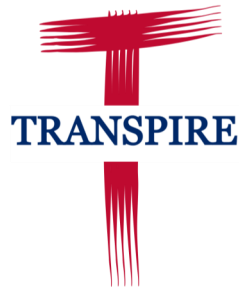




Centar za sigurnosne studije - BiH

Centre for Security Studies - BH



The project “Future Professionals for More Transparent Public Procurement”

Anti-corruption Capacities of Public Procurement in the Security Sector: Report for 2020 and 2021 - Part I

#TranspireBiH

**Anti-corruption Capacities of Public
Procurement in the Security Sector: Report for
2020 and 2021 - Part I**

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List of abbreviations

BiH – Bosnia and Herzegovina

MIA CBC – Ministry of Internal Affairs of Central Bosnia Canton

MIA TC – Ministry of Internal Affairs of Tuzla Canton

MIA WHC – Ministry of Internal Affairs of the West Herzegovina Canton

PPA BiH – Public Procurement Agency of Bosnia and Herzegovina

PRB BiH – Procurement Review Body of Bosnia and Herzegovina

Foreword

„The duty of youth is to challenge corruption“

Kurt Cobain, Nirvana

Dear readers,

It is our pleasure to present to you the first part of the report on the transparency and anti-corruption capacities of the security sector institutions of Bosnia and Herzegovina (BiH) in the public procurement processes for 2020 and 2021.

The presentation in question represents part of the activities carried out within the project "Future Professionals for More Transparent Public Procurement - TRANSPIRE", which was financed by a generous grant from the Department of State of the United States of America through the Small Grants Program of the Democratic Commission.

The Centre for Security Studies, as the implementer of the project, is particularly proud of the fact that the report is a product of the synergy of joint efforts of students from various universities and faculties in BiH and practitioners of investigative journalism. With such an approach, we contributed to the realization of the general goal of the project, in the light of improving and expanding the process of public procurement in the security sector, and raising the awareness and knowledge of students about public procurement and the risks of corruption.

Despite the challenge for our project team to interest the young population, bring this complex topic to closer to them and break the paradigm that these tasks should be dealt with exclusively by institutions, we are particularly proud of the fact of the successful development of the concept of civic responsibility in controlling the good management of our shared financial resources.

As a "think tank" organization, it is always a pleasure to state that methodology, which was developed, tested and implemented during of

the project "Building Integrity and Strengthening Anti-Corruption Practices in the Security Sector - ACroSS", is functioning and the students easily mastered it and improved it in certain segments.

We hope that this scientific and professional presentation of the situation in the field of public procurement will primarily serve the institutions of the BiH security sector to reach the highest democratic standards in this area of their work, but also meet the interest of the wider interested public. It should be noted that the report also covers the critical period of the outbreak of the COVID-19 pandemic, and therefore, despite the identified fields that require serious improvements, the fact that institutions in such circumstances were committed to maintaining a certain degree of transparency in public procurement is encouraging - at least when viewed through the prism of our methodology.

And in this way, we encourage the institutions of the security sector to make additional efforts and engagement, because they, by the nature of their very sensitive work, must be an example to other authorities. Non-transparency or insufficient transparency in certain aspects of organizational work cannot lead to the goal of zero tolerance for corruption, which we strive for as part of efforts to reduce and eradicate this global scourge from our society.

The Centre for Security Studies would like to kindly thank all the institutions of the security sector in BiH who, by providing data and information, contributed to the creation of this report. Finally, we owe a special thank you to our donor for supporting the "TRANSPIRE" project, as well as for all previous efforts to establish a more democratic and fair society for all citizens of BiH.

Sincerely,

Benjamin Plevljak, MA in Political Science
Secretary General of the Centre for Security Studies

Words of the authors

Investigations into corruption in the security sector are often focused on contracting, that is, on the stages of public procurement in which civil servants prepare and sign contracts with suppliers of equipment and services and manage their implementation. However, in order to discover the functioning mechanisms of public procurement and potential critical points for the emergence of corruption, we must investigate the entire public procurement procedure and then prepare appropriate conclusions and recommendations for its suppression. In our case, this implies an in-depth analysis of relevant normative acts, practices and challenges in public procurement in the security sector.

The report was made on the basis of qualitative and quantitative parameters based on which the anti-corruption capacities of 13 security sector institutions from different levels of government in Bosnia and Herzegovina (BiH) were measured and evaluated. The time period covered by the research refers to two years, 2020 and 2021.

Therefore, we are proud to present to you the results of the research on the transparency of public procurement in the security sector in Bosnia and Herzegovina. Through long-term and comprehensive research, which included the analysis of relevant laws, regulations, practices and challenges in public procurement in the security sector, we reached important conclusions and recommendations.

During the research, our goal was to highlight the importance of transparency in public procurement in the security sector and to point out the shortcomings and challenges that exist in BiH. All this in order to identify critical points, which can be fixed, and thus reduce the possibility of corruption during public procurement in the security sector. Hence the decision to focus the research on the impact of corruption on the transparency of public procurement in the security sector and analyze the application of existing laws and regulations in practice.

In order to bring the report closer to the reader and make it as clear as possible, we have decided that the introduction of this report will be presented through a basic glossary of definitions of terms that are treated in the report.

Basic glossary

As we have already said, the main purpose of stating the basic concepts in this report is a better understanding of the subject area, and that is why we start with the concept of public procurement.

Public procurement is a procedure by which the public sector, such as state or local authorities, public institutions or organizations that are owned or controlled by the public sector, procure goods, services or works from external suppliers through open, competitive and transparent procedures, in accordance with legislation and regulations on public procurement (MAPS, Methodology for evaluating the public procurement system, 2016, 96). In addition to this definition, there are several other definitions that researchers or organizations dealing with public procurement issues have come up with. Thus, Grbo (2008) states that "public procurement in the broadest sense of the word is a procedure that subjects of public law are obliged to carry out before entering into contracts for the procurement of goods, works and assignment of services". Hamidičević (2017) defines public procurement as a process in which the public sector procures various types of goods, services and works from selected private companies. In other words, it is about using budget funds to meet the needs of the public sector.

