Millennium Challenge Albania

MONITOR

BIMONTHLY NEWSLETTER
Issue #8 March – April 2008

The two-year $13.85 million Millennium Challenge Albania Threshold Agreement between the Government of Albania (GoA) and Millennium Challenge Corporation (MCC, www.mcc.gov), administered by USAID assists the GoA to reform and modernize tax administration, public procurement, and business registration through IT solutions and legislative enhancements.

LEGISLATIVE DEVELOPMENTS

Major tax reform package making its way through Parliamentary review process

Following its approval by the Council of Ministers on March 5, 2008, the draft tax procedure law is being deliberated in the Parliamentary commissions in preparation for a plenary vote. Several hearings have already been held, with the participation of Minister of Finance Ridvan Bode, too. Members of Parliament across party lines recognize that this law will overhaul the tax administration and tax procedures in Albania. It will replace outmoded practices that give tax inspectors undue discretion, with a model based on self-assessment and service to taxpayers that adopts best international practices. A Parliamentary vote on the legislation is expected in May.

INSTITUTIONAL CAPACITY BUILDING

Building a home for e-government services

Established by the Council of Ministers' Decision no. 248 on April 27, 2007, the National Agency for the Information Society serves as the coordinating body for e-government services, and will provide support for existing e-systems, such as e-registration, e-procurement and e-tax. It will also work to benefit businesses and the public at large. The MCA Project provided funding for renovating the office space and purchasing office equipment. The newly refurbished offices include workstations for IT experts and server racks which house the Albanian e-government portal in an environment that abides by high standards of functionality and strict requirements for IT maintenance and safety.

Learning more about public procurement

On March 26, 2008, the first class of a new Master's course offered to graduate students began at the University of Tirana. The ten-session syllabus includes classes on public procurement regulation at the international level, EU public procurement regime, the Albanian law, as well as e-procurement. This elective course is part of ongoing efforts to increase understanding of public procurement. To date, more than 820 procurement officers and 205 business representatives have been trained on the new public procurement law and on e-procurement procedures. In addition, 31 trainers have been certified, including four from the Chamber of Commerce and Industry of Tirana and two from the American Chamber of Commerce, in order to set up training units for their members.

PR training for GoA counterparts

On March 26-27, 2008, the project organized an interactive training workshop to provide practical information on public relations to officials from the Public Procurement Agency (PPA), the Procurement Advocate, the Central Purchasing Body

Dear Readers,

It is a great pleasure to send my warm greetings to you via the Millennium Challenge Albania project's newsletter. The National Agency for the Information Society (NAIS) was recently established by the Council of Ministers in order to coordinate all of the Government of Albania's activities in the field of Information and Communication Technologies (ICT).

The agency is involved in the coordination of all ICT related projects within the central government. Many actors of the international community have and are currently supporting Albania in the ICT field. The task of NAIS is to coordinate all GoA activities in this area, create synergy and maximize benefits.

For the next two years we will be working towards the implementation of the National Strategy on Information Society and will be proposing to the Council of Ministers and to the Albanian Parliament draft laws and regulations related to e-documents, e-commerce, as well as amendments to the penal code concerning cyber crime.

NAIS will focus as well on the standardization of governmental ITC procedures. To this end, we are preparing draft documents regarding various standards for the public administration such as e-mail and Internet use, government official websites, user-names and passwords, ICT architecture (interoperability framework) of Government information systems, and other necessary documents.

Finally, I would like to invite you learn more about us and our work through our future publications. We are fully committed and dedicated to the modernization of e-government services in Albania based on best standards and policies. This is our contribution towards the development and strengthening of successful, effective and high performance central government institutions in our country.

Sincerely,
Etion Kapedani
General Director
National Agency for the Information Society

MPs hold public hearings on the draft tax procedure law.

(CPB), the General Directorate of Taxation (GDT), the National Registration Center (NRC), and the National Agency for Information Society (NAIS). Building upon assistance that the project already provides to these partner institutions, the workshop helped these institutions devise communication strategies, organize outreach campaigns, and prepare PR materials and events, with the aim of ensuring that these activities continue after the project ends.

Students at Tirana University learn about public procurement from renowned international experts.

E-GOVERNMENT

All Tirana taxpayers can e-file now

Beginning in April, taxpayers registered in the Tirana Taxpayer Office can file VAT, the Employment Income Tax, and the Social and Health Contributions electronically through the e-filing system, making it easier for them to comply with their tax obligations. E-filing has been successfully used by the large Taxpayer Office taxpayers for the past 6 months. Through the end of April, 207 taxpayers e-filed declarations for VAT; 158 for social and health contributions, 145 for withholding of personal income tax, and 145 for the estimated profit tax, an increase of more than 2.5 times compared to two month ago. The number of tax forms downloaded from www.tatime.gov.al has also increased considerably, exceeding 6,000 by the end of April.

The Director of the Central Procurement Body announces the bid opening for one of the first e-tenders in Albania.

For questions about the project or to subscribe to this newsletter, call us or write to:

Millennium Challenge Albania Threshold Agreement

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PROJECT DURATION: September 2006 - September 2008

Public procurement goes on line

With the onset of the 2008 procurement procedures, the National Registration Center was the first public institution to conduct a fully electronic procurement in Albania, using the electronic procurement system (EPS) developed by this project. The Central Procurement Body, an agency of the Ministry of Interior recently established to buy goods and services for all public institutions, followed suit with a procurement of internet services on April 17, 2008. Other contracting authorities, such as the Ministry of Defense, the Ministry of Culture, the Ministry of Agriculture, the Ministry of Environment, the Ministry of Finance, Ministry of Interior, Ministry of Labor and KESH have subsequently issued electronic solicitations to purchase goods and services with values up to $17 million. These solicitations and bid documents can be accessed at the EPS portal: www.app.gov.al.

Public business registration records one click away!

All court business registration files from 1991 to the opening of the National Registration Center (NRC) in 2007 have now been scanned and indexed, enabling the creation of the first fully electronic Online Commercial Registry in Albania. During March and April, 2008, the project matched the former court registration files with the tax registration data to create the online registry and ensure the accuracy of the information. Now the public can access the Online Commercial Registry through the NRC website at www.qkr.gov.al. As required by law, the Online Commercial Registry includes data for all businesses operating in Albania related to initial registration, area of operation, business organization, ownership, etc.

PUBLIC OUTREACH

Opening event for CPB tender

Prime Minister Sali Berisha and the U.S. Ambassador, John L. Withers II greeted the Central Procurement Body's (CPB) e-procurement bid opening ceremony on April 17, 2008, which publicly launched the Electronic Procurement System (EPS) in Albania. The participants followed a brief multimedia presentation on the EPS, illustrating its ease of use and the security features, and then watched as the CPB evaluation committee opened the electronic bids in real time.

PAv roundtables with the business community

On April 8 and 10, 2008, the Procurement Advocate hosted two roundtable discussions with more than 45 representatives of the business community, as part of the institution's outreach effort to inform the public of its mission to monitor and investigate public procurement and concession procedures, under the motto of independence, impartiality and commitment to defend bidders' right.

UPCOMING EVENTS

- Approval of the tax procedure law.
- Introduction of the online taxpayer ledger and the elimination of the verification process for e-filers.
- Additional training for the Electronic Procurement System.
- Launching of a tax compliance public education campaign.

"Albania …must move quickly toward implementing [e-procurement] in every agency [in order to] demonstrate our iron will to fight corruption and our great interest in saving as much as possible the Albanian taxpayers' money." Prime Minister Sali Berisha during the CPB's e-tender bid opening ceremony on April 17, 2008.