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MONITORING

PUBLIC PROCUREMENT AT THE LOCAL GOVERNMENT LEVEL

USAID FROM THE AMERICAN PEOPLE

FOUNDATION OPEN SOCIETY MACEDONIA
ФОНДАЦИЈА ОТВОРЕНО ОПШТЕСТВО МАКЕДОНИЈА

Center for Civil Communications
Центар за граѓански комуникации

REPORT NO. 6

MONITORING LOCAL LEVEL PUBLIC PROCUREMENTS

December 2014

PUBLISHER:
Center for Civil Communications

TRANSLATION IN ENGLISH LANGUAGE:
Abacus

PROOFREADING:
Tatjana B. Eftimoska

DESING & LAYOUT:
Brigada Design

PRINT:
Propoint

CIRCULATION:
250 copies

Free of charge/non-commercial publication

CIP - Каталогизација во публикација
Национална и универзитетска библиотека
"Св. Климент Охридски", Скопје

352.073.53:005.584.1(497.7)"2013"(047)

МОНИТОРИНГ на јавните набавки на
локално ниво : извештај бр. 6. -
Скопје : Центар за граѓански комуникации,
2015. - 30, 26 стр. :
табели ; 17x20 см

Насл. стр. на припечатениот текст:
Monitoring public procurement at local
government level : report No. 6.
- Обата текста меѓусебно печатени во
спротивни насоки. - Текст на мак. и англ. јазик.
- Содржи и: Monitoring public procurement at
local government level

ISBN 978-608-4709-26-8

а) Локална самоуправа - Јавни набавки -
Мониторинг - Македонија -
2013 - Извештаи
COBISS.MK-ID 98119434

The present report is made possible by the generous support of the American people through the United States Agency for International Development (USAID) within the USAID Civil Society Project. The contents of this publication are the responsibility of the Foundation Open Society – Macedonia and the Centre for Civil Communications and do not reflect the views of USAID or the United States Government.

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INTRODUCTION: GOALS AND METHODOLOGY

The Centre for Civil Communications (CCC) is regularly monitoring the implementation of public procurement procedures in Macedonia from 2008 onwards, i.e. from the entry in effect of the new Law on Public Procurement, drafted in line with the European Commission's Directives. The purpose of monitoring activities is to assess whether and to what extent state institutions adhere to the general principles underlying public spending, as stipulated in the Law: competition among companies, equal treatment and non-discrimination, transparency and integrity in implementing public procurements, as well as cost-effective and efficient use of public funds.

In particular, the present report provides an overview of 2013 public procurement spending by all municipalities in the Republic of Macedonia. The calculation is based on the sum of all procurements organized and implemented by the municipalities, as uploaded in the Electronic Public Procurement System and based on notifications for public procurement contracts signed and semi-annual records on public procurements whose value does not exceed 20,000 EUR. In addition, the total amount of funds spent on public procurements was also calculated as per capita value and as share of the municipality's budget.

Data from calculations and ranking tables, inter alia, allow insight in the extent of economic development of the municipalities, because in addition to providing basis for analysis of municipalities' spending, they can also serve as basis for analysis of the municipality's budget revenue side. Moreover, the analysis of municipalities' budget spending can facilitate adoption of future measures and policies aimed at more equitable development of the municipalities. On the other hand, citizens and civil society organizations can use these data as evidence in support of their demands for local authorities to increase the per capita value of public procurements. As regards the structure of public procurements, they should advocate for the municipality to spend more funds on procurement of goods, services and works that improve living and working conditions on local level, i.e. result in improved living standard in the local community.

KEY FINDINGS:

