

Project Fiche – IPA National programmes / Component I

1 IDENTIFICATION

Project Title	Strengthening Public Procurement system in Bosnia and Herzegovina
CRIS Decision number	2012/23589
Project no.	2
MIPD Sector Code	1. Public Administration Reform
ELARG Statistical code	03.05. Ability to assume the obligations of membership (CCs)/ approximation of European standards (PCCs). Public procurement.
DAC Sector code	15111 – Public Financial Management
Total cost (VAT excluded)	EUR 1 655 000
EU contribution	EUR 1 500 000
Management mode	Centralised
EU Delegation in charge	Delegation of the European Union to Bosnia and Herzegovina
Implementation management	Delegation of the European Union to Bosnia and Herzegovina
Implementing modality	Stand-alone project
Project implementation type	C01 – Project-type interventions
Zone benefiting from the action(s)	Bosnia and Herzegovina

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

As identified by MIPD (3.2.1. Description of sector) “The preparations in the field of public procurement are still at an early stage as a new public procurement law taking into account new EU Directives has not yet been adopted.

Coordination mechanisms and administrative capacities are weak and policy coherence needs to be improved. The financial management and control systems in Bosnia and Herzegovina need to be further developed. Public Internal Financial Control in the State and Entity administration has been introduced but the capacities and coordination between Entities are limited.”

Since it is not predictable when the new law on public procurement would be adopted, the proposed project is based on strengthening capacities of all involved in public procurement system for implementation of the existing law, but at the same time for the implementation of the new law once adopted. The proposed project is focused on how to properly implement the relevant law in order to most efficiently use public funds.

As it is identified by European Commission as well as by prominent NGOs, BiH is among the states at the bottom regarding the Corruption Perception Index when it comes to corruption in the public sector. This project will also address the issue of the public awareness about the need to fight corruption in this area.

Since the Public Procurement Agency (PPA) does not have technical capacities to make transparent all relevant decisions on appeals made by Procurement Review Body (PRB) for all interested parties, the proposed project will make it possible that these decisions are transparent and accessible for the interested parties to analyse and learn from them in order to improve their practice. This will also contribute to harmonising legal practice and further strengthen the public procurement system in BiH.

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

MIPD 3.2.3. Sector Objectives for EU support over next three years

“Adopt and implement the legal framework for public procurement and public financial management and control in compliance with EU standards.

- *Indicators:*

- Public procurement rules in line with EU standards;
- Training system for public procurement and internal audit introduced;
- The Coordination Board for Public Internal Financial Control is fully functioning;
- Budget and expenditure control measures strengthened;
- Public Expenditure and Financial Accountability (PEFA) framework implemented.”

The proposed project will initiate development of a training system for public procurement and internal audit as well as contribute to strengthening budget and expenditure control measures.

Strategy for development of Public Procurement in Bosnia and Herzegovina 2010-2015

This strategy defines the next steps of the PPA to strengthen and upgrade the public procurement system in Bosnia and Herzegovina, and in the following segments:

- Monitoring of public procurement procedures;
- Rising awareness through education and training at all levels of Government;
- Development and strengthening of electronic communications in public procurement, with guidelines for development and establishment of e-procurement;
- Strengthening administrative capacities for the contracting authorities through education.

The proposed project will strengthen administrative capacities of contracting authorities and raise awareness of all parties involved in the public procurement system. Through specific trainings for the PPA staff, the project will improve their capacities for monitoring of public procurement procedures.

2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILIZATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

SAA

“Article 74. Public contracts. 1. The Community and Bosnia and Herzegovina consider the opening-up of the award of public contracts on the basis of non-discrimination and reciprocity, following in particular the WTO rules, to be a desirable objective. 2. Companies of Bosnia and Herzegovina, whether established in the Community or not, shall be granted access to contract award procedures in the Community pursuant to Community procurement rules under treatment no less favourable than that accorded to Community companies as from the entry into force of this Agreement.”

