



COMPETITION AND STATE PROCUREMENT AGENCY ANNUAL REPORT 2012





COMPETITION AND STATE PROCUREMENT AGENCY

Tbilisi 2013

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During 2012 the Competition and State Procurement Agency (the Agency) kept up the reformation of the state procurement system, this time the main target of the reform being the continuous improvement of the established electronic system. Although Georgian Electronic Government Procurement System (Ge-GP) has a rather short history as of to date, its major role and importance in ensuring the unprecedented transparent expenditure of state funds on the one hand and on the other hand - the further steps to be undertaken for the increase of the flexibility of the system have already become apparent. In 2012, both through in-house efforts and under the assistance of the society, the Agency managed to identify some potential for the improvement of the system and undertake the necessary measures for the introduction of additional innovations.

The outcomes of 2012 allow for feeling even more optimism and further the reform with greater enthusiasm to create one of the best procurement systems in the world.

This Report aims at the familiarization of the society with the activities of the Agency and, at the same time, to give some impression of the state procurement market.



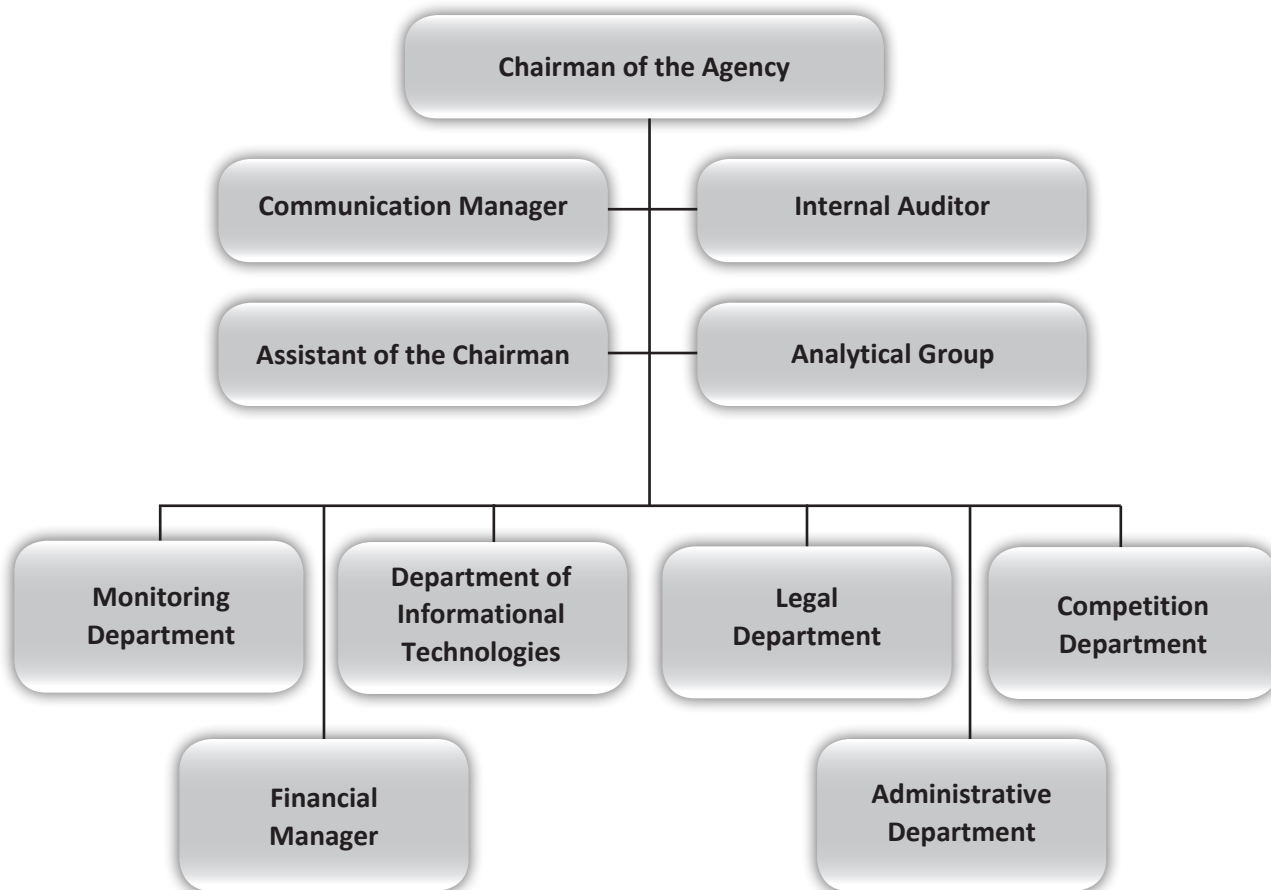
VISION OF THE COMPETITION AND STATE PROCUREMENT AGENCY

The vision of the Agency is to create the transparent, competitive and equal conditions for reasonable expenditure of state funds through simple and comfortable transactions between the procuring entities and the suppliers. The vision of the Agency provides for the integrity of services provided and activities accomplished by the Agency to meet the following preconditions necessary for the attainment of the set targets:

- Strong and united staff of the Agency ready to conduct the analysis necessary for further improvement of the system, introduction of the innovations and monitoring;
- Competency and high procurement culture of procuring entities to exploit the potential of the electronic system to full extent;
- Raising the awareness of private sector for successful participation thereof in state procurement.



STRUCTURE OF THE AGENCY



MAIN ACTIVITIES OF THE AGENCY

In discharging supervisory, intelligence, educational and modern information technologies implementing duties the Agency has accomplished many activities in 2012, the main pursuits of which being the following:

- January 2012: The hotline was launched through which total 3,017 questions were answered in 2012. The questions were analyzed and as a result of this analysis the frequently asked questions and relevant answers were published on the official webpage of the Agency;



- May 2012: The register of qualified suppliers – the White List was created which is accessible electronically for every interested person;
- June 2012: The economic model of a two-staged tender was developed; the model was launched in test regime;
- July 2012: The recommendation developed with regard to the description of a procurement object was published;
- August 2012: The requirements for the registration in the White List were simplified;
- August 2012: The module of electronic submission of corrected technical documentation and qualification data by suppliers was launched;
- September 2012: Procurement monitoring methodology was developed and implemented in the respective department of the Agency; at the same time the concept of automation of the monitoring processes was created for the development of the relevant software;
- September 2012: The Business Intelligence System, which allows for the electronic processing of data for the relevant analysis was created;
- September 2012: The description of the streamlined module of the electronic Dispute Resolution Board (eDRB) was prepared;
- November 2012: The requirement regarding the submission of a quarterly report was revoked and substituted by filing data with the electronic system concerning actual payments made on the basis of the executed contracts;
- November 2012: The description of the electronic module of state procurement plans was prepared for the introduction thereof into the System;
- November 2012: The study course for trainings and seminars was prepared;
- December 2012: The first consolidated electronic tender was announced;
- December 2012: The methodology of revealing bid rigging and fraud in state tenders was developed.



THE OUTCOMES

As a result of efforts made, all state tenders in Georgia are carried out only electronically, through the Ge-GP. The Ge-GP, the link to which is published on the official webpage of the Agency www.procurement.gov.ge, is the official state procurement portal, linking together the procuring entities and the suppliers. At the same time the system allows for any interested person to obtain the necessary information about any tender, specifics of state procurement market and field regulatory legislation through our webpage.

The registered procuring entities publish tender announcements and documents in the Ge-GP through simple procedures, what makes it easy for the suppliers to find information about the needs of the state sector. Using multifunctional search fields both registered suppliers and interested persons with a guest-status are able to find a tender announced with regard to procurement object they are interested in, to download the tender documentation free of charge, get registered in the Ge-GP and participate in the tender of their interest. Any user, registered in the Ge-GP, is also able to create its own profile, mark the procurement object of interest and receive an electronic notification (internal messages) upon the announcement of a tender with regard to marked procurement object.

By the end of 2012 totally 14,801 users were registered in the Ge-GP, out of which 3,927 procuring entities and 10,874 suppliers. Particular mention should be made of the number of registered suppliers, which increased by 47% compared with 2011.

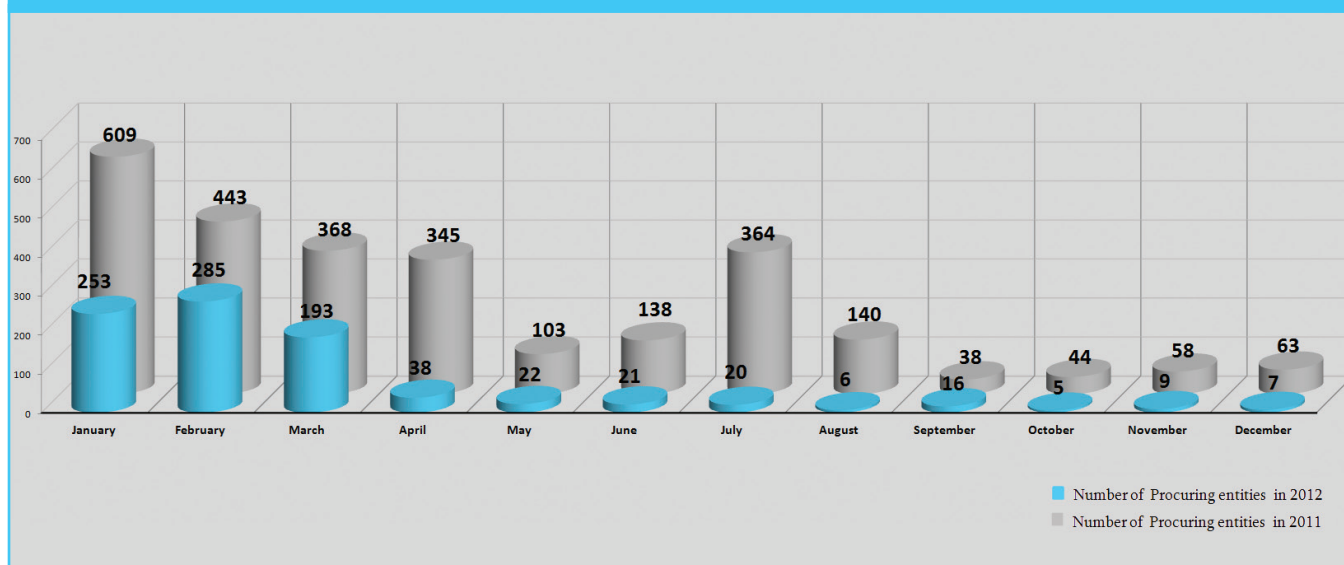
The dynamics of user registration in the Ge-GP during 2012 is described in Diagrams 1 and 2, which evidence that the number of both the suppliers and the procuring entities has increased.



