



**State Procurement Agency**

**Annual Report 2022**

Tbilisi

2023



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## Introduction

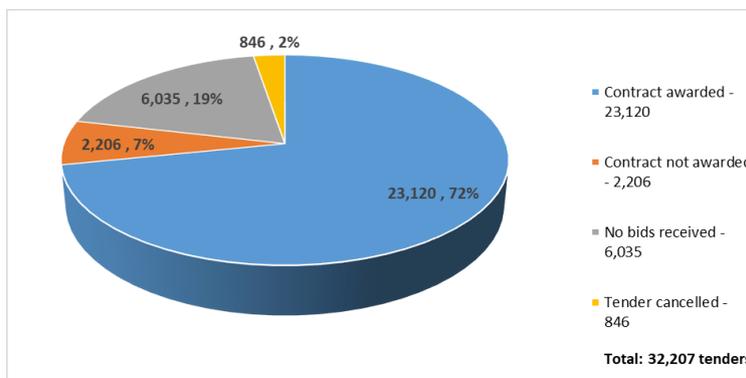
2022 was the first post-pandemic year, which turned out to be quite busy and fruitful for the State Procurement Agency (hereinafter the Agency). The entire team of the agency duly and successfully met the set goals and obligations.

This report includes information on key indicators for 2022, purchases made through centralized procurement, changes in legislative acts, administrative offenses and litigation, human resources development, monitoring of public procurement processes and international relations.

In 2022, significant changes were introduced into the legal framework regulating public procurement, in order to improve existing regulations, rules and public procurement procedures and to fulfill international obligations assumed by the country.

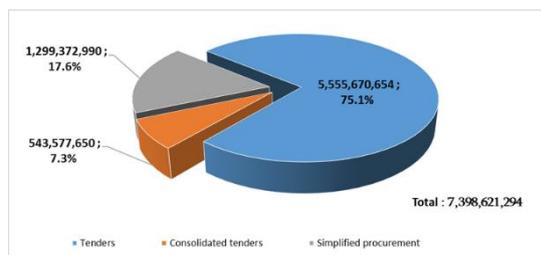
In order to ensure the fulfillment of the obligations defined by the Association Agreement with the European Union (AA-DCFTA), the preparation of the draft law of Georgia "On Public Procurement" by the State Procurement Agency it is particularly noteworthy; the draft law, together with the accompanying legislative package, was approved by the Government of Georgia and submitted to the Parliament of Georgia on June 8, 2022 as a legislative initiative. The submitted draft law, together with the accompanying legislative package, was adopted by the Parliament of Georgia in the second reading on December 22, 2022.

Also, during 2022, the agency prepared and issued a number of important legal acts.



In 2022, more than 34,000 open e-tenders were announced, 32,207 tenders were given final status, and more than 23,100 contracts were signed.

The total value of public procurement contracts concluded through electronic and consolidated tenders amounted to 6,099,248,304 GEL, which is 82.4% of the total volume of the public procurement, while the total value of contracts signed on the basis of simplified procurement amounted to 17.6% of total procurement, i.e. 1,299,372,990 GEL. In total, the value of the contracts concluded in 2022 amounted to 7,398,621,294 GEL.



Through centralized (consolidated) procurement in 2022, 403 open tenders were announced for 26 different types of procurement objects, the initial estimated total cost of which was more than 580 million GEL; out of this number 543 million GEL



equaled to the final value recorded in electronic trade; Accordingly, the savings obtained as a result of trade exceeded approximately 36 million GEL.

In 2022, trainings for contracting authorities were held based on 5 different programs at the training center. The number of trained individuals was 582; in 2014-2022 the total number amounted to 6,942.

From January 1, 2021, a comprehensive reform of the dispute resolution board was carried out and a new, institutionally independent and impartial administrative body was established - "Public Procurement Related Dispute Resolution Council". A new official website was created - <https://drc.gov.ge/>. On the mentioned website, applicants can see various information, documentation and related e-services about disputes related to public procurement, including a direct link to the electronic appeals module, the content of complaints, the schedule of council meetings and the list of pending complaints, legal acts, manuals and the case-law.

During 2022, the agency prepared quarterly and annual plans and reports on the fulfillment of international obligations; active cooperation with international organizations was ongoing. Throughout the year, there were active negotiations with the 4 relevant Directorate Generals of the European Commission; many seminars and conferences were held. The annual meeting of the EU-Georgia Association Committee shall also be mentioned, as the agency presented its 2022 summary report and 2023 plans.

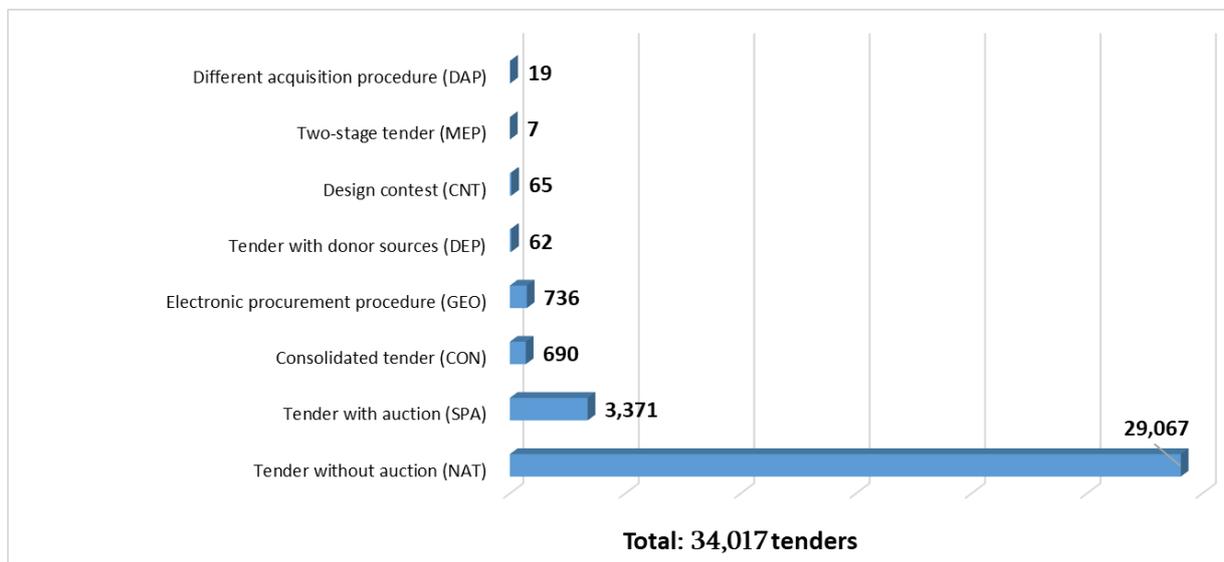


## 1. Main Characteristics of Public Procurement

### 1.1 Number and types of announced tenders

In 2022, the number of electronic tenders announced through the Unified Electronic System of Public Procurement (hereinafter: e-Procurement system) exceeded 34,000. Out of this number, approximately 85% belonged to NAT tenders, 10% to SPA tenders and 5% to all other electronic procurement procedures. The number of tenders announced last year was 7% higher than in 2021.<sup>1</sup>

Chart N1: Number of e-procurement procedures announced in 2022 by the type of procurement



Similar to last year, in 2022 the most tenders were announced during December, which was due to the need to make the necessary purchases for the next year on time.

<sup>1</sup> In 2021, 31,773 tender procedures were announced in the e-Procurement system.



Chart N2: Distribution of tenders announced in 2022 by month

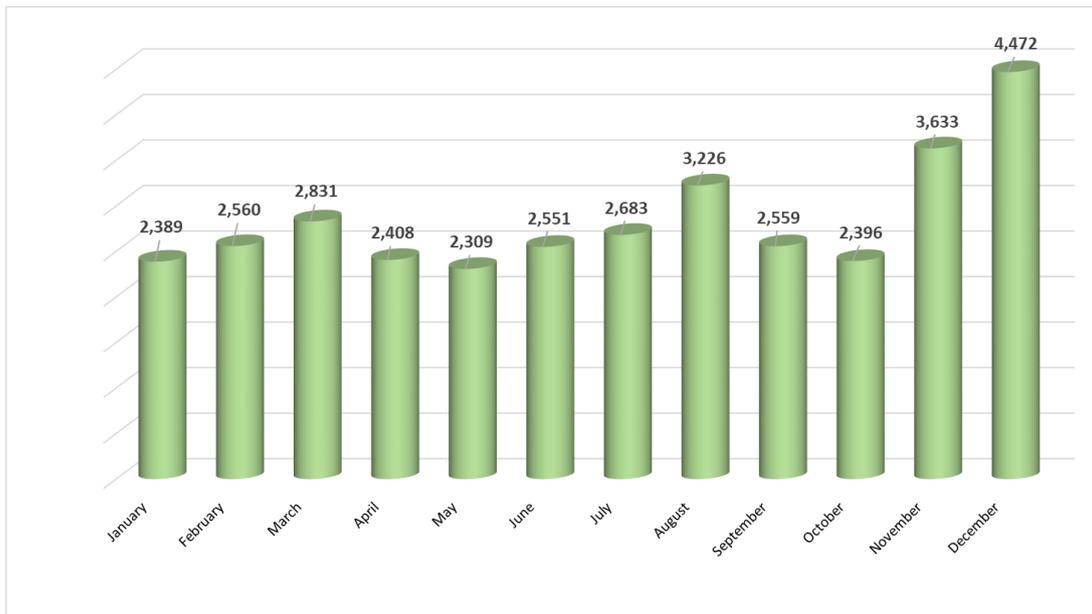
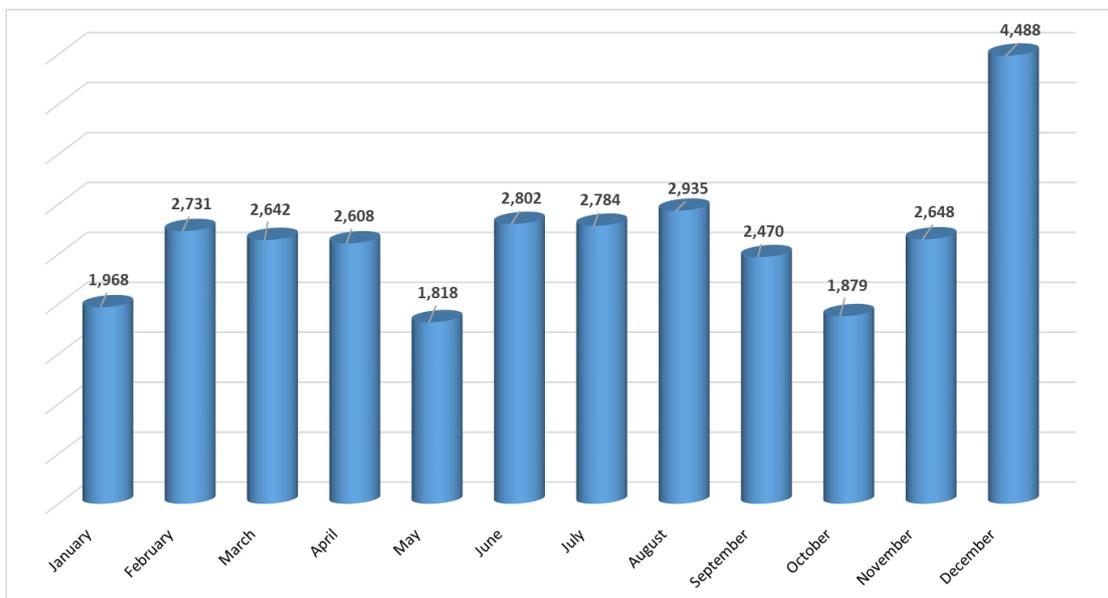


