

Current Situation

It should be mentioned that among CIS countries Armenia is the only country who is a full member of WTO GPA.¹ This means that Armenia until April 2016 should transpose the new rules (New Directives on Public Procurement, Utilities Procurement and Concessions were adopted by the European Council on 11 February 2014) into its' national law (except with regard to e-procurement, where the deadline is September 2018).²

Obviously the current situation could create an obstacles conditioned with Armenian accession to the EAEU.

Benefits of cooperation in procurement

Cooperation in procurement can deliver monetary and non-monetary benefits and result in benefits of economies of scale, reduced repetition of work and improved relations with suppliers. Specifically, the following benefits can be achieved through such cooperation:

- increased value for money through improved planning, requirements gathering, bulk discounts and better negotiation power;
- improved coordination, consistency and planning across organizations;
- reduction of parallel processes and transaction costs;
- improved supplier relationships, e.g., by reducing bidder fatigue;
- better procurement risk management;
- sharing of purchasing experience, information, and expertise and learning.

However, the studies indicate that achieving these benefits depends on a number of important factors, including:

- trust and open relationships;
- communication and keeping each other up to date;

In general, the following benefits can be formulated:

For society	For the public authority (EAEU)	For suppliers
<ul style="list-style-type: none"> • Better public services and infrastructure • Creation of skilled jobs and investment • Enhanced international competitiveness 	<ul style="list-style-type: none"> • Introduction to new suppliers and service providers resulting higher competition • Cost savings in the short, medium or long-term 	<ul style="list-style-type: none"> • Access to valuable public sector clients • Exposure to pre-procurement and procurement procedures • Increased chance of winning future

¹ All WTO members are eligible to accede to the GPA. At present, 10 WTO members are in the process of acceding. These are Albania, Australia, China, Georgia, Jordan, Kyrgyz Republic, Moldova, Oman, Tajikistan and Ukraine. Five other WTO members have undertaken commitments, in their WTO accession protocols, to initiate accession to the GPA. They are Mongolia, the Russian Federation, Saudi Arabia, Seychelles and the former Yugoslav Republic of Macedonia.

² https://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm

	<ul style="list-style-type: none"> • Opportunities to access local, national or EAEU funds linked to innovation • Positive publicity and reputational gains • Commercial benefits from licensing or joint ventures 	<p>contracts</p> <ul style="list-style-type: none"> • Commercial benefits from licensing or joint ventures
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The role of transparency in public procurement

Transparent, fair and competitive public procurement across the EAEU's Single Market could generate business opportunities, drive economic growth and create jobs leading to increase in competitiveness.

Improved governance, the simplification of procedures and the greater use of electronic tools and access to the information in public procurement are important tools for fighting fraud and corruption.

Common procurement market. Lessons learned from EU

Recommendation 1. Set the thresholds to the tenders on which information will be available on EAEU procurement portal.

Set minimum harmonized directives on public procurement and introduce them into national legislation, applicable to the tenders whose monetary value exceeds certain amount. These "above threshold" tenders are, presumably, of cross-border interest; in other words - the tender value makes it worth-while for a business to submit a tender abroad.

It is important that only in specific cases public authorities may award contracts without publishing a call for tenders:

- emergencies due to unforeseeable events
- contracts that - for technical reasons or because of exclusive rights - can be carried out by one particular company only
- contracts that by law are excluded from public procurement (acquisition/rental of existing buildings, employment contracts, program material for broadcasting, etc.).

Recommendation 2. Create a procurement website for EAEU member countries.

This website will provide information on EAEU public procurement tenders exceeding threshold. It should have a practical information, for instance on current business opportunities or on how to upload calls for tenders. The procurement information should be sorted in accordance with CPV codes. The availability of the information on awarded contracts will be also an asset for public monitoring and will help to create competitiveness among EAEU countries.

Recommendation for future. E-procurement harmonization and creation of single E-procurement website for EAEU member countries.