The project is developing capacities for implementation of the new law on public procurement once it is adopted. The new law should regulate opening of the market to all suppliers, so that companies from the EU are given access to the award of public contracts procedures in Bosnia and Herzegovina with the same treatment as Bosnia and Herzegovina companies.

Progress Report 2011

(4.1.6.) “No progress was made in the area of **public procurement**. Guidelines on electronic public procurement were adopted and the technical preparations for electronic publication of tender notices on the Public Procurement Agency (PPA) website were completed. (...). However, implementation of the strategy for development of the public procurement system for 2010-2015 is delayed. The 2004 and 2007 public procurement *acquis* remains to be transposed. (...)The legislation and the system of awarding concessions remain fragmented. The administrative set-up for regulating and managing concessions is very complex. Issues such as overlapping powers, high administrative costs and lack of formal cooperation between the levels of authority require attention.

(...) Cooperation between the PPA and the PRB is not functioning efficiently. The PRB is not implementing all its rules of procedure, which resulted in a prolonged conflict within the PRB. In several instances the PRB issued contradictory rulings in similar situations. Although between December 2010 and March 2011, the PRB implemented the legal requirement to publish its decisions, this stopped since. Monitoring of public procurement procedures across the country requires further strengthening, along with the capacity of contracting authorities to apply the law. The professional ability of procurement officers to implement public procurement procedures properly is unsatisfactory. (...)

Overall, preparations in the field of public procurement remain at an early stage. A new Public Procurement Law fully incorporating the *acquis* remains to be adopted. Coordination and cooperation mechanisms between the relevant institutions require significant improvement, as do the operations of the PRB.”

The proposed project will strengthen capacities of the PPA and PRB in order to be ready to implement EU Directives in force at the time, as well as the new law on public procurement

once it is adopted. In addition, the project will develop capacities of contracting authorities for proper implementation of public procurement procedures.

2.4 PROBLEM ANALYSIS

a) Fragile system of public procurement

The efficiency of all participants in public procurement procedures that are directly or indirectly involved in the processes of public procurement is low.

- Contracting authority does not properly apply PPL while preparing tender documents, because the analysis of PRB decisions indicates that the large number of public procurement is being cancelled because they violated the principles of public procurement that is, tender documents have not been prepared on the basis of the laws and implementing regulations.
- Often, tenders are not prepared in accordance with the tender documents requests; they are often not of a good quality and not in accordance with formal requirements,
- Staff in the institutions responsible for this system (PPA and PRB) lack knowledge of good practice of countries in the region and the EU regarding the implementation and practical application of the EU Directives. In fact, it happens in practice that the decisions of PRB are not in line with the opinions given by the Public Procurement Agency, and on several occasions they brought contradictory decisions.
- Internal and external auditors do not sufficiently understand their role in the system, nor the necessity of monitoring the implementation of the contracts, all this for most efficient use of public funds. Auditors' reports show that the contracting authorities often carry out unplanned public procurement. Because they do not monitor implementation of the contract, contracting authorities come into the situation whereby because of "urgency" they implement the negotiated procedure, a procedure that is the least transparent and the least competitive in public procurement system.
- The issue of corruption in Bosnia and Herzegovina is quite prominent. At the same time it is very difficult to recognise it and to prove it in court proceeding. According to the available data of Agency, no one was prosecuted, or convicted for offenses of corruption relating to public procurement. The judiciary at all levels of Government lack knowledge regarding public procurement and European Court of Justice Decisions.
- Public Procurement System for several years has no growth. On several occasions Agency prepared and sent in proceedings new draft of the Law on public procurement, which included provisions of Directive 2004/17 and 2004/18. However, legislative body never had understanding regarding necessity to adopt a new Law on public procurement. Education of legislative body stakeholders at the national level about the importance and necessity of public procurement system's improvement shall help in overcoming the problems if new Law would not be adopted.

