STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1. Désirée Number
CZ2003/004-338.02.06

1.1.1. Twinning Number
CZ03/IB/OT/01

1.2. Title
Strengthening Public Procurement Enforcement

1.3. Sector
Internal Market

1.4. Location
Ministry for Regional Development (MRD)

2. Objectives

2.1. Overall Objective
Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

2.2. Project Purpose
To support the implementation of a comprehensive public procurement system in the Czech Republic in line with the acquis.

To develop and improve the public procurement system in the Czech Republic to ensure full legal, procedural, monitoring, remedial and supervision performance as well as qualified staff capacities, in order to implement a new Law on PP, and guarantee an effective, non-discriminatory and transparent public procurement environment in compliance with the PP acquis and EU Member States’ best practice by the date of Accession.

2.3. Accession Partnership / NPAA Priority
The Accession Partnership highlights under Ability to assume the obligations of membership/Free movement of goods the following priority and intermediate objective: complete alignment and ensure transparency in the area of public procurement; abolish national preference clause for public procurement by introducing access for all Community companies to award procedures in the Czech Republic.

The NPAA highlights under short-term priorities (sec. 3.2.1.29):
- to finish the draft Act on public procurement and on exercising supervision over public procurement (scheduled to enter into force at 1 July 2001)
- to draft an implementing decree to the Act on public procurement and on exercising supervision over public procurement. The implementing decree would stipulate the obligation to make the Public Procurement Information compatible with the information system of the Ministry of Finance (envisaged to enter into force at 1 January 2002) and under medium term priorities (sec. 3.2.1.30):
- to ensure implementation of the twinning CZ 2000/IB/OT/04 project under Phare 2000
- to develop a training programme in public procurement as practised in the EU
- to set up a Public Procurement Information System
- continuation of efficient and transparent exercise of supervision over public procurement using lectures and seminars for the contracting authorities and applicants (drawing on the EU bodies’ decision-making experience).

2.4 Contribution to National Development Plan
n.a.

2.5 Cross Border Impact
n.a.

3. Description

3.1. Background and justification
The current situation in the sphere of PP in the CR is not satisfactory. The importance of the problem is reflected *inter alia* in the latest (October 2002) Regular report; PP area parts of the report - see Annex 4.

Public procurement (PP) in the Czech Republic is governed by Act No. 199/1994 Coll., which has since been amended several times. Amendments to the Act on Public Procurement, brought Czech Republic PP legislation closer to compliance with *acquis* in the area of PP, ie. relevant EEC Directives; full harmonisation, however, has not so far been achieved.

 Relevant Public Procurement Council Directives are:

- 89/665/EEC of 21 December 1989 on the coordination of laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts, modified through 92/50/EC of 18.6.1997;

At present, competencies for PP are not explicitly split between the three state administration bodies on the basis of the Competency Act:

- Ministry for Regional Development (MRD) prepares only draft of the PP law on the basis of government decision;
- Office for Protection of Economic Competition (OPEC) is competent to exercise supervision over the public procurement by means of review proceedings;
- Ministry of Finance (MoF) is the central administration entity for the use of state funds.

Although the MRD is not primarily responsible for drafting policy strategies and concepts, legislation (in co-operation with OPEC), methodology and training across the public administration sector, in autumn 1998 the Department of Public Investment of MRD drafted the ‘Concept of Public Procurement’, approved by Government in November 1999, stating *inter alia* among priorities for action in the field of public procurement:

- Harmonisation with relevant EC legislation,
- Introduction of basic technical specifications covering invitation for tenders,
- Introduction of criteria for tender evaluations,
- Introduction of project management for certain public contract awards,
- Improving information management and utilisation in public procurement,
- Training programmes in public procurement,
- Support for SMEs to comprehend the system,
- Certification of persons active in public procurement etc.

Most of the above topics were (together with complaint/remedial procedures drafted by OPEC) to be incorporated into a new harmonised draft Act on Public Procurement. The draft was submitted to the Government in the 3rd quarter of 2000 and was expected to come into force by July 2001.
Besides drafting harmonised legislation (in accordance with NPAA and AP) and facilitating its utilisation at national/regional/local levels, the most urgent need is felt to improve the knowledge of relevant staff, primarily in contracting entities, by means of training.

