

Unofficial Translation

NATIONAL PUBLIC PROCUREMENT STRATEGY

2024-2030

Action plan 2024-2027

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Abbreviations

PPA-Public Procurement Agency

CA-Contracting Authority

EO-Economic Operator

ATRAKO-Concession Treatment Agency

PPC-Public Procurement Commission

GDP -Gross Domestic Product

NEIP- National European Integration Plan

AI-Artificial Intelligence

ASPA-Albanian School of Public Administration

DoPA-Department of Public Administration

CPB-Centralized Purchasing Body

DCM-Decision of the Council of Ministers

EC-European Commission

EBRD-European Bank for Reconstruction and Development

EU-European Union

OSCE-Organization for Security and Cooperation in Europe

PPP-Public Private Partnership

ToT-Training of Trainers

FOREWORD

Public Procurement refers to the process by which contracting authorities or entities acquire goods, works, or services from economic operators. The National Strategy for Public Procurement 2024-2030 serves as a fundamental strategic document, considering both the existing and anticipated legal framework aligned with the objectives for European Union accession. Our 2030 Vision is to ensure the effective implementation of public procurement legislation. In this context, priority is given to upholding key principles such as non-discrimination, equal treatment, the protection of free and fair competition, and increased transparency. These principles are closely linked to critical areas, including the fight against corruption, environmental sustainability, public health, and consumer protection.

The National Strategy for Public Procurement 2024-2030 is fully aligned with international sustainable development objectives, the EU legal framework in this sector, and the commitments made by Albania in joint meetings with European counterparts.

The drafting process of this strategy, supported by SIGMA-OECD technical assistance, incorporates initiatives from the Public Procurement Strategy 2020-2023 that were launched but not finalized. It also addresses obligations within the integration framework, particularly the EU recommendations emerging from the Screening process. Additionally, the strategy's development has been marked by active participation from public procurement specialists, field experts, and various interest groups. Their contributions have ensured a high degree of alignment with strategic priorities and effective approaches for addressing them.

The strategy drafting process has been carried out in several stages, beginning with the establishment of a working group responsible for its development. It included preliminary consultations to determine the working methodology and format, followed by a situation analysis that identified key public procurement issues to be addressed by the strategy. Subsequently, the main activities and measures of the strategy were defined, leading to the development of an implementation plan and a cost analysis. The process concluded with public consultation and the finalization of the document.

This strategic document follows the National Public Procurement Strategy 2020-2023 (NPPS 2020-2023), which provided for a series of detailed strategic objectives with concrete measures, in the implementation of which directly involved or contributing public institutions were engaged.

The primary objective of this strategy is to establish an efficient and effective public procurement system that adheres to the principles of transparency, free and fair competition, non-discrimination, and equal treatment. Additionally, it aims to promote and sustain a procurement framework that ensures value for money while fostering long-term sustainability.

The year 2023 marked the final phase of implementing the previous Public Procurement Strategy and its action plan. Throughout this period, significant developments have been made across all Policy Goals, demonstrating overall positive progress. However, certain activities remain in progress or require further implementation. These will be incorporated and materialized within the National Public Procurement Strategy (NPPS) 2024-2030. Consequently, the NPPS 2024-2030 will outline specific objectives and measures aimed at completion in the coming years.

The National Public Procurement Strategy (NPPS) 2024-2030 focuses on enhancing the efficiency and effectiveness of public procurement procedures, ensuring the optimal use of public funds, and reducing procedural costs. A key priority is to encourage the participation of economic operators, particularly by promoting and supporting the inclusion of small and medium-sized enterprises (SMEs) in procurement processes. The strategy also aims to foster competition among economic operators, uphold equal and non-discriminatory treatment, and strengthen integrity, transparency, and public trust in procurement procedures.

PART ONE - STRATEGIC CONTEXT

Public procurement is a key area within Chapter Group 1: Fundamentals of the EU accession methodology. Provisions related to procurement processes and contracts hold a significant place in the Stabilisation and Association Agreement (SAA). The proper implementation of the SAA, the fulfillment of obligations, and the addressing of European Commission recommendations—including those in the field of public procurement—are crucial elements in Albania’s EU accession process.

The European Council on March 26, 2020 Approved the decision of the EU General Affairs Council to open negotiations with Albania, and in November 2022, a bilateral meeting was held on Chapter 5 “Public Procurement” as part of the Screening process, where the European side emphasized that Albanian legislation in the field of public procurement is to a large extent aligned with the EU Acquis.

Public Procurement is one of the main areas included in other National and Cross-Sectoral Strategies. In the National Strategy for Development and Integration 2023, procurement is part of the Primary Goal - European Integration, where it is emphasized that the public procurement process is completely digitalized, easy, accessible, transparent, in all its phases, while the number of complaints has decreased. Also, public procurement is part of the Cross-Sectoral Strategy against Corruption and the Strategy for Public Finance Management, where it is noted that in the field of public procurement, the activities and performance indicators related to these strategic documents have been fully implemented. Also, in the field of public procurement, contribution has been made in relation to the review of these strategies and the drafting of new strategies and action plans for the period 2024-2030.

The European Commission in its 2023 Annual Report on Albania regarding Chapter 5 “Public Procurement” states that Albania is moderately prepared in public procurement.

In the Principles of Public Administration Monitoring Report for the Western Balkans and Turkey, prepared by SIGMA, Albania’s public procurement system received a top rating of 5/5 for three out of five indicators, while scoring 3/5 for the remaining two. Specifically, the system was awarded the highest rating for its institutional capacities at the central level, particularly regarding the drafting, implementation, and monitoring of procurement policies in an effective and efficient manner.

1. SITUATION ANALYSIS

1.1.LEGAL FRAMEWORK

Since 2020, Law 162/2020 on Public Procurement has been in effect, officially entering into force on March 31, 2021. This law has been harmonized with European Union Directives (2014/24, 2014/25, 89/665 EEC, and 92/13/EEC) concerning legal remedies and administrative review.

The law has brought innovations in important aspects such as:

- clarification of the scope of Application, specific exclusions and mixed procurement contracts;
- the concept of reserved contracts and contracts between entities within the public sector, prior and periodic information notices, as tools that increase transparency, and enable economic operators to become familiar with the data of a specific planned procurement object in advance;
- determining the low and high monetary threshold;
- procurement procedures, according to the relevant EU directives, providing for new procurement procedures, with phases, such as: competitive procedure with negotiation, competitive dialogue and innovation partnership;
- providing for more simplified procedures in the procurement of sectoral activities with a special chapter, with specific regulations for the sectoral sector (which includes activities related to transport, water, energy, gas, postal services, ports and airports);
- facilitating the participation of economic operators in public procurement procedures, through the use of the summary self-declaration form;
- foreseeing the use of the evaluation criterion “most economically advantageous tender”, which is identified on the basis of price and cost, using the cost-effectiveness method;
- the submission of bid security, as a protective measure for contracting authorities, in the event of the bidder's withdrawal;
- the concept of reducing the number of qualified economic operators in phased procedures, if such a thing is defined as a possibility by the contracting authority in the tender documents;
- reducing the minimum period of exclusion of economic operators from the right to win public contracts, starting from 3 months;
- the provision of a standstill period, during which the contracting authority may not sign a contract, a period which begins from the publication of the award notice;
- ease in the procurement of social services and other special services, which are subject to a special, simplified procurement regime;

- increasing the controlling role of the PPA in terms of verifying the implementation of legality in procurement procedures, including those that have been canceled, and monitoring the implementation of contracts;
- complaints of economic operators, simultaneously to the contracting authority and to the Public Procurement Commission, shortening the administrative review process and the deadlines for complaints;
- foreseeing for the first time the concept of contract modification, as well as cases of contract invalidity.

In addition to the public procurement legislation in force, there are also two legal packages that regulate procurement in the field of defense and security, concessions and PPP:

-Law No. 36/2020 “On defense and security procurement”. The law defines the subjects of procurement in the field of defense and security, which mainly include the supply of military equipment and their parts and/or their component units, the supply of classified equipment and their parts and/or their component units, works, supplies and services directly related to military equipment and classified equipment, as well as military works, supplies and services which, for security reasons, will include, require and/or contain classified information and will be treated as classified works, supplies and services.

-Law No. 125/2013, dated 25.04.2013 “On concessions and public-private partnerships”, as amended. The award of concessions and PPP contracts is based on the principles of transparency, non-discrimination, proportionality, efficiency, equal treatment, reciprocity and legal certainty. This law regulates the powers of contracting authorities for the conclusion of concession agreements/public-private partnerships for investments based on concessions/public-private partnerships, the procedures for the award of such contracts, the signing of contracts, the termination of contracts and amendments to concession/public-private partnership agreements, issues related to financial regulations and support related to concessions/public-private partnerships, the policy of such concessions and the authority for their implementation, as well as other issues related to concessions/public-private partnerships.

-Appeals/Review System in the field of public procurement. The legal framework as above provides that any economic operator who has or has had an interest in a procurement procedure under the PPL, and when it is damaged or risks being damaged by the actions or omissions of the contracting authority/entity, which it claims are contrary to the law, has the right to file a complaint simultaneously to the contracting authority/entity and the Public Procurement Commission. This law provides for the right of economic operators to Appeal the decisions of the Public Procurement Commission to the Administrative Court of Appeal.

The Public Procurement Commission, within the framework of the digitalization of the electronic complaint review service, began work on establishing the new E-Appeals and E-Complaints Management System on 28.07.2020. The system was launched on 27.10.2021.

Centralized Purchasing. DCM 531/2023 provides that the Centralized Purchasing Operator provides procurement services to contracting authorities/entities and carries out centralized procurement procedures for goods, works, services, budget funds with a value above the monetary threshold for small value procurements, on behalf and for the account of the Prime Minister's Office, ministries, institutions subordinate to the Prime Minister and line ministers.

1.2.INSTITUTIONAL FRAMEWORK

The responsible institutions in the field of public procurement are:

Public Procurement Agency (PPA) is a legal entity, a central institution which, among other things, presents legal and sub-legal proposals for public procurement, issues decisions, instructions and recommendations, provides advice and assistance, etc. The PPA coordinates and is the leading institution of negotiations for EU accession in the field of public procurement as well as negotiations for accession in the GPA.

Public Procurement Commission (PPC) is a public, independent legal entity and is the highest administrative body in the field of procurement, for reviewing complaints about procurement procedures.

ATRAKO- The concessions/public private partnerships treatment unit assists contracting authorities in preparing the feasibility study; preparing the competitive procedure documents and evaluation criteria; evaluating the proposals and determining the best bidder; conducting negotiations and signing the concession contract; monitoring the concession contracts.

Ministry responsible for the economy is the responsible institution, which guides and harmonizes the activities for the development of concessions/public private partnerships. The ministry responsible for finance evaluates and approves in advance all concession/public-private partnership (PPP) projects, from the perspective of fiscal implications, budget deficit, public debt sustainability, etc.

Ministry of Defense, the Ministry of Interior and NSA are the main institutions responsible for procurement in the field of defense and security.

Centralized Purchasing Operator sh.a. is a central purchasing body, subordinate to the Ministry responsible for the economy, whose mission consists of carrying out centralized procurement procedures for goods, works, services, budgetary funds with a value above the monetary threshold of small-value procurements, on behalf and for the account of the Prime Minister's Office, ministries and institutions subordinate to them.