Public procurement is an important instrument in the management of public resources and enables the public sector to ensure quality products, services or works at the best possible price, while ensuring competition, equality, transparency and accountability. Public procurement procedures include various steps, such as publishing a public call for bids, evaluating bids, making decisions on awarding contracts, and monitoring contract execution.

Public procurement in the field of security is a procedure through which contracting authorities in the field of security acquire various goods, services or works that they need in order to perform their duties (Kržalić, 2015).

It is necessary to define the term security, since the report deals with monitoring the transparency of institutions that belong to the security sector in BiH.

Therefore, *security* can be defined as a state or feeling of freedom from danger, risk, threats or damage and as a set of measures, policies and procedures aimed at protecting people, property, information, interests or values from possible threats or harmful events. Security can include various aspects, such as physical security (protection against physical threats such as theft, vandalism, attacks or accidents), information security (protection of data from unauthorized access, hacking or theft), traffic security (protection of road users from accidents), financial security (protection of financial resources from embezzlement or abuse), social security (protection of the rights, freedoms and welfare of individuals and communities) and national security (protection of the interests and integrity of the state from external and internal threats). Security can be achieved through different mechanisms, such as laws, regulations, policies, planning, prevention, response, surveillance, education and cooperation between different participants, such as governments, organizations, communities, individuals and other relevant actors (Nobilo, 1998:69-80).

It is important to note that the concept of security can have different meanings and interpretations and can be applied in different contexts, depending on the field of application and the perspective of the observer.

A key term for this report is *transparency*, which can be understood as a principle or characteristic that refers to openness, accessibility and clarity in procedures, decisions, information and responsibilities of organizations, institutions or individuals.

Transparency means providing all relevant information in an understandable way, so that interested parties can understand and evaluate procedures or decisions and access that information in a timely manner. Transparency refers to different areas, such as government, business, civil society organizations, media, public procurement, finance

and other spheres of public life. Transparency includes publishing information about procedures, rules, policies, decisions, costs, funding sources and other relevant aspects of the activities of organizations or institutions. Transparency is important, because it allows the public to monitor, evaluate and participate in the activities of organizations or institutions and contributes to reducing opportunities for corruption, abuse of power, nepotism or other unethical practices. Transparency contributes to responsible management, increases public trust and enables citizen participation in decision-making and monitoring the work of institutions or organizations. Transparency can be achieved through various mechanisms, such as laws, regulations, policies, ethical codes, reporting standards, access to information, public debate, and engagement of citizens and civil society. Transparency is often promoted as a key element of democratic governance and accountability in various social contexts (Voloder, 2015:28-39).

At the end of this brief review of terms, we singled out the term *corruption*, which we understand as the abuse of privileges or positions for the purpose of obtaining undue material or immaterial benefits, usually in an unethical or illegal way. Corruption can be present in various forms, such as bribery, embezzlement, nepotism, favoritism, and dishonest use of public resources or power for private gain. Corruption can be systemic, when it is present at all levels of society and institutions, and individual, that is, when individuals or groups act corruptly for personal gain (Nye, 1967).

Corruption can be present in different sectors, such as public administration, politics, business sector, healthcare, education, security and other spheres of society. Corruption has harmful consequences for society, including undermining trust in institutions, reducing fairness, distorting market competition, violating human rights, and slowing down economic development and social progress. The fight against corruption requires a comprehensive approach that includes strengthening transparency, strengthening the rule of law, strengthening ethical values,

promoting accountability, and involving citizens and civil society in the supervision and monitoring of the activities of public institutions.

Corruption in BiH

BiH is a country facing a serious problem of corruption. Corruption is present at various levels of society, including government, public administration, judiciary, police, healthcare, education and the private sector. Corruption in BiH has negative consequences for economic development, the rule of law, citizens' trust in institutions and, in general, the quality of life of citizens. In this report, we will explore the main aspects of corruption in BiH, taking into account the current situation, causes, consequences and measures taken to combat corruption.

Current state of corruption

According to reports by Transparency International, BiH is in 110th place out of 180 countries in the Corruption Perceptions Index for 2022, which represents a decline of nine positions compared to the previous year. This indicates a high level of perception of corruption in the country. The public sector, including the government, local administration and public services, is considered one of the most corrupt sectors in BiH. Corruption is also present in the judiciary, court decisions are sometimes based on corruption, which leads to a lack of trust of citizens in the legal system. Also, corruption occurs in healthcare, education, the police, as well as in the private sector, including business and public procurement.

Causes of corruption

There are several factors that contribute to corruption in BiH. According to independent research, as well as analyzes published every year by Transparency International in BiH, one of the key factors is the lack of strong institutions and independent bodies that would deal with the fight against corruption. Weak rule of law, ineffective judiciary and lack of

accountability for corrupt behavior contribute to the spread of corruption. Also, political instability, complex political system and division into entity units make it difficult to fight corruption at the state level. There is also a lack of transparency in decision-making, a lack of appropriate legislation and irregularities in public procurement procedures.

Public procurement is an area that is particularly sensitive to corruption, given the large number of contracts concluded between the government and private entities and the high amount of money involved in these transactions. Lack of transparency and lack of competition in public procurement procedures are often problems in BiH. Procurement procedures are generally not transparent enough, which allows for manipulation in the awarding of contracts. Bidder bias, collusion, nepotism and corrupt behavior are involved in the procurement process, leading to unfair competition and unfavorable outcomes for fair and honest bidders.

