they are in any way (in terms of interests, ownership or family relations) connected with the contracting authority. In addition, the provisions on the nullity of public contracts will be amended if the conclusion of such contracts is a consequence of corruption by the tenderer or the responsible person in the tenderer. Transparent procedures contribute to reducing corruption risks. The proposed changes will be reflected in the amendments to the Public Procurement Act foreseen for September 2008.

2. Strengthening the control mechanisms

Further strengthening of the control mechanisms will proceed in the domain of supervision (MELE) and control (DKOM). DKOM is also an anti-corruption body, which provides assistance to the system of public procurement through its visible work. The anti-corruption role of DKOM can be divided into three groups of activities:

➤ Prevention

The primary anti-corruption activity is reflected in the raising of visibility of the work of the institution and the training of all those participating in public procurement procedures about the basic postulates of legal protection in public procurement. DKOM publishes the Register of Cases Subject to Administrative Procedure on its official website at www.dkom.hr, which is updated daily, so that all interested parties, as well as the general public, have access to all the steps of the review procedure. In accordance with the Public Procurement Act, DKOM's decisions, after being sent to the parties in the review procedure, and after the return receipts are received, are published on the said website in full form, thus achieving maximum transparency in the work of the institution.

➤ Education

Along with the training mentioned under Title IV, the proactive approach to the improvement of the system of legal protection foresees the following:

- a series of educational seminars concerning "Legal Protection in Public Procurement", which will be held in several Croatian towns, and will be open to the persons obliged to adhere to the Public Procurement Act and the representatives of the private sector under equal conditions;
- the Manual of Legal Protection for Tenderers and Contracting Authorities is also one of the outputs foreseen in this project (the time schedule depends on the progress of approving the Twinning Light project);

- the organisation of professional workshops for the representatives of the media, where the editors will receive information about public procurement, PPPs and concessions.

- Sanctions

It is expected that the co-operation with the State Attorney's Office, USKOK and other bodies in charge of fighting corruption will continue, especially against corruption in the system of public procurement. Corruption is a criminal act defined by the Penal Code; by providing education on recognizing corruptive elements in the public procurement, MELE assists the competent authorities in the execution of their competences which may result in criminal charges against the perpetrator.

Apart from the State Commission for the Supervision of Public Procurement Procedures, which evaluates the lawfulness of public procurement procedures, the Directorate for the System of Public Procurement conducts prevention and instruction activities. The activities of prevention and instruction are taken at a time and during the phases when it is still possible to remedy irregularities, before the adoption of a decision on selection or cancellation. The approach is based on the identification of risks, recognition of risks and the establishment of procedures aimed at their mitigation. However, the role of the Directorate for the System of Public Procurement may not be an independent one, because in that case it would overlap with other forms of control. Co-operation with the State Audit Office, in charge of control of the finished public procurement procedures, and the Budget Supervision Department within the MF, enables, on the one hand, better identification and assessment of risks (prevention) and, on the other, the possibility of proceeding against any omissions made (repression).

3. Co-operation with other control bodies

With the aim of better co-ordination and joint activity of internal and external institutions of control and audit, and to avoid any overlapping of competencies, it is planned to conclude a quadrilateral agreement on co-operation by and between the State Audit Office, the MF, the Ministry of the Interior and the State Attorney's Office/USKOK by the end of 2008.

4. Training concerning anti-corruption and ethics

The Regulation on forms, methods and conditions of training in the public procurement system, along with other educational programmes, also foresees a programme for the system of preventing corruption in public procurement. This specialised programme includes both basic and advanced knowledge of the professional integrity of all those involved in public procurement activities. The programme includes education of officials who work on public procurement in state, local and regional self-government units, and other persons involved in the procedures. The specialised course serves to acquire basic and advanced knowledge about the harmfulness of corruption, its appearance, recognition, risks, prevention and criminal prosecution of the perpetrators. The system which is in place for the professional development of the staff conducting or participating in public procurement procedures must transform them into public procurement professionals and specialists.

5. Raising awareness of the importance of preventing corruption in the system of public procurement

Activities aimed at raising public awareness of the importance of public procurement and the risks of corruption will be organised both independently and in co-operation with civil society organisations through campaigns, round tables and conferences, brochures, clips and posters, etc. This measure also includes specialised seminars for the representatives of the media with a view to circulating information to the wider public. A PR Agency is to be tendered after the adoption of the 2009 budget (January 2009) in order to assist the preparation and realization of the campaign.