1.3. EVALUATION OF THE NATIONAL PUBLIC PROCUREMENT STRATEGY 2020-2023 AND IMPLEMENTATION OF THE LEGAL FRAMEWORK

In November 2020, the Council of Ministers approved the National Strategy for Public Procurement 2020-2023. Its implementation relies on reforms to be undertaken in 5 main pillars, materialized in 5 Policy Objectives (POs), which aim to further improve and develop the procurement system: (i). Efficient and sustainable public procurement; (ii). Improving the legal framework for concessions and public-private partnerships; (iii). Reorganizing procurement in the field of defense and security; (iv). Centralized purchasing; (v). Improving the system for reviewing and controlling complaints.

During this period, it was noted that there were developments in all the Policy Objectives of the strategy and in general there was a satisfactory level of implementation in terms of activities and performance indicators. The National Public Procurement Strategy 2020-2023 paved the way for important reforms and developments for the transformation of the public procurement system in Albania. Notable are the reform of the legal framework in the field of public procurement and its supplementation with secondary legislation, as a result of which the legislation in this field is largely aligned with the EU Acquis, the continuous improvement of the electronic procurement system, the launch of the electronic complaints system, the completion of the legal framework for procurement in the field of defense and security, the continuation of efforts to strengthen and increase administrative capacities, etc.

Some of the activities were concluded during the implementation of the 2020-2023 Public Procurement Strategy, while others laid the foundation for future steps in strengthening and transforming the public procurement system.

Based on this and the above, the general approach of the 2024-2030 NPPS should be implemented to further the reform agenda by building on the foundation already established. There is a need for some adjustments, changes and additions to the pillars, however, to adapt the strategy to the current situation, the progress in recent years should be taken into account, re-focusing activities that will enable an efficient, effective, well-performing, non-discriminatory public procurement system that respects principles such as the protection of competition, equal treatment, etc.

The institutional legal framework in the field of public procurement has undergone a radical change and significant improvement in the last 3 years, with the main objective of the country's entry into the EU. Our legal framework has approximated the relevant EU directives, significantly influencing the improvement of the procurement system in Albania in accordance with the recommendations of the EU or other international organizations.

It is noted that there has been an increase in transparency in the procurement process through a significant reduction in the number of negotiated procedures without prior publication of a contract notice.

Specifically, regarding negotiated procedures without prior publication of a contract notice, the total number of negotiated procurement procedures without prior publication of a contract notice, conducted during 2022, is 3.3%, of the total number (other procedures + negotiation without publication) of procedures concluded with a winner. Expressed in value, the value procured with the negotiated procedure without publication is only 0.9% in relation to the value procured (other procedures + negotiation without publication).

The evaluation criterion “*the most economically advantageous tender*”, based on cost, has started to be used by contracting authorities, aiming to increase the quality of the contract concluded at the end of the procurement process. The law clearly provides for the use by contracting authorities of criteria related to the quality of the product, environmental, social criteria or its life cycle, guaranteeing higher efficiency and lower costs for the contracting authority/entity. In 2022, about 7.3% of the procedures were selected using the most economically advantageous tender as an evaluation criterion based on costs, which constitute 33.92% of the relevant contract value to the total. This indicator has increased compared to previous periods.

During 2022, the Public Procurement Commission has increased the speed of reviewing complaints, both in terms of the total number of complaints handled outside the deadline, as well as in the number of days of handling a complaint at the Public Procurement Commission. Thus, if for 2021 the percentage of complaints handled outside the deadline was 10.8%, in 2022 the percentage of complaints handled outside the deadline decreased to 10.1%.

2. STRATEGY VISION 2024-2030

Vision of the strategy: The strategy aims to guarantee an efficient and sustainable procurement system by promoting its improvement towards a modern and efficient approach based on international best practices.

The aim of effective procurement is to provide goods and services at better prices for better quality. This is intended to be achieved by harmonizing the public procurement process to ensure a reasonable, economical and efficient use of public funds to ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner by promoting a competitive process.

General Principles: The Strategy is based on the principles of transparency, free and fair competition, non-discrimination and equal treatment, promoting and fostering a sustainable system that guarantees value for money, also based on increased administrative capacity, implementation of the law, legality during the review procedure, etc.

2.1.STRATEGIC OBJECTIVES

The Public Procurement Strategy 2024-2030 provides for a series of strategic objectives for each policy goal, related to the legal framework in the field of public procurement, concessions and PPP, procurement in the field of defense and security, the establishment and functioning of the Centralized Purchasing Operator, strengthening administrative capacities, etc. Special importance is given to the promotion of competition with dedicated measures in cooperation with other institutions. Integrity and anti-corruption measures are also reflected in a special section.

The objectives of the strategy are based on principles that aim to:

- Efficiency and effectiveness of public procurement;
- The economic development of the country, through an efficient public procurement system and increased administrative capacity;
- Promoting competition and encouraging the participation of economic operators, especially SMEs, in public procurement procedures;
- Ensuring equal opportunities through equal treatment for all providers;
- Promoting integrity and accountability in the public procurement process;
- Ensuring transparency of procedures and decision-making;
- Technological developments in the field of public procurement;
- Guaranteeing sustainable public procurement procedures in compliance with social welfare, environmental protection, etc.;

2.2.MAIN INDICATORS

The implementation of the measures and activities of the Strategy should have an impact on increasing the efficiency of the national public procurement system, but also on the overall development of the market, as well as the quality of services provided by public institutions.

The purpose of key impact indicators is to monitor progress and trends towards defined strategic goals. KPIs (Key Performance Indicators) represent the main objectives that need to be tracked to have the greatest impact on defined strategic outcomes.

Therefore, the following KPIs will be used to monitor the achievement of strategic goals in public procurement:

INDICATOR 1-PROMOTION OF COMPETITION:

The measures planned in this strategy aim to provide transparency at every stage of the procurement process, guarantee fair competition in procurement procedures by promoting equal and non-discriminatory treatment for economic operators, as well as by increasing the integrity of CAs and EOs to avoid distortion of competition.

In this sense, this indicator will measure:

- through the average number of bids submitted in procurement procedures, as well as;
- through the number of negotiated procedures without prior publication of a contract notice to the total number of procurement procedures concluded with a winner (other procedures + negotiated without publication).

INDICATOR 2-PROMOTION OF SME PARTICIPATION IN PROCUREMENT PROCEDURES:

The legal framework in the field of procurement is geared towards facilitating and encouraging the participation of small and medium-sized enterprises. Since public procurement should be adapted to the needs of SMEs, one of the goals of many activities within this Strategy is to facilitate the participation of SMEs in public procurement.

This indicator is measured by the percentage of public procurement contracts awarded to SMEs in relation to the total number of contracts.

INDICATOR 3-BEST QUALITY FOR GOODS, WORKS AND SERVICES:

The planned legislative and implementing measures should result in the increased use of the best criteria for determining the winning bid, based on the price/quality ratio of the most economically advantageous tender compared to the lowest price criterion. This should result in an improvement in the overall quality of the goods, works and services purchased, having an indirect impact on increasing the quality of the public service provided by the contracting authorities. To achieve this goal, it is aimed at increasing the use of the most economically advantageous tender criterion based on cost.

The impact of the Strategy will be assessed based on the value of contracts awarded based on the best price/quality ratio.

INDICATOR 4: INCREASE IN THE NUMBER OF PROCEDURES CONCLUDED WITH WINNERS

One of the main impacts of centralized procurement is the standardization of procurement processes, as well as the standardization of the characteristics of the items purchased. Consequently, the use of standardized goods and services should result in more standardized services provided by those bodies.

The appropriate impact of the implementation of the strategy will be measured based on the number of procurement procedures carried out with winners by the Centralized Purchasing Body.

INDICATOR 5- INCREASED USE OF ENVIRONMENTAL AND SOCIAL CRITERIA

Contracting authorities, by using their procurement powers to select goods, works and services with higher environmental and social standards, can make a significant contribution to sustainable consumption and production. Such procurement has a direct environmental and social impact on the services provided by public bodies.

The impact of the Strategy will be assessed by measuring the number of procurement procedures where environmental or social criteria/elements were used (technical specifications, contract award criteria, contract conditions).

INDICATOR 6: INCREASING THE EFFICIENCY OF THE COMPLAINTS SYSTEM THROUGH INCREASING THE SPEED OF DECISION-MAKING

A well-functioning complaints review system ensures better implementation of public procurement legislation, ensuring that violations committed by contracting authorities are corrected. One of the main impacts of the complaints review system on the efficiency of the entire procurement process is the speed of decision-making by the Public Procurement Commission (PPC).

The impact will be assessed by measuring the number of complaints reviewed outside the deadline provided for in the law over the number of total complaints filed with the PPC in a year.

Result indicators are defined for each activity and are included in Annex 2.

Table 1: Impact and outcome indicators in the 2024-2030 NPPS

KPI	Calculation Method	Base Value (2023)	Target Value (2030)
PROMOTION OF COMPETITION	<p>The impact will be measured:</p> <p>1. Through the average number of bids submitted in procurement procedures compared to the previous year;</p> <p>As well as</p> <p>2. Through negotiated procedures without prior publication of a contract notice compared to the total number of procurement procedures concluded with a winner (other</p>	<p>3.37</p> <p>2.9 %</p>	<p>Average number of offers not less than 2.5</p> <p>Negotiations without advertising no more than 10%</p>

	procedures + negotiated without publication)		
PROMOTING SME PARTICIPATION	The impact will be assessed by measuring the percentage of public procurement contracts awarded to SMEs compared to the previous year.	93.9%	Not less than 50%
BEST QUALITY FOR GOODS, WORKS AND SERVICES	The impact will be assessed by measuring the value of contracts awarded based on the best price/quality ratio within the most economically advantageous tender (MEAT) criteria in relation to the previous year.	20.33 %	Increasing trend
INCREASE IN THE NUMBER OF PROCEDURES CONCLUDED WITH WINNERS	The impact will be measured based on the number of procurement procedures carried out with winners by the Centralized Purchasing Body..	2.5%	Increasing Trend
INCREASING THE USE OF ENVIRONMENTAL AND SOCIAL CRITERIA	The impact will be assessed by measuring the procurement procedures with environmental or social elements used (technical specifications, award criteria, contract conditions) compared to the previous year.	N/A	Increasing Trend
INCREASING THE EFFICIENCY OF THE COMPLAINTS SYSTEM BY INCREASING THE SPEED OF DECISION-MAKING	The impact will be assessed by measuring the number of complaints reviewed outside the deadline provided for in the law over the number of total complaints filed with the PPC in a year.	9.4 %	Decreasing trend

PART TWO - POLICY GOALS, STRATEGIC OBJECTIVES, IMPLEMENTATION MEASURES

The document is structured in three main pillars that reflect the main policies of the strategy, namely the long-term policy goals. Each pillar describes a series of components with specific objectives and concrete measures for each. The areas of intervention under each pillar include all aspects of the public procurement system, including public procurement contracts, including contracts in the defense and security sectors, concessions, PPPs and review procedures.

For each component, a brief description of the current situation and the necessity to intervene, through concrete measures aimed at improvement or adjustment, is provided, aiming to achieve this objective.

For each measure, priorities and responsible institutions are listed. All measures, in terms of pillars and components, as well as timelines, are presented in the action plan in Annex 1.

