Pursuant to Article 38, paragraph 1 of the Law on the Planning System of the Republic of Serbia (“Official Gazette of the Republic of Serbia”, No. 30/18),

the Government adopts the

PROGRAMME

DEVELOPMENT OF PUBLIC PROCUREMENT IN THE REPUBLIC OF SERBIA FOR THE PERIOD 2024 – 2028

1. INTRODUCTION

Establishing an organised unified system of public procurement is of particular importance for improving economic growth and development, achieving efficient and economical spending of public funds, as well as achieving the goals of the free market and ensuring the conditions of market competition.

The system of public procurement in the Republic of Serbia is based on the principles of transparency, equal treatment, freedom of competition and prohibition of discrimination, which all together represent a key prerequisite for efficient and economical spending of public funds.

The Republic of Serbia, as a candidate for full membership in the EU, has the obligation to, based on the recommendations from the document on the principles, priorities and conditions of the European partnership with the Republic of Serbia from 18 February 2008, as well as on the basis of the signed Stabilisation and Association Agreement, between The European Communities and their member states, on the one side, and the Republic of Serbia, on the other, [[1]](#footnote-1) are continuously harmonising their legislation with the legal acquis of the EU (the so-called *Acquis Communautaire*). Within Cluster 1 – Fundamentals, there is Chapter 5 – Public Procurement, which was opened in December 2016 during the process of negotiations on the accession of the Republic of Serbia to the EU. The European Commission has established certain criteria on which the further framework of this chapter depends, i.e. the closing of the chapter itself, namely: full harmonisation of regulations with the EU legal acquis in the field of public procurement, including regulations on concessions and international agreements on the exemption of certain works from the rules on public procurement; establishment of adequate administrative and institutional capacities at all levels, as well as taking appropriate measures to ensure proper implementation and application of legislation in that area; establishing a fair and transparent public procurement system that ensures value for money.

With the adoption of the Law on Public Procurement in 2019, as well as its amendments and accompanying by-laws, the public procurement system in the Republic of Serbia is largely harmonised with the legal acquis of the EU, i.e., the EU directives governing the field of public procurement. However, in addition to establishing an appropriate legislative framework for public procurement, it is necessary to further strengthen the public procurement system in practice, through the full application of available mechanisms, strengthening the training of all interested parties in the application of regulations (customers, bidders, civil society, etc.), reducing the risk of irregularities, but also effective punishment for violations of regulations.

In addition to the PPL, within Chapter 5 – Public Procurement, harmonisation with EU directives and rules on public-private partnerships and concessions, which in the Republic of Serbia is regulated by the PPLPC, is foreseen.

In order to establish European rules and standards in this area, a responsible policy implies the establishment of clear goals, ways and measures to achieve the established goals.

In the period 2019-2023, the development of the public procurement system was carried out through the Programme for the Development of Public Procurement in the Republic of Serbia for the period 2019-2023.[[2]](#footnote-2) With the implementation of measures from this programme, progress was achieved primarily in the part related to the improvement of the legal framework in the field of public procurement and the improvement of electronic public procurement.

In order to further develop the public procurement system and fulfil the obligations stipulated in the Public Finance Management Reform Programme for the period 2021-2025,[[3]](#footnote-3) the Public Procurement Development Programme in the Republic of Serbia for the period 2024-2028 was prepared as a public policy document (hereinafter referred to as: Programme).

Within the project “Public Procurement and Good Management for Greater Competitiveness”, implemented by the National Alliance for Local Economic Development – NALED with the support of the Swedish Agency for International Development and Cooperation – SIDA, significant support was provided for the preparation of this planning document.

The programme represents the continuation of a comprehensive and systematic approach to the development of public procurement in the Republic of Serbia, with the aim of creating a fair and sustainable system of public procurement as a vision, for the implementation of which general and special goals are defined, as well as measures for their achievement, which should also result in closure Chapters 5 – Public procurement in accession negotiations with the EU.

The process of developing the Programme included the creation of an ex-ante and ex-post analysis of the effects of public policies in the field of public procurement, a comprehensive review of the current state of play in the field of public procurement and public-private partnership, a review of valid public policy documents and regulations that have a direct impact on the situation in in these areas and by collecting and processing relevant qualitative and quantitative data of importance, all in accordance with the Law on the Planning System of the Republic of Serbia and the Decree on the methodology of public policy management, analysis of the effects of public policies and regulations and the content of individual public policy documents (“Official Gazette of the Republic of Serbia”, No. 8/19).

In the process of preparing this planning document, the Public Procurement Office conducted consultations on the Programme in the period from 15 to 25 December 2023, as well as a public hearing in the period from 25 January to 15 February 2024. In cooperation with NALED, a round table was organised in Belgrade on 31 January 2024, at which the text of the Programme Proposal was presented. The public discussion was attended by representatives of the Ministry of Environmental Protection, the Ministry of Science, Technological Development and Innovation, the Directorate for Joint Affairs of the Republic Bodies, RC, CPC, CCIS, the University Clinical Centre of Serbia and other interested parties. The text of the Programme Proposal was published on the PPO website and the e-Consultation portal, and all interested parties were able to submit objections, proposals, suggestions and comments both electronically and by mail. In the form of a special table with objections, which is an integral part of this report, the PPO gave answers to the comments that were also published on the PPO website in accordance with Article 41 of the Rules of Procedure of the Government (“Official Gazette of the Republic of Serbia”, Nos. 61/06 – consolidated text, 69/08, 88/09, 33/10, 69/10, 20/11, 37/11, 30/13, 76/14 and 8/19 – as amended by other regulations).

List of abbreviations used in this programme:

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| --- | --- |
| EU | European Union |
| PPO | Public Procurement Office |
| MFIN | Ministry of Finance |
| RC | Republic Commission for Protection of Rights in Public Procurement Procedures |
| ME | Ministry of Economy |
| PPPC | Public-Private Partnership Commission |
| CPC | Commission for Protection of Competition |
| CCIS | Chamber of Commerce and Industry of Serbia |
| EC | European Commission |
| PPL | Law on Public Procurements |
| LPPPC | Law on Public-Private Partnerships and Concessions |
| Portal | Public Procurement Portal |
| PPPC | Public-Private Partnership Commission |
| EMFO | Economically most favourable offer |
| NPAA | National Programme for the Adoption of the EU Acquis |
| SMEE | Small and medium-sized enterprises |
| UNDP | United Nations Development Programme |
| NALED | National Alliance for Local Economic Development |
| USAID | United States Agency for International Development |

1. PLANNING AND REGULATORY FRAMEWORK
   1. Legal framework at the European level

The EU policy framework in the field of public procurement aims to establish a common market, by creating conditions for awarding public contracts based on the principles of an open, transparent and fair market. The legal acquis of the EU on public procurement is based on the principles arising from the Treaty on the Functioning of the EU, primarily the principle of free movement of goods, freedom of business establishment and freedom to provide services, as well as principles arising from it, such as the principles of equal treatment, prohibition of discrimination, mutual recognition, proportionality and transparency.

On the basis of these principles, the following directives were established at the EU level that govern the area of ​​public procurement and public-private partnerships and concessions:

* Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, which governs the awarding of public procurement contracts by public contracting authorities (hereinafter referred to as: Directive 2014/24 /EU);
* Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC, which regulates the awarding of contracts on public procurement of sectoral contracting authorities (hereinafter referred to as: Directive 2014/25/EU);
* Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security (hereinafter referred to as: Directive 2009 /81/EC)
* Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directives 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts, i.e., the directive which regulates procedures for the protection of rights and legal remedies in public procurement procedures (hereinafter referred to as: Directive 2007/66/EC);
* Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (hereinafter referred to as: Directive 2014/23/EU).

The Republic of Serbia, as a candidate country for EU membership, strives to regulate the field of public procurement and public-private partnerships and concessions in accordance with the aforementioned directives.

* 1. Planning framework in the Republic of Serbia

In addition to the PPL and the LPPPC, other national planning documents affecting the field of public procurement were taken into account in the development of the Programme, such as:

* The Public Finance Management Reform Programme for the period 2021-2025 (“Official Gazette of the Republic of Serba”, Nos. 70/21 and 116/23), which in the part related to special objective 2 “Efficient collection and management of budget funds”, within measures 2.5

“Improving the electronic system of public procurement”, defines as one of the activities “Development and adoption of a public policy document for the development of public procurement for the period 2024-2028”;

* Strategy for the reform of public administration in the Republic of Serbia for the period from 2021 to 2030 (“Official Gazette of the Republic of Serba”, Nos. 42/21 and 9/22), which recognises the public policy document in the field of public procurement as one of the planning documents from importance for the area of “public finance management”;
* Revised Fiscal Strategy for 2024, with projections for 2025 and 2026 (“Official Gazette of the Republic of Serbia”, No. 86/23), which recognizes reforms in the field of public procurement management as very important considering the great importance and value of public investments;
* Programme for the Development of Circular Economy in the Republic of Serbia for the period 2022-2024 (“Official Gazette of the Republic of Serbia”, No. 137/22), which as a special goal 4 defines “Support to the implementation of green public procurement and voluntary instruments in the field of environmental protection”;
* and other public policy documents: Programme for Suppression of the Gray Economy 2023-2025 (“Official Gazette of the Republic of Serbia”, No. 21/23); Programme of economic reforms for the period from 2023 to 2025; Programme for the development of electronic administration in the Republic of Serbia for the period from 2023 to 2025 with an action plan for its implementation (“Official Gazette of the Republic of Serbia”, No. 33/23); Green Agenda for the Western Balkans, Operational Plan for Prevention of Corruption in Special Risk Areas, etc.
  1. Planning framework in the Republic of Serbia
     1. Law on Public Procurements

The system of public procurement in the Republic of Serbia is regulated by the PPL, which entered into force on

1 January 2020, and applies, except for certain provisions, from 1 July 2020. Certain provisions of the PPL are applied until the day of accession of the Republic of Serbia to the EU, and certain provisions will be applied from the day of accession of the Republic of Serbia to the EU. This legal framework was further improved by the adoption of the Law on Amendments to the Law on Public Procurement[[4]](#footnote-4), which began to be applied on 1 January 2024, except for the provisions of Article

183, paragraphs 3 and 4 of the PPL, which apply from the date of entry into force of this law, i.e., from

4 November 2023, which regulate the method of registration of economic entities that register for the first time on the Portal.

The provisions of the Public Procurement Law regulate the entire procurement process, starting from the planning and determination of the procurement subject, through the implementation of the public procurement procedure to the conclusion of the contract on public procurement, amendments to the contract, including the rules for the protection of rights in public procurement procedures, as well as misdemeanour liability.