The Diagram 1 demonstrates that in contrast to 2011 the index of registration of procuring entities was the highest in the first quarter of 2012. The increase of the number of registrations was conditioned by the process of registration of relatively small procuring entities operating within various municipalities of Georgia and the increase of the necessity of using the Ge-GP by procuring entities. (e.g. by the necessity of filing reports concerning procurements accomplished during the past 2011 through the Ge-GP System). Furthermore, certain organizational changes were undertaken during 2012, resulting in the creation of the new procuring entities.

Diagram 1:

DYNAMICS OF REGISTRATION OF PROCURING ENTITIES IN THE Ge-GP



As regards the dynamics of registration of the suppliers, in contrast to 2011, the high level of registration was maintained in 2012 as well, what underlines the increased interest of the suppliers in state procurement. The Diagram 2 evidences that the registration of the suppliers increases at the beginning and the end of a year, when the number of the announced electronic tenders is also high. This correlation speaks for the intensive use of the Ge-GP System by the private sector under a guest status.



Diagram 2:

DYNAMICS OF REGISTRATION OF THE SUPPLIERS IN THE Ge-GP

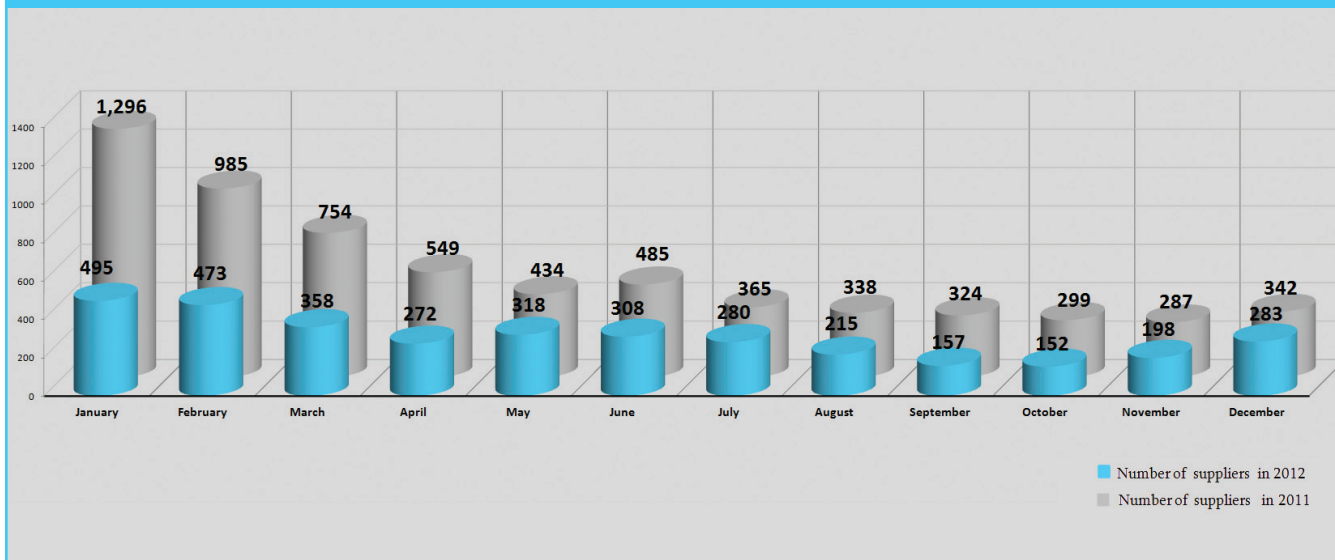
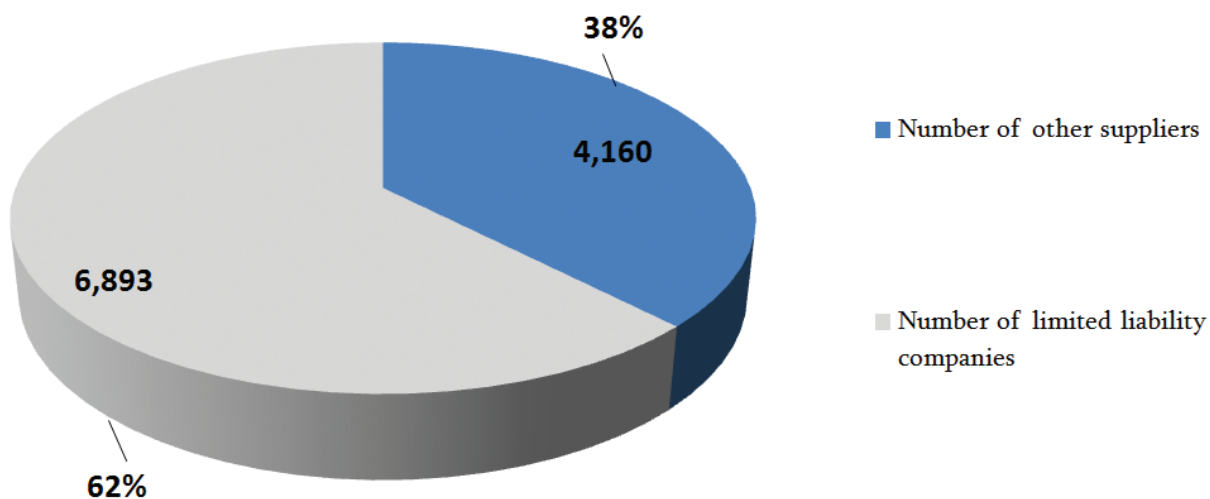


Diagram 3 offers the division of the suppliers registered within the Ge-GP into limited liability companies and the other legal forms. It is worth mentioning that the majority of the other legal forms are the individual entrepreneurs and natural persons. As compared with 2011 the rate of increase of the number of sole entrepreneurs and natural persons registered in the Ge-GP was higher than the similar index of limited liability companies, what resulted in the decrease of the specific weight of the LLCs from 66% to 62%. The comparison of the data for two years clearly demonstrates that the number of the limited liability companies operating within the Ge-GP increased by 42% - from 4,839 to 6,893. At the same time the number of individual entrepreneurs registered within the Ge-GP increased by 52% - from 1,830 to 2,800, what speaks for the increase of interest of the representatives of small and medium businesses in state procurement. Approximately 80% of contracts awarded through electronic tenders account for contracts entered with limited liability companies.



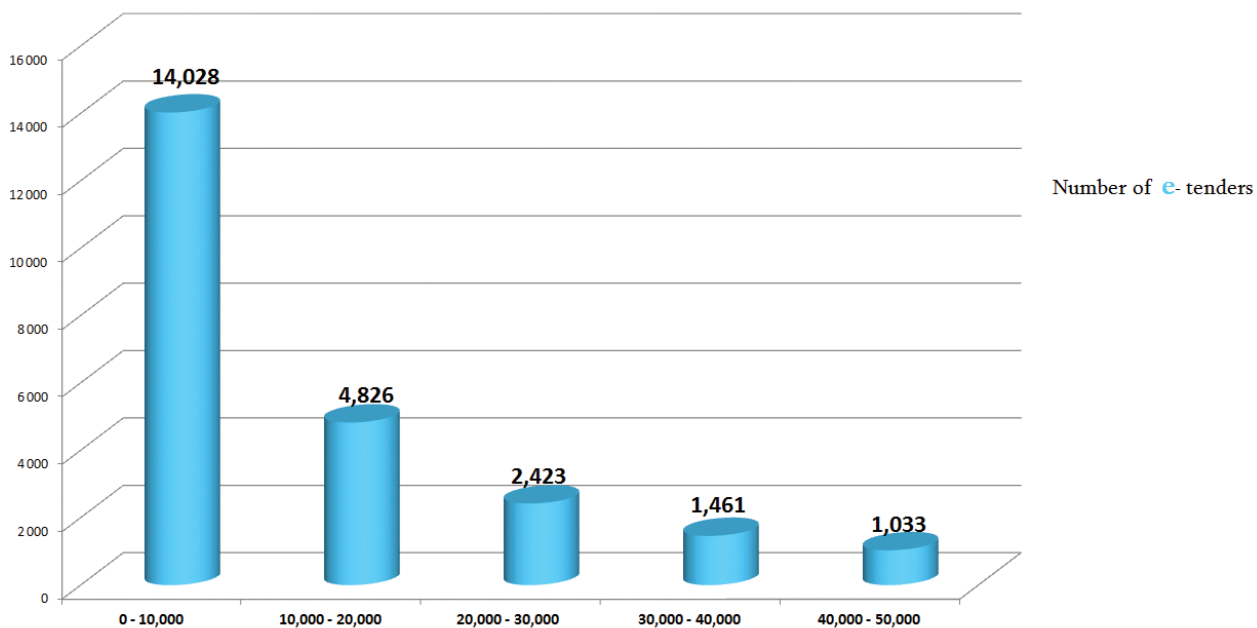
Diagram 3:

DISTRIBUTION OF THE LLCs AND SUPPLIERS OF OTHER LEGAL FORMS IN THE Ge-GP BY THE END OF 2012

To a certain extent the growth of the registration rate of small and medium companies is conditioned by gradual procurement practice and, respectively, the abundance of small volume tenders.



Diagram 4:

DISTRIBUTION OF THE EXPECTED VALUE OF ELECTRONIC TENDERS


Total 29,191 -tenders were announced during 2012, the approximate net value of which amounted to GEL 1,6 billion. Diagram 4 demonstrates that the majority of announced tenders is relatively small volume and particularly attractive for small and medium businesses. In 48% of the announced tenders the expected value of the announced tenders does not exceed GEL 10,000, and in 81% the expected value is less than GEL 50,000.



Diagram 5:

NUMBER OF LLC AND INDIVIDUAL ENTREPRENEURS REGISTERED IN THE Ge-GP

Diagram 5 shows that as of to date approximately every tenth active entrepreneur is already registered in the Ge-GP.