Chart N3: Distribution of tenders announced in 2021 by month



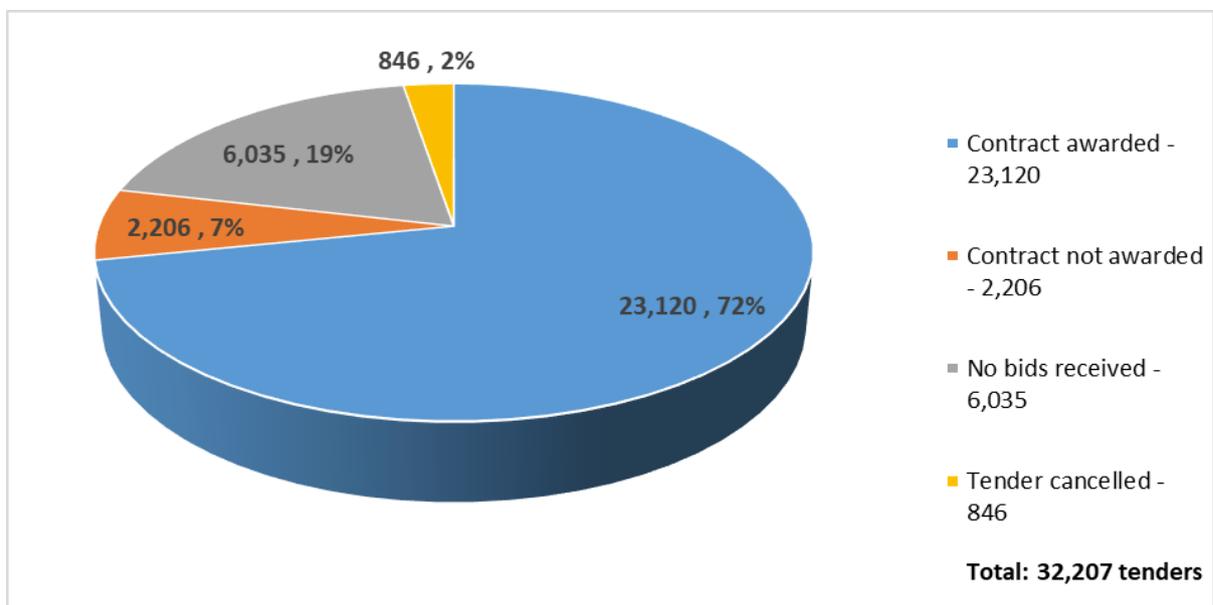


## 1.2 Cost of public procurement contracts and tender statuses

In 2022, in parallel with the announced tenders, the number of tenders that were granted final status during the reporting period also increased. The number of such tenders amounted to 32,207<sup>2</sup>, which is approximately 8% higher than the figure of 2021.<sup>3</sup>

The number of contracts concluded through electronic procurement was 72% (23,120), while 28% (9,087 tenders) of tenders were cancelled, no bids received and contracts not awarded. Detailed figures for the final statuses of completed tenders are shown in Table N4 below.

Chart N4: Final statuses assigned to tenders in 2022<sup>4</sup>



In 2022, quantitatively, the most contracts were signed for the purchase of various goods (10,482, 45%), 6,924 (30%) contracts were signed for the purchase of services, and 5,714 (25%) contracts were signed for the implementation of construction works. The distribution of contracts signed through tenders according to purchase categories is shown in Table N 5.

<sup>2</sup> The difference between the number of announced tenders and the number of tenders granted the final status is due to the fact that announced tenders include only those tenders announced during 2022, and tenders granted final status in 2022 include public tenders announced in 2022 as well as in previous years.

<sup>3</sup> In 2021, the final status was given to 29,500 public procurement tenders.

<sup>4</sup> Data excludes GEO, DEP, CON, GRA and B2B tenders.



Chart N5: Distribution of contracts concluded in 2022 by procurement objects

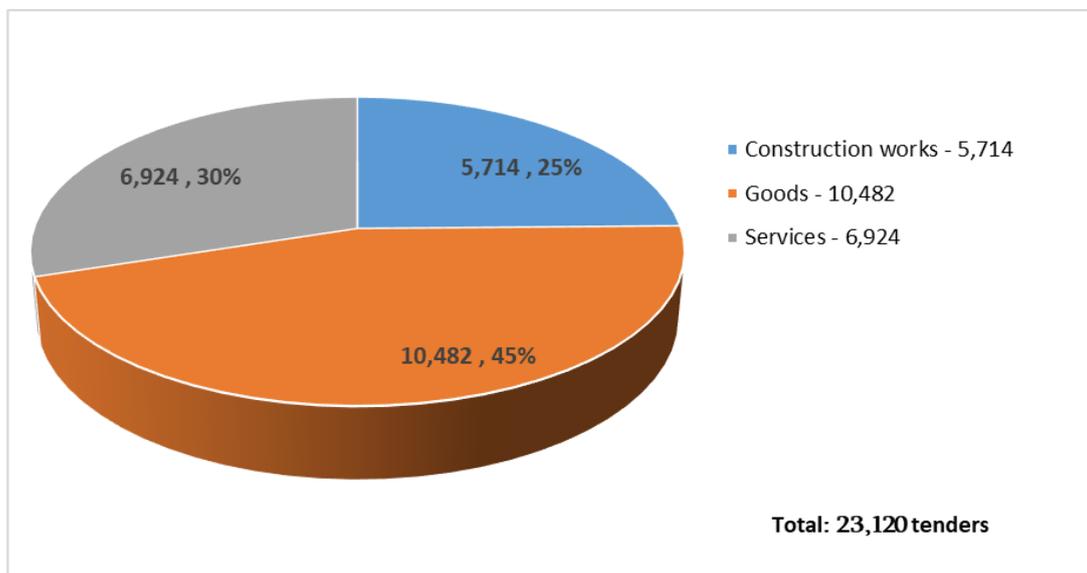


Table N1 below shows the top 10 contracting authorities by the percentage of awarded tenders. According to the data for the reporting period, the Mtatsminda district administration of Tbilisi had the highest rate. Out of the 61 tenders conducted by them, in 59 cases a public procurement contract was concluded, which is about 97% of the tenders with the final status.

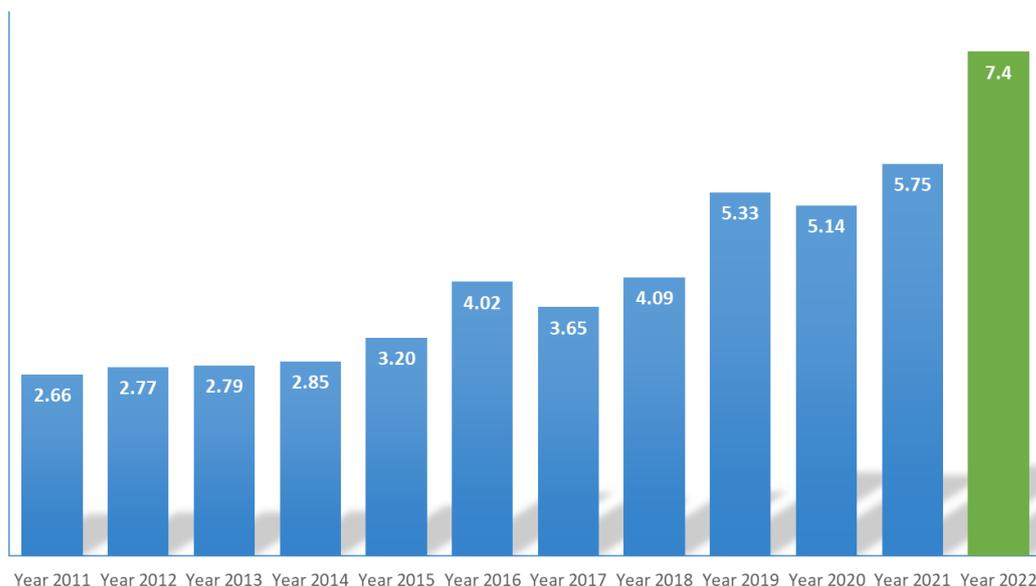


Chart N1: "Top 10" contracting authorities with the highest percentage of awarded tenders<sup>5</sup>

N	Contracting authorities	Number of tenders	Number of awarded contracts	%
1	Administration of Tbilisi Mtatsminda District	61	59	96.7
2	Lanchkhuti Municipality	75	70	93.3
3	Administration of Tbilisi Gldani District	58	54	93.1
4	Administration of Tbilisi Isani District	127	118	92.9
5	Administration of Tbilisi Nadzaladevi District	121	108	89.3
6	Chokhatauri Municipality	108	96	88.9
7	State Security Service of Georgia	143	127	88.8
8	LTD "Mental Health and Drug Addiction Prevention Centre"	50	44	88.0
9	Administration of Tbilisi Samgori District	117	102	87.2
10	Administration of Tbilisi Saburtalo District	69	60	87.0

The total value of public procurements made during 2022 equaled 7,398,621,294 GEL, which is approximately 10.3% of the country's gross domestic product.<sup>6</sup>

Chart N6: Total values of public procurement contracts by year (billion GEL)



<sup>5</sup> The table includes only those "Top 10" contracting authorities that announced at least 50 electronic tenders during the reporting year. Data does not include: GEO, DEP, CON, GRA and B2B tenders.

<sup>6</sup> According to the preliminary data of the National Statistics Office of Georgia, the gross domestic product of 2022 equals to 71,940 billion GEL. Source: <https://www.geostat.ge>



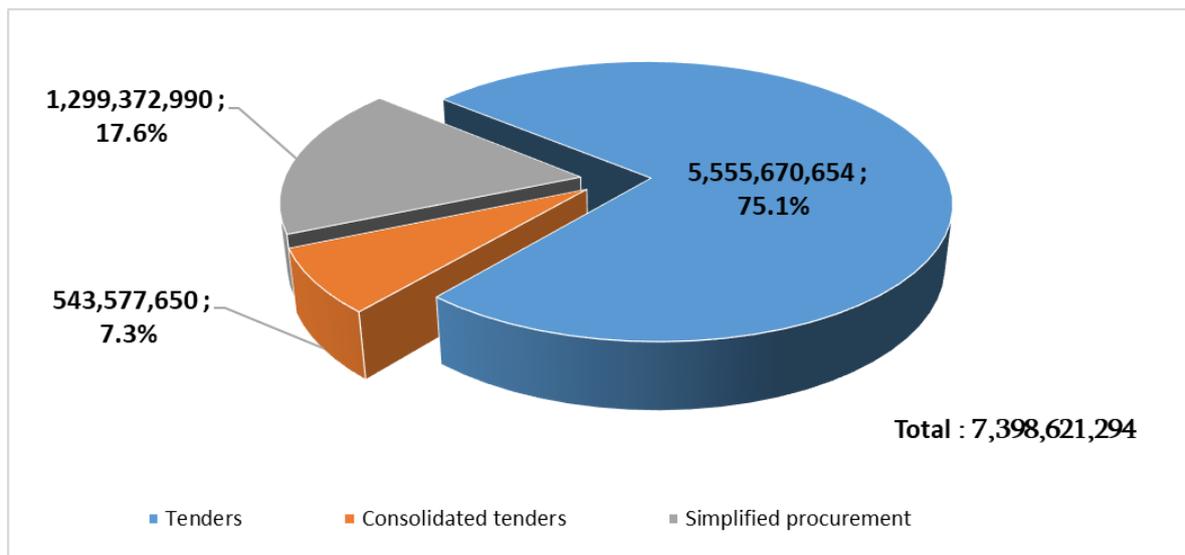
In 2022, compared to the previous year, the total value of public procurement contracts concluded through electronic and consolidated tenders increased by approximately 1.4 billion GEL and amounted to 6,099,248,304 GEL,<sup>7</sup> which is 82.4% of the total volume of public procurement.