The decisions of the Public Procurement Law are aimed at increasing transparency, more efficient and economical implementation of public procurement procedures, as well as more effective protection of rights in public procurement procedures, which has a direct positive impact on the entities involved in the implementation of this law, i.e., contracting authorities and economic entities, as well as the economy and society as a whole.

The provisions of the PPL are largely harmonised with EU directives in the field of public procurement, namely: Directive 2014/24/EU; Directive 2014/25/EU; Directive 2007/66/EC and Directive 2009/81/EC.

The PPL represents progress in harmonizing the legislation of the Republic of Serbia with the acquis of the EU in this area, and this is confirmed by the assessment of the European Commission, which states in the 2021 Report[[5]](#footnote-5) that it is “to a great extent” harmonised.

In terms of contracting authorities, as entities that are obliged to apply the PPL when procuring goods, services and works, in accordance with Directive 2014/24/EU and Directive 2014/25/EU, a division is made into public and sectoral contracting authorities and clear rules are established their actions. Also, the PPL determines the thresholds for the application of this law, i.e., introduces the rules of conduct in accordance with the European thresholds.

In accordance with the aforementioned EU directives, appropriate procedures, as well as techniques and instruments in public procurement procedures are prescribed.

The method of proving the criteria for the qualitative selection of a business entity, through a mandatory declaration on a standard form, by which the business entity declares that it meets all the required criteria and that it is not in a situation due to which it is excluded or can be excluded from the public procurement procedure, greatly facilitates the participation of businesses entities in the public procurement procedure, which consequently has an impact on encouraging competition.

Also, clear grounds for amending public procurement contracts, as well as rules for contract termination, were established, and the competence of the Ministry of Finance to supervise the execution of public procurement contracts was also established.

In order to prevent, detect and eliminate irregularities that may arise or have arisen in the implementation of the PPL, the implementation of monitoring by the PPO is foreseen. Prescribed rules for the protection of rights in public procurement procedures and the competence of the RC and its composition. The misdemeanours of contracting authorities and bidders and the competence of misdemeanour courts for conducting misdemeanour proceedings, which in the previous period was under the competence of the RC, were established.

In accordance with the provisions of the PPL,appropriate by-laws[[6]](#footnote-6) were adopted in a timely manner, which created the conditions for the full implementation of this law.

Amendments to the PPL contribute to increasing the transparency, efficiency and economy of public procurement procedures, the impact on the environment in accordance with the goals defined by the Green Agenda for the Western Balkans, strengthening competition on the public procurement market, reducing the risk of irregularities in the public procurement system, as well as increased control by authorised institutions.

New legal solutions will contribute to raising the level of awareness of participants in public procurement procedures about the importance of environmental protection, as well as the more frequent application of ecological aspects in public procurement, i.e., a greater number of green public procurements compared to the previous period. Establishing environmental protection through the principles of public procurement introduces an obligation for contracting authorities to procure goods, services or works that have a minimal impact on the environment.

Also, new legal solutions define that the criteria for awarding contracts for certain categories of services cannot be based only on price, but also on quality, i.e., in the case of awarding contracts for the public procurement of computer programme development services, architectural services, engineering services, translation services or advisory services. This solution, which is in accordance with the EU directives governing the field of public procurement and which is applied in the EU member states, both in the region and beyond, will contribute to the procurement of better quality services, primarily in contracts whose subject is services of an intellectual nature, where the quality of professional qualifications, knowledge and professional experience of the service provider are of crucial importance for the full realisation of the goals that are to be achieved through the implementation of public procurement.

The new legal solutions introduce the obligation to publish data on contracts/orders, for procurements whose value is below the thresholds up to which the PPL and their amendments are not applied, as well as the obligation to publish data on all contracts concluded after the public procurement procedure has been carried out and all amendments to public procurement contracts procurements. In this way, we are keeping pace with the goal of fulfilling the criteria for closing Chapter 5 – Public Procurement and the recommendations of the European Commission.

* + 1. Law on Public-Private Partnerships and Concessions

The system of public-private partnerships and concessions in the Republic of Serbia is regulated by the LPPPC, which regulates: the conditions and manner of drafting, proposing and approving public-private partnership projects; determine the competent entities, i.e. authorised to propose and implement public-private partnership projects; rights and obligations of public and private partners; form and content of public-private partnership contracts with or without concession elements and legal protection in public contract awarding procedures; conditions and method of granting concession, subject of concession, entities competent, i.e. authorised for the procedure of granting concession, termination of concession; protection of rights of participants in procedures for awarding public contracts; establishment, position and jurisdiction of the Commission for Public-Private Partnership, as well as other issues of importance for public-private partnership, with or without concession elements.

The LPPPC prescribes the procedures for the establishment of a public-private partnership, starting with the planning and development of the PPP project, which includes an analysis of the economic efficiency of the proposed project, up to the procedure for selecting a private partner, as well as the rules for implementing the contract. For the selection of a private partner, the LPPPC refers to the application of regulations on public procurement, with certain deviations, specifies the key issues related to the content of the contract, as well as the rules for amending and terminating the contract. Also, the Register of Public Contracts managed by the Ministry of Finance as a unique electronic database has been established on the Portal.

As stated in the Report of the European Commission for the year 2023,[[7]](#footnote-7) the Republic of Serbia should ensure full compliance with the EU Directives in the mentioned area, first of all by adopting the amendments and additions to the LPPPC.

* 1. Institutional framework

In the public procurement system, the Ministry of Finance, as one of the key institutions,[[8]](#footnote-8) performs state administration tasks based on the Law on Ministries (“Official Gazette of the Republic of Serba”, Nos. 128/20, 116/22, 62/23 and 92/23 – as amended by another law) and PPO. Also, based on Article 154 of the PPL, this ministry regulates the manner of supervision and supervises the execution of public procurement contracts. In the Ministry of Finance – Sector for Budget Inspection, the Department for Budget Inspections performs inspection control of the application of laws and accompanying regulations in the area of ​​material and financial operations and the intended and legal use of funds by users of public funds. Also, in the Sector for Budget Inspection, a Group for inspection supervision was organised at the request of the prosecutor's office and supervision over the execution of contracts in public procurement. In December 2022, the Minister of Finance adopted the Methodology for the supervision of the execution of public procurement contracts, which applies from 1 January 2023, as well as the Instruction on the procedure of the budget inspection in the selection of beneficiaries of public funds in which inspection supervision over the execution of public procurement contracts.

The PPO is a special organisation that performs professional work in the field of public procurement, monitors the implementation of regulations on public procurement, participates in the drafting of laws and other regulations in the field of public procurement and passes by-laws in the field of public procurement, gives opinions on the application of the provisions of the PPL and others regulations in the field of public procurement, manages the Portal, collects statistical and other data on the procedures carried out, concluded contracts on public procurement and prepares a special annual report on public procurement, prescribes the procedure and conditions for obtaining a certificate for a public procurement officer and maintains a register of public procurement officers public procurement, cooperates with domestic and foreign institutions and experts in the field of public procurement in order to improve the public procurement system, provides professional assistance to contracting authorities and bidders, contributes to the creation of conditions for economical, efficient and transparent use of public funds in the public procurement process.

The regulations on state administration apply to the work and organisation of the PPL, unless otherwise specified. The strengthening of the capacity of the KPL is particularly visible in the period 2019-2023, with an increase in the number of employees, which is an important prerequisite for the unhindered performance of prescribed responsibilities and the improvement of the public procurement system. In this regard, in the Report of the European Commission for 2023, it was stated that the capacity for managing public procurement processes is at a stable level, given that the number of employees in the PPO is at approximately the same level as in 2022.

RK is an autonomous and independent body that is responsible for its work to the National Assembly. The competences of this body are determined by the provision of Article 187 of the PPL, which prescribes that the RC decides on: a request for the protection of rights, appeals against the decision of the contracting authority, the proposal of the contracting authority that the submitted request for the protection of rights does not delay further proceedings in the public procurement procedure, the proposal of the applicant for protection of the right to prohibit the continuation of the public procurement procedure, the conclusion or execution of the contract on public procurement, the costs of the rights protection procedure and the costs of preparing the offer. Also, the PPO monitors and controls the implementation of the decisions it makes, imposes fines in accordance with the PPO, cancels the contract in accordance with the PPO, submits a request for the initiation of misdemeanour proceedings when, acting within its competences, it determines that a violation of this law has been committed, which can be the basis misdemeanour liability, cooperates with domestic and foreign institutions and experts in the field of public procurement, with the aim of improving the system of public procurement, and especially the protection of rights and other procedures under the jurisdiction of the RC, performs other tasks in accordance with the law. The RC, in accordance with Article 189 of the PPL, has a president and eight members, and the number of employees did not change significantly in the previous period.

The State Audit Institution (SAI), the Ministry of Finance (MFIN), the Ministry of Economy, the Commission for Public-Private Partnership, the Agency for Prevention of Corruption, the Commission for Protection of Competition and the Administrative Court also have a significant role in the field of public procurement.

The Ministry of Economy, among other things, performs state administration tasks related to concessions and public-private partnerships.

The SAI is an autonomous and independent organisation and is accountable to the National Assembly for its work. Within its powers, as the highest authority for the audit of public funds, it audits financial reports, audits of business regularity, which includes the examination of financial transactions and decisions in the field of public procurement, as well as audits of business expediency, which includes the examination of the spending of funds from the budget and other public funds in order to determine whether these funds were used in accordance with the principles of economy, efficiency and effectiveness and in accordance with the planned goals. The SAI submits requests for initiation of misdemeanour proceedings prescribed by the PPL, and in accordance with Article 211 of the PPL has the authority to submit a request for the protection of rights in the public interest, when, in the exercise of its powers, it becomes aware of irregularities in public procurement procedures. In the Report of the European Commission for 2023, it was stated that the SAI increased the impact of its audit work by monitoring the implementation of its recommendations and cooperation with interested parties, improving overall transparency in its work and communication with the media.

The CPPP is an interdepartmental public body that is operationally independent in its work. In accordance with the LPPPC, the CPPP provides expert assistance in the implementation of public-private partnership projects and concessions, assists in the preparation of proposals for public-private partnerships, gives opinions in the process of approving public-private partnership project proposals without concession elements and in the process of proposing the concession act to the competent authorities.

The Anti-Corruption Agency is an autonomous and independent state body that answers to the National Assembly. Given that the risk of corruption is recognised in the field of public procurement, the role of the Agency for the Prevention of Corruption is particularly reflected within its competences to investigate the state of corruption, analyse the risks of corruption and prepare reports with recommendations to eliminate the risks.

