



# Millennium Challenge Albania

## Threshold Agreement PROJECT FACT SHEET

### Improving Accountability, Transparency, Public Access, and Efficiency



*Businesses can inquire and receive assistance on e-filing at the Taxpayers Service Center built with support from the Project in Tirana.*

PHOTO: CHEMONICS INTERNATIONAL

#### Contact Information

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#### PROJECT DURATION:

September 2006-September 2008

U.S. Agency for International Development  
[www.usaid.gov](http://www.usaid.gov)

Last updated: April 2008

#### OVERVIEW

The Government of Albania's two-year \$13.85 million threshold agreement with the Millennium Challenge Corporation (MCC, [www.mcc.gov](http://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

- Following the discussions with the business community and interest groups, the draft tax procedure law that streamlines and modernizes tax administration, was approved by the Council of Ministers on March 5<sup>th</sup>, 2008, and is now before the Parliament.
- The e-filing, e-procurement and e-registration systems, built on EU and international standards and best practices, are now in use, and accessible at these enhanced online portals: [www.tatime.gov.al](http://www.tatime.gov.al), [www.app.gov.al](http://www.app.gov.al), and [www.qkr.gov.al](http://www.qkr.gov.al).
- Large taxpayers, who contribute over 70% of tax revenue in Albania, now have the option to e-file the Value Added Tax (VAT), the employment income tax, the profit tax, as well as the social security and health contributions. At present e-tax services are also being made available to all Tirana taxpayers.
- Opened on September 3<sup>rd</sup>, 2007, NRC offers one-day, one-stop-shop service for business registration, including simultaneous registration with tax, social insurance, and the Labor Inspectorate, now in nine locations in Albania. NRC also maintains the Electronic Commercial Registry in line with EU standards in this field.
- More than 1020 officials and business representatives have received training on public procurement new legal framework and e-procurement, and the effort continues.
- The first fully electronic tender bid opening in Albania took place on April 9<sup>th</sup> at the NRC. With the beginning of the 2008 public procurement procedures, six public institutions have already issued 12 e-tenders through the e-procurement system ranging from 1 million to 1.58 billion Lek, with more in the process.
- 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..