1,299,372,990 GEL (17.6%) was the total value of contracts signed on the basis of simplified procurement. It should be noted that compared to 2021, the total amount of contracts implemented through simplified procurement has decreased by 0.4%.

The majority of the mentioned simplified procurements - 34% (436,061,655 GEL) belong to the simplified procurements made to fulfill Georgia's international obligations (in the field of sports) (181,460,971), to the procurements made for the country's infection control (23,328,052), as well as to agricultural subsidies (90,000,000); they also include procurements with a value of less than 5,000 GEL, carried out in compliance with the monetary threshold.

The distribution of the values of public procurement contracts according to their bases is shown in detail on charts N7, N8 and N9.

Chart N7: Value of public procurement contracts in 2022



<sup>7</sup> The data includes contracts signed as a result of all types of electronic tenders, including procurement contracts signed through consolidated tenders. Data excludes GEO, DEP, GRA and B2B tenders.





Tables N2 and N3 show the distribution of the total contractual values and quantities of the tenders conducted in 2021 and 2022. According to the mentioned data, in almost all monetary terms, the values and quantities of tenders exceed the similar data of the previous reporting period.

Table N2: Total contractual values of tenders conducted in 2021 and 2022 in monetary terms<sup>8</sup>

Contract value	2022 yr.		2021 yr.
10,000 and less	36,506,026	↑	32,735,929
10,001 - 20,000	55,434,640	↑	50,261,564
20,001 - 30,000	54,110,399	↑	49,651,349
30,001 - 40,000	50,225,605	↓	51,049,156
40,001 - 50,000	48,255,968	↑	46,626,786
50,001 - 100,000	196,908,886	↑	179,318,353
100,001 - 200,000	299,447,392	↑	252,514,960
200,001 and more	4,814,781,738	↑	3,513,027,362
<b>Total:</b>	<b>5,555,670,654</b>	<b>↑</b>	<b>4,175,185,459</b>

The number of tenders conducted during 2022 increased by 9% compared to 2021. More than 400 contracts were signed on those tenders the contract value of which exceeded 200,000 GEL (see Table N3).

<sup>8</sup> Data excludes GEO, DEP, CON, GRA and B2B tenders.

Table N3: Quantities of tenders conducted in 2021 and 2022 in terms of contractual values<sup>9</sup>

Contract value	2022 yr.		2021 yr.
10,000 and less	6,956	↑	6,403
10,001 - 20,000	3,748	↑	3,395
20,001 - 30,000	2,145	↑	1,978
30,001 - 40,000	1,426	↓	1,450
40,001 - 50,000	1,061	↑	1,029
50,001 - 100,000	2,718	↑	2,479
100,001 - 200,000	2,094	↑	1,750
200,001 and more	2,972	↑	2,556
<b>Total:</b>	<b>23,120</b>	<b>↑</b>	<b>21,040</b>

42% of the total contractual value signed through tenders comes from the tenders conducted by the "Top 10" largest contracting authorities, which equals to 2,924,806.74 GEL.

Tables N4 and N5 below calculate the total contract values of organizations with the largest volume of procurements, as well as the total values of the largest contracts awarded for certain CPV categories.

<sup>9</sup> Data excludes GEO, DEP, CON, GRA and B2B tenders.



Table N4: "Top 10" contracting authorities in 2022 by total contract value of tenders

N	Contracting authorities	Number of tenders (contract awarded)	Total contracted value
1	Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgia	170	1,067,409,698
2	Educational and Scientific Infrastructure Development Agency	191	520,286,280
3	Municipal Development Fund Of Georgia	48	340,510,572
4	The Joint Water Supply Company of Georgia	89	251,140,993
5	Ministry of Internal Affairs	477	210,011,130
6	Tbilisi City Hall	265	174,168,205
7	Municipal Infrastructure and Improvement Division	118	114,782,653
8	Agency of the Social Service	23	105,893,355
9	Tbilisi Transport Company	175	76,527,556
10	Georgia Gas Transportation Company	26	64,076,299
			2,924,806,741

In terms of procurement category, in sum the largest number of contracts was signed for CPV-45200000 - full or partial construction works and civil construction works. The number of said contracts was 3,550, and the total contract value was 2,475,132,262 GEL.

In 2022, more than 60% of the funds spent on the basis of tenders were allocated to the 10 largest CPV categories, the total contractual value of which amounted to 3,378,752,158 GEL. In addition, from the mentioned large CPV categories, the largest amount - up to 2.9 billion GEL was spent on infrastructural and various types of construction works and construction-related services for civilians (see Table N5).



Table N5: "Top 10" CPV categories in 2022 by total contract value of tenders

N	CPV Code	Number of tenders	Total contracted value
1	45200000 - Works for complete or part construction and civil engineering work	3550	2,475,132,262
2	45400000 - Building completion work	1052	232,984,296
3	45300000 - Building installation work	578	138,002,095
4	45100000 - Site preparation work	356	109,717,727
5	66100000 - Banking and investment services	6	105,204,172
6	33600000 - Pharmaceutical products	581	89,746,849
7	33100000 - Medical equipments	604	62,046,200
8	34100000 - Motor vehicles	189	59,886,919
9	50200000 - Repair, maintenance and associated services related to aircraft, railways, roads and marine equipment	13	54,829,997
10	55500000 - Canteen and catering services	72	51,201,640
			3,378,752,158



### 1.3. Savings and number of bidders in tenders

During 2022, a contract was signed for 4,373,505,323 GEL for various types of goods, services and construction works.

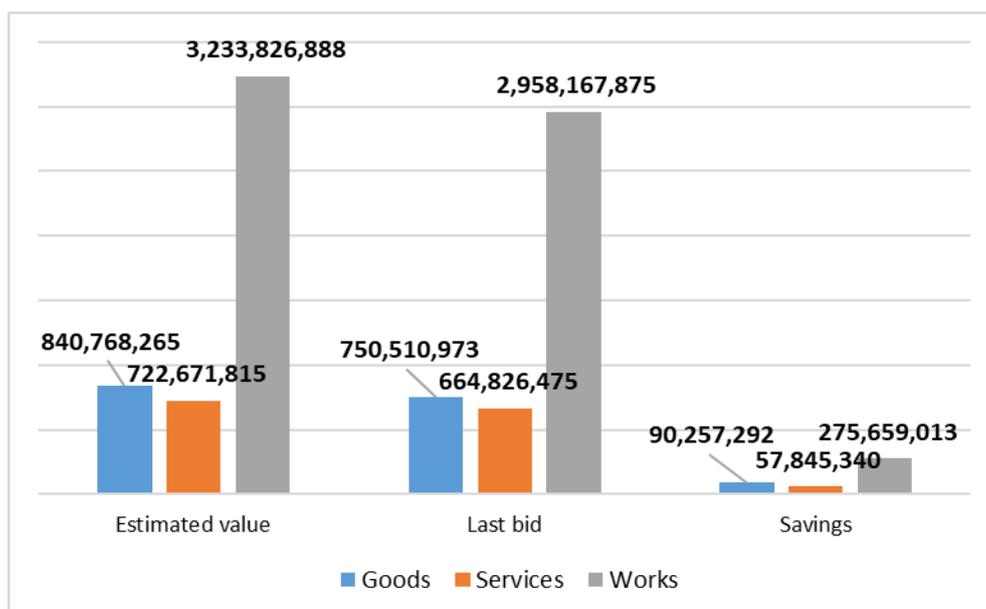
In the conditions of competition between the suppliers, in total, approximately 424 million GEL saving was recorded.<sup>10</sup> Most of the mentioned amount - approximately 275 million GEL - was saved in the tenders announced for the infrastructural projects as well as construction works of various types of buildings for civilians, more than 90 million GEL on the procurement of goods, and up to 58 million GEL on the procurement of services (see Table N6).

Table N6: Saving indicators in tenders completed in 2022

Procurement category	Estimated value	Last bid	Savings	%
<b>Goods</b>	840,768,265	750,510,973	90,257,292	10.7%
<b>Services</b>	722,671,815	664,826,475	57,845,340	8.0%
<b>Works</b>	3,233,826,888	2,958,167,875	275,659,013	8.5%
<b>Total</b>	<b>4,797,266,968</b>	<b>4,373,505,323</b>	<b>423,761,645</b>	<b>8.8%</b>

Diagram N10 shows the amount of savings made in different categories of procurements.

Chart N10: Saving indicators in tenders completed in 2022



<sup>10</sup> For the purposes of calculating the savings, the data does not include GEO, DEP, B2B, CON, GRA and price-listing tenders and price-list tenders.



Tables N7 and N8 below show the saving indicators resulting from tenders by contracting authorities and CPV categories. The tables list the "Top 10" contracting authorities with the highest savings in their bids, as well as the "Top 10" CPV categories in which the bids saved the most money. As can be seen in the mentioned tables, almost half of the savings recorded in the public tenders - 208,065,088 GEL comes from the tenders announced by the "Top 10" contracting authorities.

