

Assessing Public Procurement Practice in Armenia - 2017

General Description of the Public Procurement System

X. Management of the Public Procurement System

Please provide a brief description of how the public procurement system is managed in your country by answering the following questions:

Is there a single state body responsible for managing the public procurement system, or is this function distributed among more than one state body? What is its/their authority and responsibilities and are legal requirements met in practice in this regard? What is the level of independence of this body/ies and are legal requirements met in practice? Is there duplication of authority?

Please provide the answer in a maximum of 5-10 sentences.

Comment: There is a single body (Ministry of Finance) responsible for public procurement system management. There is no duplication of authority as the Ministry of Finance is an Authorized body in public procurement issues.

X. Are tenders electronic or paper based? In cases when tenders are solely electronic, are there cases of paper-based tendering? Is there insufficient enforcement of PPL?

Please provide the answer in a maximum of 3-4 sentences.

Comment: The tenders are conducted both electronically and on paper. Despite the fact that Armenian Electronic Procurement System (ARMEPS) was launched and is operational, still most of the tenders are conducted via paper-based procedures. There are some cases when procuring entities are registered in the system and do not follow PPL related regulations whilst conducting procurement. NCPPR NGO's monitoring report on public procurement confirms this observation.

X. Is public procurement conducted through a centralized, single website or are there multiple websites for conducting public procurement? Is its/their use mandatory or voluntary?

Please provide the answer in a maximum of 3-4 sentences.

Comment: The RA Law on Procurement, Article 2, part 1, point 14 - www.procurement.am was recognized as the Bulletin, i.e. a portal for accessing all necessary information on procurement. Prior to the conclusion of contract, the contracting authority shall publish in the bulletin a notice regarding the decision on concluding a contract no later than the first working day following the adoption of decision on the selected bidder. In case of carrying out procurement containing state secrets, the notice shall be sent to all bidders on the first working day following the adoption of the decision on the selected bidder.

X. If there is a register of suppliers, what is the number of registered suppliers in it?

If possible, please provide a comparison with several (at least 5) previous years?

Comment: There is a register of suppliers and procuring entities. In 2011 when the system was launched, but not fully functional, there were 250 procuring entities, in 2012 - 520, in 2013 - 551. At the end of reporting period there were around 560 procuring entities.

In 2011, there were only 125 registered suppliers, in 2012 – 1,000, in 2013 – 1,425, in 2014 – 2,555, in 2015 – 4,391. At the end of reporting period there were around 5,500 registered economic operators.

X. What is the total number of competitive procedures?

If possible, please provide a comparison with several (at least 5) previous years.

Comment: As we can see from table, most of the procurement procedures by numbers are still conducted in a non-competitive way.

Total number of procurement procedures

Indicators	Work	Goods	Service	Total
Number of organized procedures	1706	15381	8324	25411
Open procedure	216	71	163	450
Simplified procedure	126	68	232	426
Framework agreement	194	7398	456	8048
Competitive dialogue	1	1	1	3
Negotiation procedures with announcement	79	15	78	172
Negotiation procedures without announcement and sole source	823	7112	7106	15041
Price quotation	267	716	288	1271

X. What is share of public procurement in the country's GDP?

Comment: The total budget expenditures are 1.5 trillion AMD (approx. 3 bln USD) of which 154 bln directed to the acquisition of goods and services and 238 bln spent on fixed assets (capital investments). Based on that in total the share of public procurement is around 26%. Based on our analysis only 180 bln worth of contracts are available online, which is about 12%.

X. What are the monetary thresholds for single source procurement (works, goods, services)?

Is the monetary threshold acceptable? Why or why not?

Comment: If the procurement price does not exceed the procurement base unit - 1 mln AMD (approx. 2,000 USD), the contracting authority shall ensure the availability and storage of relevant documents (or electronic documents) on the actions carried out for procurement purposes and on the grounds thereof. So, practically all procurement under 1 mln AMD can be single sourced.