- In 2013, all 80 municipalities in the Republic of Macedonia have spent a total of 6.2 billion MKD, i.e. 101.3 million EUR on public procurements.
- The City of Skopje, as specific local self-government unit, is not included in this comparative analysis, while the total value of public procurements contracts signed in 2013 amounted to 1.2 billion MKD, i.e. more than 20 million EUR.
- At the level of individual municipalities, the Municipality of Aerodrom has spent the highest amount of funds on public procurements in 2013 (628 million MKD or 10.2 million EUR), while the Municipality of Centar Zupa has spent the lowest amount of funds on public procurements (1.1 million MKD or 19,000 EUR)
- Great differences in public procurement spending are best represented by the fact that the Municipality of Aerodrom, as first ranked in 2013, has spent as much as 40 municipalities together, of course, those from the ranking list's bottom.
- Compared to the previous year, decline in public procurement spending was observed in 2013 by 38 million EUR, i.e. by 27%.
- In 2013, the municipalities have spent from 2 EUR to 276 EUR per capita on public procurements. In per capita terms, 2013 differences between the municipalities are more modest compared to 2012 when they ranged from 2 EUR to 412 EUR per capita.
- The Municipality of Centar lost last year's primacy when it was the absolute winner both, in terms of total value of public procurements and per capita value of public procurements.
- Share of public procurements in the municipalities' 2013 budgets ranges from 1.8% to 77.7%. Differences observed under this parameter are indicative of great discrepancies among the municipalities.
- Exceptionally small per capita value of public procurements and small share of public procurements in municipality's budget were observed in two big municipalities: Tetovo (8 EUR per capita) and Kumanovo (7 EUR per capita).

OVERVIEW OF 2013 VALUE OF PUBLIC PROCUREMENTS: MAJOR DIFFERENCES IN MUNICIPALITIES' PUBLIC PROCUREMENT SPENDING

In 2013, the municipalities in the Republic of Macedonia have spent a total of 6,229,171,964 MKD or 101,287,349 EUR on public procurements. This calculation includes 80 municipalities without the City of Skopje which, as specific local self-government unit, is exempted from this comparative analysis. Otherwise, in the course of 2013, the City of Skopje has signed public procurement contracts in total amount of 1,250,878,386 MKD, i.e. 20,339,486 EUR. When compared against other municipalities, the conclusion is inferred that the City of Skopje has spent 20% of the total amount of funds spent by all 80 municipalities in the Republic of Macedonia.

The value of public procurements can be considered a relevant indicator on the amount of funds spent by the municipalities, both in support of their daily operations and with a view to service obligations falling within their competences, especially knowing that, with the exception of employees' salaries and salary contributions, communal fees and similar, municipalities are obliged to announce public procurement calls for almost all other budget expenditure whose amount exceeds 500 EUR.

Basis for calculation of municipalities' spending are the notifications on signed public procurement contracts whose value exceeds 20,000 EUR and semi-annual records on public procurement contracts in the value from 500 EUR to 20,000 EUR submitted to the Electronic Public Procurement System (EPPS). The total amount of funds was calculated as sum of all contracts signed by individual municipalities in the period 1st January – 31st December 2013. Processing of all data available in EPPS made for the purpose of this analysis shows that, on annual level, the municipalities have spent from 10 million EUR (Municipality of Aerodrom) to 19.000 EUR (Municipality

of Centar Zupa), which is indicative of major differences in funds at disposal of the municipalities for performing services falling within their competences (construction of local streets, communal infrastructure, local street lighting, repairs and construction of schools, etc.). Great differences in public procurement spending is best represented by the fact that the Municipality of Aerodrom, which is the first-ranked in terms of 2013 public procurement spending, has spent as much as 40 municipalities together, of course, those from the ranking list's bottom: Jegunovce, Vinica, Berovo, Bogovinje, Valandovo, Kratovo, Lipkovo, Brvenica, Tearce, Cesinovo-Oblesevo, Mavrovo and Rostusa, Dolneni, Mogila, Resen, Rosoman, Zelenikovo, Aracinovo, Bosilovo, Vasilevo, Karbinci, Studenicani, Novo Selo, Demir Kapija, Vevcani, Pehcevo, Konce, Staro Nagoricane, Demir Hisar, Caska, Krivogastani, Zrnovci, Dojran, Bogdanci, Rankovce, Gradsko, Suto Orizari, Vrapciste, Lozovo and Centar Zupa. Undoubtedly, this comparison is indicative of the unequal development among the municipalities. Hence, these differences can serve as solid basis for reconsidering the manner in which the central government awards grants to local governments for the purpose of decreasing gaps among them and for the purpose of enabling conditions for more equitable development on local level.

As shown in the table below, the average amount of municipalities' public procurement spending in 2013 is 78,850,278 MKD, i.e. 1,282,118 EUR. Moreover, the Municipality of Aerodrom, as the first ranked in terms of public procurement spending, has spent as much as eight times more funds compared to the average, while the Municipality of Centar Zupa has spent as much as 67 times less funds compared to the average calculated. In general, the high average is a result of major public procurement spending demonstrated by small number of municipalities. In addition, 21 municipalities have spent more funds compared to the average, while majority of them (58 municipalities) have spent less funds compared to the average calculated.