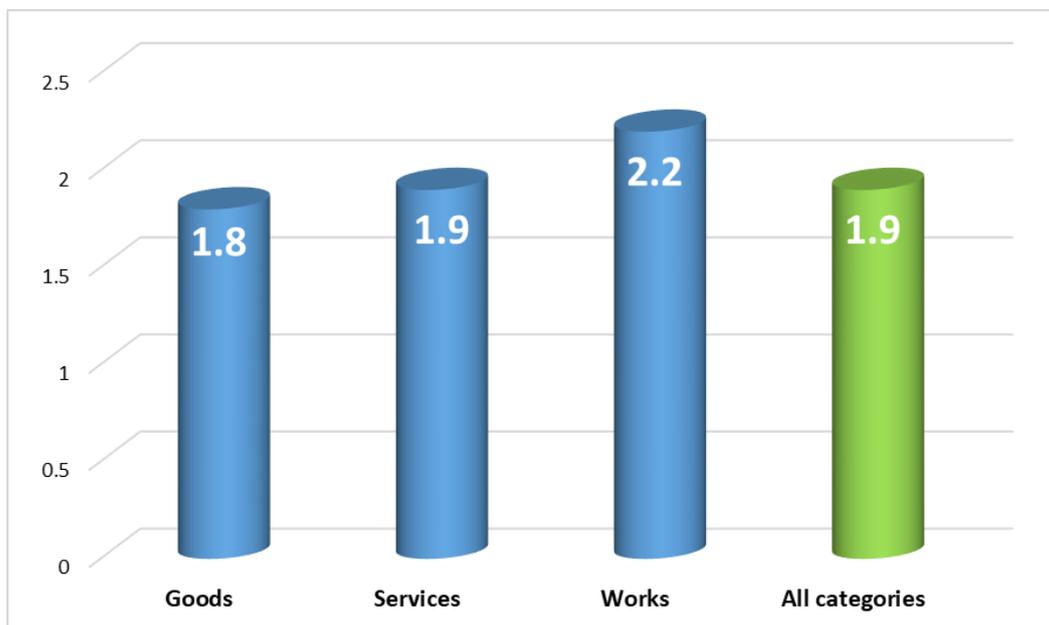
Table N7: "Top 10" contracting authorities in 2022 by savings

N	Contracting authorities	Estimated value of tenders	Last Bid	Savings	%
1	Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgia	723,602,317	637,086,998	86,515,319	12
2	The Joint Water Supply Company of Georgia	274,834,210	249,828,779	25,005,431	9
3	Educational and Scientific Infrastructure Development Agency	221,723,048	196,965,475	24,757,573	11
4	Tbilisi City Hall	195,189,818	172,762,205	22,427,613	11
5	Municipal Infrastructure and Improvement Division	126,451,238	114,266,153	12,185,085	10
6	The Ministry of Internal Affairs of Georgia	215,632,667	205,144,282	10,488,385	5
7	National Food Agency	31,707,404	24,183,139	7,524,265	24
8	National Health Agency	70,464,949	63,396,475	7,068,474	10
9	Service Agency of the Ministry of Internal Affairs of Georgia	26,552,257	20,179,816	6,372,441	24
10	Roads Department the Sub-Division of the Ministry of Finance and Economy of the Ajara Autonomous Republic	55,308,237	49,587,735	5,720,502	10
Total :				208,065,088	



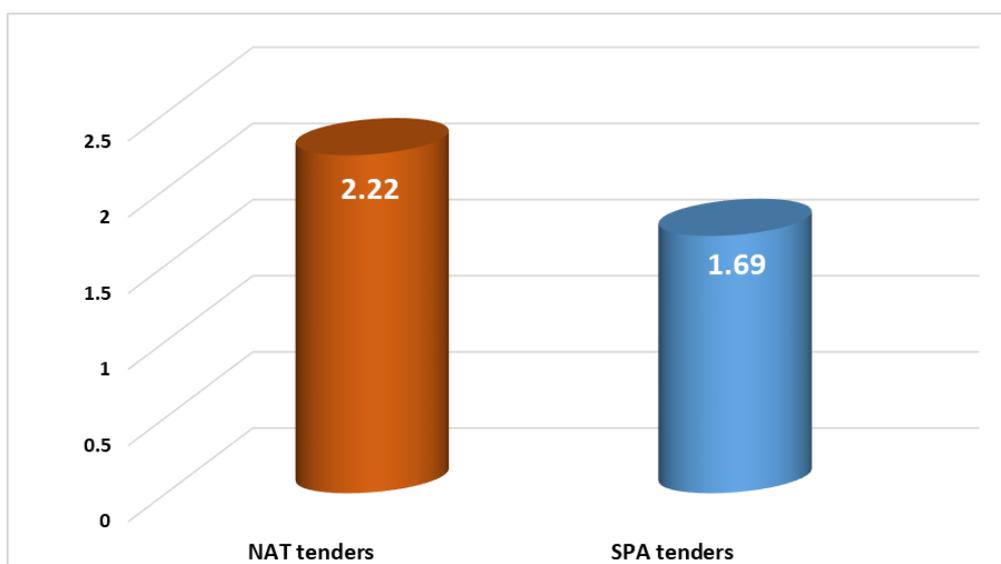


Chart N11: Average number of bidders in 2022 by procurement objects<sup>11</sup>



Compared to last year, the average participation in NAT tenders has decreased and participation in SPA tenders has increased.

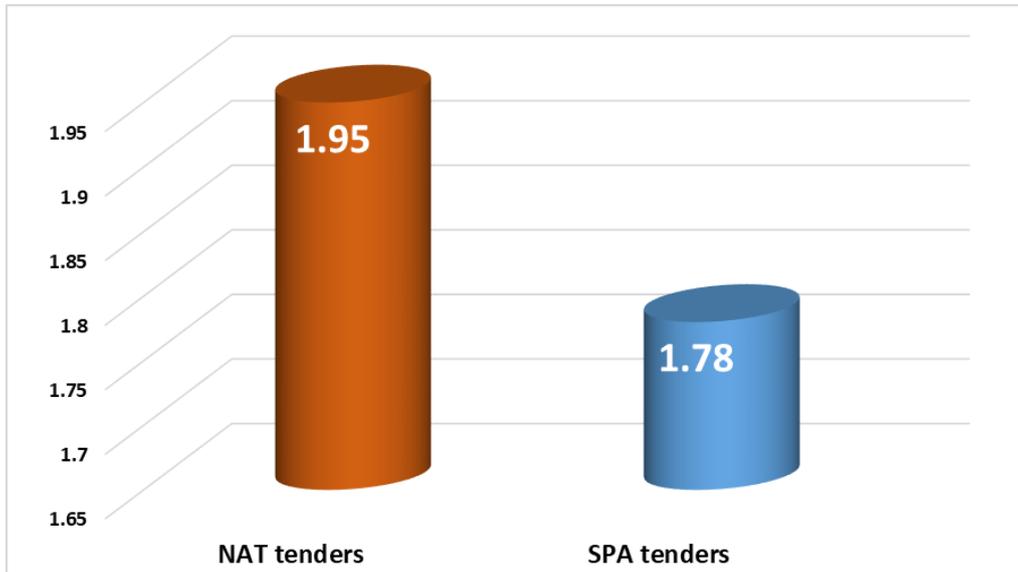
Chart N12: Average number of bidders in 2021 by the tender type



<sup>11</sup> The average number of bidders is counted in the tenders concluded in 2020, on which public procurement contracts were made. The data does not include GEO, DEP, GRA, CON and B2B tenders.



Chart N13: Average number of bidders in 2022 by the tender type



In addition to the aforementioned statistical data, the following tables (N9 and N10) show the average number of bidders, both for individual CPV codes and for tenders announced by contracting authorities.

In the reporting period, the highest average number of bidders - 3.32 was observed in the tenders announced for **CPV 71500000-construction-related services**; the highest average number of bidders according to contracting authorities was in the tenders announced by the Mtskheta Municipality City Hall (see tables N9 and N10).



Table N9: "Top 10" CPV categories with the highest average number of bidders in 2022

N	CPV Code	Number of bidders	Number of tenders	Average number of bidders
1	71500000 - Construction-related services	123	37	3.32
2	71200000 - Architectural and related services	346	132	2.62
3	71300000 - Engineering services	3,209	1,227	2.62
4	98300000 - Miscellaneous services	286	118	2.42
5	45400000 - Building completion work	2,505	1,052	2.38
6	44600000 - Tanks, reservoirs and containers; central-heating radiators and boilers	240	101	2.38
7	30200000 - Computer equipment and supplies	1,687	722	2.34
8	33100000 - Medical equipments	1,402	604	2.32
9	34100000 - Motor vehicles	423	189	2.24
10	45100000 - Site preparation work	777	356	2.18

Table N10: Top 10 contracting authorities with the highest average number of bidders in 2022

N	Contracting authorities	Average number of bidders
1	Mtskheta Municipality City Hall	3.01
2	Educational and Scientific infrastructure Development Agency	2.92
3	Gardabani Municipality	2.91
4	Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgia	2.86
5	Terdjola Municipality	2.73
6	Administration of Tbilisi Didube District	2.72
7	Administration of Tbilisi Nadzaladevi District	2.72
8	Tetritskaro Municipality	2.68
9	Roads Department the Sub-Division of the Ministry of Finance and Economy of the Ajara Autonomous Republic	2.58
10	Administration of Samgori District	2.57



## 1.4 Users registered in the system and suppliers successful in tenders

In 2022, 3,550 new suppliers were registered in the eProcurement system; consequently, the total number of suppliers registered in the system amounted to 52,724 by the end of the year. It should be noted that up to 2,582 of the suppliers registered in the system are non-resident business entities from 85 countries (see charts N14 and N15).

In addition, 50 new contracting authorities were added to the system, and their number by the end of the year amounted to 4,525.