The RA Law on Procurements, Article 23, procurement may be carried out from single source, where:

- (1) **it is possible to acquire goods, works or services only from single source**, which is preconditioned by the copyright and related rights thereof, existence of the special or exclusive right;
- (2) **due to emergency or other unforeseen situation, an urgent need for procurement has arisen and, due to emergency or other unforeseen situation** the use of other procurement forms is impossible in terms of the time limits, provided that it has been objectively impossible to foresee such need;
- (3) **by carrying out procurement of goods from any source, the contracting authority decides to carry out additional procurement of goods from the same source**, which have not been included in the initial contract, but due to objectively unforeseen circumstances have become necessary for the performance of the initial contract, provided that:
 - a. the contract of additional goods supply may not be technically or economically separated from the initial contract without causing major inconvenience to the contracting authority, and
 - b. the price thereof does not exceed 10% of the total price of the initial contract. Moreover, additional procurement from the same source, by applying this point, may be carried out once, and the price of additional goods may not be more than provided for by the contract;
- (4) **the procurement price does not exceed the procurement base unit (1 mln AMD);**
- (5) **the procurement is carried out outside the territory of the Republic of Armenia.**

Public Procurement Scope and Spending Breakdown

X. What share (% in terms of procurement value) of government spending is conducted through competitive public procurement procedures?

Please provide a brief analysis of this data point. If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend.

Comment: According to our analysis, out of 13,070 contracts (available in ARMEPS portal), which constitute 180 bln AMD (approx. 373 mln USD), 7,328 or (56%) done via non-competitive methods. So competitive procurement procedures account 44% in number and around 50% in volume. One of the explanations of such a big numbers of non-competitive procurements is the fact that certain procurements can't be done through competitive process like utilities, some state services (there is a list of 22 directions¹ included in the list of procurement referring to which procurements can be done via single-source). So although by state statistics these procurements are excluded from statistics, we are considering/counting them and these procurements are also included in statistics

X. What share (% in terms of procurement value) of total public procurement spending is conducted through single source procurement? See above

Please provide a brief analysis of this data point. If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend. If possible, provide a breakdown of

¹ See Table in the legal act (<http://www.arlis.am/DocumentView.aspx?DocID=113367>)

this data point by the list of legal exemptions considered acceptable or unnecessary by the TPPR Methodology (Pre-tendering phase, Indicator 9).

Comment: The RA Law on Procurements, Article 23 procurement may be carried out from single source, where:

- (1) **it is possible to acquire goods, works or services only from single source**, which is preconditioned by the copyright and related rights thereof, existence of the special or exclusive right;
- (2) **due to emergency or other unforeseen situation, an urgent need for procurement has arisen and, due to emergency or other unforeseen situation** the use of other procurement forms is impossible in terms of the time limits, provided that it has been objectively impossible to foresee such need;
- (3) **by carrying out procurement of goods from any source, the contracting authority decides to carry out additional procurement of goods from the same source**, which have not been included in the initial contract, but due to objectively unforeseen circumstances have become necessary for the performance of the initial contract, provided that:
 - a. the contract of additional goods supply may not be technically or economically separated from the initial contract without causing major inconvenience to the contracting authority, and
 - b. the price thereof does not exceed 10% of the total price of the initial contract. Moreover, additional procurement from the same source, by applying this point, may be carried out once, and the price of additional goods may not be more than provided for by the contract;
- (4) **the procurement price does not exceed the procurement base unit (1 mln AMD);**
- (5) **the procurement is carried out outside the territory of the Republic of Armenia.**

X. What is the share (% in terms of procurement value) of below threshold single source procurement in total public procurement spending?

Please provide an analysis of this data point in 2-3 sentences (if possible, provide data from previous 5 years).

Comment: Out of 7328 contracts around 4624 are below threshold (1 mln AMD). In total this contracts' (single source below threshold) volume is around 1.2 bln or 0.7%.

X. If your country has any unreasonable exemptions to the Public Procurement Legislation (e.g. contingency funds, utilities, certain procuring entities or sectors of the economy), provide your estimate of the volume spent in this way and the share (% in terms of value) these exemptions would constitute in total procurement spending? Volume: _____ share: _____

Please provide a brief analysis of this data point. If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend.

Comment: According to There is a list explained above in which based on The RA Law on Procurements, Article 23 procurement may be carried out from single source, where:

- (1) it is possible to acquire goods, works or services only from single source, which is preconditioned by the copyright and related rights thereof, existence of the special or exclusive right;

Secondary legislation (government decree 526-N, adopted May 4, 2017²) provides a list of 22 directions (utilities and etc). There is no information regarding the number of contracts, but according to annual public procurement report, around 91 bln or 52.6 % of public procurement is done via single source for utilities and other 22 directions in the gov. decree.

