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## Corruption and Public Procurement in Montenegro

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# Characteristics of the public procurement system in Montenegro

- 3 laws have changed in the past decade - amendments to the existing Law are planned for the last quarter of 2013
- 2007-2011 - above EUR 1,67 billion was spent on public procurement in Montenegro.
- Above 5,000 public procurement contracts are entered annually
- The average number of tenderers in public tenders has had the upward trend at average of 3.5 to 4.5 in the period 2007 -2011

# Characteristics of the public procurement system in Montenegro

- *The procurement procedure, in the opinion of citizens of Montenegro, to a large extent, may be described as a process that takes place under political or political party's influence*

(Public Opinion Poll, April 2012, Institute Alternative and IPSOS Strategic Marketing)

# Characteristics of the public procurement system in Montenegro

- In the past ten years a negligible number of criminal charges was brought by the Police Administration, or appropriate criminal charges brought by the State Prosecutors Office, as well as the absence of final judgments for the corruption in public procurement.
- There were no penalties imposed for violations of the law in the same period.

# The main challenges

- Weak parliamentary control of the public procurement
- Inadequate planning process of PPs
- Problematic provisions on anti-corruption and conflict of interest rules - poor control of these rules
- Lack of capacity and prerequisites for monitoring provisions on financing of political parties and public procurement

# Screening Report for Chapter 23

- *“Supervision of implementation of awarded contracts needs to be upgraded. Anti-corruption measures at local government level need to be stepped up.”, pp. 24*

# Required Improvements

- Methodologies development for of planning public procurement in certain areas of characteristic, and the integration of the planning process into the budget preparation process.
- Shopping procedure defining in accordance with the EU regulations.
- The Commission should be established as an independent and autonomous authority in line with the EU regulations, requiring that the Commission's members are appointed by the Parliament of MNE.
- The Commission should inform the public in details on the results of audited public procurement procedures exceeding EUR 500, 000.

# Required Improvements

- The Law should address the procedure of submitting the annual consolidated report on internal financial controls system to the Parliament of MNE and SAI, and it should be made available to the public.
- The Law on prevention of the conflict of interest should be amended to expand the scope of persons covered by the public procurement procedure.
- Black and white list system, i.e. positive and negative references, should be determined as an ancillary anti - corruption mechanism.



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# Thank you !

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