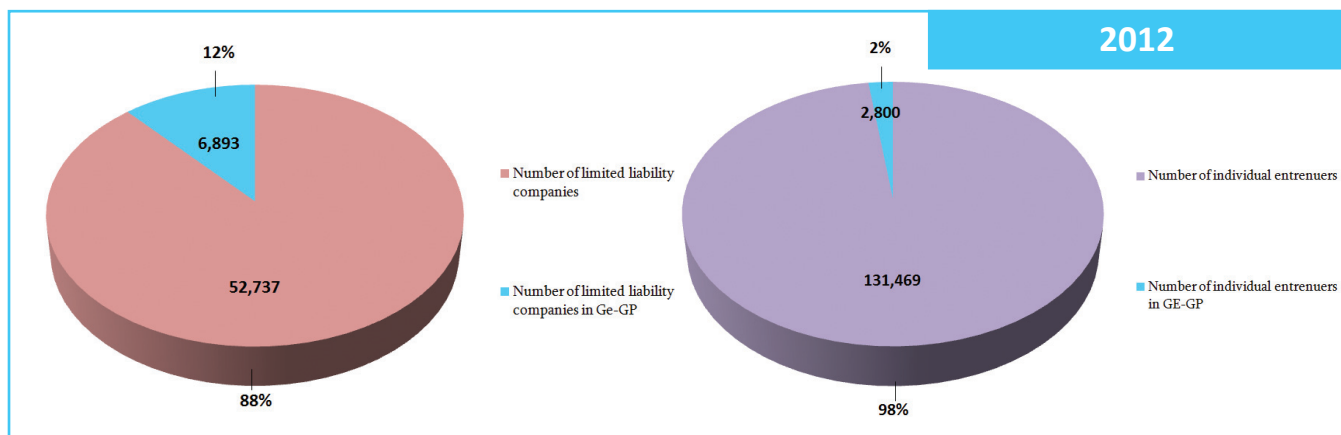
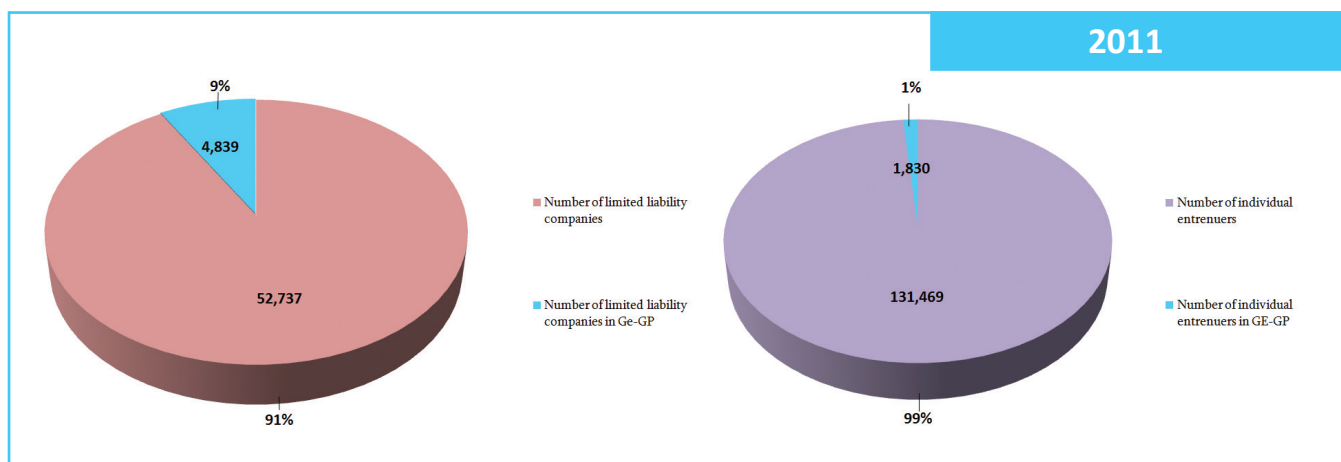
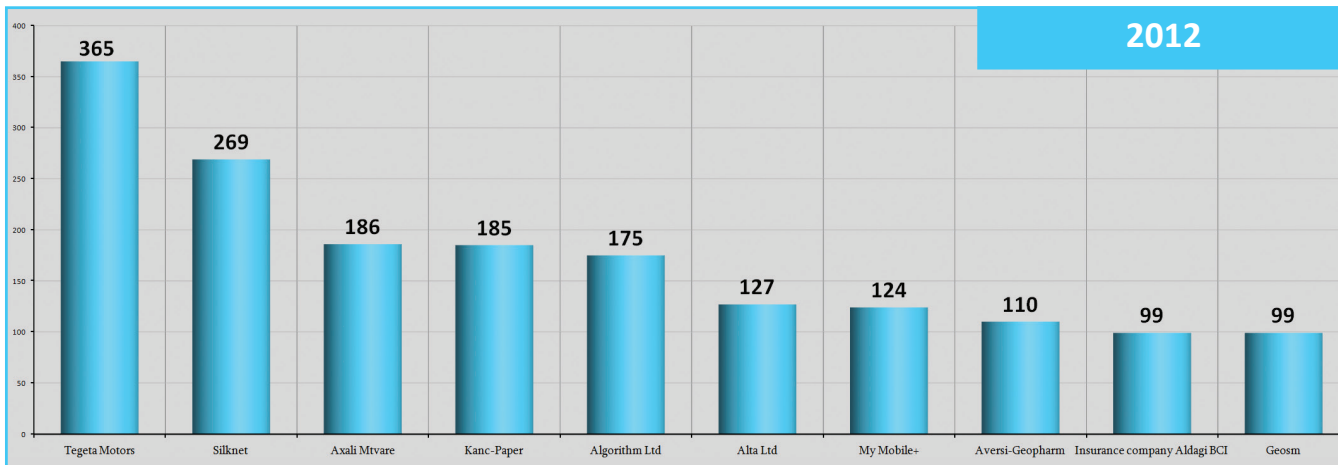




Diagram 6:

THE MOST ACTIVE 10 SUPPLIERS

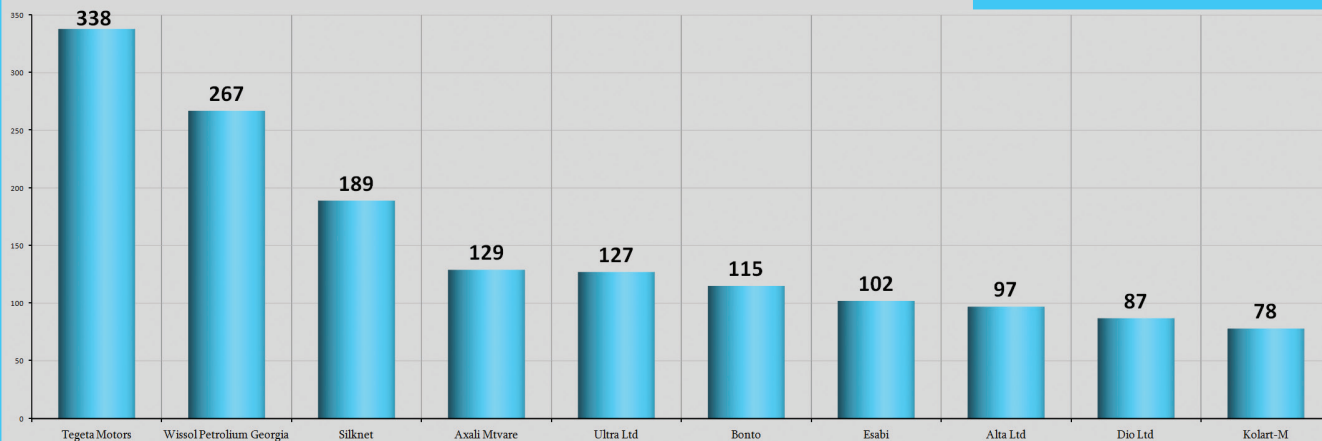


N	Suppliers	Number of contracts	Number of tenders	Contract price
1	Tegeta Motors	365	480	12,344,950
2	Silknet	269	291	4,452,352
3	Axali Mtvare	186	321	3,530,916
4	Kanc-Paper	185	342	1,831,373
5	Algorithm Ltd	175	256	6,143,579
6	Alta Ltd	127	217	2,965,768
7	My Mobile+	124	209	786,646
8	Aversi-Geopharm	110	181	5,143,864
9	Insurance company Aldagi BCI	99	140	1,578,942
10	Geosm	99	179	666,357
	Total	1,739	2,616	39,444,747

As compared with 2011 there are some changes in the list of top 10 suppliers, what speaks for the dynamic nature of the procurement market and competitive climate. During 2012 the most successful participants of the state tenders were the companies listed in Diagram 6.



2011



N	Suppliers	Number of contracts	Number of tenders	Contract price
1	Tegeta Motors	338	400	9,047,208
2	Wissol Petroleum Georgia	267	298	27,424,737
3	Silknet	189	263	3,300,511
4	Axali Mtvare	129	223	4,232,136
5	Ultra Ltd	127	214	1,399,697
6	Bonto	115	210	2,155,988
7	Esabi	102	193	4,229,997
8	Alta Ltd	97	155	1,947,155
9	Dio Ltd	87	96	1,343,428
10	Kolart-M	78	95	723,044
	Total	1,529	2,147	55,803,901



Diagram 7:

THE QUANTITATIVE STATISTICS OF TENDERS ANNOUNCED DURING A YEAR

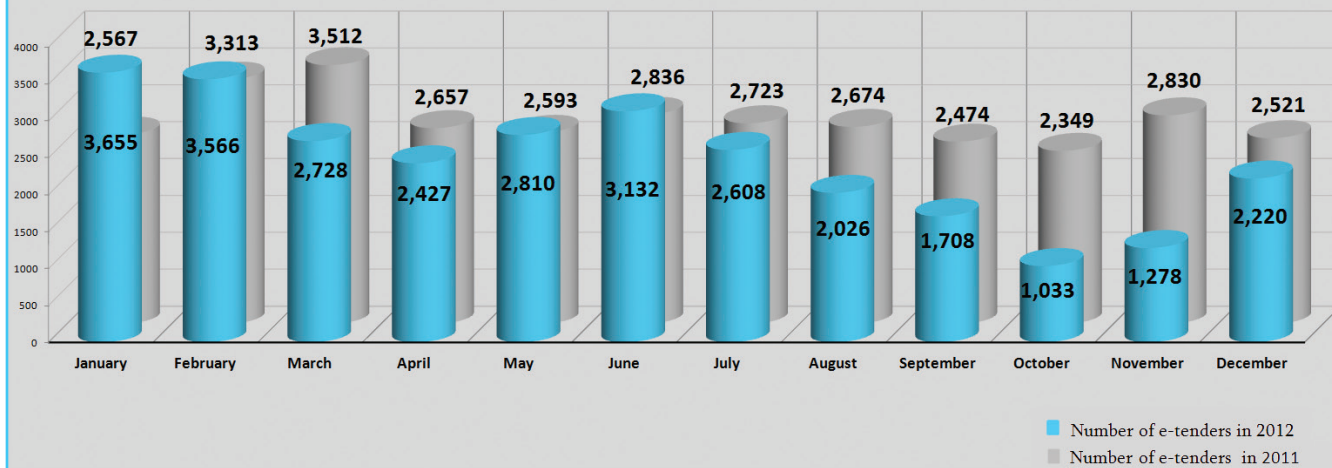


Diagram 7 depicts the quantitative statistics of e-tenders announced both in 2011 and 2012. In 2012 the largest number of e-tenders was announced in January, whilst in 2011 the same figure is the highest in March. The suppliers were least active during the fall season both in 2011 and 2012.