b) Low level of awareness regarding the need to combat corruption in public procurement

In the EU countries and the countries of the region, public procurement is recognised a system which is vulnerable to corruption. Although Article 27 of current Law provides

disqualification on grounds of conflict of interest or corruption, no tender was rejected because someone received or gave bribery in the form of cash or in any non-cash form whatsoever to the contracting authority's employee, according to available data of Agency. Corruption in Bosnia and Herzegovina is quite marked in accordance with the research of relevant institutions. However, there are no proceedings of offenders due to the fact that no one reports it. In rare cases if there would be proceedings, in most cases, because there is lack of evidence, cases would be cancelled.

- c) Lack of available PRB decisions to those who are not directly involved in the appeals proceedings. For a short period of time, from 12th December 2010 until March 2012, PRB did post its decisions in PDF format at the web site. All participants of public procurement system welcomed this activity. Standardisation of practice in this area and indirect training of officials involved in the public procurement process, were direct results of such activity. However, inability to have access for fast search for some of these decisions was noted as one of the problems. Developing a system for PRB decisions content search would allow faster and easier application of this source of law in the area of public procurement.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

Regional project of European Commission Training of Trainers “Public Procurement Training for Western Balkans and Turkey” (Contract 2010/248-580) is an on-going activity. Its aim is to train new trainers in this area in order for them to be able to share their knowledge to other participants in public procurement process. This project shall end in November 2012 and training materials will have been designed and used in future training by the certified public procurement trainers. Within this project a strategy for education will be written for the beneficiary countries. The proposed project will use the training materials to the extent possible and ensure that the trainings are aligned with the education strategy and hence ensure its implementation. The proposed IPA project is not depending on this project and they are both independent projects actually strengthening public procurement system in Bosnia and Herzegovina.

Project cooperation between the Governments of BiH and German with GIZ technical assistance within the public administration reform project, includes their help in introducing tools and creation of prerequisites for the introduction of electronic procurement in the public procurement system of Bosnia and Herzegovina. This project shall enable PPA to upgrade the system in GO PROCURE regarding the introduction of common procurement vocabulary (CPV) codes, nomenclature of territorial units for statistics (NUTS) and the preparation of an Extensible Markup Language (XML) layout for sending of procurement notices in the TED (Tenders Electronic Daily). All this belongs to the first phase of e-procurement upgrade, phase e-notices. Within this upgrade project, PPA shall start second stage, e-tendering phase. It will include supplier's registration and uploading of tender documents will be available to registered suppliers. Suppliers will be able to ask questions and seek for clarifications regarding tender documents, while contracting authorities shall reply on all questions given by the suppliers with the Tender Documentation.

The proposed IPA project shall carry out training of PPA employees in order to prepare Implementing regulations regarding this area in accordance with the EU Directives in force at the time and different Instructions on how to use above mentioned tools for contracting authorities as well as for suppliers.

For some time now, SIGMA provides technical assistance to PPA in preparing amendments to the Law and its Implementing regulations, which significantly contributes to the introduction of good practice of EU countries in national legislation. The proposed IPA project will contribute to the creation of best practice in this area, particularly regarding the European Court of Justice's decisions in this area. This will strengthen the capacity of legislative and judicial bodies involved in public procurement.

2.6 Lessons learned

Previous projects of technical assistance had problems in the sense that political willingness to adopt legislation or establish institutions supported by the projects was not following the technical preparations and expert work done under the projects. This was reflected in later adoption of the draft laws by Bosnia and Herzegovina authorities, or delay in establishment of new institution/s, beyond the lifetime of previous projects. In order to avoid similar problems of unsynchronised political and technical actions, the proposed project was designed so to be effectively implemented regardless of the adoption of the prepared draft law. The proposed project's results are relevant for both proper implementation of the existing law and the new law once it is adopted.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

Public funds are used in the most cost-effective manner with respect to the purpose and the object of public procurement