The Commission for the Protection of Competition is an autonomous and independent organisation that is responsible for its work to the National Assembly. Within its jurisdiction, it decides on the rights and obligations of market participants. The activities of the Commission for the Protection of Competition include the determination of competition violations, the determination of measures to protect competition and the determination of measures to eliminate competition violations. In accordance with Article

235 of the PPL commission for the protection of competition may impose a measure of prohibition on the participation of a business entity in the public procurement procedure if it determines that the business entity has violated competition in the public procurement procedure in terms of the law governing the protection of competition.

The Administrative Court, within its jurisdiction, decides in administrative disputes initiated against the decisions of the RC.

Misdemeanour courts are courts of special jurisdiction that adjudicate in first-instance proceedings based on requests to initiate misdemeanour proceedings for misdemeanours prescribed by the provisions of the PPL.

Therefore, the institutional framework in the public procurement system is clearly established, through adequately established competences regarding the implementation of public procurement policies, as well as concessions and public-private partnerships, monitoring of the implementation of regulations on public procurement, protection of the rights of participants in public procurement procedures, supervision of execution of public procurement contracts, auditing of spending of public funds, protection of competition and prevention of corruption. The cooperation and coordination of competent institutions in the public procurement system is extremely important for the realisation of public policy and legal security in this area.

1. DESCRIPTION OF THE CURRENT STATE OF PLAY
   1. Indicators of the public procurement system

For the purposes of analysing the state of the public procurement system, the indicators that are monitored in that area through the Reports of the PPO and RC, observed during the period 2019-2023, were used. International trends and comparative practice in the EU were also observed, based on data from the European Commission[[9]](#footnote-9) and reports on public procurement in certain countries in the region. First of all, indicators related to transparency, competition, duration and efficiency of procedures, but also the participation of small and medium-sized enterprises, green and social public procurement, application of criteria for awarding contracts and instruments and techniques in public procurement procedures were taken into account. Given that the situation in this area is monitored through the aforementioned indicators, both in the Republic of Serbia and at the EU level, they are taken as relevant, especially bearing in mind that the European Commission also assesses the progress in the field of public procurement in the process of EU accession of the Republic of Serbia is based, among other things, on the mentioned indicators. All of the above served to identify the change that should be achieved in order to further develop the public procurement system and achieve the set goal for closing Chapter 5 – Public Procurement.

Also, data on public-private partnerships and concessions were observed through the reports of the PPP Commission and other publicly available data.

* + 1. Participation of public procurement in GDP

After two full decades of implementation, public procurement has reached the highest level in terms of its share in GDP, but this share is still lower than the average in the EU (about 14%). The participation of public procurement in GDP represents one of the indicators of the potential for the development of the national economy through public procurement, that is, economic growth and development in the Republic of Serbia. The share of public procurement in GDP in 2023 reached the highest level of 10.5%, which is the highest level in the last ten years when it was 7.63%[[10]](#footnote-10) (2014). Observing only the period from 2019 to 2023, a growth tendency can be observed, bearing in mind that in 2019 the participation was 8.14%. Therefore, from 2014 to 2023, the share of public procurement in GDP increased by 2.87%, which indicates a very significant increase.

* + 1. Transparency and efficiency of public procurement procedures Qualitative aspects of the public procurement system in terms of transparency and

efficiency of the procedure (electronic procurement) is at a very high level.

An electronic procurement system was established, which made public procurement procedures simpler, more efficient and transparent in all stages of the procedure, with the possibility of searching and collecting data. In terms of the efficiency of public procurement procedures, viewed through the duration of the open procedure, significant progress is evident, given that in 2023 the duration of the open procedure was 44 days on average, while in 2019 it lasted 62 days on average and bearing in mind the average duration of the open procedure in 2014, which was 77 days.

* + 1. Competition in public procurement procedures

Greater involvement of business entities in public procurement procedures has not been recorded in the past period. In 2023, the intensity of competition is at approximately the same level as in previous years and the number of offers per procedure is 2.4, while in 2019 it was 2.5. In 2014, the number of offers per procedure was 2.6. Based on these data, it can be concluded that from 2014 to 2023, there were no significant changes when it comes to this indicator. The number of offers per procedure is at approximately the same level. Regarding the type of public procurement subject, in 2023, the largest number of bids was submitted in public procurement procedures for goods (average number of bids 2.7), then in public procurement procedures for works (average number of bids 2.6) and in public procurement procedures service (average number of offers 1.9).

In 51% of public procurement procedures, only one bid was submitted, which represents a shift compared to previous years when it was above 52%. When taking into account the data from 2014, when only one offer was submitted in 42.6% of procedures, it can be concluded that this indicator recorded a deterioration compared to the previous period, but that it is still a data that is within average recorded by EU countries. Namely, when it comes to the level of the EU member states, the percentage of public procurement procedures submitted with only one offer varies from 13% to 52%.

A good indicator when it comes to competition is the significant participation of small and medium-sized enterprises (whether it is the participation in the procedures or the awarded contracts). With small and medium-sized enterprises, 266,908 contracts worth RSD 583,611,664,499 were concluded. Observed by the number of contracts, the participation is 79%, and by the value of contracts 68%. When taking into account the data from 2020, when this type of analysis was done for the first time, it can be concluded that there has been a significant improvement in this indicator. Namely, in 2020, the share of these contracts in the total number of contracts was 69.3%, and in the value of contracts 79.2%. Therefore, in the period from 2014 to 2023, there was a significant increase in the share of this type of contract in the total number of contracts, but a decrease in the share in the total value of the contract.

One of the main reasons for these statistical data is that in more than 14% of the total number of public procurement procedures, bids were also submitted by groups of business entities, of which in 7% of public procurement procedures, the group of business entities was the only bidder. The group of bidders implies that a larger number of economic entities participated in the public procurement procedure, which means that the number of economic entities participating in the public procurement procedure is much higher than the number of bids submitted.

* + 1. Participation in public procurement procedures

An open procedure is defined as a procedure in which all interested business entities can submit an offer, which indicates openness to the widest possible competition. Due to its nature, the open procedure is the most represented, both in the Republic of Serbia and in EU countries. In 2023, the open procedure was represented by 97% of the total value of the contract, while in 2019, the representation was 93%. On the other hand, in 2014, the participation of the open procedure was 85%, which indicates a significant improvement of this indicator in 2023 compared to the previous period.

In the structure of the representation of public procurement procedures, it is important to observe the participation of the negotiation procedure without publishing a public invitation, which is transparent and competitive to a lesser extent, and which in 2023 was represented by only 2%. When taking into account the data from 2014, when the participation of this type of procedure was 5%, it can be concluded that there has been a significant reduction in the application of this type of procedure, i.e. to a significant improvement of this indicator.

* + 1. Techniques and instruments in public procurement procedures

The application of public procurement techniques and instruments is constantly increasing, especially when it comes to framework agreements, of which there was a total of 17,233 concluded in 2023, which is an increase of 13.5% compared to 2022. Looking at the year 2019, when there were 2,869 concluded framework agreements, we see that there is a huge advance in the use of this technique in public procurement procedures. In particular, a significant shift can be observed compared to 2016, when an analysis of this type was conducted for the first time, when only 2,199 framework agreements were concluded. This data shows that from 2014 to 2023, there was a very significant increase in the number of concluded framework agreements. In addition to the above, it is necessary to further spread awareness and trainings when it comes to the use of all techniques and instruments, designed as “tools” for increasing efficiency, economy and competitiveness in public procurement, especially the system of dynamic procurement and the use of e-catalogues, whose representation is in the past period was very small.

* + 1. Green and social aspects of public procurement

Based on the data published on the Public Procurement Portal, it was determined that in 2023, 1,592 public procurement procedures were initiated and that a total of 27,695 contracts were concluded in which the contracting authorities applied environmental aspects. The share of public procurement procedures that contain environmental aspects in the total number of public procurement procedures is 3.32%, while the share of public procurement contracts in which environmental aspects are applied in the total number of concluded contracts is 8.24%.

This is an area that must be given greater attention in the coming period, which is already recognised and visible through the activities of the PPO undertaken in the past period, as well as new legal solutions, which foresee the introduction of the principles of environmental protection and the obligation of the contracting authority to procure goods, services or works that minimally affect the environment, as well as prescribing by the PPO the types of goods, services and works for which the contracting authorities are obliged to apply environmental aspects when determining technical specifications, criteria for the selection of a business entity, criteria for awarding contracts or conditions for execution of public procurement contracts.

In 2023, social aspects were used in 140 public procurement procedures, while that number in 2022 was 106.

Social aspects were most often used within technical specifications in procedures that had as their subject works on construction, reconstruction and extension of buildings, parks, markets and reconstruction and maintenance of streets. Observed through the application of reserved public procurement,[[11]](#footnote-11) a total of 169 procedures were carried out in 2023, while that number was 106 in 2022.

Until 2021, these indicators were not monitored through the Portal. In 2021, the Portal was improved with new functionalities and the monitoring of these public procurement procedures began. Bearing in mind the statistics for 2023, as well as the number of public procurement procedures with the application of the ecological aspect in 2021 (650), that is, the number of public procurement procedures with the application of the social aspect in 2021 (86), we can conclude that significant progress accomplished.

* + 1. Participation of contract award criteria – economically most favourable

offer

The criterion for awarding the contract to the most economically advantageous offer, which is based only on price, was applied in 97% of public procurement procedures in 2023, which represents a decrease compared to 2019, when it amounted to 90%. When taking into account the data from 2015, when an analysis of this type was done for the first time, a significant deterioration of this indicator is observed, i.e., a significantly higher number of public procurement procedures in which the criterion for awarding contracts is based only on price. Namely, in 2015, the criterion for awarding contracts based on price was applied in 81% of public procurement procedures. Progress will be visible through the introduction of the obligation that in certain items of procurement (computer programme development services, architectural services, engineering services, translation services or advisory services) the price is not the only criterion, but it is necessary to additionally promote qualitative criteria so that the contracting parties themselves recognise the importance inclusion of other, first of all, qualitative elements in the contract award criteria.

* + 1. Law on Public-Private Partnerships and Concessions

As of 2023, since the beginning of its work, CPPP has given a positive opinion on 276 public-private partnership project proposals with or without concession elements. The value of these projects is more than EUR 8 billion, while around 150 public contracts have been concluded.

