

# PUBLIC PROCUREMENT

1.67

## WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Establish closer co-operation between, on the one hand, the Public Procurement Authority and the Republic Commission for protection of rights in public procurement procedures and the Administrative Court in order to exchange knowledge and information.	2022		√	
Improving the administrative and expert capacity of the Commission for protection of rights in public procurement procedures and the State Audit Institution so that they can effectively monitor the planning and execution of public procurement.	2013		√	
Contracting exemptions from the implementation of the Law on Public Procurement in international agreements with third countries should be significantly reduced.	2022			√

## CURRENT SITUATION

On December 23rd 2019, the Serbian Parliament adopted the new Law Public Procurement Law (RS Official Gazette No 91/2019), hereinafter: the New Law). The New Law entered into force on January 1, 2020 and started to be applied as of July 1 2020. The law is to a significant extent harmonized with EU acquis, notably Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC and 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.

## IMPROVEMENTS

In 2024, the public procurement market in the Republic of Serbia accounted for 10.87% of GDP, which is higher than in 2023 when it amounted to 10.50%. The average number of bids per procedure remained at a stable 2.5, with a high share of procedures in which only one bid was submitted (50.75%). Regarding the prevalence of negotiated procedures without a public call, their share in the value of awarded contracts was 1.27%, indicating a down-

ward trend. The recorded value of public procurements exempted from the application of the Public Procurement Law amounted to 667.9 billion dinars in 2024, of which 21.3% pertains to procurements conducted in accordance with international agreements. It also remains common practice to exclude the application of public procurement regulations through sector-specific legislation for the purpose of implementing individual projects.

## REMAINING ISSUES

Over the past year, there was limited progress in combating corruption and safeguarding integrity in public procurement procedures. International agreements with third countries continue to violate the principles of equal treatment of bidders, the prohibition of discrimination, transparency, and the protection of competition. The implementation of these agreements is often not aligned with the solutions adopted in both domestic law and European Union legislation. The capacities of the Republic Commission for the Protection of Rights in Public Procurement Procedures and the Public Procurement Office remain limited. The Administrative Court's professional capacity to adjudicate complex and numerous cases also remains low due to a lack of adequate training.

## FIC RECOMMENDATIONS

- Improving the administrative and expert capacity of the Commission for protection of rights in public procurement procedures and the State Audit Institution so that they can effectively monitor the planning and

execution of public procurement.

- Establish closer co-operation between, on the one hand, the Public Procurement Authority and the Republic Commission for protection of rights in public procurement procedures and the Administrative Court in order to exchange knowledge and information.
- Contracting exemptions from the implementation of the Law on Public Procurement in international agreements with third countries should be significantly reduced.