The proper preparation and implementation of the Strategy requires the involvement of several institutions, such as: the Public Procurement Agency, the ministry responsible for finance, the ministry responsible for economy, ATRAKO, the Ministry of Defense, the Ministry of Interior, the ministry responsible for health, the ministry responsible for social protection, the ministry responsible for infrastructure, the ministry responsible for energy, the ministry responsible for tourism, the ministry responsible for the environment, the Centralized Purchasing Operator, the Public Procurement Commission, the Ministry responsible for anti-corruption, ASPA, DoPA, the Competition Authority, National Information Society Agency (NAIS), HIDACCI, National Security Agency (NSA), as well as other institutions, which will be responsible for the implementation of measures related to their field of action. For this reason, a steering council will be established with the task of coordinating and managing the Strategy.

POLICY GOAL 1-EFFICIENT AND EFFECTIVE PUBLIC PROCUREMENT PROCESS

POLICY GOAL 2 - SUSTAINABLE AND INNOVATIVE PROCUREMENT

POLICY OBJECTIVE 3 - INTEGRITY AND LEGALITY OF PUBLIC PROCUREMENT

1. POLICY OBJECTIVE 1- EFFICIENT AND EFFECTIVE PUBLIC PROCUREMENT PROCESS

The Public Procurement process for the purchase of goods, services and works must be efficient and effective. The efforts of all parties in this process will contribute to the efficient and effective management of public resources. The primary objective of procurement refers to the purchase of goods, services and works necessary to fulfill the mission of the contracting authorities in a timely, economical and efficient manner.

This requires a clear, simple and coherent legal framework that avoids unnecessary requirements; a stable institutional framework that treats bidders fairly, equitably and transparently. These are important elements that ensure and enable increased participation of economic operators in public procurement.

A fair, timely and transparent review system based on the integrity and fairness of the public procurement system creates the necessary trust among economic operators, including foreign competitors.

In order to guarantee an efficient and effective procurement system, it is necessary to take a series of measures, especially with regard to the following aspects:

1. FURTHER IMPROVEMENT OF THE LEGAL FRAMEWORK;
2. STRENGTHENING INSTITUTIONAL CAPACITIES;
3. IMPROVING CENTRALIZED PURCHASING;
4. STRENGTHENING IMPLEMENTATION CAPACITIES;

1.1. SPECIFIC OBJECTIVE 1-IMPROVEMENT OF THE LEGAL FRAMEWORK;

CONTEXT

Law 162/2020 is a law broadly aligned with EU directives, but the need for an approximation of some provisions and the reflection of the problems encountered in implementation over recent years, brought about the necessity of reviewing the law.

The main goal isto improve the regulatory framework of public procurement in Albania, aiming at further approximation of the Law with EU Directives, this also as part of the commitments made following the bilateral meeting within the framework of the “screening” process for Chapter 5 “Public Procurement”, held on November 18, 2022, in Brussels, but also by analyzing the issues that arose during the implementation of this law in practice since March 2021 by contracting authorities and economic operators, with the aim of facilitating the procurement process for all parties involved in it.

The concrete objectives that are intended to be achieved with the adoption of this draft law are to improve the regulatory framework in the field of public procurement through further transposition of EU directives, addressing uncertainties and problems arising from the practical implementation of the law over a period of 2 years from its entry into force,as well as clarifying the terminology used in some legal provisions. Also, it will be aimed at further increasing transparency and efficiency in procurement procedures, conducting procurement procedures, filing complaints and managing the implementation of contracts using only electronic means of communication, through relevant electronic systems and their interaction with other systems.

OBJECTIVE

The main objective is the process of approximation of legislation within the framework of the European integration process, taking into account, among other things, legal provisions regarding the concept of auxiliary activity and procurement service providers; provision for the development of procurement procedures, the handling of complaints and the management of contract implementation using electronic means of communication, review of some provisions of the law reflecting the problems encountered, reformulation of the article regarding concentrated purchasing as well as other legal provisions.

The above objective is expected to be achieved through the following measures:

MEASURE 1.1.1. REVIEW OF THE PUBLIC PROCUREMENT LAW

Through the amendments to the PPL in 2024, it is intended to improve the regulatory framework of public procurement in Albania, further aligning the legal framework with the EU acquis and providing provisions for further technological developments.

Responsible institutions

PPA, PPC, NAIS

Performance indicators

- ✓ Analysis of legislation;
- ✓ Compatibility table;
- ✓ Drafting amendments to Law 162/2020 “On Public Procurement”;
- ✓ Approval of amendments to Law 162/2020 “On Public Procurement” in the Parliament;

MEASURE 1.1.2. REVIEW OF SUB-LEGAL ACTS IN ACCORDANCE WITH THE PUBLIC PROCUREMENT LAW

The review of the law will also be followed by the review of the secondary legal framework in the field of procurement, which will be in the form of legal amendments or new sub-legal acts will be drafted and Approved.

Responsible institutions

PPA

Performance indicators:

- ✓ Drafting and approval of draft amendments to DCM 285, dated 19.05.2021 “On the Approval of public procurement rules”, as amended;

- ✓ Drafting and approving a special DCM regarding monetary thresholds, which will be aligned with the monetary thresholds provided for in Directives 2014/24/EU and 2014/25/EU, thus addressing one of the identified legal gaps;
- ✓ Other auxiliary materials.

MEASURE 1.1.3-IMPROVEMENT OF THE LEGAL FRAMEWORK FOR CONCESSIONS AND PPP

The Government of Albania has foreseen in the National European Integration Plan 2023-2025, regarding the field of concessions and PPPs, the revision of Law 125/2013 “On concessions and public-private partnerships”.

An inter-institutional working group has been established to review the law on concessions and PPPs, in order to align it with Directive 2014/23/EU. In drafting the law on concessions and PPPs, the IIWG is being assisted by a SIGMA expert, who also conducted an analysis of the legal gaps for this law.

The legal framework in the field of concessions should be based on EU principles and rules respecting non-discrimination, equal treatment and transparency, evaluation criteria, procedures and rules regarding electronic procurement such as electronic communication, contract notices and award notices. However, as shown by the EC’s annual reports, the following recommendations relate to the necessity of improving the legislation in this area which needs further improvements, in order to achieve alignment with the relevant directive. On the other hand, for a better implementation of the legislation, an intervention in its institutional framework is also necessary.

Also important in this process is the role and responsibility of the ministry responsible for finance and the ministry responsible for the economy, regarding the assessment, approval of all concession/public private partnership projects and the performance of concession/PPP contracts from the point of view of fiscal implications, individual or group, for budget expenditures, the budget deficit, the sustainability of public debt and eventual contingent liabilities.

Responsible institutions

ATRAKO, PPA, Ministry responsible for finance, Ministry responsible for economy.

Performance indicators

- ✓ Legislation Analysis;
- ✓ Compatibility Table;
- ✓ Drafting a new legal framework in the field of concessions and PPPs;
- ✓ Approval of the new legal framework in the field of concessions and PPP in the Parliament;
- ✓ Improving the policy-making role of ATRAKO;
- ✓ Other auxiliary materials.

MEASURE 1.1.4. APPROVAL OF SUB-LEGAL ACTS IN THE FIELD OF CONCESSIONS AND PUBLIC-PRIVATE PARTNERSHIPS

The new law in the field of concessions and PPP will also be followed by a review of the secondary legal framework.

Responsible institutions

ATRAKO, Ministry responsible for finance; Ministry responsible for economy, PPA

Performance indicators

- ✓ Drafting the secondary legal framework in the field of concessions and PPP in accordance with the new concessions law;
- ✓ Drafting of DCM, Instructions, etc.;
- ✓ Other auxiliary materials.

MEASURE 1.1.5. IMPROVEMENT OF THE SUB-LEGAL FRAMEWORK IN THE FIELD OF DEFENSE AND SECURITY

The legal framework in the field of defense and security needs to be improved by reflecting EU legislation, the problems encountered, and the EC recommendations. This measure provides for amendments to Law No. 36/2020 "On procurement in the field of defense and security" with the aim of further approximation with the legal framework of Directive 2009/81/EC as well as amendments to the sub-legal framework for procurement in the field of defense and security.

The main objective is to improve procurement procedures in the field of defense and security through the drafting and approval of legal and sub-legal amendments.

Responsible institutions

MoD, MoI, PPA, NSA

Performance indicators

- ✓ Drafting and approving amendments to the relevant secondary legislation in implementation of the law on procurement in the field of defense and security;
- ✓ Other auxiliary materials.

MEASURE 1.1.6. GPA-WTO ACCESSION PROCESS

The Republic of Albania has been reactivated in the process of accession to the WTO Agreement on Government Procurement. In 2001, Albania submitted its application for accession, and after an inactive period, in 2022 the process was restarted with the establishment of an Inter-institutional Working Group based on the Prime Minister's Order No. 156, dated 28.09.2022 "On the

establishment of the Working Group for the preparation of the conditions for the accession of the Republic of Albania to the Agreement on Government Procurement of the World Trade Organization”. On 27 July 2023, Albania officially submitted, through the Permanent Mission of Albania in Geneva, the questionnaire (checklist), with specific questions reflecting information regarding the legal framework in the field of public procurement, its implementation, some other additional data, etc., which was distributed by the GPA-WTO Technical Secretariat to the GPA member states for additional comments and clarifications.

On August 3, 2023, the questionnaire along with the legal framework was distributed by the GPA-WTO Technical Secretariat to GPA member states for comments and additional clarifications.

The main objective is to fulfill the obligations and accession of Albania to the Government Procurement Agreement (GPA) of the World Trade Organization.

The above objective is envisaged to be achieved through the following measures:

Responsible institutions

PPA, Ministry responsible for foreign affairs, Ministry responsible for finance; Ministry responsible for economy

Performance Indicators

- ✓ Finalization and submission of the first economic offer to the GPA Secretariat;
- ✓ Conducting bilateral meetings and negotiations;
- ✓ Albania's accession to the GPA-WTO.

1.2. SPECIFIC OBJECTIVE 2- STRENGTHENING INSTITUTIONAL CAPACITIES

CONTEXT

The activities of this specific objective are related to strengthening capacities in accordance with legal competencies through continuous training according to the drafted training plans, increasing the number of trained staff, conducting study visits/trainings in other countries, etc.

The respective staff should be trained in order to increase their capacities and knowledge, which are responsible for the proper implementation of the legal framework in the field of procurement, concessions, PPP, procurement in the field of defense and security, etc.

OBJECTIVE

The objective is to increase and strengthen institutional capacities, empower the role of institutions such as PPA, ATRAKO, MoD, MoH, CPO, PPC, etc., in compliance with legal provisions in the field of procurement and aiming at the continuous strengthening of institutional capacities.

The above objective is expected to be achieved through the following measures:

MEASURE 1.2.1. STAFF TRAINING

The administrative capacities of the responsible institutions are being continuously strengthened, including through participation in seminars and trainings organized by national and international authorities.

Responsible institutions

PPA, ATRAKO, MoI, MoD, PPC, CPO, Ministry responsible for finance; Ministry responsible for economy, etc.

Performance indicators

- ✓ Staff training plan;
- ✓ Strengthening institutional capacities, in parallel with the process of Approximation of new national legislation;
- ✓ Continuous training of employees according to fields, familiarizing staff with legal amendments;
- ✓ Increasing institutional capacities for managing the regulatory framework;
- ✓ Exchange of knowledge and best practices with partner authorities from EU countries, etc.;
- ✓ Participation in developed trainings, workshops, seminars, study visits;
- ✓ Staff of PPA, ATRAKO, MB, MM, PPC, CPO, ministry responsible for finance; ministry responsible for economy, etc. trained.