The largest number of concluded public contracts relates to the replacement, rationalisation and maintenance of public lighting using energy saving measures (CPV – 71314200 Services related to energy management) and the performance of communal activities of public city and suburban passenger transport (CPV – 60000000 Transportation services).

* + 1. Public Procurement Monitoring

Monitoring of the implementation of regulations on public procurement is carried out by the PPO in order to prevent, detect and eliminate irregularities that may arise or have arisen in the implementation of the PPL.

In determining the subjects of monitoring in which the implementation of public procurement regulations was monitored, the PPO had in mind the equal representation of all structures of contracting authorities, both state bodies and bodies of local self-government and public enterprises, whether performing sectoral or public activities, but also cultural, social and health care institutions and sports institutions, over which the founding rights are exercised by local self-government units or the Republic of Serbia, as well as an element of equal territorial representation. The risk assessment was performed on the basis of supervision in previous budget years and analysis of the situation previously conducted by the PPO activities and information and reports received from other state bodies, primarily from special anti-corruption departments of higher public prosecutor’s offices, the Anti-Corruption Agency and bodies of the Ministry of the Interior.

In performing monitoring activities, the PPO focused part of its activities on checking the correctness of public procurement planning; choice of procedure; checking the legality of published tender documents, i.e., compliance of the mentioned acts with positive legal regulations governing the matter of public procurement (criteria for qualitative selection of economic entity, criteria for awarding contracts, etc.), as well as the validity of the decision on the outcome of the public procurement procedure; other communication that the contracting authorities are obliged to perform through the new Public Procurement Portal as well as checking other elements that may have affected the legal implementation of the public procurement procedure.

In addition to the above, in the course of 2023, the PPO also carried out control monitoring in relation to the behaviour of the contracting authorities who were the subject of monitoring in 2022, in terms of whether the contracting authorities, when applying the regulations in the field of public procurement, acted in accordance with the recommendations on the way to prevent and eliminate observed irregularities, which are listed in the report on the conducted monitoring. On that occasion, it was established that most of the contracting authorities who were the subjects of monitoring accepted the recommendations given in the PPO Report.[[12]](#footnote-12)

Observing the period from 2019 to 2023, the growth of monitoring activities is visible. From the year 2021, for the monitoring of the special objective 3. “Reducing the risk of irregularities in the public procurement system” in the previous Programme, it was defined as an indicator to monitor the "number of procedures over which monitoring was carried out" and in 2021 there were a total of 258 procedures, while in 2023 there were 782, which represents a significant increase in the scope of monitoring activities over public procurement procedures.

* + 1. Protection of rights

The procedure for the protection of rights is the procedure for legal protection in the public procurement procedure in accordance with the PPL and the procedure for awarding contracts in accordance with the LPPPC, as well as in other cases in accordance with the law. Rights are protected in the procedure carried out by: a) the contracting authority (previous procedure) and b) RC. The PPL also establishes special principles of the procedure for the protection of rights, namely: 1) legality, 2) efficiency, 3) accessibility, 4) adversarial nature and 5) literacy.

A request for the protection of rights can be submitted by a business entity during the entire public procurement procedure, which had or has an interest in the award of a specific contract, i.e., a framework agreement, and which indicates that due to the actions of the contracting authority contrary to the provisions of this law, it has been damaged or could be damaged due to contract award. Also, a request for the protection of rights in the public interest can be submitted by the PPO, the SAI and the competent attorney's office, when in the exercise of their powers they become aware of irregularities in public procurement procedures.

In the period from 1 January 2023 to 31 December 2023, the RC resolved a total of 975 cases. A total of 908 cases were decided on the basis of initiated legal protection procedures, in which 714 cases were decided on the basis of requests for legal protection, 59 cases were decided on appeals against the ordering party's decision, and 70 cases were decided on requests for compensation for the costs of legal protection procedures , in 50 cases, decisions were made regarding the proposal for continuation of activities, in one case, decisions were made based on the proposal to repeat the procedure, and in 14 cases, decisions were made in the procedures for the protection of rights that were repeated due to the actions according to the decisions of the Administrative Court.

* 1. Effects of the implementation of the previous planning document

The Government adopted the Public Procurement Development Programme in the Republic of Serbia for the period 2019-2023 on 13 November 2019, an integral part of which was the Action Plan for 2019 and 2020. In the following years, on the annual level, action plans (for 2021, 2022 and 2023) were adopted, within which goals, measures and activities, their holders, deadlines for implementation, financial resources, as well as effect indicators, indicators were defined outcomes and results indicators. This programme determined the path to progress in the public procurement system, and the scope and achievements were seen through the evaluation of the measures and activities undertaken.

The stated programme established a general goal – further development of a modern and efficient system of public procurement. The expected indicator of the achievement of that goal is the further modernisation of public procurement procedures through the full application of electronic communication methods, with the consequent improvement of their efficiency, transparency and reduction of the risk of irregularities. The achievement of the stated general goal is foreseen through the establishment of four specific goals: increasing the efficiency and economy of public procurement procedures, strengthening competition in the public procurement market, reducing the risk of irregularities in the public procurement system, and promoting and encouraging the environmental and social aspects of public procurement and innovation. It is also planned to achieve significant progress in connection with the negotiations with the EU in Chapter 5 – Public Procurement, primarily in relation to meeting the criteria for closure.

The following measures are defined to achieve the general and specific goals:

* improving the legal framework;
* strengthening the institutional framework;
* improvement of electronic public procurement;
* strengthening administrative capacities and trainings.

With regard to the improvement of electronic public procurement, the activities were carried out in full in the established manner and within the stipulated period. Since the Public Procurement Law was adopted and a transparent and efficient electronic public procurement system was established, the preconditions for further development and greater progress in this area were created. The introduction of mandatory electronic communication in public procurement procedures and the functionality of the Portal represent a major contribution to the improvement of the public procurement system, especially in terms of transparency of the procedure, reduction of administrative costs for all subjects participating in public procurement procedures and more efficient public procurement procedures. The portal has improved communication in all stages of the public procurement procedure and is available to everyone under equal conditions and free of charge. Public procurement plans are published in a unique way with the possibility of efficient search based on different criteria. Also, standard forms of all advertisements and efficient search mechanisms on the Portal, as well as all information on public procurement procedures, have been established, complete implementation of public procurement procedures and electronic submission of bids is enabled, data on awarded contracts, as well as contract amendments and protection are available rights in public procurement procedures and procurement reports to which the PPL does not apply. All these functionalities of the Portal provide the opportunity for better and more efficient monitoring of public procurement.

This is the area in which the most significant progress has been made compared to the previous period, bearing in mind the way of conducting public procurement procedures before the start of the implementation of the PPL in 2019, as well as the previous functionality of the Public Procurement Portal. According to the previous legal solutions, contracting authorities were obliged to publish public procurement advertisements, as well as tender documentation on the Public Procurement Portal. Therefore, this public procurement portal represented a kind of bulletin board for the publication of individual documents, but without the possibility of conducting the entire public procurement procedure electronically, which changes with the establishment of the Portal.

Therefore, the Portal, with all its functionalities developed during the period of validity of the previous public policy document, enabled the implementation of public procurement in a transparent and efficient manner. This programme envisages further improvement of the electronic public procurement system.

In terms of improving the legal framework in the field of public procurement, progress is visible through amendments to the Public Procurement Law in 2023. Amendments to the Public Procurement Law contribute to increasing the transparency, efficiency and economy of public procurement procedures, the impact on the environment in accordance with the goals defined by the Green Agenda for the Western Balkans, strengthening competition on the public procurement market, reducing the risk of irregularities in the public procurement system, as well as enhanced control by authorised institutions.

The key novelties adopted by the amendments to the PPL are:

1. introduction of environmental protection principles;
2. a public procurement officer, i.e., a person who has obtained a certificate for a public procurement officer is a mandatory member of the public procurement commission in public procurement procedures whose estimated value is greater than RSD 3,000,000;
3. prescribing a period of 30 days in which the contracting authority is obliged to submit a proposal for initiation of misdemeanour proceedings of the PPO, if the business entity does not submit evidence and a statement of the subcontractor, within the legally prescribed period;
4. application of criteria for awarding contracts that are not based only on price, but also on quality, for precisely defined categories of services;
5. the basis for the adoption of a by-law of the Office for Public Procurement, which will prescribe the types of goods, services and works for which the contracting authorities/entities are obliged to apply ecological aspects when determining technical specifications, criteria for the selection of an economic operator, criteria for awarding contracts or conditions for execution public procurement contracts;
6. introduction of a provision that prescribes the deadline in which the contracting authority is obliged to make a decision on the suspension of the public procurement procedure;
7. the obligation to re-evaluate the tenders and make a decision on the award of the contract for the contracting authorities/entities, in the event that the selected bidder refuses to conclude the contract;
8. creation of a database that, in addition to information on all contracts concluded after the public procurement procedure and their amendments, also contains data on contracts/orders concluded or issued in accordance with Article

27 of the Law on Public Procurement, which prescribes the thresholds up to which the provisions of this law are not applied.

1. the basis for the adoption of a by-law of the ministry responsible for financial affairs, which regulates the supervision of the execution of the contract;
2. The CPC is granted access to the database for the purposes of performing tasks within its jurisdiction;
3. method of registration of business entities that register on the Portal;
4. modification and deletion of certain offenses of the contracting authorities, as well as the introduction of new ones;
5. the basis for all state authorities responsible for controlling the legality of spending public funds to submit a request for initiation of misdemeanour proceedings when, acting within their jurisdiction, they determine that a violation of this law has been committed, which can be the basis for misdemeanour liability.

The application of certain new legal solutions creates the conditions for the achievement of certain indicators provided by the Programme.

Given that the amendments to the PPL were adopted during the period of validity of the previous public policy document, the Programme envisages the improvement of the regulatory framework in terms of harmonising regulations in the field of PPPs and concessions with EU directives.

Since it is extremely important to raise awareness about the importance of public procurement for society and to know the rules of public procurement, the organisation of trainings and workshops continued. In 2023 alone, 12 trainings were organised for representatives of the contracting authority and bidders related to the application of the legislative framework and the use of the Portal. Compared to previous years, the number of organised trainings and workshops has increased significantly. Namely, in 2022, eight trainings were organised, the same as in 2021, while only six trainings were organised in 2020. The programme envisages the continuation of the organisation of trainings and workshops, bearing in mind that this form of providing expert assistance to contracting authorities and bidders has proven to be very effective.

Also, the strengthening of administrative capacities and training in the form of created and published models, guidelines, etc., continued.[[13]](#footnote-13) In the period from 2019 to 2023, eleven models of tender documents, two guidelines and one model of a special act were prepared and published. The good practice of preparing these documents existed in the previous period and will continue with the same practice in the following period.