Top four positions on the ranking list are occupied by municipalities within the City of Skopje, i.e. Aerodrom, Centar, Karpos and Kisela Voda. Top 10 ranks are completed with Bitola, Gostivar, Strumica, Gazi Baba (municipality within the City of Skopje), Prilep and Stip.

Table 1.

Ranking list of municipalities according to the amount of funds spent on public procurements in 2013

No.	Municipality	Total value of public procurement contracts signed	
		in MKD	in EUR
1	Aerodrom	627,649,300	10,205,680
2	Centar	548,576,102	8,919,937
3	Karpos	398,230,611	6,475,294
4	Kisela Voda	305,983,186	4,975,336
5	Bitola	302,769,830	4,923,087
6	Gostivar	239,728,165	3,898,019
7	Strumica	223,119,924	3,627,966
8	Gazi Baba	207,997,241	3,382,069
9	Prilep	184,476,671	2,999,621
10	Stip	161,894,648	2,632,433
11	Ohrid	161,698,250	2,629,240
12	Cair	154,664,219	2,514,865
13	Gevgelija	145,627,992	2,367,935
14	Kavadarci	139,029,945	2,260,650
15	Butel	126,481,531	2,056,610
16	Gjorce Petrov	122,316,685	1,988,889
17	Veles	117,616,932	1,912,470
18	Debar	113,579,212	1,846,816
19	Probistip	96,202,434	1,564,267
20	Struga	92,974,113	1,511,774
21	Kocani	80,509,928	1,309,105
	AVERAGE	**78,850,278**	**1,282,118**

No.	Municipality	Total value of public procurement contracts signed	
		in MKD	in EUR
22	Ilinden	76,415,390	1,242,527
23	Negotino	75,729,115	1,231,368
24	Radovis	70,169,113	1,140,961
25	Krusevo	66,287,307	1,077,842
26	Zelino	66,098,849	1,074,778
27	Cucer Sandevo	63,700,627	1,035,783
28	Makedonska Kamenica	61,746,444	1,004,007
29	Petrovec	58,351,757	948,809
30	Novaci	54,758,773	890,387
31	Kriva Palanka	49,774,219	809,337
32	Kicevo	49,385,304	803,013
33	Tetovo	46,850,386	761,795
34	Kumanovo	45,090,151	733,173
35	Saraj	44,678,392	726,478
36	Makedonski Brod	43,368,393	705,177
37	Delcevo	43,134,974	701,382
38	Debarca	39,961,781	649,785
39	Sopiste	39,795,024	647,074
40	Sveti Nikole	36,848,307	599,159
41	Jegunovce	36,596,519	595,065
42	Vinica	33,001,747	536,614

No.	Municipality	Total value of public procurement contracts signed	
		in MKD	in EUR
43	Berovo	32,506,238	528,557
44	Bogovinje	31,926,936	519,137
45	Valandovo	31,405,540	510,659
46	Kratovo	30,869,050	501,936
47	Lipkovo	30,799,640	500,807
48	Brvenica	29,399,602	478,042
49	Tearce	25,927,843	421,591
50	Cesinovo-Oblesevo	22,279,186	362,263
51	Mavrovo and Rostusa	20,162,178	327,840
52	Dolneni	19,798,031	321,919
53	Mogila	18,443,518	299,894
54	Resen	18,180,246	295,614
55	Rosoman	17,996,201	292,621
56	Zelenikovo	17,952,719	291,914
57	Aracinovo	17,392,961	282,812
58	Bosilovo	17,128,667	278,515
59	Vasilevo	16,924,897	275,202
60	Karbinci	16,618,727	270,223
61	Studenicani	13,977,953	227,284
62	Novo Selo	13,535,559	220,090
63	Demir Kapija	13,268,218	215,743
64	Vevcani	13,053,779	212,257
65	Pehcevo	11,843,892	192,584

No.	Municipality	Total value of public procurement contracts signed	
		in MKD	in EUR
66	Konce	11,200,975	182,130
67	Staro Nagoricane	10,486,008	170,504
68	Demir Hisar	10,445,313	169,842
69	Caska	10,356,069	168,391
70	Krivogastani	8,787,962	142,894
71	Zrnovci	7,784,067	126,570
72	Dojran	7,651,612	124,416
73	Bogdanci	6,539,115	106,327
74	Rankovce	5,801,218	94,329
75	Gradsko	5,117,033	83,204
76	Suto Orizari	4,692,930	76,308
77	Vrapciste	3,485,359	56,673
78	Lozovo	1,387,551	22,562
79	Centar Zupa	1,175,680	19,117
80	Plasnica[1]	0	0