The training should incorporate *inter alia* such elements of project management (preparation, implementation and supervision) that are missing in the CR and generally are considered decisive for the successful and cost effective implementation of project developer intentions. The improved quality of the PP system should contribute to increase the absorption capacity of the country (now granting funds of EU is conditioned by the compatible and quality PP system in CR) for EU funds on accession and to decrease the level of fraud and corruption.

Because an unsatisfactory situation has prevailed in this area for several years, the Twinning project CZ/2000/IB/OT-04 "Strengthening Regulation and Enforcement of Public Procurement Acquis in the Czech Republic" has been launched, and is currently being executed by Germany.

The problems with the new PP legislation are still continuing (in time of drafting the project fiche for the above mentioned Twinning project it was assumed that the new PP act would come into force by July 2001, whereas today it is expected that it may be passed by the Parliament in October 2003) and together with other circumstances are causing delays in the time schedule of the project and jeopardising fulfilment of other specific objectives of the project besides the legislation itself. Given this, an amendment to the twinning covenant is currently being prepared to reflect the situation and to specify the activities that can be carried out on the ongoing project despite the fact that the PP act has not been adopted yet. At the same time, the Ministry for Regional Development has started to make important steps to strengthen the human resource support to the ongoing project as well as to its follow-up.

### 3.2. Linked Activities

#### 3.2.1 The project builds on the outputs of the ongoing Twinning project No. CZ/2000/IB/OT-04 "Strengthening Regulation and Enforcement of Public Procurement Acquis in the Czech Republic" by applying the lessons learned and experience gained for the public procurement sector.

As a whole the expected results of the Twinning project will be - besides an Act on public procurement having been accepted by the Czech Parliament - as follows:

- manuals (general versions)
- training concept (general version)
- execution of pilot training.

The particular planned activities and expected results of the ongoing Twinning project by the end of the project are as follows:

3.2.1.1 The draft of the PP Act, including the PP decree, in compliance with the PP *acquis* by the end of the above ongoing project.

The preparation of further administration provisions to implement the PP Act including forms to be used by the PP staff has been discussed with the Czech side. It is planned to present written advice discussed with the Czech side as general framework for the manuals. Guidelines to be used by enterprises are also planned, to be realised by the end of the ongoing project.

The improvement of institutional structures, for example the proposed conceptional recommendations for a new Office for PP within the MRD, is being prepared, and will be presented by the end of the ongoing project.

The ongoing project has co-operated on the development of the electronic information and monitoring system on PP, which will need to be further developed, subsequently to the implementation of the new act together with the reflection to the development of EU Law.
3.2.1.2 Training for key staff of PP, based on the government proposal of the PP Act, has been conducted and will be completed by the end of the project. A follow-up project should train the staff on the then topical questions, for example on the latest situation of the EEC PP directives-package, the European Court’s decisions and expected new Czech PP provisions (Act, Decree, manuals), and also extend the target group for training to sub-regional and self-government levels.

The draft of a comprehensive PP training concept has been supplemented by experts of the ongoing project and agreed by the Czech side. It is planned to develop the organization and the curriculum of the training concept further on and to conduct training seminars for trainers according to the developed training system. A general version of the Czech training concept will be realised by the end of the ongoing project. It is planned that a pilot training of 50 auditors according to the training concept will be executed.

The whole training system should be an ongoing task of the competent Czech authority also further on. Study visits are a necessary component of the training and have been conducted at key institutions in Germany and Denmark; they will be completed as foreseen in the present covenant by the end of the project. Study visits are planned to the German review authorities in Bonn and Potsdam, to PP authorities in Potsdam and/or Cottbus and to the Ministry of Economics in Berlin, being responsible for PP in Germany.

3.2.2 Phare Legal Approximation consortium TAIEX Office: continued support with short-term expert inputs assisting in drafting new PP legislation.

3.2.3 Institution Building projects under the National Phare Programme (in particular the CZ2002/000-582.10 Programme) related to the preparation for the Structural Funds and the Cohesion Fund, under which the key Managing and Paying Authorities as well as Intermediary bodies will be supported to be prepared for managing and administering the European Funds.