The cooperation and coordination of competent institutions, which is extremely important for the effective elimination of irregularities in the public procurement system and the establishment of legal certainty in this area, was reflected in a series of meetings and workshops, where experiences and views were exchanged. The past period was marked by the organisation of workshops and meetings between relevant institutions with the aim of exchanging information and harmonizing positions regarding the application of regulations in the field of public procurement. On average, two workshops were organised in the period 2019-2023 for the purpose of harmonizing the positions of the PPO, RC, MFIN in relation to the PPL. Numerous trainings and lectures were also held, with a special emphasis on activities aimed at the prevention and prevention of irregularities. It is necessary to continue this trend in the future, as established by the measures within this programme. Also, it is necessary to continue strengthening the cooperation of the PPO and RC with the Administrative Court, as well as further improving the knowledge of employees in key institutions, through continuous trainings on EU legal acquis and good practices in the application of directives on public procurement in EU countries.

Although there is evident progress in the field of public procurement, it is necessary to intensify further activities, especially in the part that concerns the further improvement of competition, the greater application of techniques and instruments in public procurement procedures, as well as the use of social and environmental aspects in public procurement, and the reduction of the risk of irregularities.

To that end, it is necessary to continue strengthening the personnel potential at all levels, both in terms of numbers and competence.

On the other hand, when it comes to the area of ​​public-private partnership and concessions, progress has not been achieved, bearing in mind that the amendments and additions to the LPPPC were not adopted, as planned.

* + 1. An overview of indicators for the period from 2019 to 2023.

Considering that the target values ​​of the result indicators at the level of measures were defined as of 2020, they were measured through the Report on the Implementation of the Action Plan for the year 2020 for the implementation of the Public Procurement Development Programme in the Republic of Serbia for the period from 2019 to 2023.

The period from 2019 to 2020:

* As part of the measure “Improvement of the Legal Framework”, one result indicator “New PPL in implementation” was defined, and in this connection the target value of the result indicator in 2020 was fully met, given that the PPL has been implemented since 1 July 2020.
* As part of the “Strengthening the Institutional Framework” measure, three result indicators have been defined, namely: 1. the new PPL in implementation (the target value of the result indicators in 2020 has been fully met, given that the PPL has been implemented since 1 July 2020); 2. the number of employees in the PPO (the target value of the result indicator has been fully met, bearing in mind that the systematisation of the maximum number of civil servants with whom an employment relationship can be established is 55 in relation to the maximum number of 38 civil servants according to the previous rulebook on internal organisation and systematisation); 3. the number of certified officials (the target value of the result indicator was not fully met, bearing in mind that in 2020 there was no exam organised for public procurement officers, but despite this, the number of certified public procurement officers increased; during 2019 25 exams for public procurement officers were held, at which 759 candidates sat, and a total of 4,727 persons obtained the public procurement officer certificate by the end of 2020).
* As part of the “Improvement of electronic public procurement” measure, two result indicators have been defined, namely: 1. the new PPL in implementation (the target value of the result indicator in 2020 has been fully met, given that the PPL has been implemented since 1 July 2020); 2. the number of submitted electronic offers (the target value of the result indicator was fully met, bearing in mind that the number of submitted electronic offers as of 31 December 2020 amounted to 14,631, which many times exceeds the target value for 2020).
* Within the measure “Strengthening administrative capacities and training”, two result indicators were defined, namely: 1. the new PPL in implementation (the target value of the result indicator in 2020 was fully met, given that the PPL was implemented from 1 July 2020); 2. the number of organised trainings during the year (the target value of the result indicator was fully met, bearing in mind that during 2020, six trainings were organised for contracting authorities and bidders related to the implementation of the new legislative framework).

The 2021 period:

* Action plan for the year 2021 for the implementation of the Public Procurement Development Programme in the Republic of Serbia for the period 2019-2023, within the measure "Improvement of the legal framework" one result indicator "Proposal of changes and additions to the LPPPC" was defined, whose target value in 2021 was not met, considering that the changes and additions to the LPPPC were not adopted.
* As part of the “Strengthening the Institutional Framework” measure, three result indicators have been defined, namely: 1. the number of employees in the PPO (the target value of the result indicator in 2021 has been fully met, bearing in mind that the systematisation of jobs will result in the maximum number of civil servants with which an employment relationship can be established 55 in relation to the maximum number of 38 civil servants according to the previous rulebook on internal organisation and systematisation); 2. number of certified officials (the target value of the result indicator has been fully met, bearing in mind that the target value of a total of 4,800 certified public procurement officials, according to the old and new Public Procurement Law, has been reached and amounts to 4,845).
* Within the measure "Improvement of electronic public procurement" one indicator "Number of submitted electronic bids" was defined, the target value of which in 2021 was fully met, considering that it exceeds the target value of 45,000 and amounts to 89,717.
* Within the measure “Strengthening administrative capacities and training”, one indicator "Number of organised trainings during the year" was defined, whose target value in 2021 was fully met, bearing in mind that during 2021, eight trainings were organised for contracting authorities and bidders related to the implementation of the new legislative framework, which represents two trainings more than in 2020.

The 2022 period:

* Action plan for the year 2022 for the implementation of the Public Procurement Development Programme in the Republic of Serbia for the period 2019-2023, within the measure “Improvement of the legal framework” one result indicator “Proposal of changes and additions to the LPPPC” was defined, whose target value in 2021 was not met, considering that the changes and additions to the LPPPC were not adopted.
* As part of the “Strengthening the Institutional Framework” measure, three result indicators have been defined, namely: 1. the number of persons employed in the PPO (the target value of the result indicator in 2022 of 46 persons was partially met, bearing in mind that the structure of employees shows that as of December 31, 2022, the total number of permanent and fixed-term employees is 33, of which 29 are permanent employees and four are civil servants, while the total number of non-employment employees based on contracts for performing temporary and occasional jobs on December 31, 2022, nine, which is a total of 42 employed persons); 2. the number of certified officials (the target value of the result indicators has been fully met, bearing in mind that the target value of a total of 4,950 certified public procurement officials, according to the old and new Public Procurement Law, has been reached and amounts to 5,026).
* Within the “Improvement of electronic public procurement” measure, one indicator “Increased number of new functionalities on the Public Procurement Portal” was defined, whose target value in 2022 was fully met, given that the target value of 13 versions of the Portal was achieved.
* Within the measure “Strengthening administrative capacities and training”, one indicator “Number of organised trainings during the year” was defined, whose target value in 2022 was fully met, bearing in mind that during 2022, eight trainings were organised for contracting authorities and bidders related to the implementation of the new legislative framework.

The 2023 period:

* Action plan for the year 2023 for the implementation of the Public Procurement Development Programme in the Republic of Serbia for the period 2019-2023, as part of the measure “Improving the legal framework”, three indicators of results were defined, namely: 1. adopted amendments and additions to the PPL; 2. adopted amendments and additions to the LPPPC; 3. pass by-laws in accordance with the amendments to the PPL. The target values ​​of the result indicators in 2023 have been partially met, given that the amendments to the PPL and by-laws have been adopted, while the amendments to the LPPPC have not been adopted.
* As part of the “Strengthening the Institutional Framework” measure, three result indicators have been defined, namely: 1. number of certified officials (indicator fulfilled

completely, bearing in mind that the target value of a total of 5,100 certified public procurement officers, according to the old and new Public Procurement Law, has been reached and amounts to 5,231); 2. the number of trainings for the police, prosecutor's offices and courts (the indicator was fully met, bearing in mind that the target value of three trainings was reached and a total of five trainings were organised).

* Within the “Improvement of electronic public procurement” measure, one indicator “Increased number of new functionalities on the Public Procurement Portal” was defined, whose target value in 2023 was fully met, given that the target value of 15 versions of the Portal was achieved.
* Within the measure “Strengthening administrative capacities and training”, one indicator “Number of organised trainings” was defined, whose target value in 2023 was fully met, bearing in mind that in 2023, 17 trainings were organised for contracting authorities and bidders who related to the implementation of the legislative framework and the use of the Public Procurement Portal.
  + 1. Key weaknesses and challenges for their elimination

In addition to the fact that the public procurement system was improved in the past period, based on the previously determined situation, certain weaknesses were identified that must be addressed in the following period:

* the regulatory framework in the field of public-private partnerships and concessions is not harmonised with Directive 2014/23/EU, so there is a need for amendments and supplements to the legislative framework in the field of public-private partnerships and concessions in order to harmonize with the European acquis, as well as promote good contracting practices and implementation of public-private partnership projects with or without concession elements, as well as capacity building in this area at all levels;
* competition in public procurement is below the planned level, bearing in mind the target values ​​defined through annual action plans, so increasing competition is imposed as a need that will contribute to greater effectiveness and economy of public procurement;
* insufficient application of techniques and instruments in public procurement procedures is the reason for the need for greater promotion and expansion of their application in practice;
* insufficient application of environmental and social aspects in public procurement, as well as innovation, requires spreading awareness of the need for their application in practice;
* the risks of irregularities in the public procurement system, starting from the planning of public procurement, through the implementation of public procurement procedures to the execution of public procurement contracts, must be reduced, so that the public procurement system is fair and sustainable.

In addition to all of the above, further cooperation and coordination of competent institutions in the public procurement system with the aim of strengthening legal security in this area, as well as strengthening the capacity and improving the knowledge of employees in these institutions, through trainings on EU legal acquis and good practices in their application in EU countries are priorities in the coming period. In addition to strengthening the capacity of competent institutions, it is necessary to continuously improve the knowledge of public procurement officers and persons participating in the implementation of public procurement procedures, as well as their managers, on the one hand, and other entities participating in public procurement procedures, i.e. economic entities, on the other hand.

The mentioned weaknesses are the basis for determining the desired changes and defining the goals of public policy in the field of public procurement in the period 2024-2028.

For an effective public procurement system that will lead to the fulfilment of the criteria for the closure of Chapter 5 – Public procurement in the process of accession to full membership of the Republic of Serbia in the EU, in the coming period it is necessary to continue with the further development of a modern and efficient public procurement system and to intensify the activities started to fulfil the established criteria by the European Commission.

To that end, a general goal and three specific goals for the next period were identified with a proposal for measures that would contribute to the achievement of both general and specific goals.