6. Encouraging the use of e-procurement

The use of new ICTs in all segments of public administration and the openness of access to information, in accordance with the legislation in the field of the protection of the secrecy of data and other regulations

relating to the accessibility of data, may have a major role in preventing corruption through better transparency of the procedures of the authorities and economic operators involved in the processes of building and procuring new values.

The new Public Procurement Act does not dictate, but it does encourage electronic commerce in the system of public procurement, save for the use of the electronic classifieds, which is mandatory. It is necessary to make an impact on the persons obliged to adhere to the Act to use e-auction, e-tendering and advanced electronic signature through information and publication activities, so that they would use them not only to strengthen the principles of transparency and publicity, but also to achieve significant financial savings.

7. Establishment of central public procurement bodies

By providing advisory and consulting services and implementing pilot projects, efforts are made to encourage the establishment of central public procurement bodies with a view to achieving financial savings by reducing costs and the number of staff conducting public procurement procedures, and the risks of corruption. At the central level, the Government of the Republic of Croatia will set up a central public procurement body by 2011. The City of Zagreb has also opted for this step, which should be implemented in 2009.

For the implementation of the anti-corruption measures in the public procurement system, MELE shall prepare project proposal for IPA 2007/2008.

VII Conclusion

With the share of public expenditures reaching almost 48 percent of GDP, the state features as an important economic factor in Croatia. Its activities, the number and the amount of monetary transactions largely affect Croatia's overall economic activities and society as a whole. In order to render this influence positive and stimulating, the interaction between the state and other sectors should be as efficient and fair as possible. This strategic document has been prepared with a view to improving a substantial part of these interactions taking place by way of public procurement, concessions and public-private partnerships. The Strategy for the Development of the Public Procurement System in the Republic of Croatia is primarily characterised by dynamism and flexibility in its objectives and measures, which is necessary in order to take into account the complexity of all processes involved in the system of public procurement. Namely, the importance of legally regulating the field of public procurement in the Republic of Croatia involves the process of transposing the remaining part of the *acquis communautaire* into the national legislation, as complemented by the detailed methods of implementation and proper use in practice on all levels, accompanied by the raising of awareness of the reforms in process and communication with the wider public about the foreseen novelties.

Full implementation of the Strategy will enable:

- the realisation of the basic principles of public procurement system: transparency, non-discrimination, competition and equality of treatment, as well as the achievement of the "best value for money",
- improved competitiveness on the market of products, services and works contracted by the state, including the award of concessions for works and services, and the promotion of PPP models;
- an improved procedure for the organisation and management of acquisition,
- training and education for the purpose of enhancing the skills and competitiveness of employees, for the purpose of sustaining measurable progress in the performance of public procurement procedures, the award of concessions and PPPs on all levels;
- the implementation of new technologies as support to various aspects of public procurement (e-procurement),

- the alignment of the Croatian legislation on concessions with the *acquis communautaire*, subject to the application of the principles of non-discrimination, principle of equal treatment, transparency, mutual recognition and proportionality, for the purpose of boosting market competition;
- the development of guidelines on public-private partnerships;
- the achievement of adequate legal protection in public procurement procedures and in the procedures of awarding concessions and public-private partnerships.

Annex I Training and the measures of strengthening the public procurement system - Overview

Ad) 1

List of terms for moduls/workshops/seminars is as follows:

| |
|---|
| Introduction to Public Procurement and Overview of the Development of Public Procurement in the EU Introduction to the Legal System and Institutions of the European Community |
| The Current System and the Fundamental Principles of European Public Procurement Law. New Instruments and Options in European Public Procurement Law |
| Introduction to e-Procurement Legal Protection in Public Procurement under EC Directives |
| Development of the Croatian Legislation on Public Procurement Croatian System of Public Procurement Overview of the Current legal framework and Institutions Opportunities in the Croatian System of Public Procurement Organisation of the Units for Procurement and Planning of the Award Procedure |
| Preparation of the Award Procedure Workshop – Presentation of the Application for e-Procurement |
| Preventing Corruption Exercises in Preventing Corruption |
| Legal Protection in Public Procurement in Croatia Workshop – in-house/actual procurement |
| Introduction to Public Private Partnerships Exercises in Public Private Partnerships Concession |
| Developing Contests and the Award of Service Contracts Exercises and Discussions |
| Scope of Implementation of the Public Procurement Act, Exceptions, Definitions and General Principles, Types of Award Procedures Types of Contracts, Participants in Procurement Procedures |
| Value Thresholds and Estimated Contract Values Preparation of the Award Procedure Preliminary Notice of Procurement and Invitations to Tender Tender Documents |
| Workshop with Practical Examples of Award Procedures throughout Europe |
| Submission of Tender Documents, Time Limits for Submitting Tenders Form and Content of Tenders, Receipt and Deposition of Tenders, Expert Commission Opening of Tender, Review of Tenders, Explanation of Tenders |
| Award Criteria Assessment of Tenders, Cancellation of Tender Procedures, Information on Tenderers Award of Contracts, Documents, Statistics, Reports, Performance of Contracts |
| Contribution to presenting needs to the tenderer in order to present them in a manner that is understandable to potential tenderers and with relevant criteria for assessment and selection |
| Complementary terms such as the cost of future use of equipment procured and, accordingly, comparison of tenders |
| Notion of ethics, when ethics faces the challenge of subjective selection criteria |
| Chain of Procurement, Logistics and Supply |
| European Tendering Business Approach and Legislation General Purchasing Management (Strategic Purchasing and Planning) Market Research Specification (Functional) Purchase Contracts Joint Procurement |

