



**REPUBLIC OF ALBANIA**

---

**PUBLIC PROCUREMENT AGENCY**

**Introduction to the Albanian Public  
Procurement System**

**Central Asia Regional Public Procurement Forum  
Issyk-Kul Lake  
21-24 April 2009**

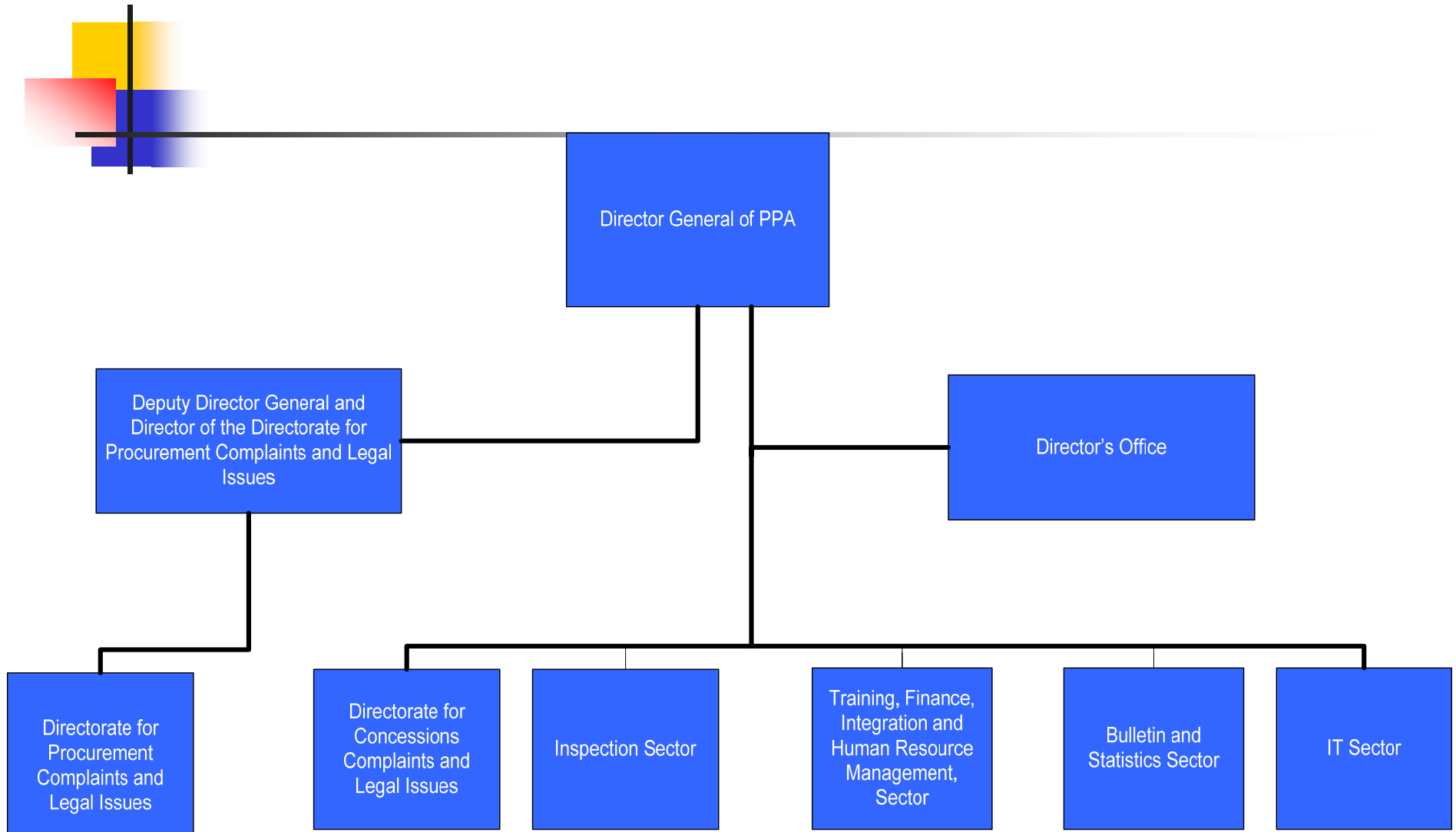


## Public Procurement Agency (PPA)

---

- PPA is central agency, public legal person under the dependence of the Prime Minister's Office.
  
