TRANSPARENCY INTERNATIONAL
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**ABSTRACT OF POLICY PAPER
ON ELECTRONIC PROCUREMENT
IN THE REPUBLIC OF ARMENIA**

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According to the UN E-Government Survey 2012, Armenia is 94th out of 190 countries by E-government development index[1]. Empirical literature indicates that E-procurement is a catch-all term for the replacement of paper-based procedures with information technology-based communications and processing throughout the procurement process. Thereto E-procurement can be a tool to make processes more efficient and promote the effectiveness of procurement. The use of e-procurement systems and processes can result in a number of key advantages including:

- Reduced administrative costs of individual procurements;
- Streamlined and faster procurement procedures;
- Increased transparency and better monitoring of procurement;
- Encouraging cross border competition by reducing barriers presented by paper based procurement processes;
- Wider administrative modernisation and simplification, encouraging the integration of various administrative processes as well as the diffusion of information technology solutions within and by government and society more generally.

According to public officials, the 2012 E-Procurement system initiated in 2012 has already yielded positive results. In this paper, demand and supply factors of E-procurement implementation in Armenia were presented. The legal framework for E-procurement implementation and best practices were also analysed.

In order to assess the e-procurement system the monitoring toolkit was developed. In particular, the following monitoring questions/directions were analysed and covered:

1. How easy is the registration process in the e-procurement portal[2] (for residents and non-residents)?
2. How comprehensive is the process of e-tenders planning?
3. How transparent is the information on e-tenders?
4. How consistent are e-tenders with procurement procedures?
5. How transparent is information dissemination on tenders?
6. How integrated is e-procurement system?

We identified a number of problems in E-procurement system. The key among them are:

- The negligible share of non-residents registered in the e-portal

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[1] http://unpan1.un.org/intradoc/groups/public/documents/un/unpan048065.pdf
[2] www.armeps.am

- Lack of statistical information in addition with absence of E-payment, E-Statistics etc.
- Almost 40% of e-tenders were cancelled,
- Lack of capacity from both the demand and supply side,
- The current e-tender procedures are not consistent with those adopted in legislation,
- The information dissemination on tenders has a discriminatory influence,

E-Procurement system monitoring indicates that in contradiction to public officials' view, E-procurement in Armenia is still fragmented and both inefficient and ineffective.