1 Municipality of Plasnica has not organized and implemented a single public procurement in the course of 2013.

2013 VALUE OF MUNICIPALITIES' PUBLIC PROCUREMENTS COMPARED TO 2012 PUBLIC PROCUREMENTS

Compared against the previous year, the 2013 value of public procurements has been decreased by 38,046,535 EUR, i.e. by 27%. Notably, in 2012 the amount of funds spent on public procurements was 139,324,884 EUR without the City of Skopje, while in 2013 these contracts amounted to 101,287,349 EUR. The decreased value of public procurements overlaps with organization of local elections in March 2013. This means that, considering the approaching election year and campaign efforts to win over votes, understandable is the fact that the municipalities have spent more funds compared to their spending in the course of the election year when they were bound by anti-corruption provisions, i.e. they are prohibited to enter major investment-related public spending from the day the local elections are announced.

Increased public procurement spending in the course of 2013 compared to the previous year was observed with only 28 from the total of 79 municipalities. The three municipalities with the highest increase of public procurement spending include Jegunovce, Cair and Vevcani. In that, the value of public procurements signed by the Municipality of Jegunovce has increased by 513.8%, i.e. these monitoring activities have recorded an increase from 96,950 EUR in 2012 to 595,065 EUR in 2013. Municipality of Cair has spent 686,357 EUR on public procurements in 2012 and 2,514,865 EUR in 2013, which represents an increase by 266.4%. In the case of the Municipality of Vevcani, the value of public procurements has increased by 255%, i.e. from 59,789 EUR in 2012 to 212,257 EUR in 2013. Some of these major leaps in terms of funds spent on public procurements can be justified with municipalities' increased spending, but also to more adherent implementation of obligations stipulated in the Law on Public Procurement concerning submission of notifications on public procurement spending to EPPS.

In absolute amount, the highest increase of public procurement spending was observed in the Municipality of Aerodrom, which has spent 4,840,994 EUR on public procurements in 2012 and as much as 10,205,680 EUR in 2013, placing this municipality on the top of the ranking list according to the amount of funds spent on public procurements.

On the other hand, the biggest drop in the amount of funds spent on public procurements was observed with the Municipality of Centar from 18,730,888 EUR in 2012 to 8,919,937 EUR in 2013.

Table 2. Comparison of 2012 and 2013 funds spent on public procurements

No.	Municipality	Value of public procurement contracts signed (in EUR)		Change
		2013	2012	
1	Aerodrom	10,205,680	4,840,994	+110.8%
2	Centar	8,919,937	18,730,888	-52.4%
3	Karpos	6,475,294	15,448,229	-58.1%
4	Kisela Voda	4,975,336	4,270,859	+16.5%
5	Bitola	4,923,087	5,322,559	-7.5%
6	Gostivar	3,898,019	2,702,282	+44.2%
7	Strumica	3,627,966	4,910,268	-26.1%
8	Gazi Baba	3,382,069	4,159,580	-18.7%
9	Prilep	2,999,621	4,381,822	-31.5%
10	Stip	2,632,433	2,254,207	+16.8%
11	Ohrid	2,629,240	3,659,130	-28.1%
12	Cair	2,514,865	686,357	+266.4%
13	Gevgelija	2,367,935	3,857,193	-38.6%
14	Kavadarci	2,260,650	3,509,889	-35.6%
15	Butel	2,056,610	3,685,252	-44.2%
16	Gjorce Petrov	1,988,889	2,387,784	-16.7%