Chart N14: Number of suppliers registered in the eProcurement system by years

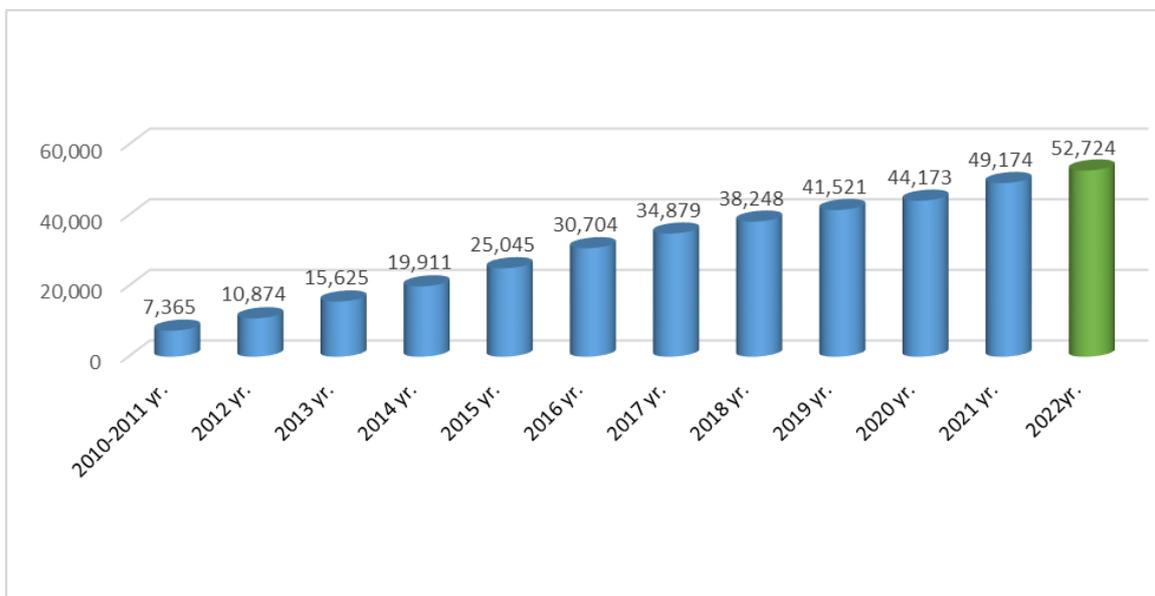
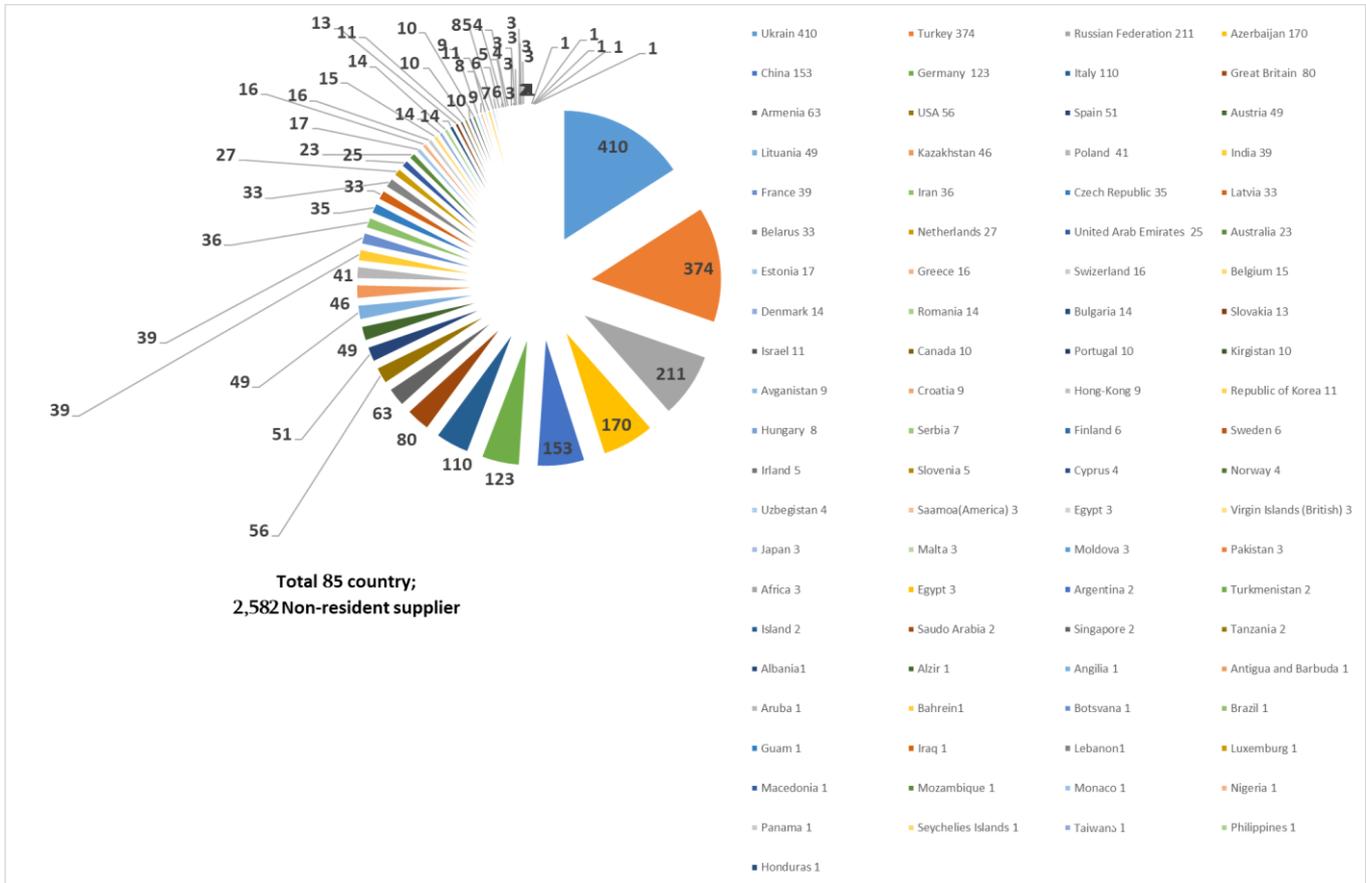




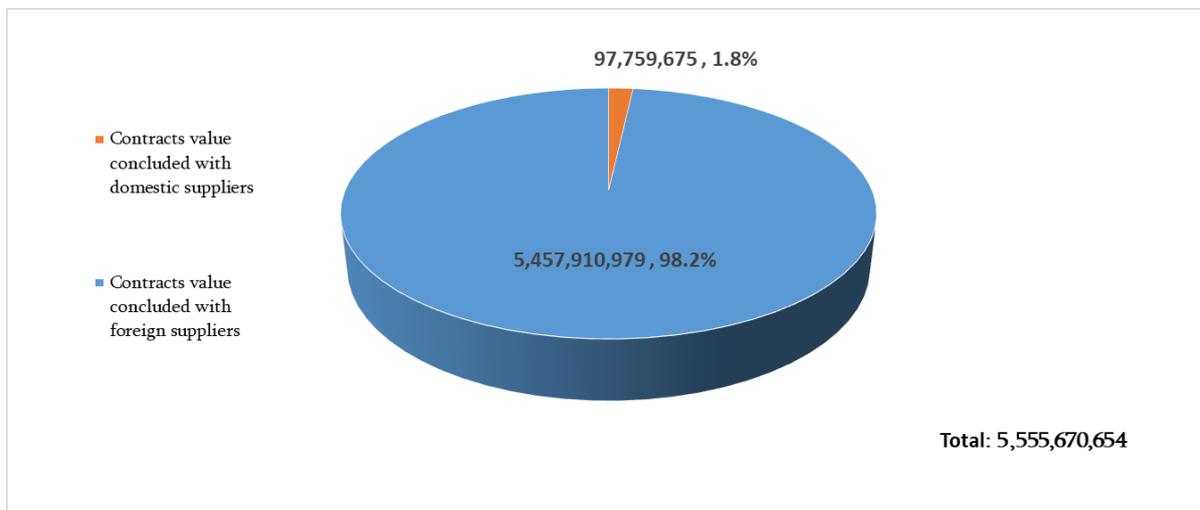
Chart N15: Number of non-resident suppliers registered in the eProcurement system by country



The total value of public procurement contracts signed as a result of tenders with the above-mentioned non-resident suppliers in 2022 amounted to approximately 98 million GEL, which equals to approximately 1.8% of the total cost of contracts signed on the basis of tenders.



Chart N16: Value share of contracts signed with non-resident suppliers based on tenders in 2022



Out of 97,759,675 GEL signed with non-resident companies, the largest share - contracts worth 46 million GEL were signed with companies registered in France, followed by the USA, with a contract value of more than 26 million, and Hungary with contracts up to 8 million GEL (see Table N11).



Table N11: Value of contracts signed with non-resident suppliers based on tenders in 2022 by country

<b>N</b>	<b>Countries</b>	<b>Total value of awarded contracts</b>
1	France	46,062,419
2	USA	26,203,353
3	Hungary	7,840,253
4	Denmark	4,237,166
5	Switzerland	3,380,135
6	Ukraine	2,228,272
7	Germany	1,598,090
8	Finland	1,344,624
9	Czech Republic	1,170,073
10	Macedonia	1,148,571
11	Poland	867,043
12	Spain	822,000
14	Romania	284,700
15	Italy	277,289
16	Turkey	175,704
17	Great Britain	109,184
18	Azerbaijan	10,500
<b>Total</b>		<b>97,759,376</b>



Table N12: "Top 10" contracts signed with non-resident suppliers based on tenders in 2022 by value

N	Tender number	Contracting authorities	Supplier	CPV	Contract value
1	MEP22000005	Georgia's innovation and technology agency	500 Startups Incubator, LLC	79400000 - Business and management consultancy and related services	22,973,290
2	NAT220008088	LEPL "L. Sakvarelidze Disease Control and Public Health Service Centre"	Sanofi Pasteur	33600000 - Pharmaceutical products	17,982,600
3	NAT220011364	Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgia	EGIS International	71500000 - Construction-related services	14,925,000
4	NAT220008087	LEPL "L. Sakvarelidze Disease Control and Public Health Service Centre"	Sanofi Pasteur	33600000 - Pharmaceutical products	9,348,000
5	NAT220001705	National Health Agency	Sanofi-Aventis Private Co. Ltd	33600000 - Pharmaceutical products	7,840,253
6	NAT220006965	LEPL "L. Sakvarelidze Disease Control and Public Health Service Centre"	Sanofi Pasteur	33600000 - Pharmaceutical products	3,658,000
7	NAT220001703	National Health Agency	novo norrdisk a/s denmark	33600000 - Pharmaceutical products	2,393,228
8	NAT210020066	"SAKAERONAVIGATSIA" Ltd	Selex ES Inc.	34900000 - Miscellaneous transport equipment and spare parts	2,202,563
9	NAT220011533	National Agency of Public Registry	Авиационный расчетный центр	71300000 - Engineering services	1,666,165
10	NAT220002016	Non-profit "The Service Agency of the Ministry of Internal Affairs of Georgia"	MUEHLBAUER ID SERVICES GMBH	22400000 - Stamps, cheque forms, banknotes, stock certificates, trade advertising material, catalogues and manuals	1,598,090

Table N12 shows the values of the "top 10" largest contracts awarded through tenders with non-resident suppliers. The total amount of the contractual value of the mentioned tenders amounted to approximately 85 million GEL. The largest contract was signed in the tender announced by the Innovation and Technology Agency of Georgia (22,973,290 GEL), CPV 79400000-business and management consultancy and related services.



## 1.5 Procurement with donor funds - DEP tenders

During 2022, contracts were concluded through the eProcurement system on 35 DEP tenders (procurements with the funds of donor organizations), which were conducted according to the rules of international organizations.

The total contractual value of the mentioned tenders amounted to 219,246,732 GEL. The tables below show the distribution of contract values and quantities by donors and contracting authorities.

Table N13: Distribution of total contractual value of DEP tenders in 2022 by donors

Donor	Number of DEP tenders	Value of contracts
World Bank	23	153,366,777
Asian Development Bank	9	59,047,863
Council of Europe Development Bank	1	5,501,041
European Union	1	951,151
Nordic Environment Finance Corporation	1	379,900
<b>Total</b>	<b>35</b>	<b>219,246,732</b>



Table N14: Distribution of total contractual value of DEP tenders in 2022 by contracting authorities

Contracting authorities	Number of DEP tenders	Value of contracts
Municipal Development Fund Of Georgia	20	156,305,791
Open Net	5	31,021,084
National Agency of Public Registry	4	4,183,611
Ministry of Regional Development and Infrastructure of Georgia, Department of Roads of Georgia	3	25,478,953
LEPL ENTERPRISE GEORGIA	2	1,306,142
Gori Municipality City Hall	1	951,151
<b>Total</b>	<b>35</b>	<b>219,246,732</b>



## 2. Improvement of the Legal Framework

In 2022, a number of important changes were made to the legislation regulating public procurement in order to improve the current legal framework, fulfill the international obligations assumed by the country, and refine the procedures of public procurement. In particular:

- In order to ensure the fulfillment of the obligations under the Association Agreement, the draft law of Georgia "On Public Procurement" prepared by the State Procurement Agency, along with the accompanying legislative package, was approved by the Government of Georgia and submitted to the Parliament of Georgia as a legislative initiative on June 8, 2022. The submitted draft law, together with the accompanying legislative package, was adopted by the Parliament of Georgia with the second hearing on December 22, 2022.

The draft law aims to implement the regulations stipulated by the II and IV phases (stages) of harmonization of national legislation with those of the EU public procurement, as defined by the association agreement. The legislation regulating the field of public procurements currently in force is going through comprehensive reform process. In particular, taking into account the relevant regulations of European directives, many approaches and aspects related to public procurement are being changed, including new public procurement procedures, tools and innovative approaches are being introduced. The draft law, on the one hand, creates a predictable and flexible environment to ensure the participation of business entities in public procurement procedures, and on the other hand, defines effective mechanisms for the implementation of public procurement funds rationally, transparently and in accordance with the law.