INSTRUCTION PROGRAMME I

| | | | |
|---------------------------------|---|-----------------------|----------|
| Name | Public procurement policy (for management) | | |
| Number | | Duration | 2 days |
| | | No. of teaching hours | 16 hours |
| | | No. of participants | 20 |
| Purpose | <p>Providing participants with an insight into the binding provisions, requirements and relevant procedures of the Public Procurement Act, the Act on Public Private Partnership and the Concessions Act. Providing detailed information on the different types of procurement, public private partnership and concession, and on the planning and implementation of public procurement procedures. The principles interconnecting public procurement, public private partnerships and concessions, good management practices, including anticorruption measures, and professionalisation of the function of public procurement form an integral part of the programme.</p> | | |
| Primary target group | Managers responsible for the management of finances, procurement, public private partnerships and concessions. | | |
| Secondary target group | Officials and experts in need of basic understanding of the principles for conducting public procurement procedures and implementing public private partnerships and concessions. | | |
| Methods | <p>Plenary presentation of laws currently in force (public procurement, public private partnerships, concessions) combined with group work on chosen case studies.</p> <p>Due to the nature of the subject-matter, it is important that the trainer/lecturer focuses on the need for alternating methods and applying participatory learning methods aimed at improving the achievement of goals.</p> <p>The seminar/workshop implementation plan must provide for sufficient time for group work and open discussion among participants.</p> | | |
| Lecturers/trainers | <p>Trainers/lecturers are required to have an in-depth knowledge of the current national legal framework for public procurement and of regulations on the EU public procurement system. Advantage should be given to trainers with practical experience in the field of public procurement. Experience in the development and implementation of adult training is required. Furthermore, trainers/lecturers should have good presentation skills.</p> | | |
| Teaching materials and the rest | <p>Additional materials include the following:</p> <ol style="list-style-type: none"> a) Presentation print-outs to support plenary presentations (Public Procurement Manual developed in the framework of the CARDS Project) b) Tasks/exercises c) Additional reading list d) List of links. | | |

INSTRUCTION PROGRAMME II

| | | | |
|---------------------------------|--|--|--------------------------|
| Name | Public procurement policy (for the heads of operational procurement) | | |
| Number | | Duration No. of teaching hours No. of participants | 3 days 24 hours 20 |
| Purpose | <p>Enabling participants to arrive at a better understanding of the binding provisions, requirements and relevant procedures of the Public Procurement Act, the Act on Public Private Partnerships and the Concessions Act, and making them aware of the links between public procurement and good management practices. Implementation of anticorruption measures and professionalisation of the function of public procurement are an integral part of the programme. Training in the application of correct procedures with respect to different types of procurement, public private partnerships and concessions, organisation and planning of the implementation of procedures for procurement, public private partnerships and concessions.</p> | | |
| Primary target group | Officials responsible for the planning and organization of procurement. | | |
| Secondary target group | Officials and experts in need of a basic understanding of the principles for conducting public procurement procedures and implementing public private partnerships and concessions. | | |
| Content | | | |
| Methods | <p>Plenary presentation of laws currently in force (public procurement, public private partnerships, concessions) combined with group work on chosen case studies.</p> <p>Due to the nature of the subject-matter, it is important that trainers/lecturers be focused on the need for alternating methods and applying participatory learning methods aimed at improving the achievement of goals.</p> <p>The seminar/workshop implementation plan must provide for sufficient time for group work and open discussion among participants.</p> | | |
| Lecturers/trainers | <p>Trainers/lecturers are required to have an in-depth knowledge of the current national legal framework for public procurement, public private partnerships and concessions and of regulations on the EU public procurement system. Experience in the development and implementation of adult training is required. Furthermore, trainers/lecturers should have good presentation skills.</p> | | |
| Teaching materials and the rest | <p>Additional materials include the following:</p> <ul style="list-style-type: none"> Presentation print-outs to support plenary presentations (Public Procurement Manual developed in the framework of the CARDS Project) Tasks/exercises Additional reading list List of links. | | |