Diagram 8 shows the distribution of awarded contracts according to the categories of procurement objects. The value ratings of awarded contracts are given in Diagram 9. The diagram evidences that according to quantitative rating dominating are the e-tenders announced for the procurement of goods, the specific weight of which account for 54%. According to value rating nearly half of the net value of contracts account for the construction sector. Respectively, the average rating of contracts signed with the construction sector is four times larger than the similar index of contracts executed as a result of the procurement of services and goods. Despite the high contractual value recorded in the construction sector, the mention should be made of the distribution of contract values: The value of some 17% of contracts awarded in construction sector does not exceed GEL 10,000; 57% of the contracts are executed for less than GEL 50,000.

Diagrams 8 and 9 also evidence that almost similar saving is notable in tenders announced for all three procurement objects, what in relation with the expected value varies from 9,2% to 10,1% according to procurement objects.



Diagram 8:

NUMBER OF AWARDED CONTRACTS ACCORDING TO PROCUREMENT OBJECTS

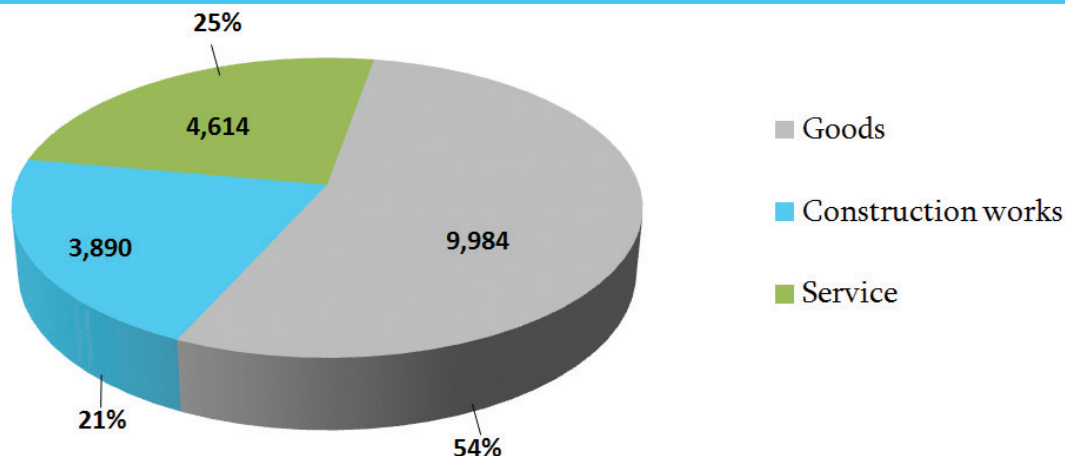
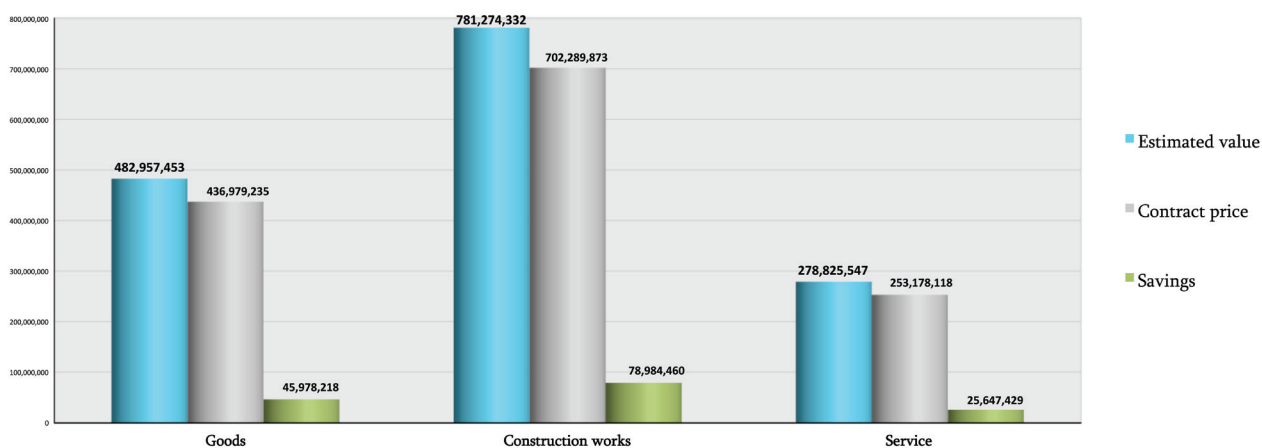


Diagram 9:

NET VALUE INDEXES ACCORDING TO PROCUREMENT OBJECTS



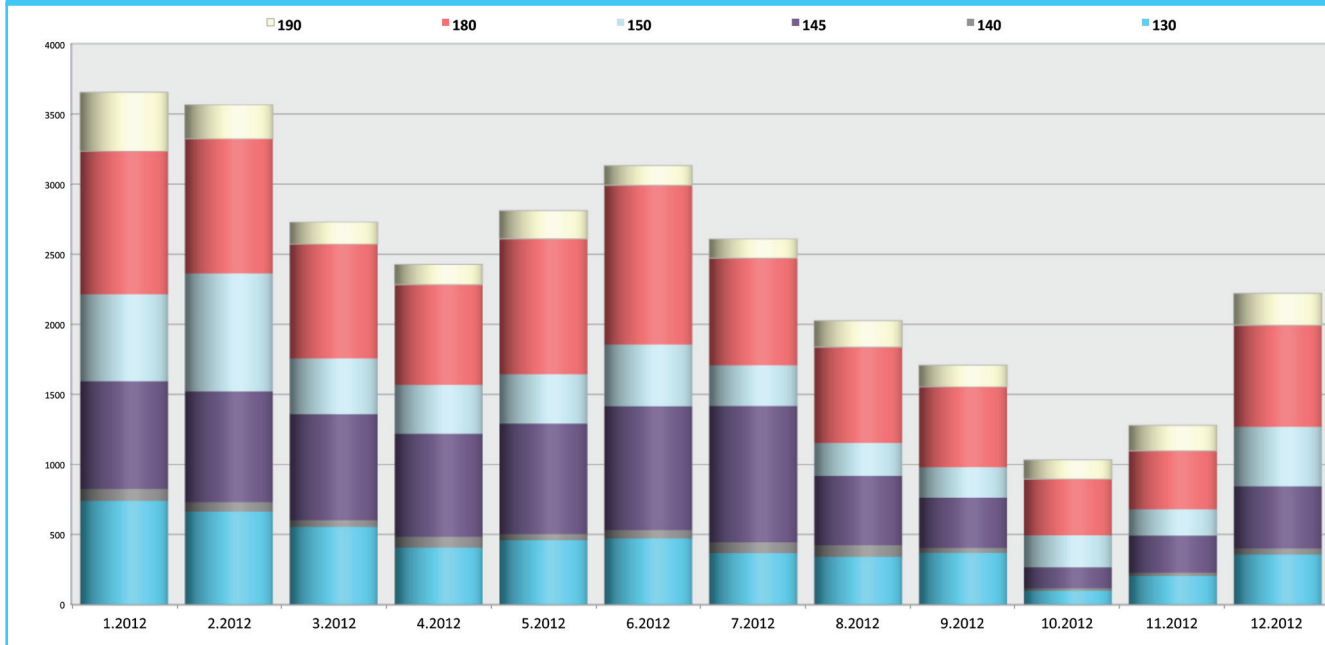
	Estimated value	Contract price	Savings
Goods	482,957,453	436,979,235	45,978,218
Construction works	781,274,332	702,289,873	78,984,460
Service	278,825,547	253,178,118	25,647,429
	1,543,057,332	1,392,447,226	155,610,107



The number of e-tenders varies according to the types of procuring entities. Similar to 2011 the largest number of tenders was announced by legal entities of public law.

Diagram 10:

NUMBER OF TENDERS ACCORDING TO LEGAL FORMS



Legal form

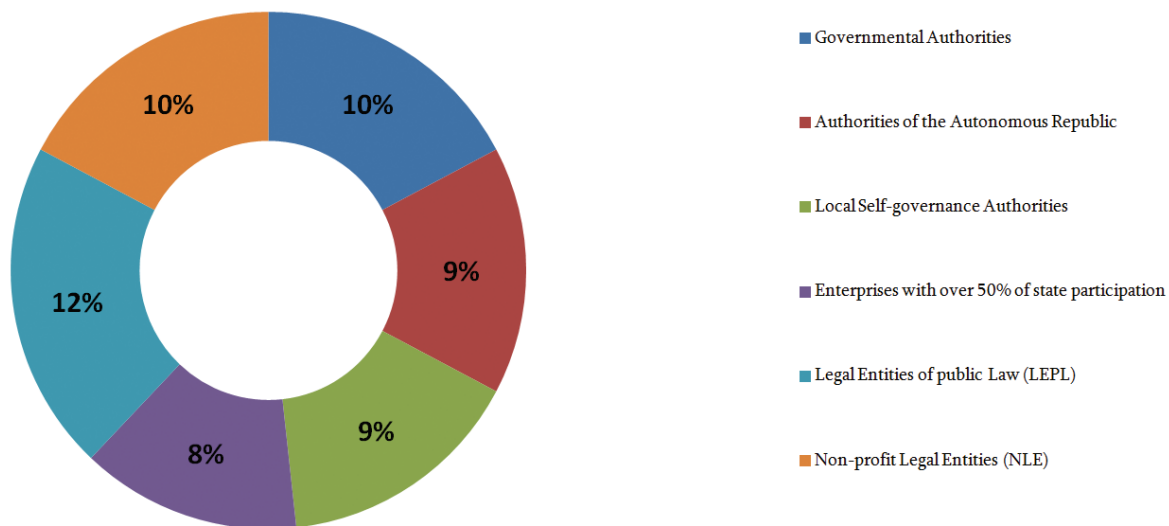
- 130 – State authority
- 140 – Autonomous Republic authority
- 145 – Local self-governance authority
- 150 – Company with over 50% state share participation
- 180 – Legal Entity of Public Law (LEPL)
- 190 – Non-Profit Legal Entity (NPLE)