It should be noted that the draft law of Georgia "On Public Procurement" regulates the issues related to the blacklist - grounds, terms of registration in the blacklist - in a new manner. According to the draft law, the duration of registration in the black list is increased and, taking into account the severity of the corresponding violation, it is determined by 3, 2 or 1 year. In addition, it is possible to be removed from the black list ahead of time, if the economic operator takes the appropriate measures defined by the draft law to confirm its credibility; for example, when it pays the compensation for the commission of administrative misconduct or undertakes an obligation to pay it; if it takes effective measures (including carrying out appropriate technical, organizational and personnel measures) to prevent a crime or a misconduct.

It should be emphasized that according to the draft law, public procurement specialists will be subject to mandatory certification, which, on the one hand, will increase the level of qualification in public procurement, and, on the other hand, will promote the employment of certified specialists. The provisions related to certification, taking into account the time required for training/certification of procurement specialists, will come into force later, following the main part of the draft law. Thus, in the first stage, the mentioned specialty will be introduced and the certification of relevant persons will begin. As a result of this process, the state will have certified personnel, thus the second stage will be launched. Only



those persons who hold the certificate will be able to be employed in the structural unit/position related to public procurement of the contracting authority.

According to the draft law, from January 1, 2027, the Government of Georgia will create a new legal entity under public law - the Central Procurement Authority, which will be responsible for the implementation of activities related to centralized procurement (similar to the current consolidated tender).

Pursuant to the new draft law, the criteria for identifying the best proposal can be based not only on the lowest price, but also on economic efficiency (including life cycle costs), as well as on the best ratio of price and quality, while taking into account qualitative, environmental or social aspects related to the procurement object. According to the draft law, by the order of the chairperson of the agency, it is possible to determine the cases when it is allowed or prohibited to set only the low price criterion. In addition, the new draft law of Georgia "On Public Procurement" stipulates that it will be mandatory to use the criterion of the best ratio of price and quality during the implementation of a number of public procurement procedures (competitive dialogue, innovative partnership, public competition).

The draft law also includes a completely new chapter on public procurement related to defense and security. In the mentioned field, the obligation to implement the provisions under the relevant directive of the European Union is provided by the substantial of NATO-Georgia package.

In order to ensure harmonization with the current legislative framework, the draft law of Georgia "On Public Procurement" is accompanied by an appropriate legislative package, which envisages the changes in 34 legislative acts.

The draft law provides for different dates of its entry into force. In particular, the main provisions of the draft law will come into effect on January 1, 2025, while the dates of the entry into force of other separate points are set for as 2027 and 2029.

- On August 1, 2022, the Government of Georgia adopted Resolution No. 411 "On the approval of the rules and guidelines for the implementation of energy efficiency in the field of public procurement, as well as the national monetary thresholds for the implementation of energy efficient public procurement". The draft legal act was developed and presented to the Government of Georgia by the Procurement Agency in order to fulfill the obligation provided by Article 15 of the Law of Georgia "On Energy Efficiency". The draft law was prepared within the framework of the international technical assistance project in support of the Georgian Energy Sector Reform Programme (GESRP), with the involvement of national and international experts. The purpose of the resolution is to integrate into the



national legislation provisions set forth in Article 6 and Annex III of the Energy Efficiency Directive 2012/27/EU under the Association Agreement on energy efficient procurement.

The resolution defines guidelines for energy efficiency in the field of public procurement, rules for implementation of energy efficiency in the field of public procurement, procedures for monitoring and control, as well as CPV codes of those procurement objects, for which the application of rules and guidelines for energy efficiency in the field of public procurement is mandatory. The resolution also establishes the national monetary thresholds for the implementation of energy-efficient public procurement and the list of contracting authorities for which it will be mandatory to apply the rules and guidelines for the implementation of energy efficiency in the field of public procurement, as well as to use of the national monetary thresholds for carrying out energy-efficient public procurement. The effective date for entry into force of the resolution is January 1, 2025.

In addition to the above, during 2022, the State Procurement Agency prepared and issued a number of important legal acts. In particular:

- Order No. 33 of the Chairperson of the State Procurement Agency of January 13, 2022 on amendments to the order No. 3 of the Chairperson of the State Procurement Agency of August 21, 2019 regarding the the approval of the rules and conditions for the use of monetary thresholds established by the European Union Directives in the field of public procurement. As a result of the changes made, the monetary limits established by the directives of the European Union and updated in accordance with the European Commission Regulation No. 2021/1952 of November 10, 2021, were reflected in the legislation on public procurement.
- Order No. 34 of the Chairperson of the State Procurement Agency of April 13, 2022 on amendments to the order No. 13 of the Chairperson of the State Procurement Agency of August 17, 2015 on determining the criteria for simplified procurement and approving the procedure for conducting the simplified procurement. Based on the systematic observation and analysis of the simplified procurement process carried out by the contracting authorities, the above-mentioned order determined that the document confirming the exclusive authority must be issued no later than 30 days before the submission of the application/the publication of the decision related to the conclusion of the agreement on simplified procurement, unless the document confirming the exclusive authority is issued with a specific term and such term has not expired.
- Order No. 35 of the Chairperson of the State Procurement Agency of May 3, 2022 on amendments to the order No. 12 of the Chairperson of the State Procurement Agency of June 14, 2017 on the approval of the procedure for conducting electronic tenders. These changes determined that within the scope of the contracts signed/to be signed for the purpose of purchasing construction works, it is also allowed to change the value of the originally concluded contract in accordance with the rules established by the Decree No. 753 of the Government of Georgia of April 27, 2022 on the approval of the bases, principles and rules of the use of price indexation in order to in order to facilitate the implementation of infrastructure projects.



- Orders No. 36 of August 17, 2022, No. 37 of August 25, 2022 and No. 38 of the Chairperson of the State Procurement Agency on amending order No. 12 of the Chairperson of the State Procurement Agency of June 14, 2017 regarding the approval of the procedure for conducting electronic tenders. The purpose of the changes was to promote the implementation of infrastructure projects and to ensure the effective implementation of the measures stipulated by the decrees of the Government of Georgia No. 1379 of August 1, 2022, No. 748 of August 26, 2022 and No. 1646 of September 12, 2022. In particular, it was determined that in accordance with the above-mentioned decrees of the Government of Georgia, electronic tenders can be conducted on the basis of a price list on concrete CPV codes defined by Annex No. 2 of the Order No. 12 of the Chairperson of the State Procurement Agency of June 14, 2017 on approval of the rules for conducting electronic tenders.
- Order No. 39 of the Chairperson of the State Procurement Agency of December 7, 2022 on amending the Order No. 2 of the Chairperson of the State Procurement Agency of February 26, 2016 on approval of the rules and conditions for the production of the White List. As a result of the changes made, the requirements related to legalization/apostille certification defined by Georgian legislation were reflected in the order. In addition, in order to effectively use the opportunities provided by the legislation of Georgia to the branch (permanent establishment) of a foreign enterprise when participating in public procurements, it was determined that in order to register the branch (permanent establishment) of a foreign enterprise in the white list, it is not required to submit to the agency no less than two certificates issued in the name of the main enterprise and received from different contracting authorities (regarding the duly implementation of obligations under the public procurement contracts concluded by it during last three years).

In addition, during 2022, the agency actively cooperated with a European experts (in the framework of USAID's Economic Governance Program) in order to develop sub-normative acts of the draft law of Georgia "On Public Procurement", which should be adopted by January 1, 2025; active work is underway to prepare their drafts, and to ensure the harmonious integration of new capacities, procedures, tools or innovative approaches defined by the draft law.

Thus, as a result of the reforms carried out, the national legislation will come closer to the relevant directives and regulations of the European Union in the field of public procurement, which in turn ensures the fulfillment of the obligations under the Association Agreement and, accordingly, legislative and institutional alignment with the European Union.



### 3. Centralized Procurements

In order to ensure the effective spending of budget funds, the State Procurement Agency carries out purchases in a centralized form, through the so called "consolidated tenders" for certain types of procurement objects, within the scope of the powers granted by the relevant legal acts of the Government of Georgia. In order to conduct centralized (consolidated) procurement in 2022, the following consolidated tenders were announced and the successful tenderer was announced through the electronic system:



Table N15: Number of consolidated tenders announced in 2022 by procurement object

N	Procurement Object	Number of announced tenders (Winners Identified)
1	Pharmaceutical products	189
2	Various types of road transport services	60
3	Tires for heavy/light-duty vehicles of different sizes	50
4	Various types of food products	41
5	Vehicle insurance services	12
6	Vehicles	10
7	Oil products (fuels)	7
8	Disposable medical gloves	5
9	Book printing and delivery services (approved textbooks)	4
10	Television airtime (wGRP)	4
11	Medical consumables	3
12	M3 categories of buses	2
13	Furniture	2
14	Waste containers (with 1100 liters capacity)	2
15	Disinfectants intended for disinfection barriers	1
16	Standard portable computers – standard notebooks intended for first graders and their head teachers	1
17	Face masks	1
18	Disinfection barriers	1
19	Medical consumables (thermometers)	1
20	Hand sanitizers	1
21	Vehicle batteries	1
22	Motor oil and oil filters for vehicles	1
23	A4 format printing paper	1
24	Hand sanitizer dispensers	1
25	Non-sterile gauze	1
26	Shoe covers	1
<b>Total:</b>		<b>403</b>

Necessary legal and organizational measures established by the legislation were implemented for conducting consolidated tenders. The drafts of the decrees of the Government of Georgia on the consolidated tenders were prepared, as well as the samples of contracts to be signed in the framework of each consolidated tender was developed and placed on the official web portal of the State Procurement Agency.

The initial estimated total value of procurements made through consolidated tenders in 2022 amounted to more than 580 million GEL, of which the final value recorded in electronic trade was equal to 543 million GEL; Accordingly, the saving obtained as a result of trade exceeded about 36 million GEL. There are frequent cases when, as a result of effective market research and consultations conducted by the relevant department of the Agency, minimum prices are fixed as



the initial approximate prices in consolidated tenders, due to which the savings obtained as a result of electronic trade are reduced. In such cases, only the saving indicator obtained as a result of electronic trade does not give an objective picture to show the effectiveness of centralized procurement. As a result, to objectively evaluate the results of the reform of centralized procurement, it is appropriate to take into account retail and market prices as well (see Table N16).

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Table N16: Consolidated tenders announced in 2022 by procurement object, quantity, initial total cost and saving<sup>12</sup>

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<sup>12</sup> Since most tenders combine products of many different names, types or specifications, it is not possible to calculate exact savings compared to market prices. As a result, the saving in relation to the market prices is calculated approximately, based on the average indicators of the prices in the retail market, using various statistical analysis methods.