X. What is the volume of secret government procurement? What is the share (value in %) of secret government procurement in total public procurement expenditures? Volume: _____ share: _____

Please provide a brief analysis of this data point. If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend.

Comment: There is no information on secret government procurement. Regarding open procurements the situation is following; out of 392 bln AMD (approx. 188 mln USD; this number comes from state budget adding the procurement of goods and services and also acquisition of fixed assets) only 46% regarding 182 bln AMD the data (contracts) are available publicly (electronically). The rest is done through paper based procedures and there is no statistics on this provided by Authorized bodies.

Competitiveness

X. What is the average number of bidders?

If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend. If possible, provide a breakdown of this data point by goods, works and services.

Comment: On average the participation of bidders is 1.9, which does indicate that public procurement is not competitive. In general, the average participation is quite stable within the range of 1.5-2 bidders. The policymakers are trying to increase the attractiveness of the system.

X. What is the share (% in terms of procurement value) of competitive procedures with single bidders in total competitive spending?

If possible, please provide information on the share (number) of competitive contracts won by single bidders in the total number of competitive procedures.

Comment: If we are adding sole source procurement data then it is 50%

There is no such statistic regarding participation. But we will provide average participation data

² <http://www.arlis.am/DocumentView.aspx?DocID=113367>

Participants in works	5343				
Participants in goods	31662				
Participants in services	10232				
Total number of participants	47237				
Total number of conducted procedures	25766				
<u>Average participation</u>	<u>1.8</u>				
Average participation in open tenders	4.2				
Average participation in Framework agreements	2.8				
Average participation in simplified procedures	2.9				
Average participation in negotiation procedures with announcement	3.6				
Average participation in price quotation	3				
Average participation in negotiation procedures without announcement and in single source	1				

X. What is the share (% in terms of procurement value) of competitive procedures with five or more bidders in total competitive spending?

If possible, please provide information on the share (number) of competitive contracts with three or more bidders in the total number of competitive procedures.

Comment: Please look at previous answer and let us know is it sufficient, as it provides general picture regarding participation.

No such statistics; anyway in order to cover this issue the respective letter was submitted to Authorized body.

X. What share (% in terms of procurement value) of public procurement contracts is won by commercial state-owned enterprises (above 50% ownership)?

Provide an analysis of this data point. If applicable, provide a comparison with several previous years. If possible, provide a breakdown of this data point by type of procedure, i.e. competitive procedures vs. direct procurement. Is there any reason to believe that state owned companies are getting preferential treatment?

Comment: Most of medical companies are state-owned ones. Based on that, medical companies usually account the biggest share of contracts in overall basket. In particular, for 2017 the top state-owned enterprises (basically medical companies as was told) account 9.5% of total procurements.

Besides the medical companies, there are some Closed Joint Stock Companies, which are owned by state and there are some cases when there is a preferential treatment towards them.

X. What share (% in terms of procurement volume) of public procurement contracts is won by foreign enterprises?

If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend.

Comment: Non-residents share in total procurement is 0.7%

X. What is the share (%) of procuring entities which only used single source procurement in the total number of procuring entities?

If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend.

Comment: There is no procuring entity who is only conducting single source procurement. In the context of competition the utility companies do have some problems.

Efficiency

X. What is the share (%) of failed tenders in the total number of tenders? ____

If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend. If possible, provide a breakdown of this data point by tenders with no bidders, cancelled tenders or unsuccessful tenders where no relevant competitor was found.

Comment: The number of failed tenders in 2017 is only 355, which constitutes around 1.4%

X. What share (%) of planned public procurement expenditure was saved as a result of competitive procedures? ____

If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend.

Comment: The difference between planned and actual prices (saving) is about 10%

X. What is the share (% in terms of procurement value) of tenders where price is the only criterion compared to competitive procedures where other criteria are also used? ____

If possible, provide a comparison with several (at least 5) previous years, as well as a brief analysis of this data point.

Despite the fact that PPL gives two possible criteria for awarding winners (MEAT and lowest price) almost all procurements done through the lowest price criteria. Almost in 99.9% cases the lowest price as criteria is used. One of the reasons of such situation is lack of capacity of procuring entity staff (when the capacity is inadequate it is more easy to conduct procedures through the lowest price criteria.