	130	140	145	150	180	190
1.2012	740	84	769	621	1,020	421
2.2012	664	66	790	842	960	244
3.2012	554	48	756	398	815	157
4.2012	405	78	735	349	715	145
5.2012	458	44	788	353	966	201
6.2012	470	61	884	439	1,137	141
7.2012	366	78	973	289	765	137
8.2012	340	83	495	234	685	189
9.2012	368	35	360	217	573	155
10.2012	98	18	149	229	401	138
11.2012	204	23	265	188	416	182
12.2012	356	44	444	423	725	228
Total	5,023	662	7,408	4,582	9,178	2,338



Diagram11:

SAVINGS ACCORDING TO LEGAL FORMS



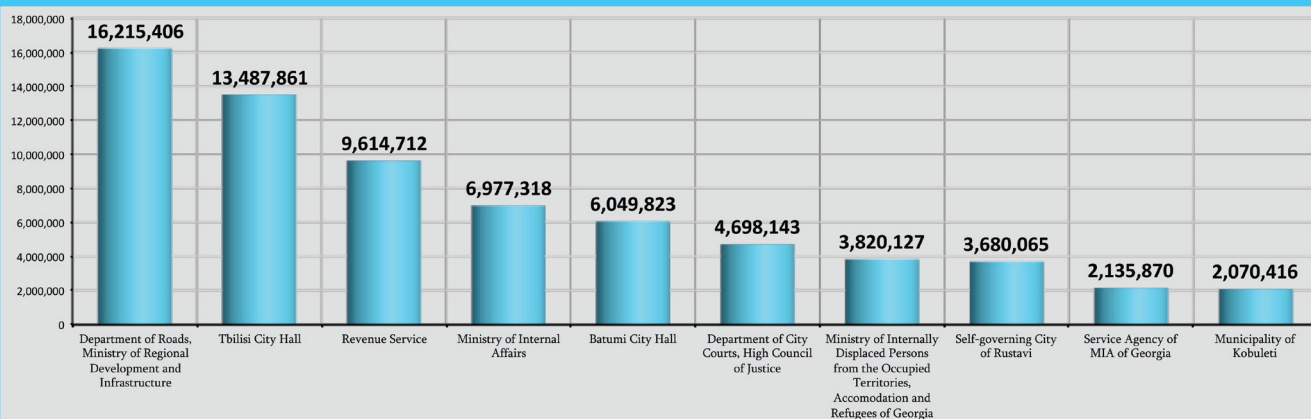
The savings made also differ according to legal forms. Diagram 11 shows that the savings vary from 8% to 12%.



Diagram 12 lists ten procuring entities, which have made greatest savings to their budgets.

Diagram12:

TEN PROCURING ENTITIES ACCORDING TO LARGEST SAVINGS



N	Procuring entities	Savings	Total cost	Number of contracts
1	Department of Roads, Ministry of Regional Development and Infrastructure	16,215,406	147,098,781	215
2	Tbilisi City Hall	13,487,861	137,974,921	430
3	Revenue Service	9,614,712	54,420,162	459
4	Ministry of Internal Affairs	6,977,318	70,783,285	232
5	Batumi City Hall	6,049,823	73,544,752	291
6	Department of City Courts, High Council of Justice	4,698,143	7,424,001	233
7	Ministry of Internally Displaced Persons from the Occupied Territories, Accomodation and Refugees of Georgia	3,820,127	9,859,394	59
8	Self-governing City of Rustavi	3,680,065	25,803,145	172
9	Service Agency of MIA of Georgia	2,135,870	8,862,238	109
10	Municipality of Kobuleti	2,070,416	14,193,235	215
	Total	68,749,741	549,963,914	2,415

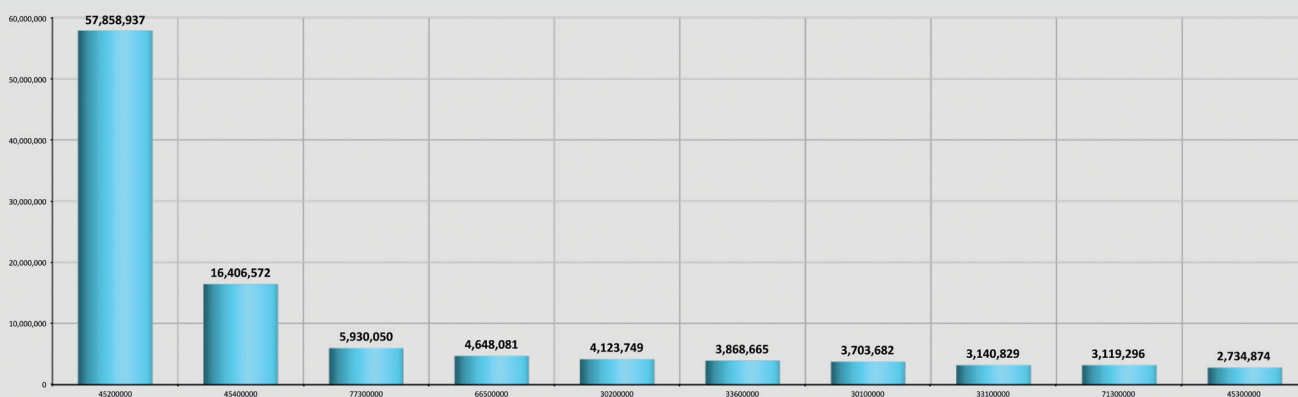
Overall, GEL 155,610,107 was saved from the budget in 2012 through Ge-GP, what amounted to 10% of the net expected value. The similar figure for 2011 was GEL 191,487,127 and respectively 16.5% of the net expected value. Insofar as the intensity of competition increased as compared with 2011, it can be presumed that the decrease of the percentage rate of the savings is conditioned by more accurate calculation of the expected value by procuring entities.



Calculated according to sectors, proportional to estimated value of e-tenders, approximately 36% of saved amounts account for e-tenders held for the purpose of procurement of construction works. Diagram 13 shows 10 categories according to maximum saving.

Diagram13:

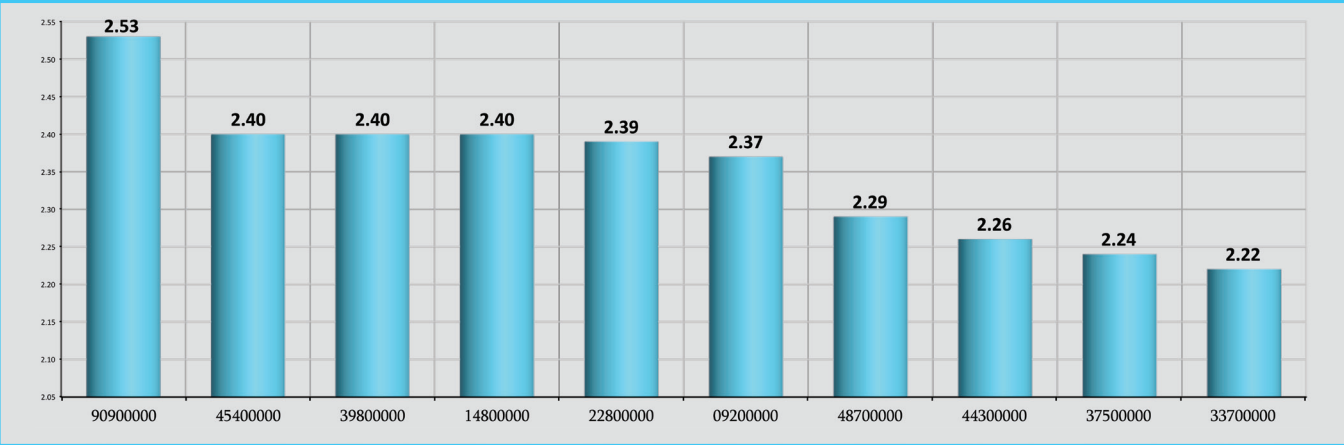
TOP 10 CPV PROCUREMENT CATEGORIES ACCORDING TO ECONOMY



N	CPV_NAME	Est. Value	Contract Price	Savings	%
1	45200000	617,661,689	559,802,752	57,858,937	9
2	45400000	109,944,385	93,537,813	16,406,572	15
3	77300000	22,499,500	16,569,450	5,930,050	26
4	66500000	25,892,151	21,244,070	4,648,081	18
5	30200000	30,093,330	25,969,581	4,123,749	14
6	33600000	23,497,910	19,629,245	3,868,665	16
7	30100000	17,183,414	13,479,732	3,703,682	22
8	33100000	21,650,039	18,509,210	3,140,829	15
9	71300000	14,995,600	11,876,304	3,119,296	21
10	45300000	22,539,505	19,804,631	2,734,874	12
Total		905,957,523	800,422,789	105,534,734	12