No.	Municipality	Value of public procurement contracts signed (in EUR)		Change
		2013	2012	
17	Veles	1,912,470	1,325,212	+44.3%
18	Debar	1,846,816	2,188,186	-15.6%
19	Probistip	1,564,267	1,188,837	+31.6%
20	Struga	1,511,774	1,910,651	-20.9%
21	Kocani	1,309,105	1,805,731	-27.5%
22	Ilinden	1,242,527	2,986,979	-58.4%
23	Negotino	1,231,368	1,145,751	+7.5%
24	Radovis	1,140,961	2,090,273	-45.4%
25	Krusevo	1,077,842	1,357,509	-20.6%
26	Zelino	1,074,778	333,371	+222.4%
27	Cucer Sandevo	1,035,783	968,783	+6.9%
28	Makedonska Kamenica	1,004,007	2,577,525	-61.0%
29	Petrovec	948,809	1,568,778	-39.5%
30	Novaci	890,387	1,225,031	-27.3%
31	Kriva Palanka	809,337	611,358	+32.4%
32	Kicevo	803,013	1,494,544	-46.3%
33	Tetovo	761,795	5,018,787	-84.8%
34	Kumanovo	733,173	3,736,059	-80.4%
35	Saraj	726,478	820,449	-11.5%
36	Makedonski Brod	705,177	760,855	-7.3%
37	Delcevo	701,382	1,236,231	-43.3%

No.	Municipality	Value of public procurement contracts signed (in EUR)		Change
		2013	2012	
38	Debarca	649,785	297,616	+118.3%
39	Sopiste	647,074	585,767	+10.5%
40	Sveti Nikole	599,159	1,811,129	-66.9%
41	Jegunovce	595,065	96,950	+513.8%
42	Vinica	536,614	639,380	-16.1%
43	Berovo	528,557	775,433	-31.8%
44	Bogovinje	519,137	296,587	+75.0%
45	Valandovo	510,659	304,750	+67.6%
46	Kratovo	501,936	422,483	+18.8%
47	Lipkovo	500,807	200,154	+150.2%
48	Brvenica	478,042	441,741	+8.2%
49	Tearce	421,591	800,974	-47.4%
50	Cesinovo-Oblesevo	362,263	498,488	-27.3%
51	Mavrovo and Rostusa	327,840	370,945	-11.6%
52	Dolneni	321,919	1,544,186	-79.2%
53	Mogila	299,894	324,755	-7.7%
54	Resen	295,614	161,273	+83.3%
55	Rosoman	292,621	354,499	-17.5%
56	Zelenikovo	291,914	178,383	+63.6%
57	Aracinovo	282,812	/	/
58	Bosilovo	278,515	458,703	-39.3%

No.	Municipality	Value of public procurement contracts signed (in EUR)		Change
		2013	2012	
59	Vasilevo	275,202	533,808	-48.4%
60	Karbinci	270,223	255,712	+5.67%
61	Studenicani	227,284	1,116,406	-79.6%
62	Novo Selo	220,090	339,839	-35.2%
63	Demir Kapija	215,743	874,948	-75.3%
64	Vevcani	212,257	59,789	+255.0%
65	Pehcevo	192,584	282,324	-31.8%
66	Konce	182,130	404,020	-54.9%
67	Staro Nagoricane	170,504	623,056	-72.6%
68	Demir Hisar	169,842	495,084	-65.7%
69	Caska	168,391	164,148	+2.6%
70	Krivogastani	142,894	59,772	+139.1%
71	Zrnovci	126,570	57,539	+120.0%
72	Dojran	124,416	204,340	-39.1%
73	Bogdanci	106,327	807,826	-86.8%
74	Rankovce	94,329	42,287	+123.1%
75	Gradsko	83,204	358,424	-76.8 %
76	Suto Orizari	76,308	48,780	+56.4%
77	Vrapciste	56,673	661,267	-91.4%
78	Lozovo	22,562	161,566	-86.0%
79	Centar Zupa	19,117	51,560	-62.9%

2013 PER CAPITA VALUE OF MUNICIPALITIES' PUBLIC PROCUREMENTS

Analysis of per capita value of municipalities' public procurements[2] provides a completely different image. According to this parameter, the top position on the ranking list is occupied by the Municipality of Novaci which has spent 276 EUR per capita in 2013, with the Municipality of Vrapciste on the last position, as it has spent only 2 EUR per capita on public procurements in 2013.

The average calculated for all municipalities in 2013 amounts to 55 EUR per capita. 26 municipalities have spent more funds compared to this average, with the remaining 53 municipalities having spent funds in per capita amount lower than the average calculated. Exceptionally small per capita value of public procurements, i.e. less than 10 EUR, was observed with 6 municipalities (as shown in the table below), including two big municipalities: Tetovo (8 EUR per capita) and Kumanovo (7 EUR per capita).