- It is the highest body in the public procurement in Albania.
- *Complaints and Legal Assistance on Procurement Unit;*
  - *Inspection Unit;*
  - *Complaints and Legal Assistance on Concessions Unit;*
  - *Trainings, Finance, Integration & Management of Human Resources Unit;*
  - *Bulletin and Statistics Unit;*
  - *IT Unit.*

# PUBLIC PROCUREMENT AGENCY STRUCTURE



# Functions of the Public Procurement Agency

- Submits to the Council of Ministers proposals for procurement regulations;
- Promotes and organizes training of central and local government officials performing public procurement procedures;
- Prepares standard tender documents to be used in public procurement procedures;
- Prepares and brings out the public procurement Bulletin;
- Gives legal advice and provides technical assistance to contracting authorities;
- Submits annual reports to the Council of Ministers with regard to the overall functioning of public procurement system;
- Co-operates with international institutions and other foreign entities on issues related to public procurement;
- Monitors the reports contracting authorities submit every 4 months;
- Verifies the application of public procurement procedures according to the law;
- Carries out the administrative review of complaints.



# Background

---

- Albania had its first procurement law in 1995, based on UNCITRAL model;
- SAA with Albania on public procurement;

## **Main commitments undertaken:**

- Approximation of the legal framework with *acquis communautaire*;
- Increasing of the transparency and eliminating discrimination;
- Administrative and institutional capacities strengthening for a good implementation of public procurement legislation.



# Background

---

- In 2005 EU funded-project assisted in preparation of a PPL in alignment with EU Directives;
- World Bank also worked closely with the Government to review the new PPL, as part of the Development Policy Lending;



## Public procurement legal framework

---

- Law No. 9643, dated 20.11.2006 “On Public Procurement”, as amended;
- Council of Ministers Decision No. 1, dated 10.01.2007 “On Public Procurement Regulations”, as amended;
- Council of Ministers Decision No. 659, dated 03.10.2007 “On the approval of public procurement regulations with electronic means”;
- Council of Ministers Decision No. 45, dated 21.01.2009 “On the performance of public procurement procedures with electronic means.”

### **The reference to the EU legislation:**

- Directive 2004/18/EC
- Directive 2004/17/EC



## Purpose of public procurement legislation

---

- To promote efficacy in public procurement procedures carried out by contracting authorities;
- To ensure better use of public funds;
- To encourage economic operators to participate in public procurement procedures;
- To promote competition among economic operators;
- To guarantee an equal and non-discriminatory treatment for all economic operators participating in public procurement procedures;



## Main developments of the current public procurement legislation

---

- Standardization of complaints by tenderers to the Public Procurement Agency;
- Carrying out the public procurement procedures through electronic means.



## Standard complaints for public procurement procedures

---

**All complaints on public procurement procedures according to a certain format.**

- This has reduced number of un-grounded submitted on purpose to impede or delay the procedures;
- The interests of contracting authorities operating in accordance with law requirements, and of the economic operators properly qualified, are protected.