Diagram14:
TOP 10 PROCUREMENT CATEGORIES ACCORDING TO AVERAGE PARTICIPATION



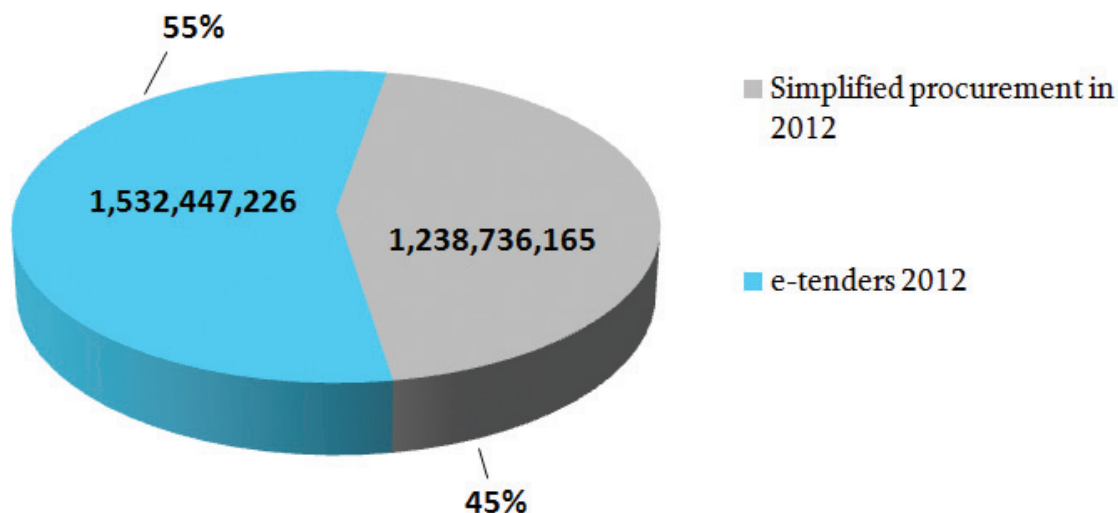
N	CPV code		Number of tenders	Number of suppliers	Aver. Number of suppliers	Savings	%
1	90900000	Cleaning and sanitation services	219	555	2.53	2,434,292	19
2	45400000	Building completion work	1,379	3,295	2.40	16,464,799	15
3	39800000	Cleaning and polishing products	82	197	2.40	239,157	22
4	14800000	Miscellaneous non-metallic mineral products	5	12	2.40	12,923	30
5	22800000	Paper or paperboard registers, account books, binders, forms and other articles of printed stationery	159	380	2.39	505,125	30
6	09200000	Petroleum, coal and oil products	70	166	2.37	404,205	24
7	48700000	Software package utilities	28	64	2.29	112,026	20
8	44300000	Cable, wire and related products	34	77	2.26	114,102	20
9	37500000	Games and toys; fairground amusements	29	65	2.24	749,083	20
10	33700000	Personal care products	91	202	2.22	541,210	22
Total			2,096	5,013	2.35	21,576,922	16

Diagram 14 depicts top 10 CPV categories according to average number of tender participants. As compared with 2011 the intensity of participation particularly increased in service fields (e.g. insurance and pension services, services related to planting of greenery, cleaning and sanitation).



Diagram15:

DISTRIBUTION OF ACCOMPLISHED STATE PROCUREMENT TRANSACTIONS ACCORDING TO PROCUREMENT METHODS



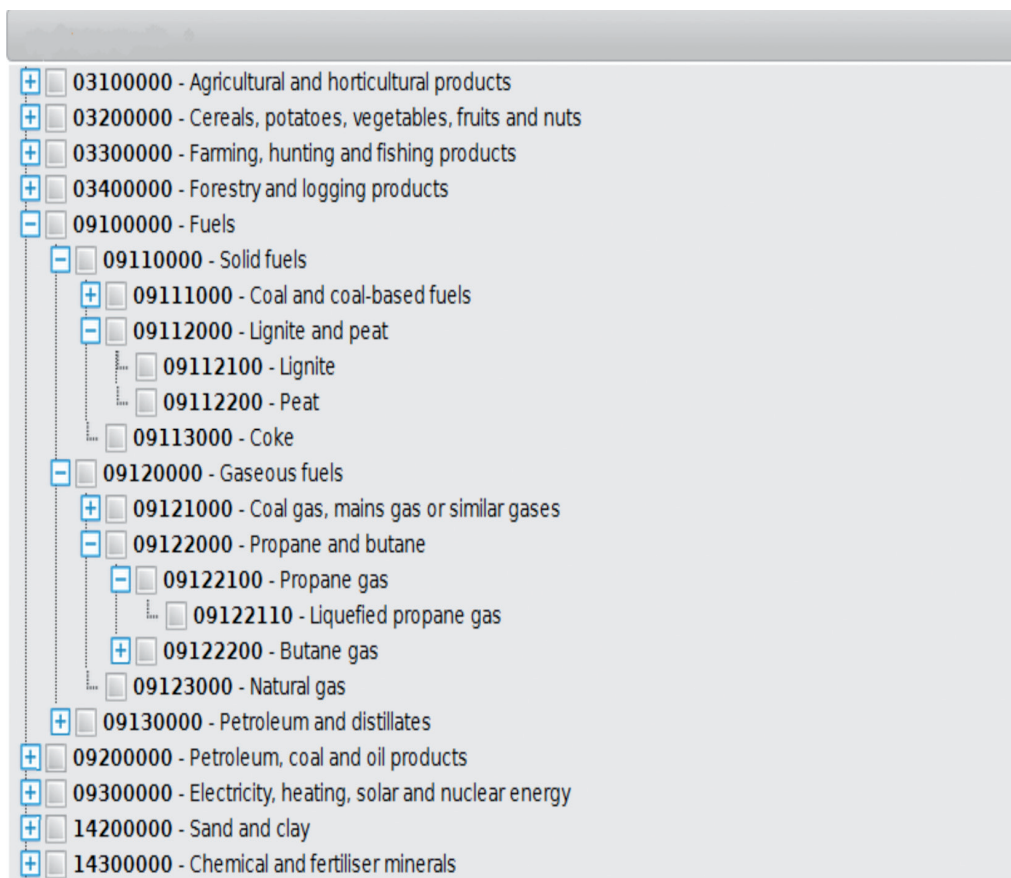
In 2012 the state procurement contracts were awarded for over GEL 2,771,183,391, of which 55% of procurements were undertaken through e-tenders¹. This figure amounted to 66% in 2011. The decrease of specific weight of e-tenders was conditioned by the increase of simplified procurement conducted under the consent of the Government/President by up to GEL 200 millions.

¹ The index includes the net value of contracts awarded for the procurement of fuel through consolidated tenders, which net value amounts to GEL 140 million.



CPV CODES

For the identification of procurement objects the catalogue of procurement objects CPV (Common Procurement Vocabulary) was introduced. Each procurement object has its own identification code in this catalogue. The codes are categorized hierarchically. The homogeneousness of procurement objects and related thereto monetary thresholds stems from these codes and their hierarchy.



The CPV Codes eliminated the ambiguity concerning the homogeneousness of procurement objects. The novelty has also simplified the monitoring and reduced the cases of artificial splitting of procurements by procuring entities. The utilization of codes simplifies the identification of e-tenders for foreign companies. In 2012 over 150 foreign companies were registered in the Ge-GP and number of contracts awarded to them equals 58.



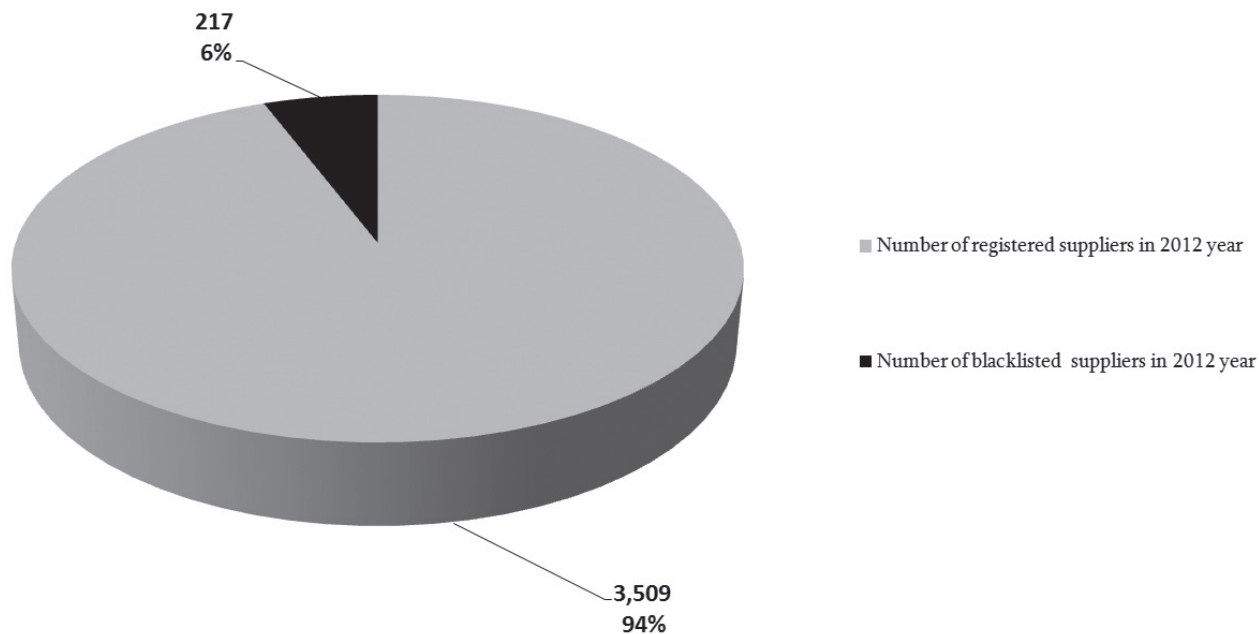
BLACK LIST

The Agency ensures the maintenance of the Black list. The businesses entered into the Black list are prohibited from the participation in state procurement procedures for a period of one year. Respectively, the Black List is integrated into the Ge-GP, thus automatically blocking blacklisted companies from the participation in an e-tender.



Diagram16:

NUMBER OF BLACKLISTED SUPPLIES



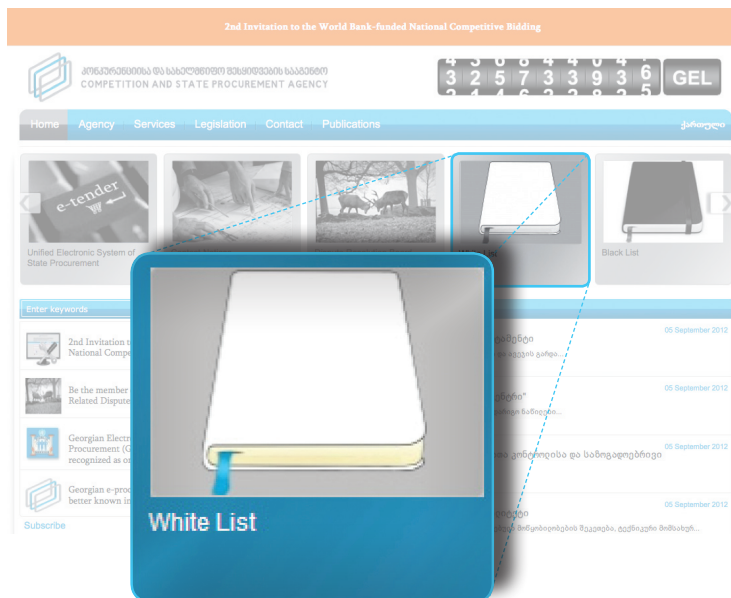
The data concerning blacklisted suppliers can be retrieved from the official webpage of the Agency www.procurement.gov.ge.