X. What is the share (%) of non-executed contracts in the total number of contracts? ____

If relevant, provide a comparison with several (at least 5) previous years. If possible, provide a breakdown of this data point by type of procedure, i.e. competitive procedures vs. direct procurement. If possible, indicate the share (%) of non-executed contracts awarded through competitive procedures, as well as single source procurement.

Comment:
 During 2017 the annulled procedures/procurements account for 3% in terms of value;
 During 2017 out of 25767 procedures 355 were annulled, which accounts 1.3% of total procedures.
 Regarding the contracts that were awarded and afterward the winner rejected to sign it; the picture is following 2017-only 6 winners refuse to perform the contract. As of September 19 only 3 winners refuse the contract performance.
 Regarding the companies that not perform regarding the requirements and as a result of this they were included in Black list of suppliers the statistics is the following;
 2017-52 companies were blacklisted
 2018-102 companies were blacklisted

The structure of annulled procurement procedures

Procurement procedures	Works	Goods	Services	Total
Open procedures	7	4	20	31
Simplified procedures	2	1	10	13
Framework agreements	6	193	23	222
Negotiation procedures with announcement	1	0	3	4
Negotiation procedures without announcement	0	9	2	11

and single source				
Price quotation	13	40	21	74
Total number of annulled procedures	29	247	79	355

Accountability

X. Describe the dispute settlement mechanism in public procurement, its composition, authority, level of independence, and decision-making procedures. What are the major strengths and problems in law and practice:

Comment: Every person has the right to appeal against the actions (inaction) and decisions of the procuring entity, the evaluation commission and the Procurement Complaint and Appeals Board (PCAB).

Relations pertaining to the procurement, including the relations with regard to examination of appeals, doesn't considered as administrative relations and are regulated by the legislation of the Republic of Armenia regulating civil law relations.

According to PPL, every person shall have the right to:

1. Appeal against the actions (inaction) and decisions of the contracting authority and the evaluation commission to the PCAB before conclusion of the contract;
2. Appeal against the actions (inaction) and decisions of the PCAB, the contracting authority and the evaluation commission through judicial procedure.

Every person interested in concluding a specific transaction and having suffered damages caused as a result of an action or inaction of the contracting authority, evaluation commission or the Procurement Appeals Board has the right to claim compensation for damages through judicial procedure.

The description of PCAB' operations

The appeals filed against the actions (inaction) and the decisions of the contracting authority and the evaluation commission shall be examined by the PCAB.

By PPL the PCAB is a body carrying out unbiased and independent investigation, which is not interested in the outcome of a certain procurement process and is protected from external influences while performing its obligations and exercising its rights.

While exercising the powers provided by the PPL, the members of the PCAB shall be independent from the bidders of the procurement process, including the contracting authorities, as well as state and local self-government bodies and officials and shall be obliged to be guided solely by law and

apply it. The members are filling the declaration about existence/absence of conflict of interest. These declarations are available online/publicly.

To exercise the powers provided for by PPL, the member of the Board shall be paid remuneration from the state budget funds through the Authorized body (Ministry of Finance).

The amount of remuneration for the member of the Board shall be calculated as prescribed by the Law of the RA on "Remuneration for persons holding state positions". Moreover, the coefficient for calculation of the salary, stipulated by the law provided for in this part for a member of a standing board set up by the laws of the RA, shall be taken as basis for calculation of the monthly remuneration for the members of the Board. The working conditions necessary for exercising the powers vested in the Board by PPL shall be ensured by the Authorized body.

Composition of PCAB

The Board could comprise up to three members (currently there are only two members). The members of the Board shall be appointed to and, in cases provided for by PPL, dismissed from office by the President of the RA, upon the recommendation of the Prime Minister of the RA.

The members of the Board are appointed for a term of five years. The terms for appointment of members of the first composition of the Board shall be as follows:

- (1) for one member — three years;
- (2) for one member — four years;
- (3) for one member — five years.

Qualification of members

A citizen of the RA having higher education with specialization in Economy and Management or Law, service record of at least five years in the field of public administration, or professional service record of at least seven years and having command of Armenian, may be appointed as a member of the Board. The maximum age for exercising the powers of a member of the Board shall be 65.

A member of the Board may not be a person who:

- (1) has been deprived, as prescribed by law of the RA, of the right to hold state positions;
- (2) has been recognized by the court as lacking or having limited legal capacity;
- (3) has been convicted of a crime, except where the conviction is cancelled or has expired.