2 Calculation of per capita value of public procurements is based on the relevant figures about the population number from 31.12.2013 published by the State Statistical Office. Nevertheless, due to lack of relevant data for the municipalities within the City of Skopje (Aerodrom, Butel, Kisela Voda, Centar, Cair, Suto Orizari and Sopiste), the relevant calculations are based on the population number from the last Census in 2002.

Table 3. Per capita value of public procurement contracts signed in 2013

Rank	Municipality	EUR per capita
1	Novaci	276
2	Centar	196
3	Debarca	158
4	Aerodrom	142
5	Makedonska Kamenica	131
6	Sopiste	114
7	Krusevo	113
8	Vasilevo	112
9	Makedonski Brod	111
10	Karpos	107
11	Petrovec	106
12	Cucer Sandevo	106
13	Gevgelija	104
14	Probistip	102
15	Debar	90
16	Kisela Voda	87
17	Vevcani	86
18	Ilinden	74
19	Rosoman	72
20	Karbinci	67
21	Strumica	64
22	Negotino	64
23	Zelenikovo	62
24	Kavadarci	58
25	Butel	57
26	Jegunovce	55
	AVERAGE	55
27	Stip	54
28	Bitola	53
29	Demir Kapija	52
30	Kratovo	52
31	Cesinovo-Oblesevo	51
32	Konce	51
33	Ohrid	50
34	Gjorce Petrov	47
35	Mogila	47
36	Gostivar	47
37	Gazi Baba	44
38	Valandovo	43
39	Delcevo	42
40	Staro Nagoricane	41
41	Zrnovci	41

Rank	Municipality	EUR per capita
42	Berovo	40
43	Kriva Palanka	40
44	Prilep	40
45	Radovis	39
46	Zelino	39
47	Cair	39
48	Pehcevo	38
49	Dojran	37
50	Mavrovo and Rostusa	37
51	Veles	35
52	Kocani	34
53	Sveti Nikole	33
54	Brvenica	29
55	Vinica	28
56	Krivogastani	25
57	Rankovce	25
58	Gradsko	23
59	Struga	23
60	Dolneni	23
61	Aracinovo	21
62	Caska	21
63	Novo Selo	20

Rank	Municipality	EUR per capita
64	Demir Hisar	20
65	Bosilovo	20
66	Tearce	18
67	Saraj	18
68	Resen	18
69	Bogovinje	17
70	Lipkovo	17
71	Kicevo	14
72	Bogdanci	13
73	Studenicani	11
74	Lozovo	9
75	Tetovo	8
76	Kumanovo	7
77	Suto Orizari	3
78	Centar Zupa	3
79	Vrapciste	2

By conquering the top position on the 2013 ranking list, the Municipality of Novaci took primacy over the Municipality of Centar, which held the top position in last year's ranking both, in terms of total amount of funds spent on public procurements and per capita value of public procurements.

Table 4. Comparison of municipalities' rank positions according to per capita value of public procurement contracts signed in 2012 and 2013

2013 rank	2012 rank	Municipality
1	2	Novaci
2	1	Centar
3	42	Debarca
4	28	Aerodrom
5	3	Makedonska Kamenica
6	16	Sopiste
7	9	Krusevo
8	48	Vasilevo
9	15	Makedonski Brod
10	4	Karpos
11	6	Petrovec
12	12	Cucer Sandevo
13	8	Gevgelija
14	26	Probistip
15	14	Debar
16	24	Kisela Voda
17	64	Vevcani
18	7	Ilinden
19	23	Rosoman
20	32	Karbinci

2013 rank	2012 rank	Municipality
21	22	Strumica
22	33	Negotino
23	49	Zelenikovo
24	21	Kavadarci
25	17	Butel
26	77	Jegunovce
27	46	Stip
28	40	Bitola
29	5	Demir Kapija
30	51	Kratovo
31	29	Cesinovo-Oblesevo
32	13	Konce
33	30	Ohrid
34	38	Gjorce Petrov
35	45	Mogila
36	54	Gostivar
37	37	Gazi Baba
38	63	Valandovo
39	27	Delcevo
40	10	Staro Nagoricane

2013 rank	2012 rank	Municipality
41	69	Zrnovci
42	41	Berovo
43	58	Kriva Palanka
44	36	Prilep
45	25	Radovis
46	71	Zelino
47	72	Cair
48	44	Pehcevo
49	34	Dojran
50	50	Mavrovo and Rostusa
51	65	Veles
52	47	Kocani
53	18	Sveti Nikole
54	60	Brvenica
55	55	Vinica
56	75	Krivogastani
57	76	Rankovce
58	19	Gradsko
59	57	Struga
60	11	Dolneni
61	/	Aracinovo
62	67	Caska