MEASURE 1.2.2. STRENGTHENING THE CAPACITIES OF ATRAKO

The adoption of the new law in the field of concessions and PPP will be accompanied by increasing the capacities of ATRAKO, increasing and strengthening the administrative capacities of this institution.

Responsible institutions

ATRAKO, ministry responsible for finance; ministry responsible for the economy

Performance indicators

- ✓ New structure and organizational chart Approved;
- ✓ Staff recruitment;
- ✓ Increasing the capacities of contracting authorities to better understand how and when to use concessions or PPPs;
- ✓ Trainings conducted.

1.3. SPECIFIC OBJECTIVE 3- IMPROVING CENTRALIZED PURCHASING

CONTEXT

Based on the Council of Ministers No. 531, dated 7.9.2023 “On the establishment of the state joint-stock company “Centralized Purchasing Operator” JSC, for carrying out special public procurement procedures, on behalf and for the account of the Prime Minister, ministries and subordinate institutions”, the establishment of a joint-stock company for the provision of procurement services to contracting authorities/entities is envisaged. CPO JSC. is a central purchasing body, whose mission consists of carrying out centralized procurement procedures for goods, works, services, budgetary funds with a value above the monetary threshold of small-value procurements, on behalf and for the account of the Prime Minister, ministries, institutions subordinate to the Prime Minister and line ministers.

OBJECTIVE

The objective is to reorganize centralized purchases, with the aim of effectively and efficiently implementing procurement procedures, concrete provisions in the law for the Application of tariffs, etc.

The above objective is expected to be achieved through the following measures:

MEASURE 1.3.1. ESTABLISHMENT OF THE CENTRAL PURCHASING OPERATOR JSC

Based on DCM 531/2023, centralized purchasing has been reorganized and the Centralized Purchasing Operator has been established, as a central purchasing body, which develops procedures in the field of procurement of goods, services and works for certain categories of procurement objects and certain categories of Contracting Authorities.

CPO JSC is financed from its own revenues, revenues from services to third parties, consultancy, from the provision of services and other lawful sources. The Centralized Purchasing Operator, as the Central Purchasing Body for carrying out procurement procedures on behalf of and for the account of contracting authorities or entities shall be organized as a public institution or as a state-owned joint-stock company and shall carry out procurement procedures according to the relevant sectors, as determined in the decision of its establishment. The Central Purchasing Body shall carry out activities in accordance with the legislation in force on public procurement and any other applicable legislation in force.

The fee for carrying out auxiliary activities for public procurement by the central purchasing body, established pursuant to this point, and its calculation shall be determined by decision of the Council of Ministers.

Responsible institutions

CPO, the ministry responsible for the economy, PPA.

Performance indicators

- ✓ The new structure and organizational structure of the CPO approved;
- ✓ Evaluation of the CPO activity and development of procedures within the framework of centralized purchasing;
- ✓ Sub-legal acts drafted and Approved in support of international best practices;
- ✓ Staff Recruitment;
- ✓ Functioning and operation of CPO.

MEASURE 1.3.2. IMPROVING THE EFFICIENCY OF CENTRALIZED PROCUREMENT

The provisions of Law 162/2020 provide that when one or more contracting authorities or entities need the same goods, works or services, then they may assign one of them the task of procuring these goods, works or services on behalf of the others. By Decision of the Council of Ministers, institutions such as the National Agency for Public Procurement, the Public Procurement Office or the ministry responsible for health have been designated as the central purchasing body.

In their capacity as central purchasing bodies, these institutions must effectively and efficiently carry out a specific procurement procedure, when centralized purchasing would be more cost-effective due to the increase in the quantity required for supplies of similar goods and similar conditions according to the market.

This measure is expected to be implemented through activities such as:

Responsible institutions

CPO, ministry responsible for health, NAIS, PPA, ASPA

Performance indicators

- ✓ Number of procurement procedures completed with winners;
- ✓ Continuous training of employees according to fields, familiarization of staff with legal amendments;
- ✓ Participation in workshops, seminars regarding the field of public procurement.

1.4. SPECIFIC OBJECTIVE 4- STRENGTHENING IMPLEMENTATION CAPACITIES

CONTEXT

Professionalization policies at national level are essential to ensure that persons involved in the public procurement process, part of Contracting Authorities, have the necessary skills, knowledge and integrity. Professionalization is related to the training and career management of public procurement practitioners by providing tools to make the procurement process more efficient.

Professionalization and capacity building of CAs is included in the Public Procurement Strategy 2020-2023, and the PPA has collaborated with the Organization for Security and Cooperation in Europe (OSCE) and the Albanian School of Public Administration (ASPA). From this collaboration, the Professionalization Roadmap and training curricula have been finalized.

Specifically, there are four training curricula for basic, intermediate, advanced and expert levels, based on the ProcurCompEU model. In March 2023, the Training of Trainers program was finalized, where 19 successful candidates were trained and certified with the Public Procurement Trainer Certificate. After the completion of the training of trainers and their certification, as well as the finalized curricula, in June-July and in September 2023, the piloting of basic level training sessions for CA employees was finalized.

OBJECTIVE

Drafting and implementing a training plan for state administration officials involved in the process, aiming at establishing and operating a network of procurement professionals. Reviewing the specific criteria to be met for procurement employees and reviewing the job descriptions for these positions.

The above objective is envisaged to be achieved through the following measures:

MEASURE 1. 4.1. PROFESSIONALIZATION OF THE PUBLIC PROCUREMENT FUNCTION

Professionalization of the procurement function would enable every public sector employee dealing with public procurement to be trained and certified in accordance with public procurement principles, rules and procedures, thus contributing to improving the performance of the procurement system as a whole. For this reason, a multi-year professionalization plan should be prepared, setting out all the necessary steps for professionalization.

Responsible institutions

PPA, ASPA, DoPA

Performance indicators

- ✓ Signing of the Memorandum of Cooperation with ASPA;
- ✓ Signing of the Memorandum of Cooperation with DoPA.
- ✓ Drafting and implementation by ASPA in cooperation with the PPA of a training plan for state administration officials involved in this process;

- ✓ Development of training, targeting a certain number of trained persons in each contracting authority,
- ✓ Review of specific criteria and job descriptions for public procurement employees in institutions within the scope of the civil servant legislation, in accordance with the public procurement legislation;
- ✓ Drafting and Approving amendments to bylaws in the context of reviewing specific criteria and job descriptions for public procurement employees who are civil servants.

MEASURE 1.4.2. RAISING AWARENESS

The PPA assists contracting authorities and economic operators by drafting and approving from time to time supporting materials in the form of instructions, recommendations, opinions, technical manuals, etc.

Responsible institutions

PPA, PPC

Performance indicators

- ✓ Publication on the PPA website of Instructions, Recommendations, Notices and Roadmaps;
- ✓ Drafting and publishing the Commentary on Law 162/2020 “On Public Procurement”.

2. POLICY GOAL 2 - SUSTAINABLE AND INNOVATIVE PROCUREMENT

National legislation provides for and encourages the use of green, social and innovative procurement. Contracting authorities can take into account many aspects when purchasing works, goods or services. Examples include environmental protection, supporting social aspects and promoting innovation, energy efficiency, etc. However, when carrying out procurement procedures, contracting authorities still continue to use the lowest price as the main criterion for awarding public contracts. This indicates that public buyers may not be paying sufficient attention to quality, sustainability and innovation. To support the further inclusion of strategic procurement, as in the EU and in Albania, new guidelines and guidelines on the use of innovative, green and social criteria have been drafted and adopted.

Sustainable procurement will continue to be a key objective in the National Public Procurement Strategy 2024-2030. In line with the Strategy, efforts will be made to raise awareness among contracting authorities on the use of green public procurement criteria.

The policy objectives refer to sustainable procurement based on the use of green criteria, social procurement, innovation, etc.

In order to guarantee an efficient and effective procurement system, it is necessary to take a series of measures, especially with regard to the following aspects:

- PROMOTING GREEN AND SOCIAL PROCUREMENT;
- IMPROVEMENT OF THE ELECTRONIC PROCUREMENT SYSTEM

2.1. SPECIFIC OBJECTIVE 1 – PROMOTING GREEN AND SOCIAL PROCUREMENT

CONTEXT

Sustainable procurement is a very broad concept and encompasses a number of areas where public procurement can play an important role in achieving the goals of various social and environmental policies of a horizontal nature. However, these policies are not necessarily related to the goods, works or services being procured and therefore the inclusion of criteria related to them in procurement procedures is limited.

These may include promoting equal opportunities for those disadvantaged on grounds of gender or ethnicity; promoting labour standards; promoting employment opportunities for the long-term unemployed or supporting people with disabilities. Most notably, public procurement has been used to support environmental objectives, such as addressing climate change or preserving biodiversity. Environmental policies may be directly linked to the subject matter of the procurement, such as energy efficiency.

OBJECTIVE

Expanding the use of sustainability objectives in the procurement system.

The above objective is envisaged to be achieved through the following measures:

MEASURE 2.1.1. IMPROVEMENT OF THE LEGAL FRAMEWORK RELATED TO THE USE OF ENVIRONMENTAL AND SOCIAL CRITERIA

This measure is expected to be implemented through the drafting and approval of secondary legislation in line with the latest developments in the EU Acquis in the field of public procurement, including the energy, environment and climate change sectors.

Responsible institutions

The ministry responsible for energy, the PPA, the ministry responsible for social protection, the ministry responsible for the environment.

Performance indicators

- ✓ Drafting and Approving relevant legal amendments regarding energy efficiency;
- ✓ Drafting and Approving bylaws in line with new developments in the EU Acquis on environmental and social procurement;
- ✓ Drafting and Approving the Roadmap for the use of the most economically advantageous tender (MEAT) criterion based on cost.

MEASURE 2.1.2. TRAINING AND SUPPORTING MATERIALS

The use of criteria aimed at sustainable procurement requires trained and prepared staff with the knowledge to implement this measure.

Responsible institution

PPA, Ministry responsible for energy, Ministry responsible for social protection, Ministry responsible for the environment, ASPA.

Performance indicators:

- ✓ Training of PPA and CA staff on the use of environmental criteria related to environmental protection in procurement procedures;
- ✓ Capacity building and preparation for the procurement of social services as well as training of PPA and CA staff for the procurement of social services;
- ✓ Organizing awareness-raising activities regarding the use of social criteria;
- ✓ Preparation of supporting materials, instructions, guides, etc.

2.2. SPECIFIC OBJECTIVE 2- IMPROVING THE ELECTRONIC PROCUREMENT SYSTEM

CONTEXT

The electronic procurement system has been operational in Albania since 2009. Throughout these years, the EPS has undergone major improvements, including important functionalities and modules to not only improve the performance of the electronic system, but also the performance of the procurement system as a whole.

Currently, every communication related to the public procurement process is carried out through electronic communication and every procedure is carried out in the electronic procurement system.

The proper functioning of the electronic system is essential to guarantee the performance and efficiency of public procurement in Albania.

For this reason, continuous improvement of the system is very important, with the aim not only of improving the functioning of the electronic system, but also of ensuring transparency and

compliance with international best practices. Among the most important developments regarding the system will be the use of advanced artificial intelligence technology and robotic processes in accordance with European provisions, in public procurement procedures.

Regarding the various aspects of the development of the procurement procedure through electronic systems, the necessary changes come within the framework of increasing transparency and efficiency in procurement procedures. Within the framework of the development of technology and innovation in the field of public services, in order to facilitate procedures, increase transparency and avoid conflicts of interest, it is necessary to include the public procurement process in this technological development.

In the context of increasing transparency and efficiency, some public procurement processes, such as: calculating the contract limit value, market study, drafting technical specifications will be more efficient and effective by being carried out in certified electronic systems, which interact with other systems through the Government Interaction Platform and other systems that will be assessed as necessary for the process. For this purpose, the EPS will be developed by using advanced Artificial Intelligence technologies and robotized processes in accordance with European forecasts.

In order to increase transparency and accountability in the evaluation process, it is necessary to carry out an automatic assessment of the fulfillment of the general and specific qualification criteria of bidders for the first phase of pre-qualification, as well as the development of a Dynamic Purchasing System and electronic auction, using advanced Artificial Intelligence technologies and robotic processes.

OBJECTIVE

Increasing the performance of the electronic procurement system.

The above objective is envisaged to be achieved through the following measures:

MEASURE 2.2.1. IMPROVEMENTS TO THE LEGAL FRAMEWORK

Development of an electronic procurement system using advanced artificial intelligence technology with automated processes and interactions with other systems.

The legal amendments aim, among other things, to improve the functioning of the Electronic Procurement System.

Responsible institutions

PPA, NAIS

Performance indicators

- ✓ Drafting and Approving Amendments to legal and sub-legal acts;
- ✓ Drafting and publishing on the PPA website various technical manuals for using the system, which will be of assistance to all users;
- ✓ Drafting and Approving amendments to the standard forms for the publication of notices (in order to adapt them to the Commission Implementing Regulation 2022/2303 and to ensure their publication on the daily electronic tender platform (TED)).

MEASURE 2.2.2. IMPROVEMENT OF THE ELECTRONIC PROCUREMENT SYSTEM

Increasing the performance of the electronic procurement system and the proper functioning of the electronic system is essential to guarantee the performance and efficiency of public procurement in Albania. For this, it is necessary to take further measures in order to increase access and make it more usable. For this reason, continuous improvement of the system is very important, in order not only to improve the functioning of the electronic system, but also to guarantee transparency and compliance with international best practices.

Some public procurement processes, such as calculating the contract limit value, market research, drafting technical specifications, should be carried out in certified electronic systems, supported by interaction with other systems of the Government Interaction Platform. To this end, the Electronic Procurement System will be developed using advanced Artificial Intelligence technologies and robotized processes in accordance with European provisions.

Also, performing automatic assessment of the fulfillment of all general and specific qualification criteria of bidders for the first stage of pre-qualification, or part of them, as well as developing the Dynamic Purchasing System, electronic auction and electronic catalog using advanced Artificial Intelligence technologies and robotic processes will increase the effectiveness, efficiency, performance and accuracy of the process.

Responsible institution

NAIS, PPA

Performance indicators

- ✓ Interaction of the electronic procurement system with other public systems, which will facilitate the public procurement process;
- ✓ Liaison with EPS and use of the contract management system;
- ✓ Making the dynamic purchasing system fully functional;
- ✓ RED FLAGS/Adding red flag functionalities to the Electronic Procurement System to avoid corrupt practices;
- ✓ Adding functionalities to the system for recording the use of environmental and social criteria;

- ✓ Use of advanced artificial intelligence technology and robotized processes;
- ✓ Setting up the e-catalog system (Electronic Catalog).

3. POLICY OBJECTIVE 3 - INTEGRITY AND LEGALITY OF THE PUBLIC PROCUREMENT PROCESS

The Public Procurement Commission (PPC) is the highest administrative body in the field of procurement, which reviews complaints about public procurement procedures, concessions/public private partnerships and defense and security procurement, as well as performs any other duties assigned to it by law and other legal acts within the framework of its competences.

In order to guarantee an efficient and effective procurement system, it is necessary to take a series of measures, especially with regard to the following aspects:

- ENSURING INTEGRITY IN THE PUBLIC PROCUREMENT PROCESS;
- LEGAL SECURITY OF COMPLAINT REVIEW;
- STRENGTHENING CONTROL MECHANISMS.

3.1.SPECIFIC OBJECTIVE 1-ENSURING INTEGRITY IN THE PUBLIC PROCUREMENT PROCESS

CONTEXT

The fight against corruption and other illegal behaviors in the field of public procurement is an integral part of the strategy for improving the public procurement system.

In the context of preserving the integrity of procurement procedures, the PPA has signed memorandum of understanding with the HIDACCI, the Competition Authority, the General Prosecutor's Office, the Special Prosecutor's Office against Corruption and Organized Crime, the Supreme State Audit, the Public Procurement Commission, the State Inspectorate of Labor and Social Services, the National Food Authority, the Central Election Commission, etc.

The fight against corruption and other illegal behaviors in the field of public procurement will be an integral part of the strategy.

OBJECTIVE

The main objective of this component remains the reduction of corrupt practices and the improvement of public perception of corrupt practices in the field of procurement.

The above objective is envisaged to be achieved through the following measures:

Measure 3.1.1. ORGANIZATION OF AWARENESS-RAISING EVENTS

Developing joint activities such as: organizing discussion, awareness-raising and training tables, with a focus on training related to the use of advanced Artificial Intelligence technologies and robotized processes where in addition to the respective staff of state institutions, the focus should be on the participation of contracting authorities and economic operators.

Responsible institutions

PPA, Competition Authority, HIDACCI, School of Magistrates, SAI, other Audit Structures.

Performance indicators

- ✓ Capacity building and awareness raising for integrity in the field of public procurement;
- ✓ Conducting bilateral meetings, seminars and workshops aimed at building capacity and awareness of integrity in the field of public procurement;
- ✓ Organization of awareness-raising events, workshops, conferences on tender agreements. Increasing competition and awareness regarding the procedures for a qualified tender, qualification requirements and technical specifications.
- ✓ Employees trained in integrity

MEASURE 3.1.2 PREPARATION OF AWARENESS-RAISING MATERIALS

The fight against corruption and other illegal behaviour in the field of public procurement is an integral part of the strategy for improving the public procurement system. Regulatory and institutional systems will be organized to achieve key policy objectives while ensuring value for money and integrity in the provision of public services.

Responsible institutions

PPA, High Inspectorate for Declaration and Control of Assets and Conflict of Interest.

Performance indicators

- ✓ Joint document PPA – HIDACCI on employee integrity in public procurement;
- ✓ Inclusion of risks and measures related to public procurement in the Integrity Manual and integrity plans as part of the Anti-Corruption Strategy.

MEASURE 3.1.3. INTERINSTITUTIONAL COOPERATION IN THE FIGHT AGAINST CORRUPTION

The fight against corruption and other illegal behaviour in the field of public procurement is an integral part of the strategy for improving the public procurement system. A number of very

important activities are foreseen to achieve the policy objectives by ensuring value for money and integrity in the provision of public services.

Responsible institutions

PPA, the ministry responsible for anti-corruption,

Performance indicators

- ✓ Cooperation Agreement between the Ministry responsible for anti-corruption (in the capacity of the National Anti-Corruption Coordinator) and the Public Procurement Agency aiming to strengthen cooperation between the two institutions with DPA-PPA, for efficient cooperation and smooth development of public procurement procedures;
- ✓ Exchange of information between the DPA and the PPA on cases of corruption denunciations against public procurement units at public authorities. Establishment of joint teams for in-depth verification of cases of corruption denunciations against public procurement units. Increased capacities for experts from both institutions in the framework of administrative investigation.
- ✓ Review of the integrity risk assessment methodology, including a specific area of assessment, the activity of public procurement units;
- ✓ Drafting, in collaboration with the ministry responsible for anti-corruption, a Model Integrity Plan for all Contracting Authorities, with a special focus on the integrity of the public procurement process.
- ✓ Sessions and information tools on the risk of corruption in the public procurement sector
- ✓ Awareness campaign on integrity in the public procurement sector

3.2. SPECIFIC OBJECTIVE 2-LEGAL SECURITY OF COMPLAINTS REVIEW

CONTEXT

The Public Procurement Commission (PPC) is the highest administrative body in the field of procurement, which reviews complaints about public procurement procedures, concessions/public private partnerships and defense and security procurement, and performs any other duties assigned to it by this law and other legal acts within the framework of its competences.

The review of complaints is provided for by the public procurement law, which provides for the main process, as well as the body responsible for reviewing complaints and making the final decision in this regard.

OBJECTIVE

Establishing an efficient system for reviewing complaints.

The above objective is envisaged to be achieved through the following measures:

MEASURE 3.2.1. INCREASING INSTITUTIONAL CAPACITIES FOR REVIEWING COMPLAINTS

Responsible institutions

PPC

Performance indicators

- ✓ Increasing the institutional capacities of the PPC through increasing the qualification of staff;
- ✓ Organization of trainings regarding public procurement legislation, concessions and PPP and procurement in the field of defense and security;
- ✓ Approval of a special manual for annual meetings with higher education institutions and international partners;
- ✓ Organizing trainings with economic operators and contracting authorities regarding the problems identified during the review of complaints, with the aim of resolving them.

MEASURE 3.2.2. INTERCONNECTION OF THE ELECTRONIC COMPLAINTS SYSTEM WITH THE ELECTRONIC PROCUREMENT SYSTEM

The electronic complaints system with the new legal amendments is expected to be improved by reflecting further automation of processes, through the Application of artificial intelligence to the work process. Also, the improvement of the system will bring improved transparency, integrity and data in accordance with Open Contracting Data, also improving the standards of publication of the PPC activity.

Responsible institutions

PPC, PPA, NAIS

Performance indicators

- ✓ Interconnecting the electronic complaints system with the electronic procurement system and automating processes, through artificial intelligence of the PPC work process;
- ✓ Improving transparency, integrity and data, according to the Open Contracting Data Standard, as well as European standards, through improving the standards of publication of the PPC activity;
- ✓ Automation of the decision-making process of the PPC.

3.3. SPECIFIC OBJECTIVE 3- STRENGTHENING CONTROL MECHANISMS

CONTEXT

The public procurement process today is a transparent process, accessible to interested parties, and that provides comprehensive information, complemented by full compliance with standards regarding review procedures.

The PPA is the institution responsible for monitoring the compliance of the public procurement system. Currently, this monitoring role is being carried out in three ways:

- (i) Providing ongoing assistance to contracting authorities during the preparation of tender documents and providing recommendations with the aim of avoiding the establishment of criteria that may be discriminatory or distortive of competition.
- (ii) Ex-post monitoring of procurement procedures, mainly at the initiative of the PPA, through the drafting of verification plans, advertising by third parties or through the review of audit reports sent to the PPA by audit institutions.
- (iii) Monitoring the implementation of contracts, through contract implementation plans after the signing of the contract, as well as periodic and final implementation reports, sent to the PPA by the CA.

OBJECTIVE

The PPA will continue its proactive role in assisting the CA in drafting tender documents, issuing instructions, recommendations and notices on various aspects of public procurement procedures, as well as ex post verification of the legality of the procedure and contract monitoring.

The above objective is envisaged to be achieved through the following measures:

MEASURE 3.3.1. PRELIMINARY ASSISTANCE OF CONTRACTING AUTHORITIES

The PPA provides advice and assistance in the field of public procurement, with the aim of properly implementing the legal framework for public procurement. The PPA assists contracting authorities in the drafting of standard tender documents, in particular in the drafting of specific qualification criteria, in relation to procurement procedures published in the Electronic Procurement System (EPS), as well as assisting with any preliminary requests submitted by contracting authorities prior to publication in the EPS.