The member of the Board may not, while exercising his/her powers, hold another position or perform other paid work, except for scientific, pedagogical and creative work.

The member of the Board shall be dismissed from office:

- (1) in case of emergence of any of the circumstances mentioned above;
- (2) on the basis of his or her application;
- (3) in case of impossibility to exercise his/her powers due to incapacity for work for a period of three consecutive months, except for pregnancy and maternity leave;
- (4) in case of terminating citizenship of the RA;
- (5) in case of being recognized by the court as missing or dead.

So practically the board is not fully independent. In addition, there is 30000 AMD (approx. 60 USD) fee for complaint examination (it was reimbursed if the filled case was approved), which hinders some of businesses from filling complaint.

X. What is the number of complaints submitted to the dispute resolution board (or equivalent body)? ___

If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend.

Comment: Every year, before 1 April, the Board shall publish in the bulletin a report on the activities for the previous year. The report shall comprise information, statistical data and comparative analyses for the activities implemented during the previous year, with regard to the powers vested by PPL.

Activities of the Board

The appeal shall be examined by the member of the Board solely, being guided by PPL and other regulatory legal acts.

Anti-Corruption tools

The member of the Board may not examine an appeal, if it appears that an organization founded thereby, or an organization wherein he/she holds a share (unit) is involved in the appeal procedure, or a person with whom he/she is linked by kinship or in-law relationships (parent, spouse, child, brother, sister, as well as parent-in-law, spouse's child, spouse's brother or spouse's sister), or an organization founded by that person, or an organization wherein that person holds a share (unit) is involved in the appeal procedure concerned. Where the condition provided for by this part exists, the member of the Board having a conflict of interests regarding the examination of the appeal concerned and adoption of the decision thereon shall recue himself/herself from examination of the appeal concerned. During the examination of each appeal, the member of the Board shall sign a statement on absence of conflict of interests, which shall be published in the bulletin together with the decision adopted on the appeal.

Based on PPL and for the purpose of complying with the requirements thereof, the Board shall approve its procedure for activities by the majority of votes of its members.

Statistics

Except complaints regarding blacklisting of organizations, board got 117 complaints in 2017. During 2018 January-June the number is 144.

Regarding decisions of blacklisting companies in 2017 Board examined 194 cases. During 2018 January-June the number is 127.

X. What is the share (%) of disputed tenders in the total number of tenders?

If possible, please provide an analysis of this data point in 2-3 sentences.

Comment: Despite the fact that the trust towards the board is growing, the share of disputed tenders is less than 1%, if we consider the total number of procurement procedures.

X. What share (%) of disputes was won by the initiator in the Dispute Resolution Board (or equivalent body)? ___

If possible, please provide an analysis of this data point in 2-3 sentences.

Comment: During last three years the share of approvals in favor of initiator of the Dispute is always

around 50%.

X. What share of decisions of the Dispute Resolution Board have been taken to courts? ____

If possible, provide a comparison with several (at least 5) previous years and possible explanations for the resulting trend.

Comment: The decision of the board can be questioned in court. In 2016, there were 5 cases of appeals to the court; in 2017-22. As of today, there are 32 cases, therefore, the decisions of the Board are not providing enough confidence/trust towards the system.

X. What share (%) of the total competitive procurement spending was received by companies that have donated (including private donations by their owners) to the current government? ____

If possible, please provide an analysis of this data point in 2-3 sentences.

Comment: There is no such a data

X. What share (%) of the total single source procurement spending was received by companies that have donated (including private donations by their owners) to the current government? ____

If possible, please provide an analysis of this data point in 2-3 sentences. Have there been any high profile cases of politically affiliated companies receiving single source contracts?

Comment: There is no such a data

Transparency

X. Can public procurement related data be downloaded in bulk? If yes, can data be downloaded in any of the following formats - CSV, JSON, or XML?

Yes, the ARMEPS system allows to download data both in CSV and in excel.

X. Are there any significant data quality issues? (Are any control mechanisms in place to ensure data quality is maintained?)

The quality of the data is insufficient. There are a lot of cases that the same firm appears under different names (although they do have same TAX Identification number).