INSTRUCTION PROGRAMME III

| | | | |
|---------------------------------|--|-----------------------|----------|
| Name | Public procurement policy (procurement experts) | | |
| Number | | Duration | 5 days |
| | | No. of teaching hours | 40 hours |
| | | No. of participants | 20 |
| Purpose | Enabling participants to arrive at a thorough understanding of all applicable provisions, requirements and relevant procedures of the new legislation on public procurement, public private partnerships and concessions, including the proper implementation of anticorruption measures and professionalisation of the function of public procurement. Furthermore, training participants in the implementation of correct procedures with respect to different types of procurement, public private partnerships and concessions, and planning and implementation of these procedures in accordance with the relevant rules. | | |
| Primary target group | Officials who are directly involved in the organisation and implementation of procedures for procurement, public private partnerships and concessions. | | |
| Secondary target group | Experts – including auditors and financial controllers who are required to have an in-depth knowledge of the principles, requirements and procedures for the implementation of public procurement procedures (procurement, public private partnerships and concessions). | | |
| Content | | | |
| Methodology | <p>Plenary lecture on legislation currently in force in combination with group work on chosen case studies.</p> <p>Due to the nature of the subject-matter, it is important that trainers/lecturers be focused on the need for alternating methods and applying participatory learning methods aimed at improving the achievement of goals.</p> <p>The seminar/workshop implementation plan must provide for sufficient time for group work and open discussion among participants.</p> | | |
| Lecturers/trainers | Trainers are required to have an in-depth knowledge of adult training methods, as well as of the legislation and procurement rules in the EU, and have practical experience in public procurement. Experience in the development and implementation of adult training is needed. Furthermore, trainers have to demonstrate their mastery of presentation skills. | | |
| Teaching materials and the rest | <p>Additional materials include the following:</p> <ul style="list-style-type: none"> a) a set of PP slides to support plenary presentations (Public Procurement Manual developed in the framework of the CARDS Project) b) Tasks/exercises c) Additional reading list d) List of links. | | |

Ad) 2.

INSTRUCTION PROGRAMME (civil servants)

The "Public Procurement" module will take the form of a specialised programme for civil servants for the duration of 13 days and will be organised by the Central State Office for Administration, Centre for the Professional Training and Development of Civil Servants in cooperation with the Ministry of the Economy, Labour and Entrepreneurship.

| | | | |
|----------------------|---|---|----------------------------|
| Name | PUBLIC PROCUREMENT Module | | |
| Code | | Duration No. of teaching hours No. of participants | 13 days 104 hours 16 |
| Purpose | This type of training will serve to facilitate the implementation of the Public Procurement Act. By looking at practical examples, participants will gain confidence about the implementation of new methods laid down in the new Public Procurement Act, they will acquire the skills needed for using the Public Procurement WEB Portal and the Electronic Public Procurement Classifieds, and gain insight into public tendering via e-Auction. | | |
| Aim | <p>Enable participants to gain knowledge of the implementation of the new Public Procurement Act, and in particular the following skills:</p> <ul style="list-style-type: none"> • selection of procurement procedures and methods (M1); • in the field NOTICE via the Public Procurement WEB Portal and correctly select and fill in the notice form (M2); • fight against corruption in the system of public procurement (M3); • lay down the conditions and evidence of suitability at the time of drawing up tender documents in accordance with the Act (M4); • draw up tender documents, come to realize how the quality of the tender depends on the quality of tender documents, conclude the contract and monitor its execution (M5); • application of rules on legal protection, i.e., deciding on appeals/reviews (M6) <p>Participants will first and foremost gain an insight into and practical experience in the implementation of the basic provisions of the new Act. A total of 80 civil servants (+ 16 from the year 2007) will take part in the modular training. They will be interconnected and will form a public procurement system knowledge and implementation base.</p> | | |
| Primary target group | Civil servants, heads of internal organizational units responsible for conducting public procurement procedures within state administration bodies. | | |