WHITE LIST

The white list is the register of qualified suppliers, which is accessible electronically for every interested person.

The suppliers from the white list are entitled to even more simplified procedures while participating in state procurement, specifically:



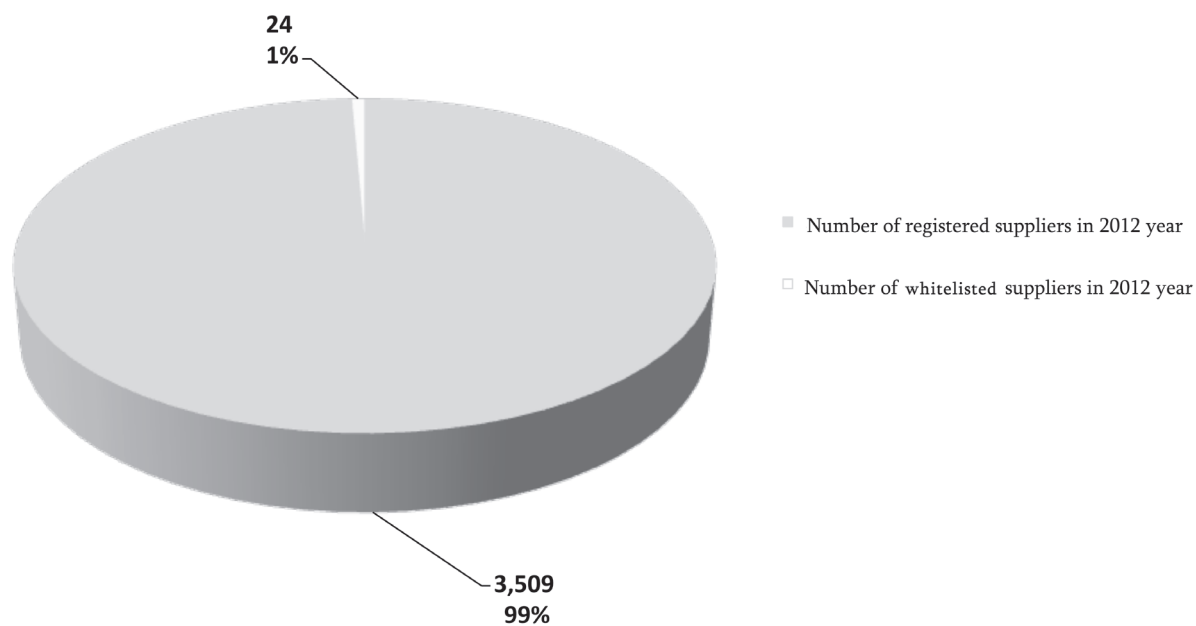
- Upon participation in a tender a supplier entered into the white list is exempted from the obligation to submit a qualification document (an excerpt from company registry, a certificate on the absence of arrears with the state budget, etc.) irrespective of whether or not the tender documentation provide for the requirement concerning the submission of a qualification document;
- In the case of advance payment a supplier entered into the white list provides a procuring entity with a guarantee for the half amount payable in advance (instead of the guarantee for the whole amount payable in advance);
- Under the decision of a procuring entity a company entered into the white list may be exempted from the obligation to submit a guarantee for the performance of a contract.

A supplier is entered into the white list for a period of one year. Being in a white list accentuates the credibility, good faithfulness and prestigiousness of a supplier.



Diagram17:

NUMBER OF SUPPLIERS REGISTERED IN THE WHITE LIST





DISPUTE RESOLUTION BOARD

For the improvement of public confidence in state procurement and ensuring the fair competition the dispute resolution board related to procurement was set up within the State Procurement Agency on 10th of December, 2010. The description of the streamlined module of the electronic dispute resolution board was developed in 2012 with a view to launching thereof in the first quarter of the next year. According to the module it is feasible to appeal a -tender electronically through just a single click on a button. Submission of appeal takes less than two minutes. An appealed tender will be “frozen” for a period of 10 business days. During this period the eDRB will review the appeal and the results will be published in the Ge-GP.

As of to date the eDRB consists of six members, under equal participation of the representatives of the Agency and civil society.

Board Memembrs



■ Representatives of the Agency ■ Representatives from Civil Society

In 2011 only 67 disputes were referred to the eDRB, whilst in 2012 total 128 disputes were reviewed.





Diagram18:

NUMBER OF APPEALS FILED WITH THE eDRB

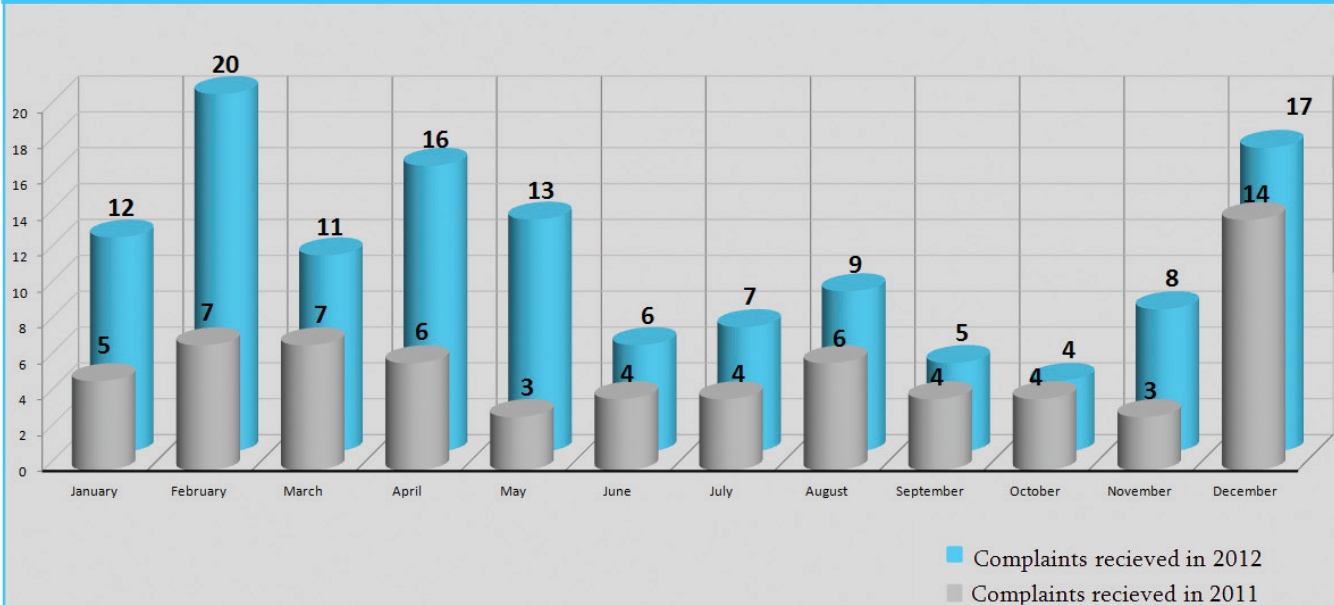


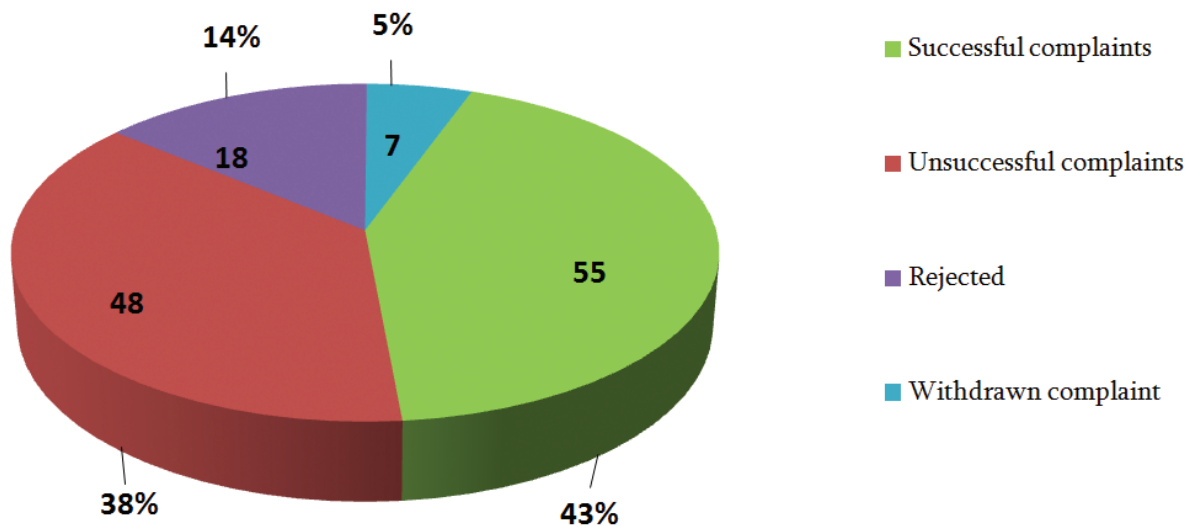
Diagram18 demonstrates that the number of appeals correlates with the number of announced e-tenders (See also Diagram 7). Also, this diagram evidences that the number of disputes increased by almost 100% as compared with the previous year, what speaks for the increase of confidence of society towards the eDRB. It should be mentioned that the eDRB not only promotes the protection of the rights of the participants of the procurement process, but also provides for quick, impartial and efficient decisions, makes the procurement process more transparent and at the same time decreases the extent of monitoring to be undertaken.

The statistics of statuses accorded to filled appeals is given in Diagram 19. The diagram provides the quantitative description of the activities of the eDRB and demonstrates that 86% of the appeals were accepted as admissible. It is worth mentioning that the majority of the decisions of the eDRB were made in favor of the business sector. One cannot name a country where the state procurement decisions are made more quickly, efficiently and with greater involvement of the civil society.