Also, the lack of accountability for corrupt behavior in public procurement procedures is another important factor. Weak law enforcement and the lack of sanctions for corrupt behavior allow corrupt individuals to act irresponsibly and continue to abuse public funds.

The consequences of corruption in public procurement are serious and have negative effects on society and the economy of BiH. Corruption in public procurement leads to a loss of citizens' trust in the government, increases costs for the state budget, reduces the quality of services and goods that are procured, and makes competition on the market difficult, which negatively affects the economic development of the country.

In order to combat corruption in public procurement, BiH has taken certain measures. The introduction of electronic public procurement with the aim of increasing transparency and reducing the human factor in the procurement process is one of the initiatives undertaken. Also, strengthening the capacity of anti-corruption bodies, improving legislation and legal regulations, and strengthening supervision and sanctions for corruption are important steps taken by BiH in combating

corruption in public procurement. However, despite these measures, there are still challenges in combating corruption in public procurement in BiH.

The importance of transparency

Transparency in public procurement is of key importance, as it enables openness, responsibility and integrity in procurement procedures and ensures fair competition among bidders. Transparency in public procurement implies publicly available information about procurement procedures, including the publishing of documents, announcements, results, contracts and other relevant information related to procurement.

Below are several key reasons why transparency is important in public procurement:

1. It prevents corruption: transparency reduces the possibility of corruption in procurement procedures, as it allows the public to monitor and verify whether procurement procedures were conducted in a fair, just and transparent manner. This prevents collusion, bias, secret arrangements and other forms of corrupt behavior.
2. It increases competition: transparency enables greater competition among bidders, as everyone has an equal opportunity to access procurement information and participate in procurement procedures. This increases competition, which can lead to better offers, lower prices and better quality products and services.
3. It increases citizens' trust: transparency in public procurement increases citizens' trust in authorities and public institutions, because it allows citizens to monitor how their money is spent and to check whether funds are used in a responsible manner. This strengthens transparency, responsibility and integrity in the work of public institutions.
4. It ensures equity and equality: transparency in public procurement ensures equity and equality in procurement procedures, because all

bidders have an equal opportunity to access information and participate in procurement procedures. This prevents bias, favoritism and discrimination and ensures that taxpayers' funds are used in the best possible way.

5. It promotes responsibility and transparency in the management of public funds: transparency in public procurement promotes responsibility in the management of public funds, which is crucial for the efficient and responsible use of public resources. Transparency enables monitoring the spending of funds and identifying corrupt potential (Voloder, 2015:28-39).

Security sector

The security sector includes police agencies, military institutions, intelligence agencies and other institutions responsible for maintaining security and order in the country. Corruption in this sector can have serious consequences for the safety of citizens, threatens trust in institutions and undermines the rule of law.

Kržalić (2015) states several reasons why corruption in public procurement is a problem in the security sector in BiH:

1. High amount of procurement: public procurement in the security sector can be very valuable, including procurement of equipment, vehicles, weapons, technological systems and services. The large amount of money used in these procurements can attract corrupt individuals interested in illegally gaining personal gain.
2. Lack of transparency: transparency in public procurement in the security sector can often be insufficient, which facilitates corrupt behavior. The lack of public publishing of information on procurements, failure to conduct competitive tenders, secrecy in procurement procedures and lack of monitoring and reporting on procurements can create a favorable environment for corruption.

3. Lack of oversight and accountability: lack of effective oversight and accountability in procurement procedures in the security sector can contribute to corruption. The lack of independent monitoring, audits and sanctions for violations of procurement rules can create room for abuses and corrupt practices.

4. Sensitivity of the security sector: the security sector is a sensitive area that requires a high level of integrity, professionalism and trust. Corruption in public procurement can seriously undermine citizens' trust in security institutions, reduce their ability to perform their tasks efficiently and threaten national security (Kržalić, 2015:17-22).

How to improve the situation?

Solving the problem of corruption in public procurement in the security sector requires systemic reforms, including strengthening transparency, strengthening oversight and accountability, conducting competitive tenders, promoting integrity and ethical behavior, and sanctioning.

Transparency can be a powerful weapon in the fight against corruption in the security sector in BiH. Openness, public announcement of information and accessibility of the public procurement process can reduce the possibility of corrupt actions, increase the responsibility of institutions and strengthen citizens' trust in the work of security institutions.

There are several ways transparency can help fight corruption in the security sector:

1. Public announcement of information on procurement: publishing all relevant information on procurement, including documentation, prices, contracts and implementation reports or records on the implementation of the public procurement procedure, enables citizens, the media, civil society and other interested parties to monitor and supervise

procurements. This can reveal possible irregularities or suspicious actions and prompt investigations and sanctioning of those responsible.

2. Competitive tenders and transparent procurement procedures: conducting competitive tenders in accordance with relevant laws and regulations and publishing all relevant information about the procurement procedure can reduce the possibility of rigging the tender or unfair actions during the awarding of contracts, as well as collusion between bidders. Also, contracting authorities often resorted to negotiation procedures without publishing a notice (which in itself is a non-transparent procedure, but which is carried out only in cases strictly defined by the Law on Public Procurement) and when the conditions for its application were not met. Transparency in procurement procedures can ensure that the best bidder is selected based on objective criteria and not based on corrupt connections or bribery.

3. Independent monitoring and audits: the introduction of independent bodies for monitoring and auditing procurements, such as audit agencies, anti-corruption agencies or independent commissions, can ensure an objective assessment of the implementation of procurements and the detection of possible irregularities, such as "procurement splitting" phenomena, concluding more direct agreements (the most non-transparent procedure concluded in the amount of up to 6,000 BAM). The results of audits should be made public in order to enable accountability and sanctioning of responsible persons.