3.3. Results

The following Results will be delivered via this project:

1. Comprehensive and transparent system of public procurement, in compliance with the PP acquis, at all administration levels in place, including:
   - adopted subordinate legislation to the new Act on PP, other guidelines and methodology or potentially amended new Act on Public Procurement
   - proposal on suitable institutional structures elaborated under the project and prepared for approval by the MRD and subsequent submission to the Government
   - accelerated PP process preventing delays caused by claims raised by unsuccessful bidders
   - improved information, monitoring and controlling systems on awarded contracts building up on the experience of the trial operation of the systems elaborated under the previous project
   - well functioning surveillance systems (in competence of OPEC).

2. PP training implemented, i.e.:
   - training materials updated, translated and issue in Czech language on the basis of the outputs of the previous project
   - 50 trainers practitioners at central and regional level trained on recent developments in the PP law
   - 150 trainers practitioners in PP trained from selected procurement entities at self-government and sub-regional levels and other public/private institutions, participation on voluntary basis
   - manuals for different types of procurement (services, supplies, utilities) based on the general versions (standard guides) in accordance with the PP Act and implementing provisions elaborated, translated and issued under the project (200 copies)
• standard guides for trainees in PP and for applicants/bidders developed, translated and issued under the project (200 copies)

3.4. Activities

The Project consists of one contract: Twinning and Training Package, for which the following key activities are foreseen:

1. To provide legal and expert advice on improvement of the CR system of public procurement, in compliance with the PP acquis, for all administrative levels, aiming at:
   • adoption of subordinate provisions to the new Public Procurement Act
   • improvement of institutional structures both in qualification and capacities
   • acceleration of the PP process preventing delays caused by claims raised by unsuccessful bidders
   • improved information and monitoring systems on awarded contracts
   • PP surveillance systems

2. To deliver training in PP matters including the following activities:
   • Conduction of training of 50 trainers practitioners in PP – refreshment training for participants from central and regional levels, who have participated in training under the previous project
   • Conduction of training of 150 trainers practitioners in PP from sub-regional and self-government bodies
   • Final preparations of training materials and documentation (teacher and trainee materials), including translation and printing

3. To prepare, translate and issue the manual for different types of procurement (services, supplies, utilities) based on the general versions (standard guides) in accordance with the PP Act and implementing provisions

4. To prepare, translate and issue the standard guides for trainees in PP and for applicants/bidders

Means:
• A 12 months Pre-Accession Adviser (PAA) located at MRD, with practical experience and management skills from working in a central procurement institution, relating to the application of public procurement regulation in compliance with the acquis and EU Member State’ best-practice. The PAA, who will co-ordinate the inputs of a team of short-term experts, should be fluent in the English language (written and oral);

A pool of short-term experts (approximately 300 man-days) with practical experience from working in a Member State authority in area of central procurement/surveillance or complaints-review: PP legislation expert, European law expert, technical specifications expert, government accounting expert, information/monitoring systems expert, training in PP expert, contract management expert, tendering procedures expert; all experts should be fluent in the English language (written and oral);

3.5 Lessons learnt

The project will build up on the experience with the previous twinning project (CZ00.04.05). Care will be taken to prevent the difficulties encountered on the project, related in particular to the delays in the adoption of the new PP act compliant with the acquis. The start of the project will be strictly conditional on the adoption of the act by the Parliament. Taken into account the changes in the political environment as well as
the awareness of the high priority and ultimate necessity of the adoption of the act prior to the accession, it is envisaged that the current time schedule of the legislative process will be adhered to. Furthermore, the Ministry for Regional Development has started to make important steps for strengthening the human resource support to the project and the appointment of the Project Leader at the level of the Director of the Public Investment and Foreign Aid Department is to guarantee that the project management will receive appropriate support on the Czech side.

4. Institutional Framework

The basic structure of the assistance will be established by the beneficiary, i.e. MRD. A Steering Committee will be established to ensure overall coherency of the Project activities, including the beneficiary institution (Contact Person and technical experts) plus the PAA. The Committee will be chaired by MRD and will minimally meet once per quarter. The Steering Committee Members will include the Ministry of Finance/Centre for Foreign Assistance.

5. Detailed Budget (in MEUR)

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (= I + I'B)</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Twinning and Training Package</td>
<td>0.6</td>
<td>0.6</td>
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<tr>
<td>TOTAL</td>
<td>0.6</td>
<td>0.6</td>
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</tr>
</tbody>
</table>

6. Implementation Arrangements

6.1. Implementing Agency

Central Finance and Contracts Unit will be the Implementing Agency. The contact person is Mr. Jan Slavíček, phone +420-2-5704-4551, fax +420-2-5704-4550, e-mail: jan.slavicek@mfcr.cz

Project implementation will be under direct responsibility and co-ordination of Ministry for Regional Development.

6.2. Twinning

The Contact Person is Mr. Jaroslav Richter, Director, Ministry for Regional Development, tel. +420 224 861 105, fax +420 224 861 110, e-mail: ricjar@mmr.cz.

6.3. Non-standard aspects

n.a.

6.4. Contracts

Twinning covenant 0.6 MEUR

7. Implementation Schedule

7.1 Start of Twinning Tendering: 1Q/03
7.2 Start of Twinning Activity: 4Q/03
7.3 Twinning Completion: 4Q/04

8. Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the Project will be guaranteed.

9. Environment

n.a.

10. Rates of Return
11. Investment Criteria

n.a.

12. Conditionality and Sequencing

- New Public Procurement Act approved by the Parliament by the start of the project at the latest. The draft of act has been prepared by the MRD and sent out for comments; the envisaged time schedule for future steps on the adoption of the act is as follows:
  - By 10 February 2003 – settlement of comments and submission to the European Integration Committee of the Parliament
  - By 28 February 2003 – submission to the Government
  - March - October 2003 – legislative process in the Parliament
- Definition of the responsibilities of the different bodies involved in Public procurement matters (MRD, OPEC, MoF)
- The ongoing Twinning project satisfactorily completed (assumed completion in August 2003) reaching results as per 3.2.1 above

Annexes to Project Fiche

1. Logframe Matrix
2. Detailed Implementation Chart
3. Contracting and Disbursement Schedules
4. October 2002 Regular report - Public procurement parts
**LOGFRAME PLANNING MATRIX**

<table>
<thead>
<tr>
<th>Project title: Strengthening Public Procurement Enforcement</th>
<th>Programme number: CZ 2003/004-338.02.06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary institution: MRD</td>
<td>Disbursement period expires: 31/10/2006</td>
</tr>
<tr>
<td>Contracting Period Expires: 31/10/2005</td>
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</tr>
<tr>
<td>Overall Objective</td>
<td>Objectively Verifiable Indicators</td>
</tr>
<tr>
<td>Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union</td>
<td>- Acknowledgement by European Commission</td>
</tr>
<tr>
<td></td>
<td>- Accession Treaty ratified by all MS by June 2004 at the latest</td>
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</tbody>
</table>

**Project Purpose**

To support the implementation of a comprehensive public procurement system in the Czech Republic in line with the acquis.

To develop and improve the public procurement system in the Czech Republic to ensure full legal, procedural, monitoring, remedial and supervision performance as well as qualified staff capacities, in order to implement a new Law on PP, and guarantee an effective, non-discriminatory and transparent public procurement environment in compliance with the PP *acquis* and EU Member States’ best practice by the date of Accession.

- number of successful complaints dealt with by OPEC reduced by 10% within 2 years from the start of the project
- number of criminal cases related to PP law reduced by 10% within 2 years from the start of the project
- Subordinated legislation in force by the end of the project
- complaint/remedial procedures available allowing the greater transparency in PP operations by the end of the project
- increased transparency of tendering in the CR, reducing the risk of fraud and corruption in PP by the end of the project

**Sources of Verification**

- MRD, OPEC Statistics
- Approved legislation in the Sbirkazakonu/Obchodni vestnik Collection of Laws and Commercial Bulletin
- Other Copenhagen criteria fulfilled

**Results (6)**

Comprehensive and transparent system of public procurement, in compliance with the PP *acquis*, at all administration levels in place, including:

- adopted subordinate legislation to the new Act on PP, other guidelines and methodology or potentially

<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators (7)</th>
<th>Sources of Verification (8)</th>
<th>Assumptions (9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of subordinate legislation adopted and implemented by the end of the project</td>
<td>Coll. of Laws OPEC statistics MRD and OPEC – guidelines, manuals, etc.</td>
<td>new subordinated provisions, event. Preparation of the Amendment to the Act</td>
</tr>
<tr>
<td>The MRD proposal on institutional structures submitted to the Government within 4 months from the start of the project</td>
<td>Project reports</td>
<td></td>
</tr>
</tbody>
</table>

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**Annex 1**
amended new Act on Public Procurement
• proposal on suitable institutional structures elaborated under the project and prepared for approval by the MRD and subsequent submission to the Government
• accelerated PP process preventing delays caused by claims raised by unsuccessful bidders
• improved information, monitoring and controlling systems on awarded contracts building up on the experience of the trial operation of the systems elaborated under the previous project
• well functioning surveillance systems (in competence of OPEC).