2013 rank	2012 rank	Municipality
63	59	Novo Selo
64	43	Demir Hisar
65	56	Bosilovo
66	52	Tearce
67	66	Saraj
68	74	Resen
69	73	Bogovinje
70	79	Lipkovo
71	61	Kicevo
72	20	Bogdanci
73	31	Studenicani
74	39	Lozovo
75	35	Tetovo
76	53	Kumanovo
77	80	Suto Orizari
78	78	Centar Zupa
79	62	Vrapciste
/	/	Plasnica

SHARE OF PUBLIC PROCUREMENTS IN MUNICIPALITIES' 2013 BUDGETS

For the purpose of shedding a light on public procurement spending on local level and for the purpose of this analysis, the monitoring activities included a calculation of public procurements' share in the municipality's budget expenditure. In that, it should be stressed that collection of data concerning municipalities' 2013 final budget balance sheets has proved to be an extremely difficult task. Only small number of municipalities has published such data, which provides the conclusion on low level of transparency concerning municipalities' budget spending. Having in mind that the obligation for organization of public procurement procedures concerns all budget expenditures, the present analysis relies only on data concerning the municipality's total budget which includes the general budget, grants, donations, loans and self-financing activities. In most cases, we used data from the municipalities' final balance sheets and in some cases, i.e. when these data were unavailable, we used data from the municipalities' planned budgets. Accurate data on total budget were not secured only for the Municipalities of Zelino and Aracinovo, and therefore these two municipalities are exempted from the analysis.

As shown in the table below, the share of public procurements in the municipalities' 2013 budgets ranges from 1.8% to 77.7%. Such great differences are indicative of inequality among the municipalities and suggest that in the municipalities with small share of public procurements in their budgets, most budget funds are spent on salaries for the employees and other costs that cannot be directly linked to activities that lead to improved quality of living in local communities. Specifically, construction and reconstruction of streets, infrastructure maintenance or any activity aimed at improving conditions in the municipality would have been reflected in higher share of budget spending on public procurements.

Table 5. Share of public procurements in the municipalities' 2013 budgets

No.	Municipality	2013 value (in MKD)		Share of public procurements in the budget (%)
		Public procurements	Budget	
1	Aerodrom	627,649,300	1,659,304,800	37.8%
2	Centar	548,576,102	1,229,349,835	44.6%
3	Karpos	398,230,611	2,004,382,000	19.9%
4	Kisela Voda	305,983,186	1,201,152,000	25.5%
5	Bitola	302,769,830	1,501,555,481	20.2%
6	Gostivar	239,728,165	855,179,155	28.0%
7	Strumica	223,119,924	826,174,637	27.0%
8	Gazi Baba	207,997,241	589,447,274	35.3%
9	Prilep	184,476,671	990,040,466	18.6%
10	Stip	161,894,648	629,850,090	25.7%
11	Ohrid	161,698,250	760,724,369	21.3%
12	Cair	154,664,219	669,055,627	23.1%
13	Gevgelija	145,627,992	345,515,505	42.1%
14	Kavadarci	139,029,945	627,068,000	22.2%
15	Butel	126,481,531	420,048,000	30.1%
16	Gjorce Petrov	122,316,685	365,624,824	33.5%
17	Veles	117,616,932	614,309,255	19.1%
18	Debar	113,579,212	213,547,625	53.2%
19	Probistip	96,202,434	199,488,518	48.2%

No.	Municipality	2013 value (in MKD)		Share of public procurements in the budget (%)
		Public procurements	Budget	
20	Struga	92,974,113	327,636,000	28.4%
21	Kocani	80,509,928	425,080,349	18.9%
22	Ilinden	76,415,390	294,885,000	25.9%
23	Negotino	75,729,115	348,940,333	21.7%
24	Radovis	70,169,113	370,797,704	18.9%
25	Krusevo	66,287,307	123,676,277	53.6%
26	Zelino	66,098,849	/	/
27	Cucer Sandevo	63,700,627	106,911,305	59.6%
28	Makedonska Kamenica	61,746,444	196,073,506	31.5%
29	Petrovec	58,351,757	164,472,294	35.5%
30	Novaci	54,758,773	188,206,338	29.1%
31	Kriva Palanka	49,774,219	397,136,303	12.5%
32	Kicevo	49,385,304	700,134,458	7.1%
33	Tetovo	46,850,386	1,644,691,568	2.8%
34	Kumanovo	45,090,151	516,090,038	8.7%
35	Saraj	44,678,392	70,000,000	63.8%
36	Makedonski Brod	43,368,393	257,172,540	16.9%
37	Delcevo	43,134,974	223,576,000	19.3%
38	Debarca	39,961,781	83,000,000	48.1%
39	Sopiste	39,795,024	154,621,515	25.7%
40	Sveti Nikole	36,848,307	214,401,041	17.2%