N	Procurement Object	Number of announced eTenders (winner identified)	Number of announced in quantity	Initial total value (GEL)	Total value obtained from trading in an eTender (GEL)	Total savings obtained from trading in an eTender (GEL)	Estimated savings (in relation to the average market price)(GEL)
1	Pharmaceutical products	189	1 077 different types, form and units 38 341 980 unit medicines	54,067,742	46,517,137	7,550,605	61,504,707
2	Various types of road transport services	60	transportation of school students 60 municipalities	18,677,557	18,380,647	296,910	-
3	Large and small cargo carriers	50	69 918 unit	22,107,107	20,782,845	1,324,262	7,897,481
4	Various types of food products	41	96 type of product	28,119,772	27,449,532	670,240	14,722,669
5	Vehicle insurance services	12	11 760 car	16,847,760	13,004,909	3,842,852	8,071,676
6	Vehicles	10	869 unit	74,070,619	73,656,134	414,485	2,607,000
7	Oil products (fuel)	7	74 400 000 liters	207,746,000	207,286,000	460,000	57,566,416
8	Medical gloves	5	26 962 352 pair	5,980,520	5,797,937	182,583	10,499,216
9	Book printing and delivery services (approved textbooks)	4	5 072 009 unit	17,846,973	16,650,925	1,196,048	46,622,590
10	Television airtime (wGRP)	4	29 825.07 wGRP, contract price - 1 664 306.26	-	-	-	6,857,142
11	Medical consumables	3	80 types 34 691 765 units of medication	6,983,609	6,625,266	358,343	5,967,555
12	M3 category buses	2	95 unit	54,730,600	50,765,684	3,964,916	-
13	Furniture	2	15 types of office furniture (in total, 28 856 units)	4,123,640	3,712,944	410,696	2,101,645
14	Waste containers (with 1100 liters capacity)	2	3 803 unit	2,516,800	2,377,068	139,732	1,976,132
15	Disinfectants intended for disinfection barriers	1	7 603.80 2 liters of concentrate ((7 603 800 liters of finished solution)	144,472	109,799	34,673	1,437,574
16	Standard portable computers – standard notebooks intended for first graders and their head teachers	1	60 000 unit	48,000,000	34,380,000	13,620,000	31,560,000
17	Face masks	1	29 841 670 unit	2,088,917	2,059,075	29,842	3,014,009
18	Disinfection barriers	1	5 781 unit	225,459	214,880	10,579	141,037
19	Medical consumables (thermometers)	1	2 881 unit	63,382	51,858	11,524	181,503
20	Hand sanitizers	1	1 248 504 liters	6,954,839	5,356,577	1,598,262	6,891,247
21	Vehicle batteries	1	9413 unit	2,086,536	1,919,613	166,923	1,345,000
22	Motor oil and oil filters for vehicles	1	381 720 liter of oil and 48 000 unit filter	4,597,013	4,344,177	252,836	2,225,000
23	A4 format printing paper	1	120 000 set	1,080,000	1,080,000	-	180,000
24	Hand sanitizer dispensers	1	7 438 unit	505,784	505,784	-	171,074
25	Non-sterile gauze	1	220 119 unit	510,676	460,049	50,627	424,830
26	Shoe covers	1	2 775 315 Pair	138,766	88,811	49,955	281,232
<b>სულ:</b>		<b>403</b>	<b>-</b>	<b>580,214,542</b>	<b>543,577,650</b>	<b>36,636,892</b>	<b>274,246,736</b>

In 2022, the savings obtained through consolidated tenders in relation to the retail and wholesale prices of the relevant procurement objects exceeded 270 million GEL. It should be noted that the mentioned amount does not include the savings of various procurement objects.

During 2022, more than 5000 fuel and paper permits were presented by the buyers in the specialized fuel and printing paper permit module introduced in the consolidated tender management e-system - ctd.spa.ge. With due consideration of the regulations and guidelines, the Agency made a timely response and each permit was given the appropriate status. During the whole year, the ctd-module



was intensively improved/updated, which will simplify the study of the existing requirements from the contracting authorities.

The State Procurement Agency continues its analytical and research activities in order to identify other, additional procurement objects, the centralized procurement of which will be justified in view of the principle of effective spending of budget funds or other circumstances.



## 4. Simplified Procurements

In 2022, the number of applications submitted to the SMP module of the Unified Electronic System of Public Procurement amounted to 4,178; out of these, approval was granted in 3,770 cases; The number of withdrawn, rejected and unreviewed applications amounted to 408. Charts N17 and N18 below provide statistical indicators by basis and status of simplified procurements.

In 2022, the volume of contracts signed on the basis of simplified procurement amounted to 17.6% of the total volume of public procurement. It should be noted that compared to 2021, the total value of contracts through simplified procurement has decreased by 0.4%.

Diagram N17: Distribution of applications received in the e-module of the simplified procurement agreement in 2022 according to their grounds

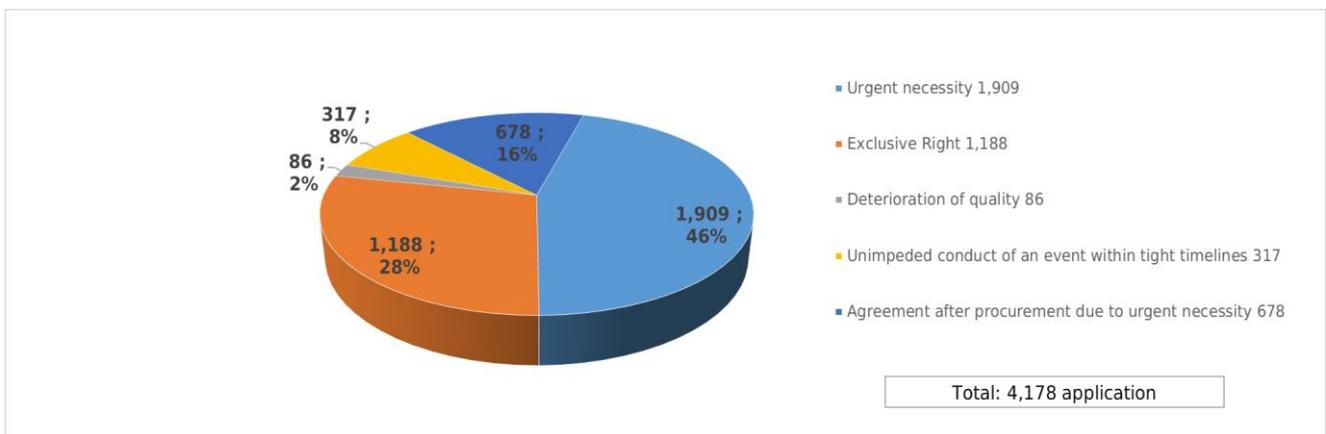
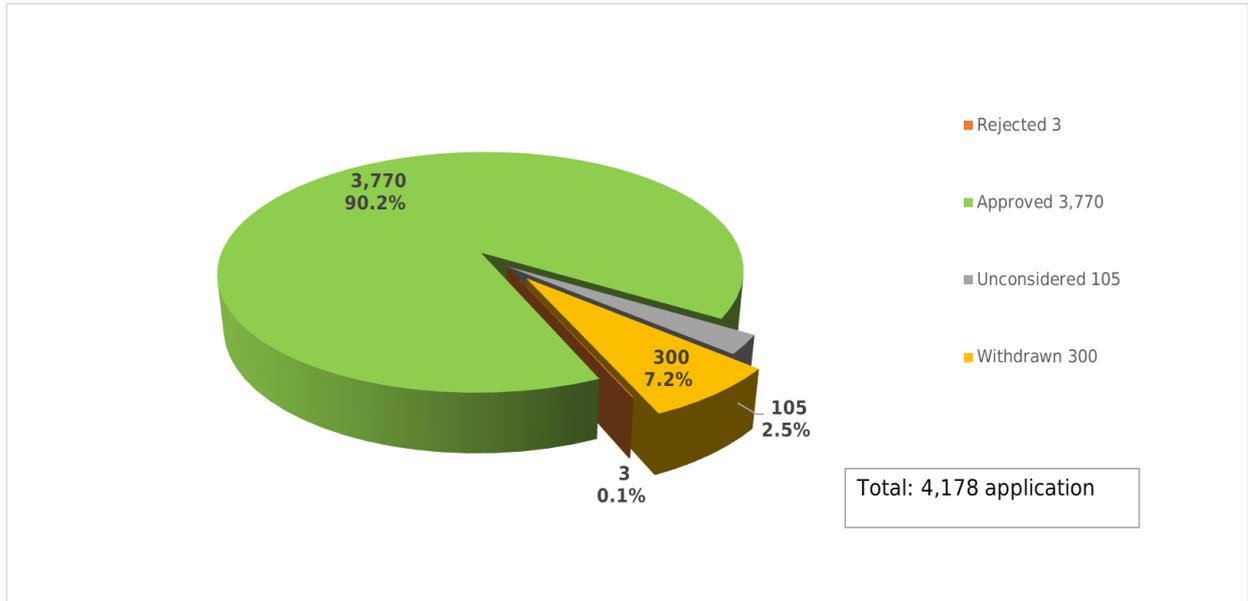


Chart N18: Distribution of applications received in the e-module of the simplified procurement agreement in 2022 according to their statuses



The above diagram demonstrates that a positive response was given to 90.2% of applications, 7.2% were rejected, and in the case of 2.5% applications, they have not been reviewed.

The statistical data of the applications of the contracting authorities submitted to the agency and the decisions made by the agency in 2022 are given in table N17.



Table N17: Detailed statistics of applications received in the e-module of the simplified procurement agreement in 2022

Grounds of Procurement	Approved	Withdrawn	Rejected	Unconsidered	Total
Urgent necessity	1,676	177	1	55	1,909
Exclusive Right	1,093	60	1	34	1,188
Unimpeded conduct of an event within tight timelines	288	26	-	3	317
Deterioration of quality	66	13	1	6	86
Agreement after procurement due to urgent necessity	647	24	-	7	678
<b>Total</b>	<b>3,770</b>	<b>300</b>	<b>3</b>	<b>105</b>	<b>4,178</b>



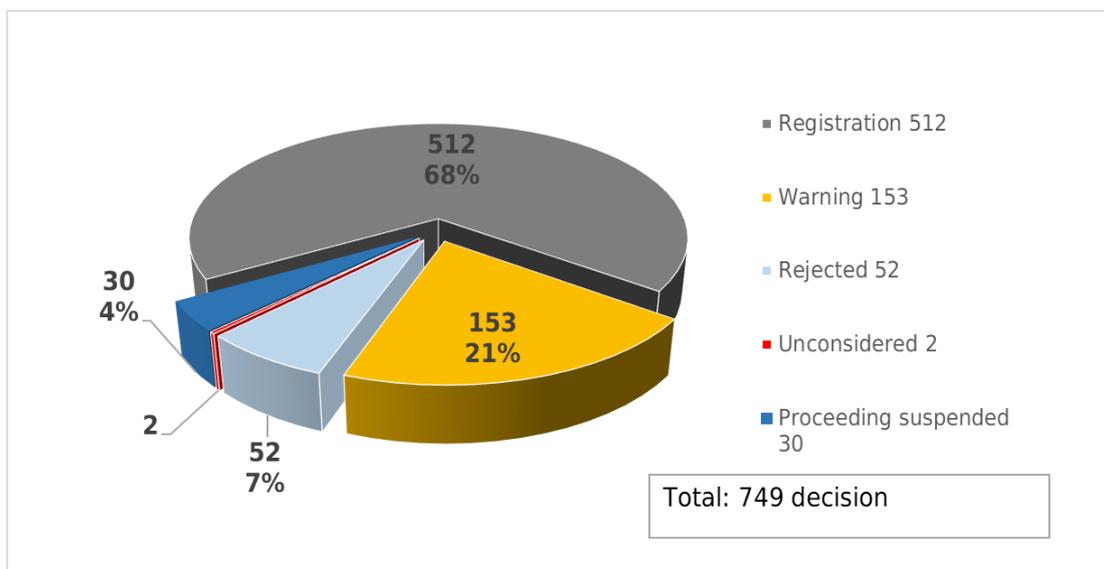


## 6. Maintenance of the "Black List"

In accordance with the current legislation, the State Procurement Agency maintains a register of unethical suppliers, the so-called "Black List" too.