PP training implemented, ie.;
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<table>
<thead>
<tr>
<th>Activities (2)</th>
<th>Means (3)</th>
<th>Assumptions (5)</th>
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<tbody>
<tr>
<td>▪ The information and monitoring system in place and operational by the end of the project</td>
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<td>▪ The number of successful claims raised by bidders in 2004 lower compared to the number in 2003</td>
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<tr>
<td>▪ 200 copies of training materials updated, translated and delivered within 6 months from the start of the project</td>
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<td>▪ The number of training courses delivered within 8 months from the start of the project</td>
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<td>▪ in total 200 trainers trained within 7 months from the start of the project</td>
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<td>▪ &amp; 80% of them still in public sector employment at the central, regional and subregional and self-governing bodies by the end of the project</td>
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<tr>
<td>▪ - 200 copies of standard guides and manuals elaborated, translated and published within 8 months from the start of the project</td>
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<td>▪ - DEC monitoring</td>
<td></td>
<td></td>
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<tr>
<td>▪ - Czech courts judgments records</td>
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<tr>
<td>▪ - Obchodni vestnik/PP information system</td>
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<td>▪ - Government session minutes</td>
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<tr>
<td>▪ - trainers trained under this project continue training of the CR contracting authorities’ staff</td>
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<td>▪ - 50 trainers trained under previous project</td>
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<tr>
<td>▪ - general versions of standard guides developed under previous project.</td>
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</table>

CZ 00-03-05
To provide legal and expert advice on improvement of the CR system of public procurement, in compliance with the PP *acquis*, for all administrative levels, aiming at:

- adoption of subordinate provisions to the new Public Procurement Act
- improvement of institutional structures both in qualification and capacities
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- PP surveillance systems

To deliver training in PP matters including the following activities:

- Conduction of training of 50 trainers practitioners in PP – refreshment training for participants from central and regional levels, who have participated in training under the previous project
- Conduction of training of 150 trainers practitioners in PP from sub-regional and self-government bodies
- Final preparations of training materials and documentation (teacher and trainee materials), including translation and printing

To prepare, translate and issue the manual for different types of procurement (services, supplies, utilities) based on the general versions (standard guides) in accordance with the PP Act and implementing provisions

To prepare, translate and issue the standard guides for trainees in PP and for applicants/bidders

<table>
<thead>
<tr>
<th>Twinning covenant:</th>
<th>one PAA for approximately 12 months, approx. 300 man-day of short term experts seminars, workshops and training courses</th>
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<tbody>
<tr>
<td>Expertise required:</td>
<td><strong>PAA</strong> - practical experience and management skills from working in a central procurement institution, relating to the application of public procurement regulation in compliance with the acquis and EU Member State’ best-practice; fluent in English written and oral</td>
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<tr>
<td><strong>The pool of short - term experts</strong> - practical experience from working in a Member State authority in area of central procurement/surveillance or complaints-review: PP legislation expert, European law expert, technical specifications expert, government accounting expert, information / monitoring systems expert, training in PP expert, contract management expert, tendering procedures expert; all experts should be fluent in the English language (written and oral);</td>
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**Preconditions (1)**
- New law on public procurement passed by the Parliament by October 2003 at the latest.
- The ongoing Phare project CZ 2000-03-05 has been satisfactorily completed

OPEC (Office for Protection of Economic Competition) = UOHS (Urad pro ochranu hospodarske souteze)
Obchodni vestnik = Czech Official Journal
Sbirka zakonu = Collection of laws
PP = public procurement
<table>
<thead>
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<td></td>
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<td>Twinning and Training Package</td>
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<td>Twinning covenant approved</td>
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<td>Start of project activity</td>
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## Cumulative Quarterly Contracting Schedule (M €)

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<th>Project</th>
<th>4Q/02</th>
<th>1Q/03</th>
<th>2Q/03</th>
<th>3Q/03</th>
<th>4Q/04</th>
<th>1Q/04</th>
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## Cumulative Quarterly Disbursement Schedule (M €)

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<th>Project</th>
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<th>2Q/03</th>
<th>3Q/03</th>
<th>4Q/04</th>
<th>1Q/04</th>
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<th>3Q/05</th>
<th>Total</th>
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<td>0.20</td>
<td>0.30</td>
<td>0.40</td>
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</table>
B. Criteria for membership, 3. Ability to assume the obligations of membership, Introduction

2001 Regular Report findings:

"Alignment on the single market is overall well advanced, although the remaining gaps need to be filled. On free movement of goods, there has been progress, except for public procurement, and …"

"As regards the medium term priorities, those relating to the single market have been met to a large extent, except as regards public procurement."

