

---

## STATE CONTRACTS DRAW FEW BIDDERS IN NORTH MACEDONIA

-

19.02.2019

---

Balkan Insight (19 February 2019)

One in every three public procurement tenders that state institutions in North Macedonia opened in 2017 ended up with a single bidder, a study by the Center for Civil Communications, CCC, shows.

The study, Transparency, Accountability and Integrity in Public Procurement, showed that the average number of bidders for such tender was just over three, which indicates a lack of competition, and possibly higher prices for taxpayers to cover, the study notes.

When there is only one bidder for a tender, there is no electronic auction. So the starting price offered by the [bidding] company □ set lower, so it can beat off any competition □ is accepted as a final price, the authors suggest.

The results of the study also reveal marked differences between state institutions when it comes to the level of competition in public procurement.

There was only one bidder for 73 per cent of Ministry of Education tenders, for example.

In Ministry of Justice, on the other hand, only 10 per cent of tenders ended up with a single bidder.

Ministry of Local Government tenders attracted 1.5 bidders on average.

Tenders for the Secretariat for Implementation of the Ohrid Framework Agreement, SIOFA, [handling the 2001 peace settlement from the 2001 conflict with ethnic Albanians] had 4.5 bidders on average.

Certain institutions made extensive use of direct settlements, further diminishing the level of competition.

Some 42 per cent of procurement money used by the Education Ministry went on settlements without tenders.

The study covered the public procurements of 21 state institutions □ parliament, ministries, secretariats and other bodies – and covered 1,363 contracts in total.

The level of transparency and accountability of these government bodies was evaluated through 31 different criteria, combining legal obligations and best practice.

The result revealed a medium level of transparency, accountability and integrity overall.

On average, institutions met just over half of the required criteria throughout the procurement

process.

The highest ranked institution fulfilled 70 per cent of the criteria. This means that no institution had a high level of transparency, estimated at between 89 and 100 per cent.

North Macedonia operates an electronic system of public procurement.

Under this, state bodies are obliged to publish all tenders and adverts, signed contracts, as well as reports on the fulfilled contracts.

Not one of the monitored institutions published a single report on a fulfilled contract, however.

Therefore, the electronic system contains no information on whether the winning companies actually supplied the products or performed the services they had pledged to undertake – or whether they were paid the agreed sums.

The electronic system also requires government bodies to estimate the value of contracts when publishing a tender.

But the researchers found that none of the surveyed institutions presented a credible formula on how it reached those estimates.

The study authors said the low level of fulfillment of annual public procurement plans was an even bigger problem in North Macedonia.

State bodies do not provide or obtain everything they need to perform their services, in other words.

The situation was worst at the Ministry of Health. It fulfilled only 21 per cent of its procurement plans for 2017.

Thus, public healthcare facilities received only a fifth of the materials and services they needed, procured through the Ministry.

To make things worse, over 77 per cent of the tenders that this ministry opened were cancelled, often because the only offers were unacceptable.

One conclusion drawn from the study is that those institutions that spent the least money were the most transparent – while those with bigger budgets came much lower down on the transparency chart.

<https://balkaninsight.com/2019/02/19/state-contracts-draw-few-bidders-in-north-macedonia/>

---

Kaynak/Source: