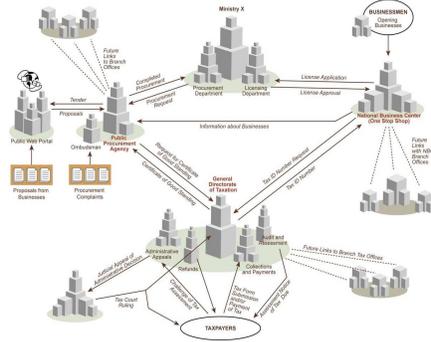




Millennium Challenge Albania

Threshold Agreement PROJECT FACT SHEET

Improving Accountability, Transparency, Public Access, and Efficiency



Interconnected e-government systems: e-registration, e-procurement and e-tax ensure more efficiency, greater transparency, increased accountability and better public access.

Contact Information

**MILLENNIUM CHALLENGE ALBANIA
THRESHOLD AGREEMENT
PROJECT OFFICE**
Classic Construction Building
“Pjetër Budi” Street, 1st floor, no.10
Tirana, Albania
Tel. +355-4-238-0400
Fax. +355-4-238-0424
E-mail: office@mcata.org.al
Website: www.mcata.org.al

PROJECT DURATION:

September 2006-September 2008

U.S. Agency for International Development
www.usaid.gov

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OVERVIEW

The Government of Albania's two-year \$13.85 million threshold agreement with the Millennium Challenge Corporation (MCC, www.mcc.gov) aims to reduce corrupt practices, minimize the 'informal' economy, and improve the investment climate through a program of IT-based solutions, technical and legal assistance. The achievement of program goals for improved tax administration, public procurement, and business registration will help qualify Albania for MCC compact.

Tax Reform Component: Key initiatives include: new tax administration legislation for improved efficiency, more collections, and less tax inspector contacts; a Taxpayer Service Center for the Tirana region; a new and comprehensive tax website for more information and fewer visits to tax offices; and a convenient e-filing and e-payment option for saving time and money.

Public Procurement Component: Key initiatives include: building professional and IT capacity within the Public Procurement Agency to conduct transparent public procurements based on public access to a new web-based tender process and increased awareness of the new public procurement legal framework.

Business Registration Component: Key initiatives include: a new business registration law and the creation of a 'one stop shop' National Registration Center (NRC) that reduces entrepreneurs' time and costs required to register a new business.

RECENT HIGHLIGHTS

- The e-filing, e-procurement and e-registration systems, built based on EU and international standards and best practices, are now in use, and accessible at these enhanced online portals: www.tatime.gov.al, www.app.gov.al, and www.gkr.gov.al.
- The National Registration Center, opened on September 3, 2007 as the one-day, one-stop-shop for business registration, including simultaneous registration with tax, social and health insurance, and the Labor Inspectorate, with service windows currently in 11 locations in Albania, has by now processed almost 45,000 applications, over 1/3 of which are new business registrations.
- Approved by the Council of Ministers on March 5th, 2008, the draft tax procedure law that streamlines and modernizes the tax administration, is now being discussed in the Parliament's plenary session.
- From the beginning of 2008, the number of e-filings for the Value Added Tax, the personal income tax, the estimated and annual profit tax, as well as the social and health insurance contributions by large taxpayers, and, as of April, by Tirana taxpayers too, is over 1,900. Whereas the number for downloads of tax forms which is now available to the majority of Albanian taxpayers is close to the 17,000 mark.
- The Electronic Procurement System (EPS) now registers 36 e-tenders from 12 Contracting Authorities, which include 8 ministries, the Central Procurement Body, and the General Directorate of Roads, for individual values of up to \$17 million.
- Almost 1,200 participants have received training on the public procurement law and EPS, 400 in e-filing, and the effort continues.
- Several country-wide public education campaigns have taken place to inform the business community and the public at large about the new services made available by project-supported reforms, such as business registration, the Procurement Advocate, downloadable tax forms, e-filing, etc..