Diagram19:

STATUSES OF APPEALS, FILED WITH THE eDRB



Total 128 complaints received in 2012

MONITORING AND COMMUNICATION

In 2012 the Agency drew up 10 administrative infringement acts within the terms of its reference against 31 offenders, representatives of tender commissions of the various procuring entities and submitted these acts to courts for further proceedings. Tbilisi city court imposed penalty sanctions against 16 offenders as a result of what the representatives of the respective procuring entities had to pay fines in the amount of GEL 24,000 out of their own pockets. With regard to 15 offenders the court sufficed itself with a warning.

Total 5,754 correspondences were received and processed. 6,094 letters/recommendations were sent out.

Total 4,906,085 system notices (internal messages) were disseminated through the Ge-GP with a view to provision of system users with information regarding various issues.

The paper-based public information issued to interested persons amounted to 2,629 pages and the volume of the same information on electronic carriers totals 8.7 GB.



CONTEST

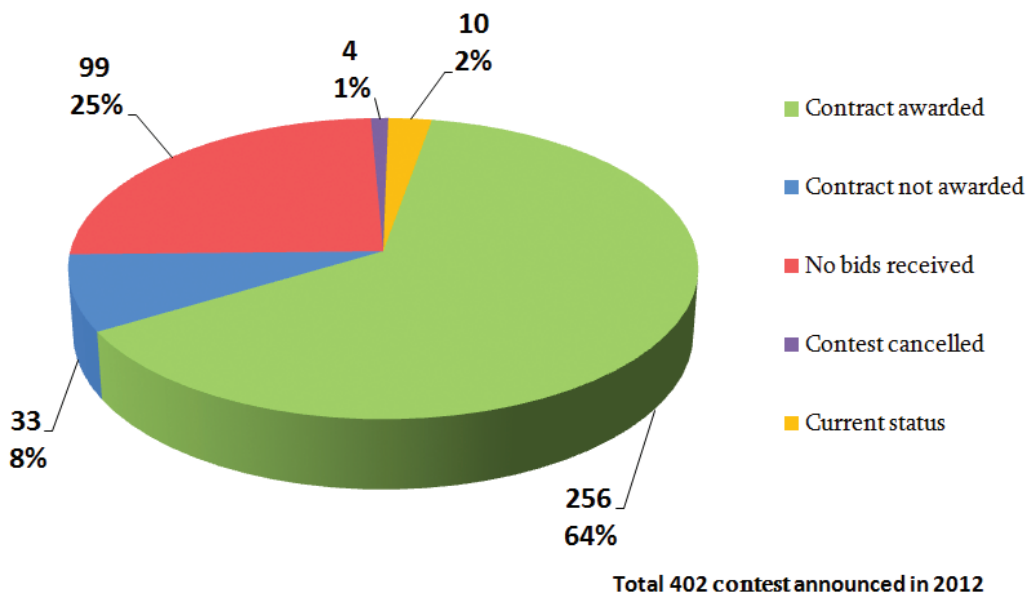
The Contest – the alternative mean of procurement is the novelty in the field of Georgian state procurement. This procedure allows for the procurement of design services of any type or content, what is an important precondition for the introduction of innovations by the state sector.

Any information or document related to contests is published on the official webpage of the agency and is accessible for any interested person.



Diagram20:

CONTEST STATUSES





PUBLIC INTEREST TOWARDS THE Ge-GP

The success of Ge-GP and the existence of major public interest towards it, is clearly demonstrated by the number of visitors of the official webpage of the agency www.procurement.gov.ge (see Diagrams 21 and 22). The diagrams demonstrate that the webpage became caught interest of the most part of the world. The statistics evidence that the average duration of every visit is over five minutes, what speaks for the interest of the visitors towards the content of the webpage.

Diagram 21:

VISITORS OVERVIEW



207,563 unique visits



1,816,277 Visits



207,563 Unique visits



5,172,986 Page views



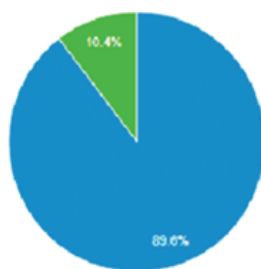
2.85 Pages/Visit



00:05:25 Avg. Visit Duration



10.37% New Visits



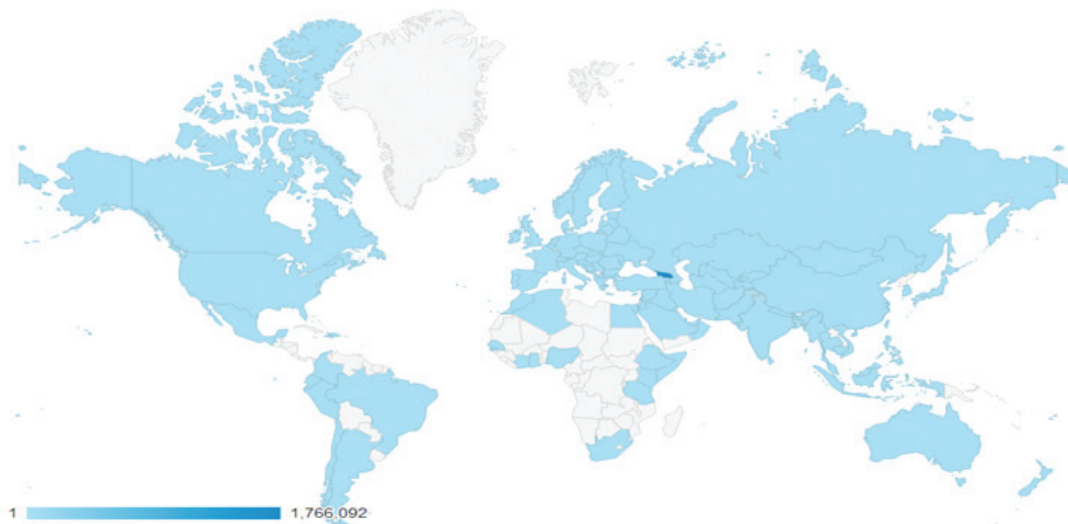
■ 89,6% Returning Visitor

■ 10,4 % New Visitor



Diagram 22:

USER DEMOGRAPHICS OVERVIEW BY LOCATIONS



Country/Territory	Visits	Pages/Visits	Avg. Visit Duration	% New Visits
1 Georgia	1,766,092	2.85	0:05:27	10.11%
2 Turkey	2,728	2.87	0:03:48	47.03%
3 Ukraine	2,103	3.5	0:04:05	27.39%
4 United States	1,878	2.02	0:02:47	39.24%
5 Russia	1,268	3.85	0:03:07	54.81%
6 Germany	1,262	2.57	0:03:15	38.35%
7 Armenia	888	2.94	0:04:04	32.66%
8 India	806	2.82	0:03:51	61.79%
9 United Arab Emirates	799	5.41	0:07:30	9.14%
10 United Kingdom	525	2.38	0:02:52	43.81%
11 China	501	3.34	0:05:20	32.34%
12 France	486	2.51	0:29:14	25.31%
13 Switzerland	449	1.91	0:02:12	36.53%
14 Spain	449	2.51	0:03:14	25.61%
15 Italy	429	2.29	0:03:10	51.52%



ACTIVITIES IN THE FIELD OF COMPETITION

Under the ordinance of the president of Georgia, dated November 19, 2011, the Free Trade and Competition Agency was merged with the State Procurement Agency on January 1, 2012 and the legal entity of public law – Competition and State Procurement Agency was established.

In 2012 the priority of the agency in the competition field was the implementation of the comprehensive strategy on competition policy adopted by resolution N1551 of the government of Georgia, dated December 5, 2010.

The main fields of activities of the agency in this area were as follows:

- Improvement of the competition legislative framework;
- Institutional capacity building of the agency;
- Participation in the negotiations on deep and comprehensive free trade agreement (DCFTA) with the European Union on competition related issues.

COMPETITION LEGISLATIVE FRAMEWORK

- The agency participated in drafting of the law of Georgia on free trade and competition, which was adopted by the parliament of Georgia on May 8, 2012;
- The Agency prepared the following draft sub-legal acts and submitted them to the government of Georgia for approval:
 - On the general rule of the state aid granting procedure;
 - On the rules and procedure of case investigation;
 - On the defining of de minimis state aid;
 - On priority fields of activities of the agency;
- The agency developed the draft legal act on the forms of applications and complaints, the procedure of their filing and the procedures and timelines related to the admissibility of applications and complaints.



NEGOTIATION ON DEEP AND COMPREHENSIVE FREE TRADE AGREEMENT (DCFTA) WITH THE EUROPEAN UNION

On May 26, 2009 the government of Georgia received the European Commission assessment of Georgia's preparedness for the deep and comprehensive free trade agreement with the European Union. One of the preconditions of the initiation of the negotiations on DCFTA was the reformation of the competition regulatory framework. The European Commission recommended the development of the comprehensive strategy in the competition field, which would have integrated the following components:

- Institutional reform to ensure the independence and effective investigative powers of the free trade and competition agency;
- Drafting and adopting of the competition framework law;
- Measures ensuring the implementation of the adopted law, amongst them the strengthening of the respective institutional capacity.

On May 25, 2011, at the tenth session of Georgia-EU Sub-committee on Trade, Economic and Related Legal Issues, the European Commission admitted Georgia's considerable progress in the improvement of the competition regulatory framework.

The Agency intensively participated in the rounds of negotiations with the European Commission. The two rounds of negotiations were dedicated to the Competition. The negotiations were successfully accomplished in May 2012.



OUR EVALUATION

➤ December 2012



In 2012 Georgia moved from 68th to 51st place in Corruption Perception Index, what was greatly promoted by the Ge-GP (for details, please visit: <http://transparency.ge/en/post/corruption-perception-index-cpi/corruption-perception-index-2012>);

➤ November 2012



Georgia was highly appraised amongst the Eastern Partnership Countries in the field of state procurement (for details, please visit: http://www.keepeek.com/Digital-Asset-Management/oecd/finance-and-investment/sme-policy-index-eastern-partner-countries-2012_9789264178847-en);

➤ May 2012



The UN recognized the Ge-GP as one the best worldwide (for details, please visit: <http://www.unpan.org/Regions/AsiaPacific/PublicAdministrationNews/tabid/115/mctl/ArticleView/ModuleId/1467/articleId/31880/Default.aspx>).



OUR PARTNERS



giz

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and Development

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COMPETITION AND STATE PROCUREMENT AGENCY

Tbilisi 2013