4. E-bidding and digitization of procurement: The use of electronic systems for public procurement, such as e-bidding, can increase transparency, efficiency and reduce the possibility of corrupt actions. Digitization of procurement can reduce contact between procurement participants, thus reducing the possibility of bribery and irregularities.

5. Education and public awareness: educating citizens about the importance of transparency in public procurement, their role in ensuring the fairness of spending public money is of great importance for improving the situation in this area in our country.

Institutions for monitoring public procurement in BiH

Chapter VI of the Law on Public Procurement of BiH determines the institutions for monitoring the implementation of the Law: the Agency for Public Procurement of BiH and the Appeals Review Office of BiH.

Public Procurement Agency of BiH

According to the Law, the Public Procurement Agency of BiH (PPA BiH) has its headquarters in Sarajevo and two branches with headquarters in Banja Luka and Mostar. The role of the PPA BiH is to ensure the proper implementation of the law in accordance with its competences:

- a) Preparation and drafting of the laws, draft amendments to laws and accompanying by-laws, in order to ensure their effectiveness and expediency;
- b) Improvement of informing of contracting authorities and bidders about public procurement regulations and their goals, procedures and methods;
- c) Publishing manuals and instructions, as well as creation and update of standard forms and models in accordance with the provisions of this law;
- d) Provision of technical assistance and advisory opinions to contracting authorities and bidders in connection with the proper application of this law and by-laws;
- e) Establishment of a system for monitoring procedures carried out by contracting authorities for the procurement of goods, services and works with the aim of education and elimination of observed irregularities in individual public procurement procedures;
- f) Data collection, creating the analysis and publishing information related to public procurement procedures and awarded public procurement contracts;
- g) Development and establishment of electronic information systems in the field of public procurement in BiH;

- h) Initiating, supporting and creating assumptions for the development of the practice of electronic procurement and communications in the field of public procurement;
- i) Organizing and holding trainings for authorized lecturers and public procurement officers, publishing information related to trainings and preparing manuals and other supporting materials for professional development in the field of public procurement in accordance with the by-laws adopted by the BiH Council of Ministers;
- j) Monitoring the work of authorized lecturers and keeping records of accredited lecturers in the field of public procurement and public procurement officers;
- k) Preparation of annual reports for the BiH Council of Ministers.

The PPA BiH is headed by a director appointed by the BiH Council of Ministers for a term of 5 years, with the possibility of one re-appointment, who represents the PPA BiH, manages its work, organizes and ensures the legal and efficient task performance within its competence, passes by-laws acts and other acts that ensure the legal and efficient performance of work and is responsible for the work of the Agency.

The five-member board of the PPA BiH is responsible for considering issues related to the functioning and improvement of the public procurement system and gives prior consent to the acts regulating the public procurement system, which are adopted by the BiH Council of Ministers or the director of the PPA BiH. The members of the PPA BiH Board are representatives of the Ministry of Finance and Treasury of BiH, entity ministries of finance, the Directorate for European Integration and a Brčko District of BiH Government representative, appointed by the BiH Council of Ministers for a five-year mandate.

Procurement Review Body of BiH

According to the Law, the Procurement Review Body of BiH (PRB BiH) resolves complaints in public procurement procedures. The PRB BiH headquarters is in Sarajevo, and branches are established in Banja Luka and Mostar. The PRB BiH with headquarters in Sarajevo is responsible for making decisions on appeals for procurement values in the amount of more than 800,000 BAM, as well as for all procurements by institutions of BiH and institutions of the Brčko District of BiH and other contracting authorities of BiH and the Brčko District of BiH. It has seven members (of which two are from the peoples of BiH and one from the rest, where two members are from the peoples of the Republika Srpska entity, four are from the peoples of the Federation of Bosnia and Herzegovina, and one from the others alternatively elected from one or the other entity) appointed by the Parliamentary Assembly of BiH for a term of 5 years, with the possibility of one re-appointment. The branches of PRB BiH in Banja Luka and Mostar each have five members appointed by the Parliamentary Assembly of BiH and are responsible for making decisions on appeals for procurement values up to 800,000 BAM for contracting authorities that are based in the same entity as the branch.

Anti-corruption capacities of public procurement in the security sector

Methodological framework

The methodology for determining the anti-corruption index (AC index) in the security sector is intended for internal monitoring of public procurement in order to assess the resistance of this sector to corruption, i.e. for determining the anti-corruption capacity of public procurement in the security sector (Kržalić, 2016). To assess the anti-corruption capacity of public procurement in the security sector, we fully used the methodology developed by the Centre for Security Studies within the

project "Building integrity and strengthening anti-corruption practices in the security sector - AcroSS", which was funded by the European Union.

The methodology contains systems for validation of resistance to corruption and monitoring of public procurement in the security sector in five areas:

- a) public procurement planning,
- b) implementation of the public procurement procedure,
- c) contract award and reporting,
- d) execution of the contract, and
- e) capacities of the security institution for the implementation of public procurement procedures.

For easier and more accurate application of the methodology, two tables were created for each of the five mentioned areas. The first table is used to collect data related to monitoring that will be used to write the annual monitoring report, and the second is used for monitoring itself. The first table lists 15 critical points or areas where corruption occurs during the implementation of public procurement in the security sector, with proposed anti-corruption mechanisms and action indicators. In the second table, which will be used for the development of the index and monitoring of public procurement in the security sector, five areas of monitoring are defined with indicators of the areas of monitoring, quantification of indicators and sources on the basis of which monitoring can be carried out, i.e. check the value of the obtained points.

For each of the mentioned areas of monitoring in the area of public procurement in the security sector, the methodology also proposed a quantification indicator - rating, as a certain value of the effectiveness of the area of monitoring. The value of the numerical indicator of monitoring is expressed in points, with the maximum AC value of capacity (capacity of resistance, transparency, efficiency and

verifiability) in each monitoring area expressed with three or five points. The lack of said capacities is expressed with one point.