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

Increased effectiveness of public procurement system in BiH

3.3 RESULTS

1. Developed capacities for improved public procurement system in Bosnia and Herzegovina
2. Raised awareness about fighting corruption in public procurement in BiH
3. Upgraded IT sector in the public procurement system in BiH

3.4 MAIN ACTIVITIES

The project should focus on assistance for implementation of a new Public Procurement Law in case it is adopted before or during the lifetime of the project, in the form of drafting secondary legislation, drafting manuals, guidelines and organising seminars on the new law. In any case, the assistance will be provided within the legal framework that will be in force at the time of project implementation.

Activities leading to Result 1.

1.1 Series of education events on practical application of the relevant law and by-laws for all participants in the public procurement who are directly or indirectly involved in public procurement system (specific trainings for contracting authorities, suppliers, internal and external auditors, judiciary at all levels of Government, title holder of legislative power at the state level) (ca 50 educational events for altogether 1500 trainees in towns across BiH) Increased focus of training activities should be on efficient procurement tools and techniques (e.g. framework agreements, etc)

1.2 Training on specific topics (new EU Directives, EU best practices and verdicts of the International Court of Justice regarding public procurement) for PPA and PRB staff working on the application of the law

1.3 Improvement of coordination and cooperation between the central Procurement organisations and other institutions relevant to PP system (e.g. Anti-corruption Agency, State Audit Office)

1.4 Elaboration of a procurement manual that would provide guidance on operational matters; standardised templates and model documents

1.5 Establishment of analytically based monitoring to enable the systematic analysis of data and identification of contracting authorities with the highest risk of irregularities

Activities leading to Result 2.

2.1 To influence/inform general public in BiH through different printed publications and information campaigns (radio, TV, etc.) about the ways to fight corruption in public procurement.

2.2 Series of workshops, round tables and conferences for NGOs and journalists about public procurement and conflict of interests; why and how to strengthen cooperation between PPA and NGOs and journalists engaged in research journalism; how to use information available at the PPA website www.javnenabavke.gov.ba, to fight corruption in public procurement.

Activities leading to Result 3.

3.1 Assistance to overhaul the joint website of the PPA and PRB to improve its usability and increase the amount of information it offers to the public (publication of procurement notices, publication of interpretations and opinions of the PPA)

3.2 Develop software regarding PRB content decisions search and install equipment necessary to operate the installed software

3.3 Series of trainings (for PRB and PPA) on how to use the developed software regarding PRB content decisions search

3.4 Develop a system for PRB decisions to provide references to other decisions that have dealt with the same legal problem – cross-referencing

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT

The project has impact and catalytic effect on the development of competition in the market of goods, services and works, which all contracting authorities in Bosnia and Herzegovina buy, in such a way that it would contribute to the single economic space in Bosnia and Herzegovina, the integration of Bosnia and Herzegovina market into the market of CEFTA signatory countries, and finally integration of Bosnia and Herzegovina market into the EU market. It will also catalyse the opening of BiH market for foreign investments and strengthening of economy as a whole.

3.6 SUSTAINABILITY

The project will develop key resources and capacities for increased effectiveness of public procurement system in BiH no matter if the new law is adopted or not. The project outcome will be embedded in the system internally, but also the impact will be on the public environment to support the implementation of more effective public procurement in practice. For the activities under result 3 to be sustainable, staff member(s) at the PRB need to be foreseen to systematically publish the PRB decisions on the web, and operate the search engine, even after the end of the project.

3.7 ASSUMPTIONS AND PRE-CONDITIONS

The project activities are implementable regardless of the adoption of the new Law on Public Procurement so the project outcome is of high relevance.

The proposed project will strengthen administrative capacities of contracting authorities and raise awareness of all parties involved in the public procurement system. The project assumes that the trained staff is willing, available and institutionally able to apply new knowledge in their work, as well as that they would transmit the new knowledge in their organisations. By careful selection of and the approach to the training beneficiaries, these assumptions will hold true.

