

CARDS 2001

Country

Bosnia and Herzegovina

Implementation period

2003-2004

Funding

€1,499,460

Results

Improved capacity in public procurement, legal framework produced, awareness campaign undertaken, Public Procurement Agency set up

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A public procurement package

A new public procurement framework for the country

Public procurement (PP) is a major part of the economic comeback of Bosnia and Herzegovina after years of strife and stagnation. Improving the transparency and effectiveness of government spending will help develop public infrastructure, improve education, provide homes for displaced people and improve the job situation in the country.

A CARDS funded project with a budget of almost €1.5 million, has just 18 months to achieve its objectives, which are to draft a legal framework for public procurement, to improve – through training and capacity building – public and private officials' handling of PP, and to raise public awareness of good governance in this field. The project must also develop a system allowing countrywide access to public tenders and help set up a Public Procurement Agency which would have legal responsibility for upholding the law in this field, and provide a liaison between government and parliament. In the longer term, the reforms should help the country come into line with EU standards and norms.

First things first

In the first phase of the project, starting in March 2003, the team analysed the needs of stakeholders, to establish their exact training needs. Following that, they worked on an approach to improve their skills and abilities, while engaging in an awareness-raising initiative to build public confidence in the public sector.

Unemployment in the country is high, so rejuvenating the economy by making it more competitive and by making public spending more transparent, gives people – especially young people – an immediate surge in confidence. Aside from improving the overall economy of Bosnia and Herzegovina and helping its people, the restructuring process will specifically benefit the Federal Ministry of Finance and Treasury. In all three cantons in the Federation, four municipalities in Republika Srpska and the Brčko district have been chosen as sites for pilot projects.

The main stakeholders addressed by the project are: decision-makers (lawmakers, politicians), practitioners (contracting officers, suppliers, auditors) and informational multipliers. Other targets include the media and the general public. The plan is to train around 40 'trainers' who will act as information multipliers. However, the project encountered some problems in identifying those to be trained as the civil society sector is rather fragmented.

Bring in the law shapers

PP plays a pivotal part in economic progress, especially in developing countries. Interest has been building momentum in Bosnia and Herzegovina for a 'single economic space', within which effective PP would be an integral part. However, opening up markets and introducing competition is a difficult and slow process.

It needs to be done based on firm legal foundations. Hence, another valuable aspect of the project is helping the country draft legislation and strengthening professional skills by drafting detailed documentation and guidelines. This task requires that the current legal system and judiciary system (courts, tribunals) in Bosnia and Herzegovina be mapped and then streamlined to find ways to make them compatible with European and international laws, necessitating full stakeholder involvement.

One challenge in getting an overview of the current situation is convincing those working in the field of public procurement to give a true account of their practices. The results of a survey to assess training needs conducted at the beginning of the project suggested that all was well in the country, even though it is clearly not the case. Another challenge is getting a statement of intent from parliament that it will implement new laws to improve PP and listen to the proposed PP Agency on these matters. However, it is hoped that the administration will see how a revamped PP system is of great economic advantage to the country as a whole.