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|------------------------|--|
| Secondary target group | Civil servants at organizational units responsible for conducting public procurement procedures within ministries and those responsible for direct implementation of the provisions of the Public Procurement Act. |
| Content | <ol style="list-style-type: none"> 1. selection of the procedure and method of public procurement 2. the course of and participants in public procurement procedures 3. the provisions on conducting public procurement procedures 4. the methods of submitting information 5. public procurement notices 6. levels of publication and notices corrections 7. use of the Common Procurement Vocabulary (CPV) 8. the Public Procurement WEB Portal and e-Auction 9. the Anticorruption programme in the public procurement system 10. determining the moment of suitability 11. conditions of suitability and evidence of legal capacity, acting capacity and financial standing 12. evidence of suitability of other economic entities 13. quality assurance standards 14. tender documents 15. the general and special provisions of tender documents 16. the object of procurement 17. the general and special provisions on the Tender 18. receipt and opening of tenders submitted in hard copy and electronically 19. examination and evaluation of tenders, decision 20. the principles of the legal protection procedure and protective rights 21. appeals and methods of lodging an appeal 22. injunctions and the continuation of the public procurement procedure 23. deciding on appeals, procedural costs, reimbursement and fees |
| Methodology | <p>Presentation (PowerPoint, flipchart, board). Participants will, through a brief theoretical presentation, practical exercises and an interactive workshop, become skilful in applying the knowledge and experiences they already possess for the implementation of public procurement procedures. Through participation in a well-run discussion they will exchange experiences in solving problems in conducting public tendering, group work – the basic principle consists in drawing comparisons between the old and the new Public Procurement Act, what has been left unchanged, what has been modified, what is completely new...</p> |
| Lecturers/trainers | <p>The trainer/lecturer providing training has an in-depth knowledge of the Public Procurement Act and all the pertinent regulations. The trainer/lecturer is highly knowledgeable in the field of public procurement, possesses adult-teaching skills, and is well acquainted with the practice.</p> |

Ad) 3. 1.

CURRICULUM Public servants (contracting authorities and entities) and local/regional self-government

The "Public Procurement" workshop programme shall be implemented by the Ministry of the Economy, Labour and Entrepreneurship, Directorate for the Public Procurement System in cooperation with the Croatian Chamber of Economy based on the Co-operation Agreement of March 2008.

| | | | |
|------------------------|---|---|--------------------------|
| Name | PUBLIC PROCUREMENT Workshop | | |
| Code | | Duration No. of teaching hours No. of participants | 3 days 24 hours 30 |
| Purpose | This type of training will serve to facilitate the implementation of the Public Procurement Act. By looking at practical examples, participants will gain confidence about the implementation of new methods laid down in the Public Procurement Act, they will acquire the skills needed for using the Public Procurement WEB Portal, the Electronic Public Procurement Classifieds and the electronic system of on-line NOTICES. | | |
| Aim | <p>Participants will first and foremost acquire the following skills:</p> <ul style="list-style-type: none"> • selection of procurement procedures and methods; • fight against corruption in the system of public procurement; • lay down the conditions and evidence of suitability at the time of drawing up tender documents in accordance with the Act; • draw up tender documents, choose the most advantageous tender, conclude the contract and monitor its execution; • use of the legal protection procedure, i.e., deciding on appeals; <p>Participants will first and foremost gain an insight into and practical experience in the basic provisions of the Act. In 2008 a total of 480 participants will take part in the workshops. All the participants will be interconnected so that all contact data of participants dealing in public procurement in Croatia will be available to them.</p> | | |
| Primary target group | Employees of the utility infrastructure sector and local government and self-government. | | |
| Secondary target group | Large companies participating as tenderers in tendering procedures at the national and local level and in the utility sector. | | |
| Content | <ol style="list-style-type: none"> 1. selection of the procedure and method of public procurement 2. the course of and participants in public procurement procedures 3. the provisions on conducting public procurement procedures 4. the methods of submitting information 5. public procurement notices 6. levels of publication and notices corrections 7. using the Common Procurement Vocabulary (CPV) | | |