4 IMPLEMENTATION ISSUES

The assistance will be implemented in the centralised management mode, in accordance with PRAG rules, through one service contract following the international restricted procedure and one supply tender, following the open local procedure.

4.1 INDICATIVE BUDGET

Indicative Project budget (amounts in EUR)¹

PROJECT TITLE			TOTAL EXPENDITURE	SOURCES OF FUNDING								
				IPA CONTRIBUTION			NATIONAL CONTRIBUTION					
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1.1 to Activity 2.2.	X		1 500 000	1 500 000								
contract 1	X		1 500 000	1 500 000	100							-
Activity3.1-3.2		X	155 000			155 000	100	155 000				
contract 2		X	155 000			155 000	100	155 000				-
TOTAL IB			1 500 000	1 500 000	100							
TOTAL INV			155 000			155 000	100	155 000				
TOTAL PROJECT			1 655 000	1 500 000	91	155 000	9	155 000				

¹ Under centralised mode of implementation of IPA assistance the co-financing is implemented as parallel co-financing..

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contract 1	Q3/2013	Q2/2014	Q2/2016

4.3 CROSS CUTTING ISSUES

4.3.1 *Equal Opportunities and non discrimination*

The project is a technical intervention aiming at strengthening administrative capacities with a view to EU accession. Equal opportunity principles and practices in ensuring equitable gender participation and non-discrimination within the project will be guaranteed.

4.3.2 *Environment and climate change*

The project is a technical intervention aimed at strengthening administrative capacities with a view to EU accession; it will not lead to any negative environmental effects.

4.3.3 *Minorities and vulnerable groups*

Participation in the project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, sex or sexual orientation.

4.3.4 *Civil Society/Stakeholders involvement*

IPA programming process included consultations with Civil Society and Donor Community in BiH, through two consultation meetings and exchange of relevant information on the process and individual proposals. All relevant institutions from various levels of government in BiH participated in the preparation of the project proposal.

ANNEXES

Documents to be annexed to the Project fiche

1. Log frame
2. Description of Institutional Framework
3. Reference list of relevant laws and regulations only where relevant
4. Details per EU funded contract(*) where applicable:
5. Project visibility activities

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number	2 Strengthening Public Procurement system in Bosnia and Herzegovina
		Contracting period expires: Three years following the date of the conclusion of the Financing Agreement	
		Total budget	1 655 000
		IPA budget:	1 500 000
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification	
Public funds are used in the most cost-effective manner with respect to the purpose and the object of public procurement	Planned and ensured public funds disbursed through concluded procurement contracts.	PPA web information system	
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
Increased effectiveness of public procurement system in BiH	<ul style="list-style-type: none"> 1. Increased number of tender documentation of improved quality submitted within public procurement system in BiH 2. Increased number of tenders of improved quality submitted within public procurement system in BiH 3. increased number of harmonized decisions of PRB and PPA made 	<ul style="list-style-type: none"> 1. Monitoring reports by PPA 2. Reports by PRB 3. EU Progress Report 	Relevant actors observe relevant laws and regulations in connection with public procurement law
Results	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
Result 1. Developed capacities for improved public procurement system in Bosnia and Herzegovina	<ul style="list-style-type: none"> 1.1. At least 700 of relevant staff from contracting authorities apply new knowledge about practical application of the relevant law and by-laws in their work 1.2 At least 100 of representatives of suppliers apply new knowledge about practical application of the relevant law and by-laws in their work 1.3 All PPA and PRB staff apply new knowledge about new EU 	<ul style="list-style-type: none"> EU Progress Report Project reports NGOs' (shadow) reports Reports by Agency for prevention of corruption, Prosecutor's office 	Trained staff transmit new knowledge in their organizations.

