

## LEGAL ALERT

### DEVELOPMENTS IN PUBLIC PROCUREMENT

#### APPROVAL OF THE REGULATION FOR CONTRACTING PUBLIC WORKS, SUPPLY OF GOODS AND PROVISION OF SERVICES TO THE STATE AND THE MOZAMBICAN ELECTRONIC PUBLIC PROCUREMENT STRATEGY

The decree which approves the new Regulation for Contracting Public Works, Supply of Goods and Provision of Services to the State, namely Decree no. 79/2022, of December 30, was recently published, revoking the diploma previously in force.

The new Regulation aims to respond the main challenges identified in the public procurement and, amongst the introduced amendments, we highlight the followings:

- Introduction of an electronic public procurement system, in line with the Electronic Public Procurement Strategy to be implemented between 2023 to 2025;
- Introduction of rules regarding the budgetary provision of the expenses in the Economic and Social Plan and State Budget for the corresponding fiscal year, using the e-SISTAFE or Autarchic e-SISTAFE;
- It is now mandatory that bidders are registered in the Single Registry of Contractors, Suppliers of Goods and Service Providers to the State;
- The applicable margins of preference for national bidders have been updated to include: (i) 15% of the value of the contract for public works and services for national bidders; and (ii) 20% of the value of the contract for goods that are Mozambican or produced in Mozambique;

- Publication of the declaration of the effective beneficiary is now mandatory whenever the winning bidder is a legal entity, for contracts awarded following a tender with an estimated contract value exceeding sixty million meticals.

The Regulation is subject to a *vacatio legis* of 90 days, entering into force on March 29.

Along with the approval of the new Regulation for Contracting Public Works, Supply of Goods and Provision of Services to the State, the Government has been making efforts to modernize the public procurement system and make it efficient, throughout information and communication technologies. In this regard, the Electronic Public Procurement Strategy (e-PC) was approved through Resolution no. 54/2022, of December 30, to be implemented between 2023 to 2025.

The necessary software is expected to be developed and produced in early 2023, followed by the pilot implementation in the last quarter of 2023. The expectation is of the progressive transition from the manual system to the e-PC by 2025 - the year in which an evaluation of its implementation shall be made.

Along with the Economic Acceleration Package recently approved by the Government, several benefits are anticipated from these developments, with the increase of competition and efficiency in contracting, combined with reduced administrative costs in the acquisition of goods and services.

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