Responsible institution

PPA, CA

Performance indicators

- ✓ Procurement procedures assisted by the PPA;
- ✓ Recommendations taken into account by the CA;

MEASURE 3.3.2. VERIFICATION OF THE IMPLEMENTATION OF THE LEGALITY OF PUBLIC PROCUREMENT PROCEDURES

The PPA verifies the implementation of the legality of public procurement procedures, after the phase of signing the procurement contract or canceling the procedure, in accordance with the requirements set out in Law 162/2020 and the sub-legal acts. The verification process is initiated *ex-officio*, mainly, at the initiative of the PPA, through the drafting of verification plans; through advertising by third parties or through written communication with various contracting authorities; indications from reports of audit bodies or from other institutions, etc.

Responsible institution

PPA, CA

Performance indicators

- ✓ Verification/monitoring plan for procurement procedures;
- ✓ Procurement procedures verified by the PPA;
- ✓ Verification of indicators from the final reports of audit bodies
- ✓ PPA decisions, administrative measures, reports

MEASURE 3.3.3. MONITORING THE EXECUTION OF CONTRACTS

The electronic contract management system has been developed by the National Agency for the Information Society (NAIS) with the aim of enabling contract management for contracting authorities and/or beneficiary institutions and their tracking throughout the life cycle of a contract. The system is currently being piloted by NAIS for its own contracts.

Responsible institution

PPA, NAIS, Ministry responsible for finance, Contracting authorities for the respective contracts.

Performance indicators

- ✓ Availability for use at any time of the contract management system by contracting authorities.
- ✓ Number of contract implementation plans drafted and commissioned by Contracting Authorities.
- ✓ Contract Monitoring Plans and the number of contract implementation plans monitored by Contracting Authorities.

PART THREE - IMPLEMENTATION, INSTITUTIONAL RESPONSIBILITY, REPORTING AND COORDINATION

3.1. INSTITUTIONAL RESPONSIBILITY

The drafting of the National Strategy for Public Procurement 2024 – 2030 was carried out by an inter-institutional working group, composed of all institutions operating in the field of procurement, based on the Prime Minister's order no. 77, dated 27.06.2023 “On the establishment of the Inter-institutional Working Group for the Drafting of the National Strategy for Public Procurement 2024-2030 and the Action Plan for its implementation 2024-2027”.

The inter-institutional group and all stakeholders involved in the consultations provided valuable comments, revising the prepared draft several times, with the aim of adopting a comprehensive Strategy, where everyone can find themselves and make their contribution to guaranteeing the best possible management of public funds and the provision of the highest quality public services. The inter-institutional group was also assisted by SIGMA during the process of drafting the strategy and its action plan.

The responsibility for the implementation of each measure is defined in the action plan presented in Annex 1 and is shared between the PPA, other institutions and other stakeholders. Due to the nature of the measures, there should be good coordination by expressing willingness to contribute to the implementation of the Strategy. Some measures and activities will be cross-sectoral and inter-institutional, and require engagement or cooperation with institutions beyond the public procurement system, such as the measures and activities foreseen in the Action Plan, Annex 1.

The PPC will play a key role in matters related to the review of complaints, while responsibilities related to concessions and PPPs will fall under the responsibility of ATRAKO. Furthermore, the CPO will be the institution that will deal with the implementation of measures related to centralized procurement.

Some activities will require cooperation between relevant actors in the public procurement system, including contracting authorities, economic operators and their business associations, civil society organizations and the media, etc.

3.1. MONITORING AND REPORTING

Monitoring the implementation of the 2024-2030 National Strategic Plan is an extremely important process as it ensures that the implementation of the policies reflected in this document is followed step by step by all stakeholders in a permanent and continuous manner.

Monitoring should be understood as a process that aims to provide information to the PPA and stakeholders on progress towards achieving specific objectives. It will be based on a system of information collection and analysis of monitoring indicators. Monitoring means the continuous collection of data related to the Strategy, both statistical and other data that provide information on the implementation of the Strategy. In the indicator passports (Annex 2), the responsibility for data collection is defined for each indicator, while the supervisory and coordinating role belongs to the Sector for Strategic Policies and Statistics.

Evaluation is the most detailed process of analyzing the success of the Strategy implementation, identifying what went well, examining the reasons for what did not go well, and then readjusting the strategic direction depending on the circumstances. The design and execution of the evaluation phase is usually independent of the usual monitoring and reporting framework.

Reporting, monitoring and evaluation will constitute an important part of their cycle. For a qualitative monitoring and evaluation of this plan, cooperation and good coordination between actors is necessary. The monitoring and evaluation process will go through several phases such as: (i) data collection; (ii) data analysis; (iii) reporting and accountability.

The composition, roles and responsibilities of the management structure are detailed as follows:

- Steering Committee of the National Strategy for Public Procurement

The Steering Committee of the Public Procurement Agency is the supervisory structure responsible for directing and monitoring the activities of this document. It will be chaired by the Director General of the Public Procurement Agency and its membership will be as follows:

- General Director of the Public Procurement Agency, chairman;
- Director of the Directorate of Strategic Policy Implementation and Integration, Public Procurement Agency, Secretary;
- Chairman of the Public Procurement Commission, member.
- Chairman of the Concessions Treatment Agency, member;
- A high-level representative from the Ministry of Defense, member;
- A high-level representative from the Ministry of Interior, member;
- A senior management representative from the ministry responsible for finance; member;
- A high-level representative from the ministry responsible for the economy, member;

- Administrator of the Centralized Purchasing Operator, member;

The SC will meet every six months to review the progress of reforms, review risks and adopt mitigating measures. It may occasionally invite other persons to the SC depending on the issues under consideration.

The responsibilities of the SC are listed as follows:

- Monitoring the implementation of the PP Strategy against targeted objectives and performance indicators and Approving six-monthly and annual reports;
- Reviewing achievements, risks and issues for each policy goal and determining measures to address them.
- Cooperation with other institutions to guarantee the implementation of measures and the fulfillment of the objectives of the NPPS.
- In collaboration with the NPPS Coordination Group, it reviews the objectives and Action Plan.

The monitoring reports on the implementation of the National Public Procurement Strategy, Approved by the SC, are published on the website of the Public Procurement Agency.

- **National PP Strategy Coordination Group**

A Coordination Group for the Implementation of the NPPS will be established, which will be led by the PPA, and will consist of responsible officials of the PPA and other relevant institutions. The coordination group coordinates and monitors the implementation of the action plan and assesses on an ongoing basis the progress of the objectives. Secretariat services for the Coordination Group will be provided by the Sector for Strategic Policies and Statistics. The tasks and responsibilities of the Coordination Group, among others, are:

- Analysis of progress in the implementation of the NPPS, based on the contributions collected;
- Review and Approval of additional measures to ensure the implementation of the NPPS.

Coordination Group meetings will be held at least twice a year and, as needed, other participants will be invited.

- **Technical Secretariat of the National Strategy for PP**

The Strategic Policy Implementation and Statistics Sector will serve as the Technical Secretariat for the NPPS Steering Committee. The responsibilities of the Technical Secretariat (TS) are listed below:

- Providing all technical support for the management of the process for the functioning of the SC and the Coordination Group;
- Coordinating the work between institutions represented in the SC, independent institutions, interest groups, etc.;
- Organizing meetings of the SC and the Coordination Group and to present discussion questions prepared in cooperation with members and other interested parties;
- Preparing the list of permanent members and other guests for the respective group; to organize the agenda, meetings and other secretarial activities;
- Preparing periodic reports (6-monthly and annual), regarding the monitoring of the implementation of the Strategy, based on the reports sent by the responsible institutions;
- Performing any other task assigned by the Board of Directors, in fulfillment of his/her responsibilities.

PART FOUR - ACTION PLAN AND FINANCIAL RESOURCES FOR IMPLEMENTATION

The assessment of financial needs for the implementation of the NPPS presents in detail the financial effects that the implementation of the strategy will have, determining the additional costs that the implementation of each activity would bring to the budget of each institution. In order to keep the additional effect pure, administrative costs (staff salaries, operational expenses and maintenance) of the public institutions involved in the implementation of the strategy have not been calculated, except in cases where an institution will have restructuring or staff increases. This approach is based on the financial assessment methodology that requires the clearest assessment of the additional effect on the budget of each institution.

The financial needs necessary for the implementation of Cross-Cutting Strategy of PAR actions during the period 2023 - 2027 are expected to be at the level of 3,562.3 million lek or 34.48 million Euro.¹.

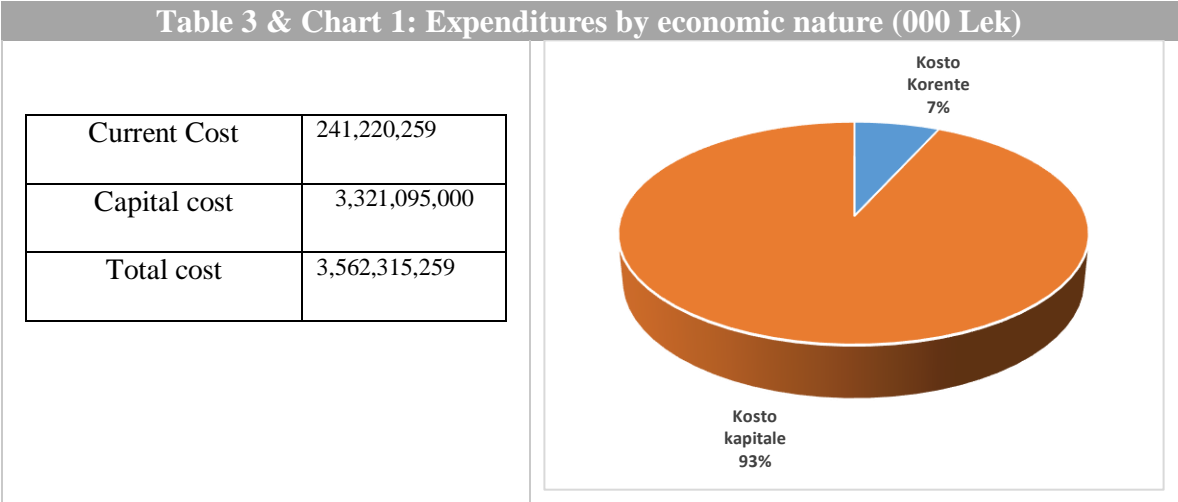
Table 2: Cost of strategy implementation by policy goals

Specific Objectives	Cost in Lek	Cost in EUR	%
Policy Goal 1: Efficient and effective public procurement process			
1.1 Specific Objective Further improvement of the legal framework	3,780,780	36,600	
1.2 Specific Objective Strengthening institutional capacities	5,602,992	54,240	
1.3 Specific Objective: Improving centralized purchasing	225,984,896	2,187,656	
1.4 Specific Objective: Strengthening implementation capacities	2,517,067	24,367	
Total cost Policy Objective I	237,885,735	2,302,863	6.68%
Policy Goal 2- Sustainable and Innovative Procurement			
Objective 2.1 Promoting green and social procurement	0	0	
Objective 2.2 Improving the electronic procurement system	3,321,095,000	32,150,000	
Total cost Policy Objective II	3,321,095,000	32,150,000	93.23%
Policy objective 3- Integrity and legality of public procurement			
Objective 3.1 Ensuring integrity in the public procurement process	2,720,922	26,340	
Objective 3.2 Legal certainty of complaint review	613,602	5,940	
Objective 3.3 Strengthening control mechanisms	0	0	
Total cost Policy Objective III	3,334,524	32,280	0.09%
Total cost	3,562,315,259	34,485,143	100%

As can be seen from the data in Table 2, the largest specific weight is occupied by the costs for the implementation of activities in the Policy Goal “Policy Goal 2 - Sustainable environmental, social and innovative procurement”, which also accounts for 93.23% of the total estimated cost for the implementation of the Strategy's action plan, specifically Specific Objective 2.2: Improving the electronic procurement system, which includes the costs for improving the electronic procurement system.