<p>Result 2. Raised awareness about fighting corruption in public procurement in BiH</p> <p>Result 3. Upgraded IT sector in the public procurement system in BiH</p>	<p>Directives, EU best practices and verdicts of the International Court of Justice regarding public procurement in their work</p> <p>1.4 At least 100 of internal and external auditors apply new knowledge about practical application of the relevant law and by-laws in their work</p> <p>1.5 At least 100 of judiciary staff apply new knowledge about practical application of the relevant law and by-laws in their work</p> <p>1.6 At least 80 representatives of title holder of legislative power at the state level apply new knowledge about implications of practical application of the relevant law and by-laws in their work</p> <p>2.1 General public informed about fighting corruption in public procurement through 2-3 public campaigns</p> <p>2.2 At least 100 representatives of NGOs and journalists trained for fighting corruption in public procurement</p> <p>3.1 New software for content search by key words tested and functional</p> <p>3.2. Suppliers' community informed about and used the IT system to obtain relevant information</p>		
<p>Activities to achieve results</p>	<p>Means / contracts</p>	<p>Costs</p>	<p>Assumptions</p>
<p>1.1 Series of education events on practical application of the relevant law and by-laws for all participants in the public procurement who are directly or indirectly involved in public procurement system (specific trainings for contracting authorities, suppliers, internal and external auditors, judiciary at all levels of Government, title holder of legislative power at the state level) (ca 50 educational events for altogether 1500 trainees in towns across BiH)</p> <p>1.2 Training on specific topics (new EU Directives, EU best practices and verdicts of the International Court of Justice regarding public procurement) for PPA and PRB staff working on the application of the relevant law</p> <p>1.3 Improvement of coordination and cooperation between the central Procurement organisations and other institutions</p>	<p>Technical assistance / Service Contract, 24 months (Activities 1.1 to 2.2)</p> <p>Service/supply contract (Activity 3.1 to 3.4, ci-financing)</p>	<p>Contract 1. TA/Service contract (1 500 000 EUR) for Activities 1.1 to 2.2.</p> <p>Contract 2. Service/Supply contract (155 000 EUR for Activity 3.1 and 3.4, co-financing)</p>	<p>Trained staff is willing, available and institutionally able to apply new knowledge in their work</p>

<p>relevant to PP system (e.g. Anti-corruption Agency, State Audit Office)</p> <p>1.4 Elaboration of a procurement manual that would provide guidance on operational matters; standardised templates and model documents</p> <p>1.5 Establishment of analytically based monitoring to enable the systematic analysis of data and identification of contracting authorities with the highest risk of irregularities</p> <p>2.1 To influence/inform general public in BiH through different printed publications and information campaigns (radio, TV, etc.) about the ways to fight corruption in public procurement.</p> <p>2.2 Series of workshops, round tables and conferences for NGOs and journalists about public procurement and conflict of interests; why and how to strengthen cooperation between PPA and NGOs and journalists engaged in research journalism; how to use information available at the PPA website www.javnenabavke.gov.ba, to fight corruption in public procurement.</p> <p>3.1 Assistance to overhaul the joint website of the PPA and PRB to improve its usability and increase the amount of information it offers to the public (publication of procurement notices, publication of interpretations and opinions of the PPA)</p> <p>3.2 Develop software regarding PRB content decisions search and install equipment necessary to operate the installed software</p> <p>3.3 Series of trainings (for PRB and PPA) on how to use the developed software regarding PRB content decisions search</p> <p>3.4 Develop a system for PRB decisions to provide references to other decisions that have dealt with the same legal problem – cross-referencing</p>			
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ANNEX 2: Description of Institutional Framework