Potential risks/challenges for eliminating identified weaknesses and meeting goals can be classified into two groups:

1. Insufficient personnel capacities. Bearing in mind that without adequate human resources it is not possible to achieve the desired results, the Programme insists on trainings and increasing the capacity of both employees in institutions of importance for the public procurement system, as well as public procurement officers and business entities.
2. Insufficient motivation of public procurement officials to acquire new knowledge and skills (especially with regard to the wider application of quality criteria for awarding contracts, green and social procurement and the application of instruments and techniques in public procurement procedures), so it is necessary to spread awareness in a timely manner and continuously on the importance of public procurement for economic growth and development, that is, society as a whole.
3. GOALS OF THE PROGRAMME

4.1. Vision

The Republic of Serbia follows the European principles of public procurement based on economy, efficiency, effectiveness, environmental protection, transparency, equal position of all economic entities and proportionality, which ensures efficient spending of public funds, economic growth and guarantees citizens a high quality of services and a competitive business environment.

The strengthening of a sustainable and fair public procurement system based on the aforementioned principles should continue to be pursued in order to simultaneously meet the criteria for closing Chapter 5 – Public Procurement, in the EU accession process.

Based on indicators of the state of the public procurement system in the Republic of Serbia and based on the findings of the European Commission’s report, looking at the key weaknesses of the public procurement system and challenges for their elimination, the vision is a transparent and efficient public procurement system that ensures a high level of competition.

In accordance with the stated vision, the general goal and specific goals were determined and the measures and activities necessary for their realisation in the following five-year period were developed.

This programme represents a further upgrade of the results achieved in the period 2019-2023, and the process of its preparation was used to reconsider future directions and challenges for the field of public procurement.

Desired change to be achieved in the period 2024-2028 represents the further improvement of the interconnected special objectives of the Programme, which will consequently contribute to the overall progress in this area.

The definition of the desired change was arrived at based on the analysis of the existing situation and the observed problems in the implementation of the previous programme.

Implementation of the Programme, in accordance with the defined goals, should enable:

* respect for the principles on which the system of public procurement in the Republic of Serbia is based;
* achieving the best value for the invested money;
* improving competitiveness on the market;
* wider application of techniques and instruments in public procurement procedures;
* support for various aspects of public procurement (primarily green and social procurement);
* professional training and improvement for the purpose of improving knowledge, skills and competencies, in order to continue progress at all levels;
* improving the management of public procurement contracts;
* reduction of irregularities in public procurement;
* harmonisation of the legal regulations of the Republic of Serbia governing the area of ​​public-private partnerships and concessions with the legal acquis of the EU;
* development of public-private partnerships and concessions.

The implementation of the defined general goal and special goals, as well as the realisation of the determined measures and activities, will influence the further development and modernisation of the public procurement system in the Republic of Serbia.

* + 1. General goal and specific objectives

The general goal is the further development and strengthening of a sustainable and fair public procurement system established as the general goal of the public procurement policy. Fairness in the public procurement procedure is reflected in the absence of impartiality when making decisions and implementing actions, which may result in favouring individuals or business entities. In this regard, all offers must be considered on the basis of their compliance with the conditions of the tender documentation, and the offer must not be rejected for reasons other than those specifically stated in the PPL and the tender documentation. On the other hand, it is necessary to further educate bidders in order to properly use the means of protecting their interests. A sustainable system of public procurement is a system in which the mechanisms for achieving a balance between what is good for society and the economy, by achieving the principle of the best value for the invested money, while simultaneously reducing environmental damage, are established and implemented in practice. The main goal of a sustainable public procurement system is to maintain a balance between the three pillars of sustainable development: economic, social and environmental.

The following special goals lead to the realisation of the stated general goal:

1. Increasing economy and competitiveness in public procurement;
2. Wider application of environmental and social aspects and techniques and instruments in public procurement;
3. Reducing the risk of irregularities in public procurement.
   * 1. General goal – Further development and strengthening of a sustainable and fair system of public

procurements

Public procurement is an extremely dynamic and complex field, in which many different entities are involved, which requires a continuous effort to establish tools that will contribute to a stable system of public procurement.

The general goal defined in this way implies an effort to further develop and strengthen the public procurement system on the basis of prescribed principles, provisions of the Public Procurement Law and European rules, in order to achieve the expected progress in the accession negotiations with the EU.

In terms of the regulatory framework, the primary priority is the full harmonisation of regulations in the field of public-private partnerships and concessions with the legal acquis of the EU, as one of the prerequisites for further progress and full membership in the EU.

Transparency of the entire public procurement cycle, from planning to contract execution, is the basis for establishing a stable public procurement system. Although the public procurement system in the Republic of Serbia is very transparent, there is still room for improvement, especially with regard to procurements that are not subject to the application of the Public Procurement Law and the contract execution phase, which will further strengthen the mechanisms for the prevention of abuses and irregularities.

More efficient competition with the reduction of irregularities, and thus more economical spending of public funds, especially has an important role in the development potential of the public procurement system, which represents a field that needs to be improved.

For further development and strengthening of a sustainable system of public procurement, additional strengthening of institutional capacities at all levels is necessary, as well as taking appropriate measures to ensure proper implementation and application of regulations in the field of public procurement in practice. Often the lack of capacity, knowledge and experience results in omissions and irregularities in public procurement procedures that cause public distrust in the public procurement system. That is why an additional effort must be made so that contracting authorities, business entities, public procurement officers and society as a whole believe in the public procurement system as beneficial for the economy and society.

In addition, the more frequent use of techniques and instruments in public procurement, as well as environmental and social aspects in public procurement, contributes to the further development of this area. In this regard, special goals have been defined that will contribute to the achievement of the established general goal.

The indicator of the effects of the realisation of this goal is the assessment of the European Commission on the achieved progress in Chapter 5 – Public Procurement and the fulfilment of all criteria established within this chapter.

* + 1. Specific objective 1 – Increasing economy and competitiveness in public

procurements

The PPL is based on principles that include the obligation of the contracting authority to act in an economical and efficient manner, to ensure competition, an equal position of all economic entities, without discrimination, as well as to act in a transparent and proportional manner. Applying these principles in practice reflects the desired results. Therefore, the increase in economy and competitiveness are recognised as special goals that should be pursued in the coming period.

It is necessary to bear in mind that the indicator of economy is not only reflected in the cost, i.e., the price of works, goods and services procured by the contracting authority, but also in their quality, which is identified through the effectiveness of the implementation of public procurement, with the aim that the public service in accordance with deliver the necessary quality standards to its users. In order to achieve this goal, it is necessary to strengthen in practice the evaluation of quality in public procurement procedures, through greater application of the criteria of the most economically advantageous offer, which is not based only on price. The "value for money" principle, which is applied in public procurement and public-private partnership procedures and concessions, is visible through the determination of criteria for the award of contracts by applying the approach of evaluating cost efficiency, such as the cost of the life cycle, as well as the price-quality ratio, i.e., cost and quality that includes qualitative, environmental and/or social aspects. To that end, the amendments to the Public Procurement Law have already determined the award of contracts for certain items of public procurement with the mandatory application of the criteria of the most economically advantageous offer on the basis of cost criteria by applying the cost efficiency approach or the ratio of price and quality, that is, cost and quality.

Competition in public procurement procedures has a significant impact on the effectiveness of public procurement. The statistics show variations in the participation rate depending on the subject of procurement and the categories of goods, services and works according to the designations from the general dictionary of procurement. In the case of certain items of public procurement, the participation of bidders is higher, which depends on numerous factors. In addition to potential economic benefits, fair market competition plays a significant role, which is primarily reflected in relevant and fair criteria for qualitative selection, criteria for awarding contracts and technical specifications, but also the complexity of the public procurement procedure, appropriate legal protection, etc.

Outcome indicator: In order to achieve this specific objective, the following should be achieved:

* participation of SMEs in public procurement procedures;
* participation of contract award criteria that are not based only on price.
  + 1. Wider application of environmental and social aspects and techniques and instruments in public procurement;

In order to stimulate economic growth and social progress, while preserving a healthy and clean environment, the circular economy is recognised as an important strategic concept for the green transition of the Republic of Serbia. Green transition implies economic, energy and investment transition, which are based on sustainable use of resources and energy, reduction of negative impact on the environment, application of innovations and digital tools, knowledge, added value and greater competitiveness of the economy. Circular economy development programme in the Republic of Serbia for the period 2022-2024, which is based on the European Green Plan – Strategy for achieving the sustainability of the EU economy, it was recognised that greater implementation of green public procurement in the Republic of Serbia would have a strong positive impact on the development and implementation of the circular economy. By implementing green public procurement, the contracting authorities, as the largest buyers, encourage the development of the offer of goods, services and works with better characteristics for the environment, the introduction of voluntary environmental instruments, the creation of new, “green” jobs, innovation and the creation of new business models are encouraged. By applying green public procurement, resources are used more efficiently and purposefully, with the realisation of appropriate savings and better characteristics for the environment through all phases of the life cycle of goods, services and works.

The PPL created prerequisites for achieving the stated goals, and the amendments to the PPL additionally improve the regulatory framework in this sense, through the introduction of the application of the principles of environmental protection, as well as the stipulation by the PPL of the types of goods, services and works for which the contracting authorities are obliged to apply ecological aspects when determining technical specifications, criteria for the selection of a business entity, criteria for awarding contracts or conditions for the execution of public procurement contracts.

The next period will be aimed at encouraging an increase in the share of green public procurements in total public procurements, their additional affirmation and trainings of interested parties.

In addition to environmental aspects in public procurement, social aspects also play a significant role in social development, which can be taken into account in the appropriate phase of the procurement procedure, such as: the possibility of employing persons in a disadvantageous position, respect for labour and social rights, social inclusion (inclusion of persons with labour disabilities), compliance with accessibility standards for all users, etc. In addition, the purchase of innovative products, services and works is of key importance for improving the efficiency and quality of public service provision.

This goal will be achieved by increasing the use of environmental and social aspects in public procurement, as well as by encouraging innovation through the application of the partnership for innovation procedure.

Also, the benefits of the application of techniques and instruments in public procurement are reflected in greater efficiency of the procurement procedure and in the economy of procured goods, works and services.

Directive 2014/24/EU, in its introductory remarks, recommends a wider application of the framework agreement technique in practice. Although the implementation of framework agreements in the Republic of Serbia is becoming more common every year, there is still a lot of room for improvement, especially in local self-governments. On the other hand, all other techniques, which are equally useful tools in public procurement, have not yet taken root in practice to a sufficient extent. The reason for this is primarily the lack of knowledge and awareness of the benefits they bring, so the next period must be dedicated to encouraging the wider application of these mechanisms.