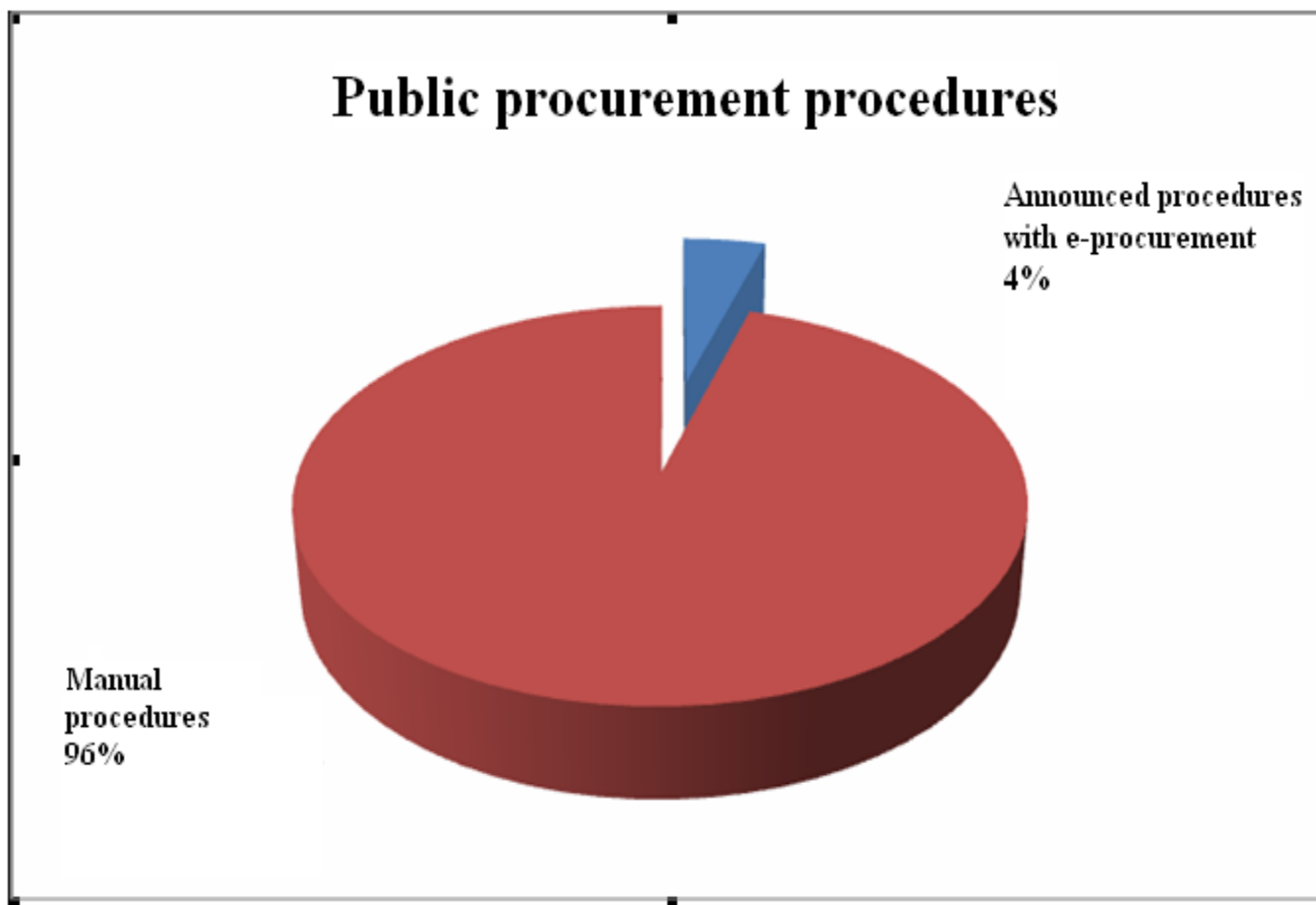
## Electronic procurement system

---

- E- procurement system was designed and implemented with the assistance and support of the Millennium Challenge Threshold Agreement Program for Albania, managed by USAID.
- The system was piloted for first time in Albania in 2008.
- During 2008, 4 % of all the procurement procedures was carried out electronically.

# E-Procurement 373

## paper-based Procurement 7929





## Why e-procurement?

---

- Greater transparency;
- More efficiency during the public procurement procedures;
- Reduction of costs;
- Avoidance of corruption;
- Greater competition.



# E-procurement system in Albania

---

## Current legislation in force envisages:

- Obligation of contracting authorities to carry out all the procurement procedures through electronic means, **except:**
  - a) the negotiated procedures without prior publication of contract notice and,
  - b) Small value procurements (below US\$ 4,000).
  
- Applicable rules in order to receive offers and requests for participation through electronic means, without affecting the principle of non-discrimination.



## E-procurement system in Albania

---

### **Reliability and safety of the system**

- E-procurement system provides the confidentiality of the offers and of the proposals by participants;
- It guarantees the protection of transmitted data, consequently providing detection for non authorized interventions.
- Contracting authorities can have access to the content of the bids/proposals **only after** the submission deadline is over.



## E-procurement system in Albania

---

### **The right of access in the system**

- Only the authorized persons have the possibility to set or change the time limits for opening of offers or requests for participation.
- The access is possible only through the simultaneous actions of the authorized persons (after the time limit is over).
- The system enables control at any time.



## What is missing in the current legislation?

---

- Independent Complaints Review Mechanism;
- Regulation of procurement of Utilities;



# Ongoing Legal Initiatives

---

**PPA, assisted by SIGMA (funded by EU), has completed drafting of some important amendments in the current public procurement law:**

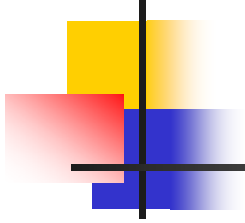
- to establish an independent, effective complaints review mechanism;
- to prepare legislation framework for procurement of utilities (water, energy, transport and postal services).



# Challenges for the future

---

- Further approximation of national legislation with EU Directives;
- Continuous strengthening of the capacities of the public procurement officials;
- Stronger surveillance of the public procurement legislation implementation by the PPA including ex-post reviews;
- Further implementation of electronic procurement system, further upgrading of the system;



**THANK YOU**

**FOR YOUR ATTENTION!**