The total result, created by adding up all the points in the five observed areas of monitoring, represents the numerical value of the resistance of public procurement in the security sector to corruption, that is, anti-corruption capacities in the five mentioned areas. Of course, for a more detailed monitoring analysis, it is possible to quantify only one of the five mentioned monitoring areas. By dividing the achieved number of points by the total possible number of points (115) and multiplying the achieved result by 100, the percentage result of the resistance of public procurement of the security sector to corruption is obtained. By multiplying the obtained percentage amount by 0.05, the value of the anti-corruption index of public procurement in the security sector is obtained, whereby for an average arithmetic value of 4.5 and 5, the value of the index is considered to be 5, for an average arithmetic value between 3.5 and 4.4 is considered to be an index value of 4, for an average arithmetic value between 2.5 and 3.4 it is considered to be a value of 3, for an average arithmetic value greater than 1.5 to 2.4 it is considered to be a value of 2, for an average an arithmetic value less than 1.5 is considered to be a value of 1.

Monitoring techniques

Monitoring of public procurement in the security sector can be carried out in a number of different ways. Organizations should strive to use the most economical sources of data (evidence) of each segment in the security sector that is the subject of monitoring.

How the monitoring procedure itself will be carried out depends on the nature and selection of the area and the specificity of the monitoring field, but it is generally recommended to use the following methods:

a) Observation - a particularly important method in cases where there is no written evidence of public procurement procedures (this method is applicable only in cases where there is a person who will perform

observation in the sector itself, e.g. discreet observation can reveal unauthorized access to documentation).

b) Interview - it is useful in the case when there is no evidence or the evidence is insufficiently clear. The interviewer should pay attention to the tone of the conversation, because a harsh tone can affect the interviewee and cause a non-cooperative and defensive reaction.

c) Verification of credibility and accuracy - if during the monitoring procedure written documentation is obtained, the credibility and accuracy of the data can be verified (use the method of comparison and connection).

d) Analytical reviews – comparison of series of data, comparison of data of the subject over which monitoring was performed. For an analytical review, use available documentation such as audit reports, budgets, annual public procurement plans and other analyzes in the subject area.

Anti-corruption capacities of public procurement in the security sector - Report for 2020 and 2021

State Investigation and Protection Agency

- Complete AC capacity, index value: 4.78

Findings:

The Public Procurement Plan for 2020 and 2021 has been published on the institution's website. It is positive that there were no changes to the public procurement plan, which indicates that the institution does good procurement planning. Also, no major deviations were observed in the plan for 2020 and 2021, where we can conclude that the institution does not have suspicious fluctuations in prices and quantities during procurement. On the other hand, it is concluded that the institution is not trying to make any savings.

The institution publishes contract monitoring forms on its website, as well as decisions on the selection of the most favorable bidder, decisions on postponing public procurement, as well as regular invitations to submit bids. It is concluded that the processes are transparent and publicly available.

Given that it is an institution that has a large budget and between 90 and 100 contracts per year, it is suggested that more people should be involved in the Public Procurement Department. It is suggested that a new committee should be established for each public procurement, depending on the subject matter and requirements for expertise, and also to ensure that the members of the committee are not in a direct or indirect conflict of interest related to the specific public procurement procedure. This would directly reduce the possibility of corrupt acts. The institution changes the commission annually, which is considered insufficient for this volume of public procurement. Also, the principle of separation of duties should be ensured, i.e. it is necessary to ensure that the employees of the Procurement and Logistics Department are not members of commissions.

We observe that in 2020 the institution had four appeals, and in 2021 that number was reduced to two. It is suggested that complaints should be publicly available and that the public should be informed through the website about the further course of the process.

Ministry of Internal Affairs of the Bosnian-Podrinje Canton Gorazde and the Police Administration

- Medium AC capacity, index value: 3.13

Findings:

The Public Procurement Plan for 2020 and 2021 has been published on the institution's website. During both observed years, two changes were made to the public procurement plan. When it comes to 2020, the change was made in May, then again in June 2020.

In 2021, the situation is somewhat different, since the last change to the public procurement plan was made 14 days before the end of the year.

It is concluded that the institution is not doing the best planned procurement needs.

It is suggested that the institution does better planning, and if it sees that it is necessary to change the public procurement plan, it should not be done 14 days before the end of the year, because that is too short a period to implement a transparent procedure.

It is recommended that the following documents should be published on the institution's website:

- a form for monitoring the implementation of the contract,
- procurement notices,
- decisions on contract award,
- decisions on the selection of the most favorable bidder,
- decisions on annulment and similar documents.

Public procurement plans, amendments to public procurement plans, decisions on amendments, and decisions on initiation of the procedure are visible on the institution's website.

The institution states that there were no annexes to the contracts, which is positive, but still, not a single contract is visible on the ministry's website. Even if this information has been published, then it is very difficult to find it, because it is not with all the other documentation. It is recommended that the institution publishes all public procurement contracts, including their annexes.

It is also recommended to conduct a market analysis in order to adequately assess the value of public procurement and obtain information about the details and market value of the goods and services that are being procured. This will result in more efficient planning.

In the communication with the institution, it was pointed out that the institution does not have a department for public procurement, but that it has an expert associate for conducting public procurement. Also, it is stated that mostly everyone is educated and familiar with the procedures, as well as that they are employees of the commission. It is recommended that the members of the commission change more often and that they are not the same persons who are, in fact, expert associates when conducting of public procurement. Also, since there is no certified department, it is recommended that a Department for Public Procurement be established at the level of the Government of the Bosnian-Podrinje Canton. This would allow everyone to plan such expenses in their budget, funds would be provided from multiple sources, and the process would be much more transparent, but above all, of better quality.