LAW ON PUBLIC PROCUREMENT FOR BOSNIA AND HERZEGOVINA

Article 48. (Public Procurement Agency) A Public Procurement Agency is established as an independent administrative organisation, with legal personality. The Agency have its seat in Sarajevo. The Agency have two branch offices based in Banja Luka and Mostar. The branch offices does not have status of legal entity and they are not authorised for decision making without approval of the Agency. The function of the Agency is to ensure the proper implementation of this Law. The detailed functions of the Agency is defined in the Implementing Regulations. Those functions comprise of: a) proposing amendments to this Law and its Implementing Regulations ensuring the effectiveness and suitability of that legislation; b) reinforcing the awareness among the contracting authorities and the suppliers of the public procurement legislation and its objectives, procedures and methods; c) publishing procurement manuals and guidelines and development and maintenance of standard forms and models, according to the provisions of this Law and its Implementing Regulations, to be utilized by the contracting authorities; d) providing technical assistance and advice to both contracting authorities and suppliers on the application and interpretation of the provisions of this Law and its Implementing Regulations; e) establishing systems for monitoring the compliance of the contracting authorities with this Law; f) collecting, analysing and publishing information about public procurement procedures and awarded public contracts; g) developing a nation-wide electronic information system to supplement the Official Gazette to publish tender documents; h) initiating and supporting development of electronic procurement and communication within the field of public procurement; i) publishing training information, manuals and other aids for professional development in public procurement; j) maintaining a register of accredited trainers in public procurement. k) submit annual report to Council of Ministers of BiH. The Agency have the Director and the Board. The Director is appointed to Senior Executive Manager pursuant to the provisions of the Law on Civil Service in the Institutions of BiH (Official Gazette of BiH no.12/02, 19/02, 35/03, 4/04, 17/04, 26/04 and 37/04) by the Council of Ministers of BiH for a period of 5 (five) years with the possibility of a single reappointment. The Director may be dismissed by the Council of Ministers of BiH on the proposal of the Board pursuant to the provisions of the Law on Civil Service in the Institutions of BiH. The Board of the Agency consists of 7 (seven) members. The members are: the Minister of Finance and Treasury of BiH, the Minister of Finance of FBiH, the Minister of Finance of RS, and four experts selected by open competition as provided for in the Implementing Regulations. The Mayor of Brčko District appoints an observer from the District to the Board. The Director of the Agency as well is an observer to the Board. The members of the Board, apart from the Ministers or their representatives, but including the observer from the District, serves on the Board for 5 (five) years, with the possibility of a single reappointment. The members

of the Board, by a majority vote, choose a Chairman from amongst the members who will hold the position for a two-year term. The Board meets once each 3 (three) calendar months or more often, as the Chairman deems necessary. The Board is provided by the Agency with adequate resources and personnel support, so as to enable it to carry out its duties under this Law. All contracting authorities throughout BiH are obliged to co-operate with the Agency and its Director and Board when they are carrying out their activities within the scope of the responsibilities set forth in this Law and its Implementing Regulations.

Article 49. (Procurement Review Body) The PRB is established as an independent administrative organisation, with legal personality. The PRB have its seat in Sarajevo. The PRB consists of 3 (three) members selected from among selected experts in administrative law and/or administrative procedure and their status is equal to such of an independent judge and incompatible with any direct or indirect, permanent or periodical duty, with the exception of academic activities, and 3 (three) members who are experts in the fields of works, public purchase, transportation and strategic business management, selected by open competition as provided for in the Implementing Regulations. Council of Ministers will proposed to the BiH Parliament members of the PRB, taking into the account that two members are from the FBiH and one from the RS. The PRB submits annual reports to the Parliament of BiH.

Project Steering Committee will be comprised of all relevant institutions whose representatives will be appointed upon the commencement of the project implementation.

ANNEX 3: Reference list of relevant laws and regulations only where relevant

Public Procurement Law of Bosnia and Herzegovina ("OG" 49/04)

ANNEX 4: Details per EU funded contract (*) where applicable:

The assistance will be implemented through one service contract, EUR 1 500 000.

ANNEX 5: Project visibility activities

The Project visibility activities will be undertaken according to the specific project activities implemented, in line with the EU visibility and communication rules and requirements.