B. Criteria for membership, 3.1. The chapters of the acquis, Chapter 1: Free movement of goods, Progress since the last Regular Report:

"In the area of public procurement, a May 2002 amendment strictly limits the use of emergency ‘fast track’ procedures and should significantly contribute to the transparency and predictability of decisions in this field."

B. Criteria for membership, 3.1. The chapters of the acquis, Chapter 1: Free movement of goods, Overall assessment:

"Further progress is required in the area of public procurement. According to a Czech government report, since 1998 public tenders have been organised for only 1,483 orders out of 6,853. Furthermore, current Czech legislation is not based on the same principles as the acquis, drawing instead on a United Nations model. Whilst the May 2002 amendment to the Public Procurement Act should bring more transparency, legislative shortcomings remain, including the scope of the law, time limits, the public remedies system, procurement under thresholds and the non-elimination of a national preference clause. A new, fully compliant Act is still required as a top priority. Appropriate administrative adjustment and strengthening will then also be needed. The creation of a registry of state contracts has been announced. It is aimed at increasing transparency of public procurement. The registry is to be under the Regional Development Minister."

The Ministry for Regional Development has overall responsibility for public procurement, in particular as regards public investment. The lack of qualified staff working on this area in the Ministry should be addressed. The Office for Protection of Economic Competition ensures compliance with public procurement legislation. It currently has 26 staff carrying out surveillance of public procurement and the level of administrative capacity is good."

B. Criteria for membership, 3.1. The chapters of the acquis, Chapter 1: Free movement of goods, Conclusion:

"Negotiations on this chapter have been provisionally closed. The Czech Republic has not requested any transitional arrangements in this area. The Czech Republic is meeting the majority of the commitments it has made in the accession negotiations in this field. However, delays have occurred on alignment with the acquis on public procurement. This needs to be urgently addressed."

In order to complete preparations for membership the Czech Republic’s efforts now need to focus on legislative progress on public procurement, completing the structures for implementation and ensuring that any national measures are proportional and do not hinder market access."

B. Criteria for membership, 3.3 General evaluation:
"On the free movement of goods, the Czech Republic now implements almost all harmonised European standards, including those on foodstuffs; however, market surveillance capacity will need to be further increased. Alignment with the public procurement acquis should be completed, building on the welcome progress achieved recently."

"In the accession negotiations, 25 chapters have been provisionally closed. The Czech Republic is generally meeting the commitments it has made in the negotiations. However, delays have occurred with regard to the full alignment of public procurement legislation, completion ... . These issues need to be addressed."

C. Conclusion:
"On the free movement of goods, the Czech Republic now implements almost all harmonised European standards, including those on foodstuffs; however, market surveillance capacity will need to be further increased. Alignment with the public procurement acquis should be completed, building on the welcome progress achieved recently."

"In the accession negotiations, 25 chapters have been provisionally closed. The Czech Republic is generally meeting the commitments it has made in the negotiations. However, delays have occurred with regard to the full alignment of public procurement legislation, completion ... . These issues need to be addressed."

D. Accession Partnership and Action Plan for strengthening administrative and judicial capacity: Global assessment, Political criteria, Democracy and rule of law:
"During 2001 there were a number of high profile prosecutions and judgements for economic crime and a welcome amendment was adopted to reduce the use of “fast-track” public procurement procedures. Nonetheless, the capacity to fight corruption remains insufficient.!

D. Accession Partnership and Action Plan, Ability to take on the obligations of membership, Chapter 1: Free movement of goods:
"Despite an amendment to the existing Public Procurement Act, new legislation is still needed for alignment in the area of public procurement, including to abolish the national preference clause for public procurement by introducing access for all Community companies to award procedures in the Czech Republic. The Accession partnership priorities in the area of free movement of goods have been met, with the exception of Public Procurement."