X. Please fill the Data Transparency Table below by indicating either “Yes”, “No” or “N/A” in each empty slot:

Data Transparency Table - Access to Public Procurement Related Documents							
Type of document	Is this information required to be public by law?	Is this information publicly available?	Is the database complete?	Electronic	Machine-readable *	Free of charge	Exact format
PPL documents	Yes	Yes mostly	No (e.g. paper based is not covered)	Not whole	Those who carried under ARMEPS system, yes, but for others NO	Yes	Yes
Annual public procurement plans	Yes	Yes	Yes	Yes, mostly	Yes	Yes	Yes
Notices of intended procurement	Yes	Yes	No (e.g. paper based is not covered)	no	no	Yes	Yes
Amendments to tender documentation	yes	Yes	No (e.g. paper based is not covered)	no	no	Yes	No
Tender candidate applications	Yes	Yes	No (e.g. paper based is not covered)	No	No	Yes	Yes
Bids	Yes	Yes	No (e.g. paper based is not covered)	No	No	Yes	Yes

Tender commission decisions	Yes	Yes	No (e.g. paper based is not covered)	No	No	Yes	Yes
Information on subcontractors	No	No	No	no	No	No	No
Procurement contracts	Yes	Yes	No (e.g. paper based is not covered)	No	No	Yes	Yes
Contract amendments	Yes	Yes	No (e.g. paper based is not covered)	No	No	Yes	Yes
Contract performance information	No	No	No	No	No	No	No
Payment receipts	No	No	No	No	No	No	No
Inspection and quality control reports	No	No	No	No	No	No	No
Complaints	Yes	Yes	Yes	Yes	No	Yes	Yes
Dispute resolutions	Yes	Yes	Yes	Yes	No	Yes	Yes
Internal and external audit reports	No	NO	no	No	No	No	No

* For the purposes of this questionnaire, machine-readable means: for quantitative data formats, such as: JSON, CSV, XML, and for text documents - document that are NOT uploaded in the form of a scanned photo or PDF file.

In the comment box below, please elaborate on any irregularities or important details related to the above table.

Comment: The external reports conducted by Chamber of Control. Internal reports conducted by

MoF, but no information on procuring entities internal reports.

X. In addition to what is listed in the Data Transparency Table above, are there any gaps in the public procurement database/s? (e.g. gaps in the completeness of data from specific procurers or specific time periods?)

The procuring entities' procurement plans are available, but there is no annual report by them explaining how the plans were met.

Major Strengths and Weaknesses

X. What are the 3 major gaps between the country's public procurement legislation requirements and their implementation in practice? (e.g. ignored provisions, legal loophole, etc.) What are your recommendations for how to align the practice with the legislation? Please provide a brief description of each in a maximum of 4-5 sentences.

1.

Gap: The supervision system (especially contract execution) has a lot of corruption risks.

Recommendation: Establish public asset monitoring system

2.

Gap: The public procurement system is not attractive for SMEs

Recommendation: Improve the attractiveness for SMEs to participate in public procurement

3.

Gap: There are a lot of corruption risks, which are partly motivated by inadequate capacity and also utility procurements are considered as a high risk/low participation area.

Recommendation: Improve staff capacity, increase transparency and accountability, especially in utility procurements

X. What are the 3 major weaknesses / challenges of the country's public procurement system as a whole? And what are your recommendations for overcoming them? Please provide a brief description of each in a maximum of 4-5 sentences.

1.

Challenge: The economy/market is concentrated, the state bodies do not support especially SMEs in finding new niche by decreasing their transaction costs (Armenia is a full member of WTO GPA which is enabling domestic companies to participate in more than 47 countries' public procurement markets)

Recommendation: Improve competition in public procurement with decreasing transaction costs for SMEs

2.

Challenge: There are no university programs, which will increase the capacity of public procurement specialists

Recommendation: Develop the programs towards capacity development of procurement specialists.

3.

Challenge: The statistics template/reports are not adequate. There are cases when conflict of interest exists

Recommendation: Increase the quality of statistics and create registry with interests declaration

X. What are the 3 major strengths / successes of the country's public procurement system as a whole? Please provide a brief description of each in a maximum of 4-5 sentences.

1.

There are watchdogs and investigative journalists who are monitoring over the system
Only our NGO is doing macro-level (systematic/trend) analysis, but there are investigative journalists (like Hetq, <https://gijn.org/member/investigative-journalists-of-armenia-hetq/> who is doing some micro level analysis of procurements

2.

The new government focuses on anti-corruption campaign and pays much attention to public procurement area

3.

The legal framework is approximate to best international standards.