Outcome indicator: In order to achieve this specific objective, the following should be achieved:

* + the number of public procurement procedures with environmental criteria;
  + the number of public procurement procedures with social criteria;
  + techniques and instruments in public procurement procedures.
    1. Specific objective 3 – Reducing the risk of irregularities in public procurement

A fair and sustainable system of public procurement and progress cannot be achieved

without reducing irregularities and the risk of corruption in public procurement procedures.

Often, the main problem is the lack of expertise and experience of participants in public procurement, which causes mistakes in handling that can result in a decrease in trust in the system. Therefore, strengthening the trust between the public and private sectors and the public as a whole is a field on which it is necessary to continuously work.

The aforementioned implies the improvement of administrative and judicial capacities for the application of regulations and the establishment of legal practice that proves that the regulations are properly applied. Achieving the stated goal will be based on increased monitoring of the application of regulations, trainings, preparation of instructions and other tools for the application of regulations in practice and continued cooperation of institutions in the public procurement system.

In addition, the execution phase of public procurement contracts is very important in achieving the principles of economy and efficiency. In order to ensure the execution of the contract in accordance with the conditions specified in the procurement documentation and in accordance with the selected offer, it is necessary to adequately establish control of the execution of the contract, both at the level of the contracting authority and through systematic supervision by competent institutions, primarily the Ministry of Finance, which is, in accordance with the provisions of the Public Procurement Law, responsible for supervising the execution of public procurement contracts.

Considering that in the contract execution phase, although numerous mechanisms have been established for wide transparency through notices on contract award, contract amendments and financial realisation of the contract, transparency is not, nor can it be, at the level at which the implementation of the public procurement procedure is found, there is a need to strengthen this segment of public procurement, bearing in mind that at this stage there is a potential risk of abuse.

In 2023, a sub-legal act was adopted by the Minister of Finance, which regulates the way of supervising the execution of public procurement contracts, which established the starting point for the implementation of the prescribed supervision, so in the coming period, supervision over the execution of public procurement contracts will be carried out using a systematic approach be further improved.

On the other hand, it is necessary to strengthen the capacities of contracting authorities for good management of public procurement contracts, by organizing trainings and promoting good practices in other ways.

Outcome indicator: In order to achieve this specific objective, the following should be achieved:

* number of procedures over which the monitoring was conducted
* number of subjects of regular supervision over contract execution.
  1. Analysis of options for achieving goals
     1. Measures to achieve special goal 1 – Increasing economy and competitiveness in public procurement

Measure 1: Improving the regulatory framework and strengthening practice in the field of PPP

The regulation in the field of PPP and concessions must be harmonised with EU directives, which will have a stimulating effect on increasing economy and competitiveness in connection with projects, i.e., selection procedures for private partners and concessionaires in which long-term contracts of high value are awarded. It is necessary to improve certain procedures and mechanisms, first of all, the introduction of better control of the financial impacts of public-private partnership projects and harmonisation with international standards and best international practice. Also, it is necessary to organise and conduct trainings for contracting authorities and business entities in the field of public-private partnerships and concessions, as well as the development of guidelines for the implementation of private partner selection procedures.

Output indicator:

* the Law on Amendments to the LPPPC. Measure 2: Strengthening the institutional capacities

Effective competition is a prerequisite for economical spending of public funds. These values ​​need to be further promoted, in which key institutions in the public procurement system play the most important role.

The PPO and the RC should continue to strengthen both quantitatively, by increasing the number of employees, and qualitatively, by constant training of employees, who will further transfer their knowledge to all participants in public procurement. Also, it is necessary to strengthen the capacities of employees in the Administrative Court, which is responsible for handling lawsuits that initiate administrative disputes, the Commission for the Protection of Competition, as well as the CPPP.

Output indicator:

* number of employees in the PPO.

Measure 3: Strengthening the administrative capacities of contracting authorities and business entities

To understand the public procurement system and strengthen the purposeful application of regulations, it is necessary to continuously promote the possibilities and ways of implementing legal solutions, that is, the training of all participants in the public procurement system. To this end, work on further professionalisation and certification of public procurement officers is necessary. This measure will be achieved through continuous education through trainings, seminars, development of guidelines, models of tender documents and promotion of examples of good practice on the topic of efficient and competitive procurement through: methods of effective market research, improvement of dialogue between contracting authorities and bidders in the phase of market research and procurement planning, realisation the maxim “value for money” through adequate criteria for the award of contracts, ensuring competition through the determination of optimal technical specifications and criteria for the qualitative selection of business entities, etc. Also, targeted education of bidders, especially SMEs, is necessary in order to bring public procurements closer to them and raise their level of trust in them, and to take greater participation in public procurement procedures. All these activities will contribute to the achievement of the general goal, thus increasing the level of trust in the public procurement system.

Output indicator:

- number of certified public procurement officers.

Measure 4: Improving the electronic system of public procurement

Although the Portal significantly simplified the implementation of the public procurement procedure and did a lot in terms of its uniformity and multifunctionality, there is room for further improvement in order to improve efficiency and reduce the possibility of procedural errors that would make public procurement even more accessible to business entities. In this regard, it is necessary to continue with the training for working on the Portal, as well as the creation of illustrative and audiovisual instructions for using the Portal.

Output indicator:

* implementation of a new version of the Portal.
  + 1. Measures to achieve special objective 2 – wider application of environmental and social aspects and techniques and instruments in public procurement

Measure 1: Strengthening the regulatory and institutional framework with regard to green procurement Amendments and amendments to the Public Procurement Law relating to the prescription of the principles of protection

of the environment and the legal basis for the PPO to pass a sub-legal act that will prescribe the types of public procurement items for which the contracting authorities are obliged to apply environmental aspects during the implementation of the public procurement procedure, a basis has been created for a significantly wider application of environmental aspects in public procurements compared to the previous period. Given that in the previous period, the contracting authorities had the possibility, but not the obligation, to apply environmental aspects in public procurement procedures, and that the introduction of the obligation to apply these aspects represents a significant novelty in the public procurement system in the Republic of Serbia, it is necessary that after of a certain time interval from the beginning of the application of new legal solutions, the results of the regulatory measures taken so far are reviewed. In this regard, it is necessary to determine how much the change in the regulatory framework has influenced the increase in the number of green public procurements and, depending on the achieved results, proceed with further improvement of the regulatory framework in this area, by stipulating the obligation to apply environmental aspects also during the implementation of procedures for other items of public procurement.

Also, it is necessary for the key institutions in the public procurement system to continuously improve their skills in order to successfully transfer knowledge about green procurement to the direct participants in public procurement, primarily the contracting authorities, and in addition to trainings, further development of guidelines, guides and model tender documents for green procurement.

Output indicator:

* the number of organised trainings on public procurement procedures with environmental aspects;
* developed practical tools (guides or guidelines or models of tender documents) for green procurement.

Measure 2: Encouraging the application of the social aspect in public procurement

Through public procurement, employment of disadvantaged persons can be encouraged, decent work and respect for labour and social rights can be ensured, social inclusion and fair trade can be promoted. It is necessary, however, that all participants in public procurement (customers, business entities, institutions, etc.), as well as the general public, are aware of the importance of the social concept. Also, it is necessary to create appropriate models of tender documentation with the application of social aspects.

Output indicator:

* the number of organised trainings on public procurement procedures with social aspects;
* created practical tools (guides, or guidelines or models of tender documents) with the application of the social concept.

Measure 3: Encouraging the application of techniques and instruments in public procurement

The application of techniques and instruments in public procurement can significantly improve efficiency of public procurement, because each of them contains certain mechanisms that the procedure make procurement faster, more certain, more flexible. Framework agreements already have significant application, but there is room for better application of this technique. On the other hand, other techniques and instruments (dynamic procurement system, electronic bidding, electronic catalogue, qualification system) are not used enough, and further education and development of guidelines and models for wider application of these techniques and instruments in public procurement is necessary.

Output indicator:

* the number of organised trainings related to the application of techniques and instruments in public procurement;
* developed practical tools (guidelines, or guides or tender documentation models) that include the application of techniques and instruments in public procurement.
  + 1. Measures to achieve special objective 3: Reducing the risk of irregularities in

public procurements

Measure 1: Strengthening the monitoring and control of purchases below the thresholds to which the PPL does not

apply

Monitoring of public procurement has shown positive results in the past period, especially through the effect of preventive actions of the PPO. Furthermore, it is necessary to increase the number of monitoring subjects from year to year, as well as to strengthen the capacities of the PPO.

Amendments to the Public Procurement Law and the introduction of the obligation to publish data from individual contracts concluded in accordance with Article 27 of the Public Procurement Law (thresholds up to which the Public Procurement Law does not apply) are a step towards greater transparency of exempt procurement.

Output indicator:

- the number of monitoring subjects whose procurements are controlled below the thresholds to which the PPL does not apply

Measure 2: Strengthening the cooperation of institutions in the public procurement system

The activities and cooperation of competent institutions in the public procurement system are of particular importance for the reduction of irregularities in public procurement, both with the aim of prevention and punishment of illegal actions.

Activities that will achieve this goal will include organizing consultations between key institutions, primarily for the purpose of harmonizing positions with the aim of greater legal certainty in the public procurement system, but also consideration of potential problems in the application of regulations in practice.

On the other hand, in order to punish violations of regulations in a timely manner, cooperation between institutions and strengthening their knowledge is also an important prerequisite. Therefore, the training of employees in institutions and cooperation with the aim of determining cases of behaviour contrary to regulations should be strengthened, through the continuous exchange of information and the organisation of trainings. Here, special emphasis should be placed on the education of employees in the PPO, RC, PPO, Administrative Court, Police and Prosecutor’s Offices.

Output indicator:

- the number of organised meetings, conferences and trainings.

In addition to the aforementioned measures, the realisation of this goal will also be influenced by the measures planned for the realisation of other goals, primarily with regard to education and the preparation of appropriate materials for the application of regulations in practice.

Measure 3: Improving the quality of contract management

Contract management is seen as a process of systematic and efficient management of contractual relationships for the purpose of maximizing financial and operational performance and minimising risk.

In order to approach the importance of contract management and to understand how contracts are managed in practice, it is necessary to develop quality guidelines, guides and apply other educational methods to that end.

This measure refers to the contracting parties and implies the establishment of rules of conduct in the contract execution phase, so that the execution of the contract would be efficient and in accordance with the PPL.

The contract management function, as a set of very significant and often demanding and complex activities for the functioning of a sustainable and fair system of public procurement, must be given appropriate space and focus.

That is why it is necessary to work on strengthening the capacities of the contracting authorities needed for the realisation of these activities.