¹According to the connection [3](#) “Detailed Cost Assessment for the Implementation of the National Public Procurement Strategy 2023-2027”

In terms of expenditure by economic classification, Tables 2 and 3 below present in detail the necessary expenditure according to the three categories, salaries, services and capital investments. The largest part of the estimated expenditure is occupied by active intangible expenditure as this includes the cost of technical assistance necessary for the implementation of activities, especially those related to the review of legislation and capacity building of institutions dealing with the implementation of public procurement legislation.

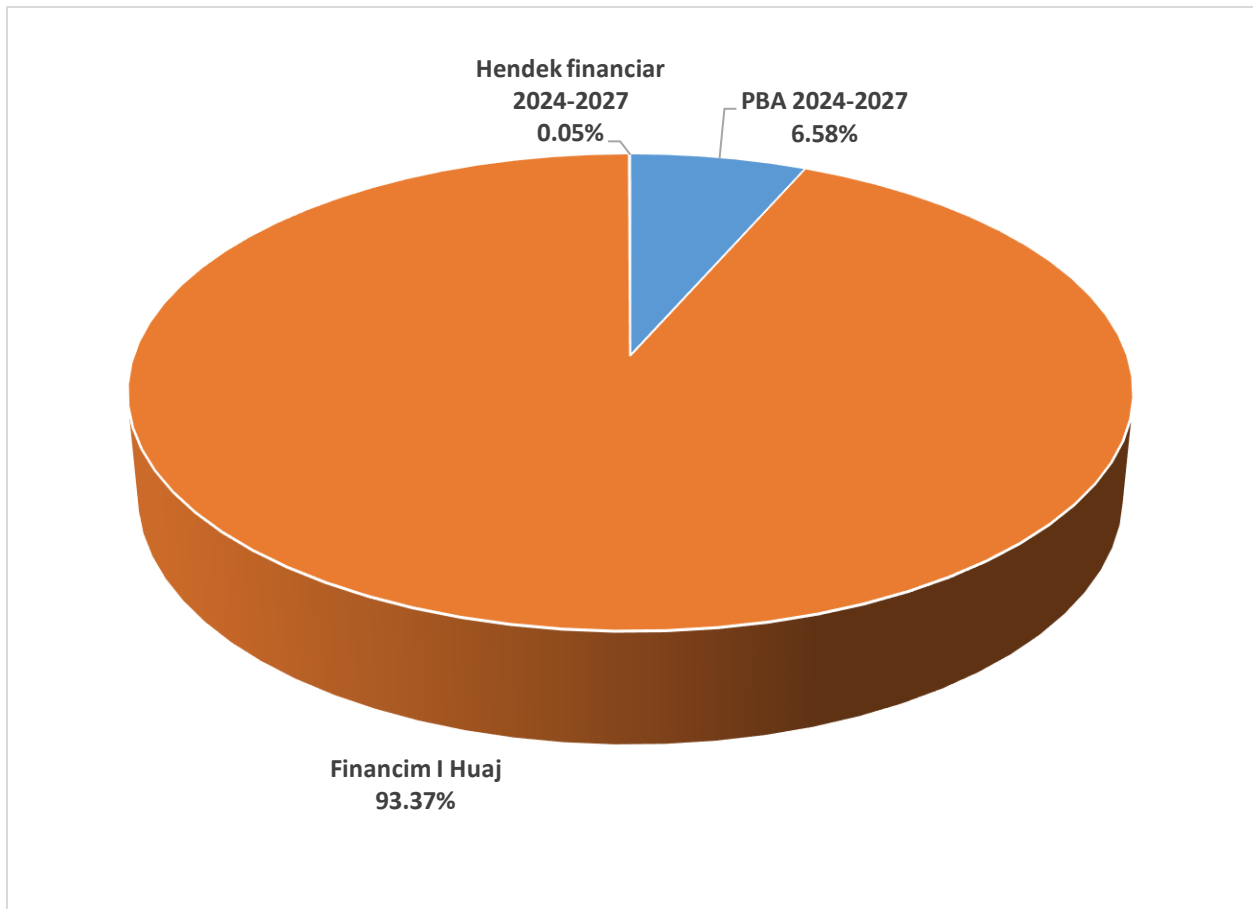


Almost half of the strategy's activity plan, 58% (14 out of 24 in total) will be implemented with the human and administrative capacities of the institutional structures involved in the implementation of the strategy, and for 10 activities, the mobilization of additional financial and human resources is considered necessary.

The majority of the expenditures as presented in Table 5 are required in the first two years of the implementation of the action plan. This also requires a planning of expenditures for this period.

The State Budget will cover approximately 6.58% of the additional cost of implementing the activities foreseen in the action plan. Technical assistance is expected to be provided by various donors such as the European Union, through SIGMA/OECD and the World Bank. The financial gap is 0.05%.

Chart 2: Financial Gap



It should be noted that the determination of SIGMA/OECD funding through EU-funded programmes is based on past support provided by this institution. The exact determination of support will be subject to discussions between PPA and SIGMA/OECD.

The majority of foreign funding also belongs to Specific Objective 1.52.2: Improving the electronic procurement system, which includes the costs for improving the electronic procurement system, and which is related to the investment that the Government plans to make for improving the electronic procurement system. Negotiations are currently underway with the World Bank for this investment to be financed by the World Bank. For this reason, this objective is also presented in the strategy as covered by financing.

ANNEX 1-ACTION PLAN

Activity plan 2024-2027								
Objective No.	Objective detail	ACTIVITIES			Responsible institution	Collaborating institution	Start date	End date
		Activity No.	Activity details	Output level measurement indicator				
1	2	3	4	5	6	7	8	9
POLICY OBJECTIVE 1:EFFICIENT AND EFFECTIVE PUBLIC PROCUREMENT PROCESS								
Objective 1.1	Further improvement of the legal framework	Activity 1.1.1	Review of the public procurement law	<ul style="list-style-type: none"> ✓ Analysis of legislation; ✓ Compatibility table; ✓ Drafting and Approving amendments to Law 162/2020 "On Public Procurement" in the Parliament; 	PPA	PPC NAIS	Q2 2023	Q2 2024
		Activity 1.1.2	Review of bylaws in accordance with the public procurement law	<ul style="list-style-type: none"> ✓ Drafting and Approval of amendments to DCM 285, dated 19.05.2021 "On the Approval of public procurement rules", as amended; ✓ Drafting and Approving a special DCM regarding monetary thresholds 	PPA		Q2 2024	Q4 2024
		Activity 1.1.3	Improving the legal framework for concessions and PPPs	<ul style="list-style-type: none"> ✓ Legislation Analysis; ✓ Compatibility Table; ✓ Drafting and Approving the new legal framework in the field of concessions and PPPs in the Assembly; ✓ Improving the policy-making role of ATRAKO 	ATRACO, Ministry responsible for finance;	PPA		Q2 2023

		Activity 1.1.4	Approval of sub-legal acts in the field of concessions and public-private partnerships	✓ Drafting and Approving the secondary legal framework in the field of concessions and PPP	ATRAKO, Ministry responsible for finance; Ministry responsible for the economy	PPA	Q4 2024	Q4 2025
		Activity 1.1.5	Improving the sub-legal framework in the field of defense and security	✓ Drafting and Approving amendments to the relevant secondary legislation in implementation of the law on procurement in the field of defense and security.	MoD, MoI, NSA	PPA	Q1 2024	Q4 2026
		Activity 1.1.6	The accession process to the GPA-WTO	✓ Finalization and submission of the first economic offer to the GPA Secretariat, ✓ Albania's accession to the GPA-WTO	PPA, Ministry responsible for finance; Ministry responsible for the economy MEFA		Q1 2023	Q4 2027
Objective 1.2	Strengthening institutional capacities	Activity 1.2.1	Staff training	✓ Staff training plan ✓ Organization of 10 (ten) employee trainings;	PPA, ATRAKO, MoI, MoD, PPC, CPO, Ministry responsible for finance; Ministry responsible for the economy		Q2 2024	Q4 2027

		Activity 1.2.2	Strengthening the capacity of ATRAKO	<ul style="list-style-type: none"> ✓ Approval of the organic structure of ATRAKO; ✓ Increasing the number of staff ✓ Organization of 8 (eight) trainings held for ATRAKO staff 	ATRAKO; Ministry responsible for the economy	PPA regarding training	Q1 2024	Q4 2027
Objective 1.3	Improving centralized purchasing	Activity 1.3.1	Establishment of the Centralized Purchasing Operator JSC	<ul style="list-style-type: none"> ✓ Approval of the new structure and organizational structure of the CPO; ✓ Drafting and Approving bylaws; ✓ Staff Recruitment ✓ Making CPO functional and operating 	CPO; Ministry responsible for the economy	PPA	Q1 2024	Q4 2024
		Activity 1.3.2	Improving procurement efficiency	<ul style="list-style-type: none"> ✓ Organization of 3 trainings held ✓ Development of procurement procedures 	CPO; Ministry responsible for health; NAIS, General Directorate of Archives	PPA ASPA	Q1 2024	Q4 2027
Objective 1.4	Strengthening implementation capacities	Activity 1.4.1	Professionalization of the public procurement function	<ul style="list-style-type: none"> ✓ MoU with ASPA ✓ MoU with DoPA ✓ Training plan for state administration officials involved in this process; ✓ Organization of 20 trainings conducted ✓ Drafting and Approving amendments to bylaws in the framework of reviewing specific criteria and job descriptions for public procurement employees who are civil servants 	PPA, ASPA, DoPA		Q1 2024	Q4 2027

		Activity 1.4.2	Raising Awareness	<ul style="list-style-type: none"> ✓ Publication on the PPA website of Instructions, Recommendations, Notices, and Roadmaps ✓ Drafting and Publication on the PPA website of the Commentary on Law 162/2020 	PPA	PPC	Q1 2024	Q4 2027
POLICY GOAL 2 - SUSTAINABLE AND INNOVATIVE PROCUREMENT								
Objective 2.1	Promoting green and social procurement	Activity 2.1.1	Improving the legal framework regarding the use of environmental and social criteria	<ul style="list-style-type: none"> ✓ Drafting and Approving relevant legal amendments regarding energy efficiency; ✓ Drafting and Approving sub-legal acts in line with new developments in the EU Acquis on environmental and social procurement ✓ Drafting and Approving the Roadmap for the use of the most economically advantageous tender (MEAT) criterion based on cost. 	PPA; Ministry responsible for energy	Ministry responsible for social protection ; Ministry responsible for the environment	Q1 2024	Q4 2027
		Activity 2.1.2	Training and support materials	<ul style="list-style-type: none"> ✓ Organization of 2 trainings for PPA, ATRAKO and CA staff on the use of criteria related to environmental protection in procurement procedures; ✓ Organization of 1 awareness-raising event regarding the use of social criteria 	PPA, Ministry responsible for social protection; Ministry responsible for energy	ASPA; Ministry responsible for the environment	Q1 2024	Q4 2027
Objective 2.2	Improving the electronic procurement system	Activity 2.2.1	Improvements to the legal basis	<ul style="list-style-type: none"> ✓ Drafting and Approval of legal and sub-legal acts. ✓ Publication on the PPA website of various manuals regarding the use of advanced artificial intelligence technology and robotic processes 	PPA NAIS		Q1 2024	Q4 2027