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| | <ol style="list-style-type: none"> 8. the Electronic Public Procurement Classifieds and e-Auction 9. the Anticorruption programme in the public procurement system 10. determining the suitability of the tenderer 11. evidence of legal capacity, acting capacity and financial standing 12. evidence of suitability of other economic entities 13. quality assurance standards 14. tender documents 15. the general and special provisions of tender documents 16. the object of procurement 17. the general and special provisions on the Tender 18. receipt and opening of tenders submitted in hard copy and electronically 19. examination and evaluation of tenders, decision 20. the principles of the legal protection procedure and protective rights 21. appeals and methods of lodging an appeal 22. injunctions and the continuation of the procurement procedure 23. deciding on appeals, procedural costs, reimbursement and fees |
| Methodology | <p>Presentation (PowerPoint, flipchart, board). Participants will, through a brief theoretical presentation, practical exercises and an interactive workshop, become skilful in applying the knowledge and experiences they already possess to the implementation of public procurement procedures. Through participation in a well-run discussion they will exchange experiences in solving problems in conducting public tendering, group work – the basic principle consists in drawing comparisons between the old and the new Public Procurement Act, what has been left unchanged, what has been modified, what is completely new...</p> |
| Lecturers/trainers | <p>The trainer/lecturer providing training has an in-depth knowledge of the Public Procurement Act and all the pertinent regulations. The trainer/lecturer is highly knowledgeable in the field of public procurement, possesses adult-teaching skills, and is well acquainted with the practice.</p> |

Ad 3.) 2. INSTRUCTION PROGRAMME Entrepreneurs (tenderers)

The "Public Procurement" workshop programme shall be implemented for the duration of one day by the Ministry of the Economy, Labour and Entrepreneurship, Directorate for the Public Procurement System in cooperation with the Croatian Association of Employers based on the Co-operation Agreement of March 2008.

| | | | |
|------------------------|--|---|------------------------|
| Name | PUBLIC PROCUREMENT Workshop | | |
| Code | | Duration No. of teaching hours No. of participants | 1 day 8 hours 60 |
| Purpose | Training will serve to facilitate the implementation and improve the understanding of the Public Procurement Act. By looking at practical examples, participants will gain confidence and become aware of the advantages of the new methods laid down in the Public Procurement Act, they will acquire the skills needed for using the Public Procurement WEB Portal and the Electronic Public Procurement Classifieds. | | |
| Aim | <p>Participants will first and foremost acquire the following skills:</p> <ul style="list-style-type: none"> • fight against corruption in the system of public procurement; • drawing up the Tender in accordance with tender documents; • paying special attention to time limits; • concluding the contract and monitoring the quality of its execution; • using legal protection, i.e., correctly using the institute of appeal; <p>Participants will first and foremost gain an insight into and practical experience in the basic provisions of the Act. In 2008 a total of 90 participants will take part in the workshops. All the participants will be interconnected so that all contact data of tender participants will be available to them.</p> | | |
| Primary target group | Small and medium-sized enterprises. | | |
| Secondary target group | Big companies participating as tenderers in tendering procedures at the national and local level and in the utility sector. | | |
| Content | <ol style="list-style-type: none"> 1. the course of and participants in public procurement procedures 2. the provisions on conducting public procurement procedures 3. using the Common Procurement Vocabulary (CPV) 4. the Electronic Public Procurement Classifieds and e-Auction 5. the Anticorruption programme in the public procurement system 6. evidence of legal capacity, acting capacity and financial standing 7. evidence of suitability of other economic entities | | |

| | |
|--------------------|--|
| | <ol style="list-style-type: none"> 8. quality assurance standards 9. tender documents 10. the general and special provisions on the Tender 11. receipt and opening of tenders submitted in hard copy and electronically - deadlines 12. examination and evaluation of tenders, decision 13. contract 14. the principles of the legal protection procedure and protective rights 15. appeals and methods of lodging an appeal 16. injunctions and the continuation of the procurement procedure 17. deciding on appeals, procedural costs, reimbursement and fees |
| Methodology | <p>Presentation (PowerPoint, flipchart, board). Participants will, through a brief theoretical presentation, practical exercises and an interactive workshop, become skilful in applying the knowledge and experiences they already possess to the implementation of public procurement procedures.</p> |
| Lecturers/trainers | <p>The trainer/lecturer providing training has an in-depth knowledge of the Public Procurement Act and all the pertinent regulations. The trainer/lecturer is highly knowledgeable in the field of public procurement, possesses adult-teaching skills, and is well acquainted with the practice.</p> |

Ad) 4.

Staff - Directorate for the Public Procurement System - 2008

TWINNING LIGHT PHARE 2005 "STRENGTHENING ADMINISTRATIVE CAPACITY FOR THE IMPLEMENTATION OF THE NEW LEGISLATIVE FRAMEWORK OF THE PUBLIC PROCUREMENT SYSTEM"

HAS TWO COMPONENTS:

COMPONENT 1: TRAINING PROGRAMME BASED ON THE NEW LEGISLATIVE FRAMEWORK FOR PUBLIC PROCUREMENT:

- ASSESSMENT OF THE NEED FOR THE TRAINING OF EMPLOYEES AND OTHER FACTORS INVOLVED (THE STATE COMMISSION FOR THE SUPERVISION OF PUBLIC PROCUREMENT PROCEDURES AND AT LEAST 4 TRAINERS FROM THE CARDS 2002 TWINNING PROJECT);
- THE TRAINING PROGRAMME CONSISTS OF WORKSHOPS, SEMINARS AND CASE STUDIES;
- IMPLEMENTATION OF THE TRAINING PROGRAMME;
- STUDY VISIT FOR 12 PARTICIPANTS TO A MEMBER STATE ORGANIZED AS PART OF THE TRAINING PROGRAMME.