Output indicator:

- the number of organised trainings on the topic of improving the quality of contract management.

Measure 4: Strengthening the institutional capacities of the budget inspection of the Ministry of Finance

In order to carry out supervision in accordance with the legal powers related to the control of the execution of public procurement contracts, additionally elaborated and specified by the adopted Methodology for the supervision of the execution of public procurement contracts, it is necessary to increase the number of employees and additionally train and professionally improve the employees of the Ministry of Finance – budget inspection.

Output indicator:

- number of employees in the Ministry of Finance – budget inspection.

1. ANALYSIS OF THE EFFECTS OF MEASURES

The measures envisaged by the Programme will contribute to the increase of competition on the public procurement market, especially SMEs, through targeted trainings of bidders in order to bring public procurement closer to them, by raising the level of trust in public procurement, in order to encourage them to take greater part in public procurement procedures.

The proposed measures will result in a higher level of employment of disadvantaged persons, while ensuring respect for their social and labour rights. By applying social aspects in public procurement procedures, conditions are created for the employment of young people, but also the promotion of gender equality and the possibility of employment for the long-term unemployed and the elderly. Also, conditions are created for the employment of persons from sensitive groups (ethnic minorities, persons who are not sufficiently educated) and persons with disabilities. These changes will certainly not affect changes in the financing, quality or availability of the social protection system, the health system or the education system.

Wider application of ecological aspects in public procurement will have a positive impact on the state of the environment. Public procurement that includes environmental aspects implies the procurement of goods, services and works that have a minimal impact on the environment.

Through the wider application of ecological aspects in public procurement, the public sector simultaneously influences the raising of the awareness of economic entities, but also citizens about the importance and need to preserve and protect the life of the environment.

The implementation of this programme will not cause additional costs to citizens and the economy, while on the other hand, its implementation will contribute to the protection of the environment through the promotion of “green public procurement" and the spread of awareness of its many benefits. By using their purchasing power to choose goods, services and works with a reduced environmental impact, contracting authorities could make an important contribution to local, regional, national and international sustainability goals. Green public procurement can be a major driver of innovation, providing industry with real incentives to develop green products and services. Green public procurement can also provide financial savings for public authorities – especially if the costs of the entire life cycle of the contract are taken into account, not just the initial purchase price.

The measures envisaged by the Programme will result in raising the level of capacity of key institutions in the public procurement system, primarily the PPO and the Ministry of Finance – budget inspection. The increase in the number of employees in these bodies will contribute to the strengthening of the rule of law, through effective monitoring of the implementation of public procurement regulations and control of the execution of public procurement contracts in accordance with current regulations.

Further effects of the implementation of the Programme in the period 2024-2028 will be reflected in the further strengthening of the capacities of the PPO and the RC in the form of an increase in the number of employees (quantitatively) and through the continuous training of employees (qualitatively), who will further transfer their knowledge to all participants in public procurement. The mentioned measures do not include organisational, managerial or institutional changes, nor the restructuring of existing state bodies. It is expected that capacity building will be implemented at the level of the entire public procurement market through further continuous education of business entities through trainings, seminars, drafting of guidelines, models of tender documents and promotion of examples of good practice on the topic of efficient and competitive procurement. The special effects of the implementation of the Programme will be reflected in the strengthening of the capacities of employees in the Administrative Court, which is responsible for handling lawsuits initiated by administrative disputes, the PPO, as well as the CPPP. By conducting special trainings for employees in the mentioned institutions, the level of quality of employees is raised and enables easier understanding and application of regulations in the field of public procurement. The implementation of the Programme, through the implementation of activities related to the further improvement of the functionality of the Public Procurement Portal, will aim at greater efficiency in the implementation of public procurements, as well as reducing the possibility of procedural errors, all in order to make public procurements even more accessible to business entities.

The proposed goals and measures have an immediate and positive effect on all entities that are part of the public procurement system (customers, bidders, other economic entities and interested parties), both entities in the public and private sectors. The positive impact is reflected, first of all, in the definition of measures and activities, the implementation of which will contribute to more efficient implementation of public procurement procedures and more effective protection of rights in public procurement procedures, the creation of a better environment for the implementation of public procurement procedures that include environmental or social aspects, as well as the use in to a greater extent, techniques and instruments in public procurement procedures, then ensuring competition in public procurement procedures, reducing irregularities in public procurement, as well as improving the quality of contract management.

The implementation of this programme in the next five-year period will contribute to the further fulfilment of the criteria for closing Chapter 5 – Public Procurement in the process of accession to the full membership of the Republic of Serbia in the EU, as well as the further development of a modern and efficient system of public procurement. In the coming period, it is expected that through the implementation of the measures and activities foreseen in this programme, the regulations in the field of JPPP will be harmonised with the EU directives, which will affect the increase in economy and competitiveness in connection with projects, i.e., the selection procedures of private partners and concessionaires in which long-term contracts of large values.

During the preparation of this public policy document, the support of all interested parties and target groups was ensured.

All measures proposed by the Programme are in accordance with current regulations, international agreements and adopted public policy documents.

For the implementation of the measures provided for in the Programme in the first year of implementation, it is not necessary to provide additional funds in the budget or from other sources of financing, as they are provided by the Law on the Budget of the Republic of Serbia for the year 2024 (“Official Gazette of the Republic of Serbia”, No. 92/23), as well as from aid funds from international organisations, through projects that are in the contracting phase or in the implementation phase. The implementation of the measures provided for in the Programme will not affect the increase in expenditures of other institutions.

1. PROGRAMME MONITORING AND REPORTING

Monitoring of the implementation and reporting on the results of the implementation of the Programme is carried out in accordance with Articles 43 and 46 of the Law on the Planning System of the Republic of Serbia. Monitoring the implementation of the Programme consists of regular collection of data on the achievement of goals and implementation of measures, on the implementation of activities defined in the Action Plan of the Programme in relation to the planned dynamics, as well as a comparison of achieved and target values ​​of indicators. Monitoring also includes obtaining information on risks that may delay or threaten the implementation of the Action Plan for the implementation of the Programme.

The responsible institutions identified as the bearers of the activities in the Action Plan for the implementation of the Programme continuously monitor the implementation of the activities. Activity holders are obliged to regularly submit the above data and information to the PPO. In case of delay or abandonment of the planned activities, the holders of the activities inform the PPO about it, in order to undertake the necessary activities to alleviate the obstacles in the implementation.

The implementation of the Programme will be monitored by the PPO as a coordinating body, and measures to achieve the defined goals will be implemented in cooperation with the competent institutions.

At the operational level, this programme will be implemented based on action plans. The first action plan is adopted for the year 2024 and is an integral part of this programme, and subsequent action plans will be adopted on an annual basis.

Reporting on the implementation of the Programme and accompanying action plans will be carried out in accordance with Article 43 of the Law on the Planning System of the Republic of Serbia.

1. COSTS OF PROGRAMME AND ACTION PLAN IMPLEMENTATION

The funds necessary for the implementation of the activities planned in this programme are provided by the Law on the Budget of the Republic of Serbia for the year 2024, in Section 52 – Public Procurement Office (public funds user code 41200), Programme 0612

- Development of the system and protection of rights in public procurement procedures, Function 410 – General economic and commercial affairs and labour affairs, Programme activities 0001 – Development and monitoring of the public procurement system, at the source of funding 01 – General revenues and budget receipts in the form of regular allocations for salaries of employees from the budget of the Republic of Serbia.

Funds in the total amount of 22,560,000.00 dinars are provided as assistance by international organisations through projects that are currently in the contracting phase or in the implementation phase.

The funds necessary to implement the activities planned in this programme for activities in which the Ministry of Economy is the holder, are provided by the Law on the Budget of the Republic of Serbia for the year 2024, in Section 21 – Ministry of Economy within the Programme/Programme Activity 1508/0002 – for salaries of employees.

The funds necessary for the implementation of the activities planned in this programme for activities in which the Ministry of Finance is the holder, are provided as assistance by international organisations.

1. FINAL PROVISIONS

Action plan for the year 2024 for the implementation of the Public Procurement Development Programme in the Republic of Serbia for the period 2024-2028, was printed with this programme and is an integral part of it.

Publish this programme on the Government’s website, the website of the Office for Public Procurement and the e-Government portal, within seven working days from the day of adoption.

This programme will be published in the “Official Gazette of the Republic of Serbia”.

05 Number: 404-6974/20204

In Belgrade, dated 1 August 2024

G O V E R N M E N T

DEPUTY PRIME MINISTER

Ivica Dačić

1. “Official Gazette of the Republic of Serbia – International Agreements”, Nos. 83/08, 11/13 and 12/14 [↑](#footnote-ref-1)
2. “Official Gazette of the Republic of Serbia”, No. 82/19 [↑](#footnote-ref-2)
3. “Official Gazette of the Republic of Serbia”, No. 70/21 [↑](#footnote-ref-3)
4. “Official Gazette of the Republic of Serbia”, No. 92/23 [↑](#footnote-ref-4)
5. Source: <https://www.mei.gov.rs/srl/dokumenta/eu-dokumenta/godisnji-izvestaji-ek/> [↑](#footnote-ref-5)
6. By-laws are available at the PPO website:  [https://www.ujn.gov.rs/propisi/podzakonski-akti/](%20https://www.ujn.gov.rs/propisi/podzakonski-akti/) [↑](#footnote-ref-6)
7. Source: <https://www.mei.gov.rs/srl/dokumenta/eu-dokumenta/godisnji-izvestaji-ek/> [↑](#footnote-ref-7)
8. “Official Gazette of the Republic of Serbia”, Nos. 128/20 and 116/22. [↑](#footnote-ref-8)
9. Source: <https://single-market-scoreboard.ec.europa.eu/business-framework-conditions/public-procurement_en> [↑](#footnote-ref-9)
10. <https://jnportal.ujn.gov.rs/annual-reports-ppo-public> [↑](#footnote-ref-10)
11. Public procurements are reserved exclusively for participation of: 1) business entities whose main goal is the professional rehabilitation and employment of persons with disabilities, which are organised in accordance with the law governing the professional rehabilitation and employment of persons with disabilities; 2) business entities whose main goal is the social and professional integration of persons in a disadvantageous position, which are organised in accordance with the law governing social entrepreneurship. [↑](#footnote-ref-11)
12. Source: 2023 Monitoring Report. [↑](#footnote-ref-12)
13. https://[www.ujn.gov.rs/?page\_id=1195](http://www.ujn.gov.rs/?page_id=1195) [↑](#footnote-ref-13)