No.	Municipality	2013 value (in MKD)		Share of public procurements in the budget (%)
		Public procurements	Budget	
41	Jegunovce	36,596,519	95,900,073	38.2%
42	Vinica	33,001,747	223,858,873	14.7%
43	Berovo	32,506,238	251,752,618	12.9%
44	Bogovinje	31,926,936	56,149,832	56.9%
45	Valandovo	31,405,540	226,905,000	13.8%
46	Kratovo	30,869,050	73,600,319	41.9%
47	Lipkovo	30,799,640	239,786,944	12.8%
48	Brvenica	29,399,602	37,841,398	77.7%
49	Tearce	25,927,843	148,981,749	17.4%
50	Cesinovo-Oblesevo	22,279,186	71,924,279	31.0%
51	Mavrovo and Rostusa	20,162,178	145,048,862	13.9%
52	Dolneni	19,798,031	149,185,586	13.3%
53	Mogila	18,443,518	75,336,665	24.5%
54	Resen	18,180,246	211,672,007	8.6%
55	Rosoman	17,996,201	53,855,821	33.4%
56	Zelenikovo	17,952,719	42,566,550	42.2%
57	Aracinovo	17,392,961	/	/
58	Bosilovo	17,128,667	129,382,214	13.2%
59	Vasilevo	16,924,897	165,227,000	10.2%
60	Karbinci	16,618,727	55,333,715	30.0%
61	Studenicani	13,977,953	142,876,378	9.8%

No.	Municipality	2013 value (in MKD)		Share of public procurements in the budget (%)
		Public procurements	Budget	
62	Novo Selo	13,535,559	100,571,426	13.5%
63	Demir Kapija	13,268,218	8,2391,439	16.1%
64	Vevcani	13,053,779	36,564,127	35.7%
65	Pehcevo	11,843,892	69,945,985	16.9%
66	Konce	11,200,975	68,289,535	16.4%
67	Staro Nagoricane	10,486,008	59,975,815	17.5%
68	Demir Kapija	10,445,313	103,819,700	10.1%
69	Caska	10,356,069	94,340,445	11.0%
70	Krivogastani	8,787,962	51,658,810	17.0%
71	Zrnovci	7,784,067	25,620,975	30.4%
72	Dojran	7,651,612	48,829,722	15.7%
73	Bogdanci	6,539,115	98,416,458	6.6%
74	Rankovce	5,801,218	50,917,179	11.4%
75	Gradsko	5,117,033	44,771,365	11.4%
76	Suto Orizari	4,692,930	36,004,574	13.0%
77	Vrapciste	3,485,359	186,693,173	1.9%
78	Lozovo	1,387,551	44,930,348	3.1%
79	Centar Zupa	1,175,680	65,147,732	1.8%

In average, the share of public procurements in the municipalities' budgets accounts for 24.5%, meaning it is lower than the national level average which, according to data from the Bureau of Public Procurements, is 31%. Assessments whether this situation is positive or not will primarily depend on the purpose for which money have been spent, i.e. whether they have been invested in improving the quality of life.

However, due attention is needed to the situation in municipalities where the share of public procurements in total budget expenditure is lower than 10%, including Studenicani, Kumanovo, Resen, Kicevo, Bogdanci, Lozovo, Tetovo, Vrapciste and Centar Zupa. Namely, this situation is indicative of the fact that these municipalities are facing problems that need to be duly analysed and addressed with relevant measures.

On the other hand, given the efforts geared at municipalities' fiscal consolidation, there are no justifications also for municipalities with high share of public procurements in their respective budgets. High share of public procurements in the municipality's budget spending can be justified only if their budget funds have been spent on activities aimed at improving conditions in all spheres of life in the municipality.