Ministry of Internal Affairs of Canton 10

- Average AC capacity, index value 3.13

Findings:

The Public Procurement Plan for 2021 was published on the institution's website, while the Public Procurement Plan for 2020 is not visible.

It is recommended that public procurement plans should be publicly available, as well as the following documents:

- form for monitoring the implementation of the contracts,
- procurement notices,
- decisions on contract awards,
- decisions on the selection of the most favorable bidder,
- decisions on annulment, etc.

The institution states that an annex to the public procurement contract was drawn up due to the impossibility of delivery and the supplier's delay.

From the communication with the institution, it can be seen that they have purchases of lesser value (10-15 purchases). It is also positive that the institution did not receive any complaints in 2021. The institution does not have a department for public procurement, instead it has an expert associate for conducting public procurement. It is recommended that the members of the committee change and not be the same persons who are in fact expert collaborators in the conduct of public procurement. Given that there is no certified department, it is recommended that a department for public procurement should be established at the level of the Government of Canton 10. This would allow everyone to plan such expenses in their budget, funds would be provided from multiple sources, and the process would be much more transparent, but above all, better quality.

The institution has a noticeably low level of transparency, as most of the information is not available on its website. The recommendation for the institution is to publish every document related to public procurement, with dates and a more detailed explanation. Also, it is recommended that the institution publishes on its website the reports of procedures in which it will be visible how many direct, open, competitive procedures, etc., were there.

Federal Police Administration

- High AC capacity, index value 3.61

Findings:

On the institution's website, the Public Procurement Plan for 2020 and 2021 has been published. No significant deviations were noticed in the plan for 2020 and 2021, so we can conclude that the institution has no suspicious oscillations in prices and quantities during the procurement.

The institution makes frequent changes and amendments to public procurements, and the recommendation for the institution is to do better planning. It is noticeable that the most critical period is September - October when changes and amendments to public procurement are made

every year. It is recommended that the personnel should be further educated and thereby become more efficient in planning. It is noticeable that in 2020 and 2021, very similar items appear in public procurement amendments, which means that they could partially be foreseen and planned in the regular public procurement plan.

The institution publishes contract monitoring forms on its website, as well as decisions on the selection of the most favorable bidder, decisions on postponing public procurement, and regular invitations to submit bids. It is concluded that the processes are transparent and publicly available. Also, the institution publishes contracts and agreements.

It is not possible to make a realistic assessment of the institution's capacity to conduct public procurement, because the institution did not submit data, which resulted in a low assessment of this segment of control. If the answers to the questions had been received, the rating would certainly have been higher. From what is visible on their website, we can conclude that the work process has a high degree of transparency, that a large number of documents are published, and that they are visible and easy to find.

Institution	Public procurement planning	Implementation of public procurement	Awarding of contracts and reporting	Contract execution	Capacities for the implementation of public procurement	AC index value
SIPA	96.00	95.65	100.00	100.00	86.98	4.78
MIA of BPC Gorazde and the PA	60.00	69.57	65.22	71.43	56.52	3.22
MIA C10	60.00	60.87	47.83	76.19	69.57	3.13
FPA	84.00	91.30	82.61	85.71	17.39	3.61

Table 1 - Value of AC index (SIPA; MIA of BPC Gorazde and the Police Administration; MIA C10; FPA)

Ministry of Internal Affairs of Tuzla Canton and Police Administration

- Police Administration of the Ministry of Internal Affairs of Tuzla Canton (MIA TC) - Weak AC capacity, index value 1.74
- MIA of TC - Medium AC capacity, index value 3.30

Findings:

Public procurement plans for 2020 and 2021, as well as amendments, are not visibly published on the MIA TC website, but the institution has submitted all the requested information.

The institution is recommended to publish the original public procurement plans and all amendments together, and also to make public procurement more transparent. Upon inspection of the institution's website, it was observed that a monitoring the implementation of the contract form exists, however, some forms do not exist in the document format at all, nor can they be opened.

It is recommended that the institution, following its legal obligations, update the contract implementation monitoring form on its website at least every three months.

However, after requesting information, the MIA TC submitted answers regarding public procurement.

Unfortunately, a not overly positive situation can be noted for the Police Administration of the MIA TC, since this institution does not have a separate website on which they could publish their documents regarding public procurement. Although we understand this is not necessarily a failure of this institution, it still determines the lowest AC index in this part of the research.

Occasionally, certain documents of the Police Administration of the MIA TC can be found on the home page of the MIA TC, but this does not give sufficient insight into the public procurement system that this institution

has. Therefore, as researchers, we did not have insight into the procurement plans of this institution for the mentioned period, and other important documents were not available to us, such as procurement notices, decisions on awarding contracts, decisions on the selection of the most favorable bidder, decisions on annulment, etc.

Ministry of Security of BiH

- High AC capacity, index value 3.83

Findings:

The Public Procurement Plan for 2020 and 2021 has been published on the institution's website. Also, the public procurement plans for 2020 and 2021 are aligned with the institution's budget, and several amendments to the public procurement plan have been recorded. In the published procurement plans, procurements whose value is lower than prescribed by law are also listed.

Upon inspection of the institution's website, it was observed that there is no published form for monitoring the implementation of the contract. It is recommended that the institution, in accordance with its legal obligations, update the contract implementation monitoring form on its website at least every three months.

By comparing the institution's website and the BiH Public Procurement Portal, it was observed that some posts are not harmonized.

It is recommended that the institution publishes all:

- procurement notices,
- decisions on contract awards,
- decisions on the selection of the most favorable bidder,
- decisions on annulment and the like.

The announcements should be synchronized between their website and the BiH Public Procurement Portal.

The composition and organizational unit for public procurement are not available on the website of the ministry.