COMPONENT 2: UPDATING THE MANUAL ON THE BASIS OF THE NEW LEGISLATIVE FRAMEWORK FOR PUBLIC PROCUREMENT:

- UPDATED AND PREPARED MANUAL FOR CONTRACTING AUTHORITIES
- UPDATED AND COMPLETED MANUAL FOR TENDERERS,
- ORGANISED PUBLIC PRESENTATION OF UPDATED MANUALS

Ad) 5.

PROJECT "FURTHER STRENGTHENING OF THE PUBLIC PROCUREMENT SYSTEM IN THE REPUBLIC OF CROATIA"

Member State: Kingdom of the Netherlands

Programme: Bilateral pre-accession assistance programme of the Kingdom of the Netherlands in the Republic of Croatia

Partner in the Republic of Croatia: Ministry of the Economy, Labour and Entrepreneurship, Directorate for the Public Procurement System

Partner in the Kingdom of the Netherlands: BIZOB (Bureau Inkoop en Aanbestedingen Zuidoost-Brabant) - in cooperation with the Netherlands Ministry of Economic Affairs

Project beneficiaries: Ministry of the Economy, Labour and Entrepreneurship, Directorate for the Public Procurement System, Contracting authorities and entities in the Republic of Croatia (state bodies, bodies of local and regional self-government units)

Project value: EUR 150,000

Project implementation: in 2008 and completed on 31 December 2008

Project Purpose: Further strengthening of the public procurement system in the Republic of Croatia by providing assistance to the Ministry of the Economy, Labour and Entrepreneurship/Directorate for the Public Procurement System in implementing the legislation on public procurement in the Republic of Croatia through the sharing of expertise and experience for the purpose of professionalising the purchase and tendering function.

Project objectives are as follows:

- Enhanced capacities and skills of the public procurement system for the implementation of public procurement rules in an efficient and effective business-driven manner;
- Trained procurement entity in the implementation of professional purchase and tendering procedures (Pilot project);
- Development of practical tools - manual(s) for contracting entities to strengthen the knowledge of professionalisation of the procurement function.

Activities of the project will be the training of participants and the professionalisation of the function of public procurement/procurement, the drafting of the Manual and providing support for compiling of the Public Procurement Glossary (Croatian/English). The methodology used provides for a study visit (for 5 participants) and workshops - three for the training of participants in the public procurement system - two for participants involved in public procurement at the operational level (about 100 participants) of both the central government and the local/regional self-government, and one at the management level (about 100 participants) of the local/regional self-government and central government. One workshop will be organised for the staff of the Ministry of the Economy, Labour and Entrepreneurship/Directorate for the Public Procurement System.

Target groups:

- Civil servants and servants of local and regional self-government who work in organisational units for the implementation of public procurement procedures and heads of internal organisational units for the implementation of public procurement procedures.
- Heads (deputy heads) of state authority bodies and bodies of local/regional self-government who are authorized to make strategic decisions.
- Employees of the Ministry of the Economy, Labour and Entrepreneurship/Directorate for the Public Procurement System.

| | | | |
|------------------------|--|---|----------------------|
| Name | Project FURTHER STRENGTHENING OF THE PUBLIC PROCUREMENT SYSTEM IN THE REPUBLIC OF CROATIA (G2G.NL/G2G Assistance programme of the Kingdom of the Netherlands in the Republic of Croatia) | | |
| Code | | Total duration No. of workshops No. of teaching hours | 10 days (3+3+3+1) |
| Purpose | The purpose of the project is to strengthen the capacity of both the participants and decision-makers in the public procurement system by professionalising the function of public procurement/procurement. | | |
| Aim | <ul style="list-style-type: none"> enhanced capacities and skills of the public procurement system through the implementation of public procurement rules in an efficient and effective business-driven way; Workshops will include a total of 40 civil servants and authorized officials of state authority bodies. Study visit to the Netherlands for the purpose of gaining insight into best practice. | | |
| Primary target group | Civil servants working in organisational units for the implementation of public procurement procedures and heads of internal organisational units for the implementation of public procurement procedures. | | |
| Secondary target group | Heads (deputy heads) of state authority bodies who are authorised to make strategic decisions. | | |
| Content | <ol style="list-style-type: none"> European tendering Business Approach and Legislation General Purchasing Management (Strategic Purchasing and Planning) Market Research Specification (Functional) Purchase Contracts Joint Procurement | | |
| Methodology | Presentation (PowerPoint, flipchart, board). Participants will, through a brief theoretical presentation, discussion, an interactive workshop, and insight into the best practice, realize what is meant by professionalisation of work in the framework of the public procurement function. | | |
| Lecturers/trainers | Dutch experts on the Project | | |