		Activity 2.2.2	Improving the electronic procurement system	<ul style="list-style-type: none"> ✓ Interaction of the electronic procurement system with other public systems; ✓ Liaison with SPE and use of the contract management system; ✓ RED FLAGS / Adding red flag functionalities to the Electronic Procurement System to avoid corrupt practices; ✓ Adding functionalities to the system for recording the use of environmental and social criteria. ✓ Use of advanced artificial intelligence technology and robotic processes ✓ Setting up the e-Catalogue (Electronic Catalog) system 	NAIS	PPA	Q1 2024	Q4 2027
POLICY OBJECTIVE 3 - INTEGRITY AND LEGALITY OF PUBLIC PROCUREMENT								
Objective 3.1	Ensuring integrity in the public procurement process	Activity 3.1.1	Organizing awareness events	<ul style="list-style-type: none"> ✓ Organizing 2 meetings aimed at building capacity and awareness about integrity in the field of public procurement; ✓ Organizing 2 awareness events on bidding agreements. ✓ Training 50 employees on integrity 	PPA, Competition Authority, HIDAACI	SAI, Other audit structures, School of Magistrates	Q1 2024	Q4 2027
		Activity 3.1.2	Preparation of helpful materials for raising awareness	<ul style="list-style-type: none"> ✓ Joint document PPA – HIDAACI on employee integrity in public procurement; 	PPA, High Inspectorate for Declaration and Control of Assets and Conflict of Interest,		Q1 2025	Q4 2027

		Activity 3.1.3	Inter-institutional cooperation in the fight against corruption	<ul style="list-style-type: none"> ✓ Cooperation Agreement between the Ministry responsible for anti-corruption and the Public Procurement Agency ✓ Drafting, in cooperation with the Ministry responsible for anti-corruption, a Model Integrity Plan for all Contracting Authorities, with a special focus on the integrity of the public procurement process. ✓ Organization of 2 annual information sessions on the risk of corruption in the public procurement sector 	PPA, Ministry responsible for anti-corruption		Q4 2024	Q4 2026
Objective 3.2	Legal certainty of complaint review	Activity 3.2.1	Increasing capacities for reviewing complaints	<ul style="list-style-type: none"> ✓ Organization of 5 trainings ✓ Approval of a special manual for annual consultations with higher education institutions and international partners ✓ Organization of 3 trainings with economic operators and contracting authorities regarding the problems identified during the review of complaints, with the aim of resolving them 	PPC		Q1 2024	Q4 2027
		Activity 3.2.2	Interconnection of the electronic complaints system with the Electronic Procurement System	<ul style="list-style-type: none"> ✓ Interconnecting the electronic complaints system with the electronic procurement system and automatizing processes, through artificial intelligence of the PPC work process. ✓ Improving transparency, integrity and data, according to the Open Contracting Data Standard, as well as European standards, through 	PPC NAIS	PPA		

				<p>improving the standards of publication of the PPC activity</p> <p>Automatization of the decision-making process of the PPC;</p>				
Objective 3.3	Strengthening control mechanisms	Activity 3.3.1	Preliminary assistance of Contracting Authorities	<ul style="list-style-type: none"> ✓ Procurement procedures assisted by the PPA; ✓ Publication of recommendations issued by the PPA 	PPA	CA	Q1 2024	Q4 2027
		Activity 3.3.2	Verification of the implementation of the legality of public procurement procedures	<ul style="list-style-type: none"> ✓ Drafting verification/monitoring plans; ✓ Verification of procurement procedures; ✓ Verification of indicators from the final reports of audit bodies ✓ Publication of decisions taken by the PPA and administrative measures issued. 	PPA	CA	Q1 2024	Q4 2027
		Activity 3.3.3	Monitoring the execution of contracts	<ul style="list-style-type: none"> ✓ Use of the contract management system by contracting authorities 	PPA NAIS Ministry responsible for finance; Contracting authorities for the respective contracts		Q1 2024	Q4 2027

ANNEX 2-INDICATOR PASSPORT

INDICATOR TITLE	1. PROMOTION OF COMPETITION
Relevant objective	National Strategy for Public Procurement 2024-2030
	Policy Goal 1: EFFICIENT AND EFFECTIVE PUBLIC PROCUREMENT PROCESS
Data source for performance indicator monitoring	Electronic Procurement System Annual Report
Institution responsible for data collection	Public Procurement Agency
Sustainable development indicators and objectives.	Yes
Data publication frequency	ANNUAL
Brief description of the indicator methodology and presentation of the indicator calculation formula	The impact will be assessed: - through the increase in the average number of bids submitted in procurement procedures compared to the previous year, as well as - through the number of negotiated procedures without prior publication of a contract notice to the total number of procurement procedures concluded with a winner (other procedures + negotiated without publication)
Basic value information	Year: 2023
	<p>Year 2023: the average number of bids submitted in procurement procedures is 3.37</p> <p>Year 2023: the number of negotiated procedures without prior publication of a contract notice to the total number of procurement procedures concluded with a winner (other procedures + negotiation without publication) is 2.9%</p> <p>Target value: Average number of offers not less than 2.5%</p> <p style="text-align: center;">Negotiations without advertising no more than 10%</p> <p>AvgBids = $\frac{\text{Total number of bids submitted to the system}}{\text{Number of procedures on system}}$</p>

	$\% \text{ negotiated procedures} = x 100 \frac{\text{Total number of negotiated procedures without publication}}{\text{Total number of procedures concluded with a winner}}$				
Target value information	Year:	2024	2025	2026	2027
	Value of indicators				

INDICATOR TITLE	2. PROMOTING SME PARTICIPATION IN PUBLIC PROCUREMENT PROCEDURES				
Relevant objective	National Strategy for Public Procurement 2024-2030				
	Policy Goal 1: EFFICIENT AND EFFECTIVE PUBLIC PROCUREMENT PROCESS				
Data source for performance indicator monitoring	Electronic Procurement System Annual Report				
Institution responsible for data collection	Public Procurement Agency				
Sustainable development indicators and objectives.	Yes				
Data publication frequency	ANNUAL				
Brief description of the indicator methodology and presentation of the indicator calculation formula	The impact will be assessed by measuring an increase in the percentage of public procurement contracts awarded to SMEs compared to the previous year. $\% \text{ of SME} = x 100 \frac{\text{Number of awarded contracts to SME}}{\text{Total number of awarded contracts}}$				
Basic value information	Year: 2023				
	Year 2023: 93.9% Target value: Not less than 50%				
Target value information	Year:	2024	2025	2026	2027
	Value of indicators				

INDICATOR TITLE	3. BEST QUALITY OF GOODS, WORKS AND SERVICES				
Relevant objective	National Strategy for Public Procurement 2024-2030				
	Policy Goal 1: EFFICIENT AND EFFECTIVE PUBLIC PROCUREMENT PROCESS				
Data source for performance indicator monitoring	Electronic Procurement System Annual Report				
Institution responsible for data collection	Public Procurement Agency				
Sustainable development indicators and objectives.	Yes				
Data publication frequency	ANNUAL				
Brief description of the indicator methodology and presentation of the indicator calculation formula	The impact will be assessed by measuring the increase in the procured value of contracts awarded based on the best price/quality ratio within the most economically advantageous tender (MEAT) criteria compared to the previous year. $PQ = \frac{\text{Earned value of contracts awarded based on PQ}}{\text{Total value of awarded contracts}} \times 100$				
Basic value information	Year: 2023				
	Year 2023: Value 20.33% Target value: Increasing trend				
Target value information	Year:	2024	2025	2026	2027
	Value of indicators				

INDICATOR TITLE	4. INCREASE IN THE NUMBER OF PROCEDURES CONCLUDED WITH WINNERS				
Relevant objective	National Strategy for Public Procurement 2024-2030				
	Policy Goal 1: EFFICIENT AND EFFECTIVE PUBLIC PROCUREMENT PROCESS				

Data source for performance indicator monitoring	Electronic Procurement System Analysis of CPO activity Annual Report				
Institution responsible for data collection	CPO and PPA				
Sustainable development indicators and objectives.	Yes				
Data publication frequency	ANNUAL				
Brief description of the indicator methodology and presentation of the indicator calculation formula	The impact will be assessed by measuring the number of procurement procedures concluded with winners from the CPO compared to the previous year. <i>Centralized Procedures</i> $\frac{\text{Number of procedures carried out with winners by CPO}}{\text{number of procedures carried out with winners at the state level}} \times 100$				
Basic value information	Year: 2023				
	Year 2023: 2.5% Target Value: Increasing trend				
Target value information	Year:	2024	2025	2026	2027
	Value of indicators				

INDICATOR TITLE	5. INCREASING THE ENVIRONMENTAL AND SOCIAL BENEFITS OF SERVICES PROVIDED BY PUBLIC BODIES				
Relevant objective	National Strategy for Public Procurement 2024-2030				
	Policy Goal 2: SUSTAINABLE AND INNOVATIVE PROCUREMENT				
Data source for performance indicator monitoring	Electronic Procurement System Annual Report				

Institution responsible for data collection	Public Procurement Agency				
Sustainable development indicators and objectives.	Yes				
Data publication frequency	ANNUAL				
Brief description of the indicator methodology and presentation of the indicator calculation formula	<p>The impact will be assessed by measuring an increase in procurement procedures with environmental or social elements used (technical specifications, award criteria, contract terms) compared to the previous year.</p> $\text{Environmental/Social} = x 100 \frac{\text{Number of procedures with environmental and social elements}}{\text{Total Number of Procedures}}$				
Basic value information	Year: 2023				
	Base Value N/A Target Value: Uptrend				
Target value information	Year:	2024	2025	2026	2027
	Value of indicators				

INDICATOR TITLE	6. INCREASING THE EFFICIENCY OF THE COMPLAINTS SYSTEM BY INCREASING THE SPEED OF DECISION-MAKING				
Relevant objective	National Strategy for Public Procurement 2024-2030				
	Policy Goal 3: INTEGRITY AND LEGALITY OF THE PUBLIC PROCUREMENT PROCESS				
Data source for performance indicator monitoring	Complaints Review System Annual Report				
Institution responsible for data collection	Public Procurement Commission				

Sustainable development indicators and objectives.	Yes				
Data publication frequency	ANNUAL				
Brief description of the indicator methodology and presentation of the indicator calculation formula	<p>The impact will be assessed by measuring the number of complaints reviewed outside the deadline provided for in the law over the number of total complaints filed to the PPC in a year.</p> <p><i>Speed of decision – making</i> $\frac{\text{Number of complaints reviewed outside the deadline}}{\text{Total number of complaints filed to PPC per year}} \times 100$</p>				
Basic value information	Year: 2023				
	Year 2023: Value 9.4% Target value: Decreasing trend				
Target value information	Year:	2024	2025	2026	2027
	Value of indicators				