Police Support Agency

- High AC capacity, index value 3.57

Findings:

The public procurement plans for 2020 and 2021, as well as all amendments for the same years, are published on the website. Although the Law on Public Procurement stipulates that procurements worth more than 50,000.00 BAM, in the case of goods and services, or 80,000.00 BAM, in the case of works, are to be announced in the procurement plan, it is positive that the institution also published procurements whose values are lower than those listed.

Also, by looking at the institution's website, it was observed that the new form for monitoring the implementation of the contract was last updated on December 28, 2022. However, although the institution updated information every three months in previous cases, it is noted that it is necessary to update this last one as well.

By observing the published documents related to public procurement on the institution's website, it was noticed that the publications were complete, but also unclear. And these are procurement plans, amendments to the procurement plan, a form for monitoring contract implementation, procurement notices, decisions on awarding contracts, decisions on choosing the most favorable bidder, decisions on annulment, etc.

It is recommended that the institution make the insight into those documents more clear, through the categorization of announcements, and link the announcements related to the same procedure.

There are amendments to the public procurement plans on the website, but comparing them, it is not possible to see why the amendments were

made, and therefore, a more accurate explanation of the amendments for public procurement is recommended.

Ministry of Internal Affairs of Herzegovina-Neretva Canton

- Medium AC capacity, index value 3.26

Findings:

The public procurement plan for the observed year 2020 was published on the website, but there are no changes or additions for both observed year.

Upon inspection of the institution's website, it was observed that there is no published form for monitoring the implementation of the contract. It is recommended that the institution, following its legal obligations, update the contract implementation monitoring form on its website at least every three months.

By inspecting the published documents for public procurement on the institution's website, it was observed that the publications were unclear. All notices must be searched separately, as there is no separate categorization of documents related to public procurement.

It is recommended that the institution make these documents more accessible through a special category on its website.

It is necessary to categorize the announcements and for the institution to bind the announcements for the same procedure to make them more clear.

Within the Directorate for Administration and Support, three employees are employed who work on public procurement, as provided by the systematization of jobs. Officials have been working on public procurement for a long time and have undergone certain training.

Institution	Public procurement planning	Implementation of public procurement	Awarding of contracts and reporting	Contract execution	Capacities for the implementation of public procurement	AC index value
PA of MIA TC	36.00	39.13	34.78	33.33	30.43	1.74
MIA TC	52.00	56.52	69.57	90.48	65.22	3.30
MS BiH	92.00	91.30	69.57	71.43	56.52	3.83
PSA	84.00	82.61	78.26	71.43	39.13	3.57
MIA HNC	68.00	82.61	65.22	71.43	39.13	3.26

Table 2 - Value of AC index (Police Administration of the MIA TC, Ministry of Security of BiH, Agency for Police Support; MIA HNC)

Border Police of BiH

- Medium AC capacity, index value 3.00

Findings:

The Public Procurement Plan for 2020 and 2021 has been published on the institution's website.

In 2020, the institution amended the public procurement plan in December, for BAM 4,257,000. It is recommended that the institution do better planning and procure a minimum number of goods, services, etc. through amendments to the public procurement plan.

During 2020, 84 different procurement items were listed in the amendments to the public procurement plan, all during November and December.

Also, a form for monitoring the implementation of the contract is published on the website. It is recommended that the institution update the contract implementation monitoring form at least every three months. During 2020 and 2021, the institution had 99 contracts per year. So far, they have only published annual forms for monitoring the implementation of contracts, and it would be much easier if there were more and more efficient forms for the work and monitoring of the contracts themselves.

By comparing the institution's website and the BiH Public Procurement Portal, it was observed that some announcements are not harmonized. It is recommended that the institution publishes all announcements (Notices on procurement; Decisions on awarding contracts; Decisions on the selection of the most favorable bidder; Decisions on annulment, etc.) simultaneously on its website and on the BiH Public Procurement Portal.

Currently, not a single published public invitation is visible on the institution's website. The recommendation to the institution is to publish public calls with all the detailed specifications, and if they publish and delete them, and that is why it is not available now, it is recommended that they do not do so. In this way, the transparency of every public procurement is reduced.

Also, if there are complaints from bidders or similar legal and natural persons to a certain public call, this should be highlighted on the website, as well as the conclusion of the process itself.

It is great that the institution has a "Public Procurement" drop-down menu with several categories as part of the website because it increases the degree of transparency.

Service for Foreigners' Affairs of BiH

- High AC capacity, index value 3.43

Findings:

The Public Procurement Plan for 2020 and 2021 has been published on the institution's website. In 2020, the institution did not make amendments to the public procurement plan, while in 2021 it made four, none of which were at the end of the year.

The monitoring the implementation of the contract form is not visible on the website. It is recommended that the institution publishes and updates the contract implementation monitoring form at least every three months and that the institution publishes all documents related to the public

procurement process (Decisions on the awards of contracts; Decisions on the selection of the most favorable bidder; Decisions on annulment, etc.)

Also, all tenders and calls for 2020 are not visible, and it is recommended that such announcements not be removed from the website.

It is commendable that the institution has a "Public procurement" drop-down menu with several categories on its website, because it increases the level of transparency and makes the analyzer's job easier.

It is suggested that the institution amend the "budgets" item in the public procurement sector. The last published budget is from 2018. Also, it is suggested that the institution list the types of procedures it carried out in 2020 and 2021 and the proportion of different types of procedures (open procedure, direct negotiation, etc.), as well as publish annual reports.

In addition to the above, it is very important to improve transparency so that there is clear information on the website about the number of low-value public procurements per year (under 50,000 BAM for goods or services and under 80,000 BAM for works), but also how many complaints about the implemented procedures concerning the number of procurements have been received.

The Service for Foreigners' Affairs of BiH has a high AC capacity, it is quite transparent in its work, and it is necessary to improve certain smaller segments to make the work of the institution even more transparent.