| | | | |
|------------------------|--|--|------------------------------|
| Name | <p>FURTHER STRENGTHENING OF THE PUBLIC PROCUREMENT SYSTEM IN THE REPUBLIC OF CROATIA (G2G.NL/G2G Assistance programme of the Kingdom of the Netherlands in the Republic of Croatia)</p> | | |
| Code | | <p>Total duration No. of workshops No. of teaching hours</p> | <p>10 days (3+3+3+1)</p> |
| Purpose | <p>The purpose of this project is to strengthen the capacity of both the participants and decision-makers in the public procurement system by professionalising the function of public procurement/procurement.</p> | | |
| Aim | <ul style="list-style-type: none"> enhanced capacities and skills of the public procurement system through the implementation of public procurement rules in an efficient and effective business-driven way; <p>Workshops will include some 160 officials and authorised agents from local and regional self-government. Study visit to the Netherlands for the purpose of gaining insight into best practice (the same study visit as the one mentioned under CURRICULUM I).</p> | | |
| Primary target group | <p>Officials of the local/regional self-government working in organisational units for the implementation of public procurement procedures and heads of internal organisational units for the implementation of public procurement procedures.</p> | | |
| Secondary target group | <p>Heads (deputy heads) of local/regional self-government bodies who are authorised to make strategic decisions.</p> | | |
| Content | <ol style="list-style-type: none"> European tendering Business Approach and Legislation General Purchasing Management (Strategic Purchasing and Planning) Market Research Specification (Functional) Purchase Contracts Joint Procurement | | |
| Methodology | <p>Presentation (PowerPoint, flipchart, board). Participants will, through a brief theoretical presentation, discussion, an interactive workshop, and insight into the best practice, realize what is meant by professionalisation of work in the framework of the public procurement function.</p> | | |
| Lecturers/trainers | <p>Dutch experts on the Project.</p> | | |

| | Workshop | Workshop | Workshop | | Study visit | Pilot-project |
|------------------------|---|---|--|--|------------------|------------------------------|
| Period (2008) | 27- 29 May 2008 | 10-12 June 2008 | 23 September 2008 | 24 September 2008 | 22-24 April 2008 | II-IV quarter 2008 |
| Place | Zagreb | Split | Zagreb | Zagreb | The Netherlands | Zagreb |
| Subject matter | <ul style="list-style-type: none"> - European Tendering - Business Approach and Legislation - General Purchasing Management (Strategic Purchasing and Planning) - Market Research - Specification (Functional) - Purchase Contracts | <ul style="list-style-type: none"> - European Tendering - Business Approach and Legislation - General Purchasing Management (Strategic Purchasing and Planning) - Market Research - Specification (Functional) - Purchase Contracts | <ul style="list-style-type: none"> - On professionalisation of the public procurement function - network | On professionalisation of the public procurement function ^[1] | | Joint purchase of stationery |
| Target group | Civil servants and officials of the local/regional self-government working in organisational units for the implementation of public procurement procedures and heads of internal organisational units for the implementation of public procurement procedures. | Civil servants and officials of the local/regional self-government working in organisational units for the implementation of public procurement procedures and heads of internal organisational units for the implementation of public procurement procedures. | Heads (deputy heads) of state authority bodies and local/regional self-government bodies who are authorised to make strategic decisions. | Employees of the Ministry of the Economy, Labour and Entrepreneurship/Directorate for the Public Procurement System. | | |
| Number of participants | Max 50 | Max 50 | Max 100 | around 20 | 5 | |

^[1] Employees of the Directorate will take part in the “train-the-trainers“ programme with regard to professionalisation of the public procurement/procurement function which will enable them to train the public procurement system over the ensuing period and following completion of this project, i.e., over the ensuing training period of the public procurement system (Training Programme 2007-2009).