Ministry of Internal Affairs of Central Bosnia Canton

- Average AC capacity, index value 3.26

Findings:

The Public Procurement Plan for 2020 and 2021 has been published on the website of the Ministry of Internal Affairs of Central Bosnia Canton (MIA CBC). The institution made amendments to the public procurement plan, but none of them were at the end of the year, which in this case

indicates poor planning, but also perhaps new circumstances that caused new procurements, which could not have been predicted at the beginning of the year.

However, the contract implementation monitoring form is not visible on the website.

It is recommended that the institution publishes the form and updates the Contract Implementation Monitoring Form at least every three months.

Also, it is suggested that the institution have a more organized "Public Procurement" section on its website. This segment needs to be much more transparent.

Public procurement plans, amendments to plans, tenders, notices, decisions and similar announcements can be found in the same place. It is suggested that, as part of the "Public Procurement" section, a drop-down menu by categories is created, as was done in some institutions included in this analysis.

MIA CBC needs to separate documents by year to make them much more visible and functional.

It is suggested that the institution list the types of procedures it carried out in 2020 and 2021 and the proportion of different types of procedures (open procedure, direct negotiation, etc.), as well as publish annual reports on this issue.

In addition to the above, in order to improve transparency, there must be clear information on the website about how many public procurements are of low value per year (under 50,000 BAM for goods or services and 80,000 BAM for works), but also how many complaints about the implemented procedures concerning to the number of purchases. The institution must publish detailed budgets according to specifications, where it is stated what will be procured during the year for the needs of the institution.

Ministry of Internal Affairs of the West Herzegovina Canton

- Medium AC capacity, index value 3.17

Findings:

The Public Procurement Plan for 2020 and 2021 has been published on the institution's website. The Ministry of Internal Affairs of the West Herzegovina Canton (MIA WHC) worked on the Amendment to the Public Procurement Plan only during 2020.

However, the contract implementation monitoring form is not visible on the website. It is recommended that the institution publishes and updates the Contract Implementation Monitoring Form at least every three months. Also, MIA WHC should publish all contracts that are concluded, they are currently not visible on their website.

Otherwise, it is recommended that the institution publishes all documents related to the public procurement process (Decisions on the award of contracts; Decisions on the selection of the most favorable bidder; Decisions on annulment, etc.). All tenders and invitations are not visible, and it is recommended that such announcements are not removed from the website.

It is suggested that the institution list the types of procedures it carried out in 2020 and 2021 and the share of different types of procedures (open procedure, direct negotiation, etc.), as well as publish annual reports on this.

In addition to the above, it is very important for improving transparency that there is clear information on the website about how many low-value public procurements were carried out per year (under 50,000 BAM for goods or services and 80,000 BAM for works), but also how many complaints have about the implemented procedures concerning the number of procurements were received.

The institution must publish detailed budgets according to specifications, where it is stated what will be procured during the year for the institution's needs.

MIA WHC has a very transparent website, and information is easily available, but to make transparency even greater, it is necessary to publish all the necessary documents, not just a part.

Institution	Public procurement planning	Implementation of public procurement	Awarding of contracts and reporting	Contract execution	Capacities for the implementation of public procurement	AC index value
BP BiH	80.00	47.83	69.57	52.38	47.83	3.00
SFA BiH	68.00	78.26	78.26	71.43	47.83	3.43
MIA CBC	64.00	56.52	60.87	85.71	60.87	3.26
MIA WHC	76.00	56.52	56.52	76.19	52.17	3.17

Table 3 - Value of AC index (Border Police of BiH, Service for Foreigner's Affairs of BiH; MIA CBC; MIA WHC)

Instead of a conclusion

Most of the institutions analyzed in our report received a medium grade for the level of transparency during public procurement. From the journalist's side, analyzing the evaluations of colleagues, but also thinking about the corruption scandals connected to the analyzed institutions, we can agree with the evaluations that have been made.

The medium anti-corruption index perhaps best describes the situation when it comes to the transparency of public procurement in the field of security. Most of them try to be transparent and show that to some extent they want to go public with information about their public procurements, but they still do it very superficially, without enthusiasm and the necessary precision. The lack of a uniform picture when it comes to available information is particularly worrying, and this precision is normally a feature of security institutions, but not when it comes to transparency.

It seems that at one point in the development of the legislation, the security institutions were explained that according to the law they must be transparent, but they seem to hold back and go to the bare minimum to satisfy (hence rating 3). Based on this, we conclude that there is still an idea that the analyzed institutions of the security sector do not need to be completely public and transparent, which can be related to the communist past.

In summary, transparency at the middle level definitely cannot and should not satisfy the security institutions themselves, as institutions dealing with the implementation of law and legality, as well as representatives of the legislative authority and civil society.

The security sector as such, and taking into account its purpose, should be an example to other institutions in the country when it comes to transparency, as well as in the fight against practices that encourage and often cause corruption.

We hope that this report will also serve the analyzed institutions to improve the field of public procurement, to remove all possible doubts about their work, and thus become the example they should be. In other words, to strengthen the integrity of decision-making and reduce the possibility of corruption in public procurement.

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Excerpts from reviews

„The uniqueness of this report is reflected in the fact that students from BiH are its target group, young people who already contribute or should contribute to BiH society in their upcoming profession life. What is even more specific is that the report was made partly by students and partly by journalists, so it initially has a slightly different angle than the one provided by the institutions.“

Amil Dučić, Fokus journalist (fokus.ba)

“The results of the Report will certainly be useful to researchers in the field of security, but also to managers of security agencies who want to improve the integrity of their staff, as well as improve the public procurement system. I believe that representatives of the legislative authority, practitioners in security authorities and services, as well as other relevant institutions responsible for security affairs, should be informed about the findings of the Report.”

Armin Kržalić, Associate Professor at the Faculty of Criminalistics, Criminology and Security Studies of the University of Sarajevo