In accordance with the decisions taken by the Agency regarding the registration of suppliers on the "Black List", a total of 665 registration entries were made in the register of the black listed and warned suppliers; out of this number, in 512 cases the suppliers were registered on the "black list" by the Agency, and 153 suppliers were given a warning (see Chart N20).

Chart N20: Distribution of decisions on registering in the Black List in 2022 by status





## 7. Administrative Offenses and Legal Disputes

In 2022, after studying 64 reports on the fact of administrative offences prepared by the State Procurement Agency within the scope of its authority, the actions described in the reports were qualified according to the relevant articles of the Administrative Offences Code of Georgia, and written notices were sent to the relevant contracting authorities. As a result of reviewing the subsequent documentation, 64 administrative offense report against 197 persons were drawn up and sent to the court. During the course of proceedings, the court terminated proceeding against 1 person who committed an administrative offense.

In 2022, 465 court proceedings were held with the engagement of the agency. 23 private complaints on administrative cases were prepared by the agency, out of which 5 private complaints were satisfied, 7 private complaints were not satisfied, and 11 private complaints are under review.

In 2022, 61 decrees related to the black list were appealed (a total of 749 decisions were made by the Agency in 2022), which are currently under consideration. Also, 7 decrees regarding registration in the white list were appealed. It is worth noting that in 2022, the court applied a measure to secure a claim in relation to the white list; the position of the agency was shared by the appeals court in 2 cases and the applied measure to secure the claim was reversed.

In accordance with the jurisdiction, the agency submitted 8 administrative pleas demanding the return of the 1% guarantee: 4 claims were satisfied by the court of first instance, which were appealed by the parties to the higher instances. The State Procurement Agency represented the party in connection to 5 civil lawsuits, which have been objected, and are being reviewed at this stage.

The Tbilisi Court of Appeals upheld 2 appeals submitted by the agency; in the case of one appeal, it made a decision on partial satisfaction.

Also, 3 cassation appeals were submitted, on which the ruling has not been delivered yet. In 2022, the Supreme Court of Georgia accepted and considered admissible the cassation appeal of the State Procurement Agency, by later fully satisfying the agency's request. By the decision of the Supreme Court, an important case-law was established in the field of public procurement.

In 2022, 6 consolidated tender decisions were appealed, on which objections were submitted, both by the procurement agency and on behalf of the consolidated tender commission. Also, the agency presented a relevant position on different categories of lawsuits (in 8 cases), which were appealed in court.



## 8. Monitoring of State Procurement Procedures

The State Procurement Agency, within the scope of competence granted to it by the legislation, permanently monitors the compliance with principles such as publicity, fairness and non-discrimination, accurate execution of established procedures and reporting, open and effective competition, possibility of rational and free choice in the procurement process.

In addition, it should be noted that in order to improve the monitoring process, the Monitoring Department conducts a systematic study and analysis of the current situation in the field of public procurement, as well as acquaints itself with internationally recognized best practices. On the basis of such studies and analysis, in order to effectively implement the monitoring process, changes were prepared in the system of automatic notification of risk factors, namely, new risk factors were added to groups of risk factors, and the criteria included in it were adjusted.

In 2022, in order to determine the compliance of public procurement procedures implemented by contracting authorities with the current legislation, a comprehensive monitoring was conducted on 14,567 electronic tenders with the status of "contract awarded" and 823 electronic tenders with the status of "terminated", "failed" and "contract not awarded", that were filtered according to different risk factors and criteria through the service integrated in the eProcurement system - automatic notifications.

In 6,711 tenders, the compliance of disqualification of bidders was carried out, immediately after the disqualification was recorded in the system, in particular, it was checked to what extent the grounds for disqualification specified in the system corresponded to the decision made by the relevant protocol, so that in case of non-compliance, the eProcurement system did not send a notification regarding the deduction and return of the bidder's guarantee amount by mistake. Also, the issue of compliance of the tender termination was checked, namely, how adequately the circumstances leading to the termination of the tender were reflected in the tender termination protocol.

Monitoring was also carried out of 69,027 contracts uploaded in the CMR module of the eProcurement system, as well as the monitoring of 30 announced contests.

2,129 letters were sent to contracting authorities on the identified violations. In connection with the public purchases made by 61 contracting authorities, where the signs of misconduct provided for by the Code of Administrative Offenses of Georgia were identified, appropriate reports were prepared to proceed with the case in accordance with the law, while in other cases the agency limited itself with written instructions and recommendations.

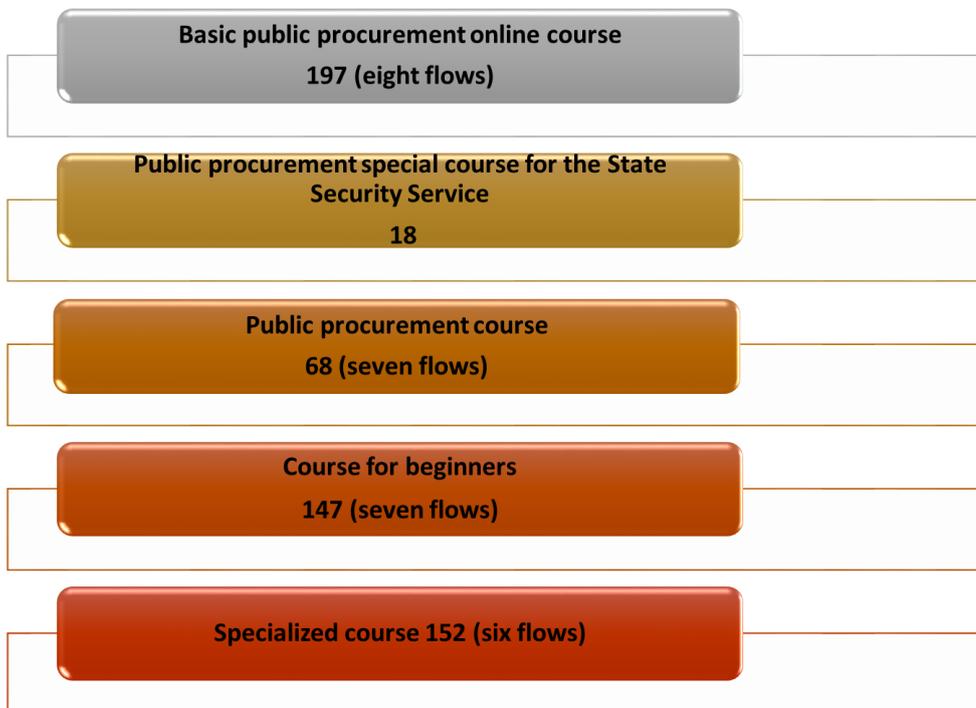


## 9. Development of Human Resources

The Training Center of the State Procurement Agency has been successfully training many beneficiaries since 2014. Over the past nine years, the training center has developed a number of successful programs, delivered and trained thousands of procurement professionals.

Annually updated programs allow procurement specialists operating in the country to consistently follow changes in legal regulations, study the best practices and learn in detail about innovations in electronic services. In 2022, the number of trained individuals was 582, and in 2014-2022, the total number amounted to 6,942.

**In 2022, trainings for contracting authorities were held in the training center with 5 different programs:**





During 2022, the training center cooperated with a number of local and international organizations. Additionally, in 2022, with the aim of future cooperation, workshops were held with the following training institutions in the public sector:

- Public Audit Institute of the State Audit Office;
- Academy of the Ministry of Finance;
- Training Center of Justice;
- Public Service Bureau;
- Training Center of the State Security Service.





## 10. Business Communication with Customers

During 2022, the turnover of documents at the State Procurement Agency (the number of incoming and outgoing letters) amounted to 10,702 (in 2021, this figure was 14,850). Also, 4,143 letters were submitted to the Agency's official e-mail ([info@procurement.gov.ge](mailto:info@procurement.gov.ge)) and later processed.

Through short text messages (SMS) and system messages integrated into the *eProcurement* system, as well as through the services of the web portal [procurement.gov.ge/spa.ge](http://procurement.gov.ge/spa.ge), persons interested in public procurement can be constantly informed about changes, announcements, introduction of new regulations and development of services. All customers are given the opportunity to receive timely and comprehensive information about tenders that are of interest to them. In 2022 alone, the total number of system messages exceeded approximately 50 million, and the number of short text messages reached 231,367.

13,324 calls were received and answered at the Citizen Service Center (hotline employees, in the absolute majority of cases, respond both regarding the provisions defined by the law as well as on topics related to the content, using of the electronic system, monitoring, consolidated procurements and other issues).

Content of Call	Quantity	%
Technical Parameter/Questions Regarding System functional	5,334	40%
Issues related to banking services	1,058	7.90%
Questions regarding regulations	3,772	28.30%
Questions regarding Review Body/Appeal System	621	4.70%
Consolidated tenders	2,393	18%
Questions regarding urgent necessity procurement	143	1.08%
other	3	0.02%
<b>Total</b>	<b>13,324</b>	<b>100%</b>



## 11. International Relations

2022 was the first post-pandemic year, which turned out to be particularly busy and fruitful for the State Procurement Agency. A number of **international visits, study tours, seminars and conferences were held.**

During 2022, **quarterly and annual plans and reports on the fulfillment of international obligations by the Agency** were periodically prepared, including in the framework of the reforms related to the anti-corruption strategy and action plan, the Association Agreement with the European Union (AA-DCFTA), public finance management (PFM) and PAR; There was also **active cooperation with international organizations** in the framework of "Public Expenditure and Accountability Assessment" (PEFA), as well as OECD "SME Policy Index" assessment, which foresees the evaluation of the existing policies and results of the small and medium entrepreneurship in the country.

In order to effectively implement the mentioned reforms, the representatives of the agency actively participated in the work of many coordinating councils or commissions established by the government.

On July 21-22, 2022, with the support of the USAID Economic Governance Program and the UN Global Compact (Global Compact Network Georgia), and in cooperation with the Parliament, an outdoor workshop was held to discuss the draft law on public procurement. The representatives of the parliamentary committees on agrarian issues, sectoral economy and economic policy, environmental protection and natural resources and defense and security took part in the meeting. The purpose of the meeting was to familiarize the members of the Parliament with the main provisions of the draft law.





On November 8, 2022, the Chairperson of the State Procurement Agency, Levan Razmadze, held a meeting with the **member companies of the Association of Georgian Employers**.

The purpose of the meeting was to provide information to the business sector about the draft law of Georgia "On Public Procurement" developed by the State Procurement Agency in order to ensure the fulfillment of the obligations defined by the Association Agreement with the European Union. The meeting, which was attended by about representatives of 50 companies, was held with the support of the USAID Economic Governance Program.



Throughout the year, there were **active negotiations and cooperation with the European Commission**, the Directorates General of the European Commission (DG GROW, DG TRADE, DG NEAR, DG DEFIS); Several workshops were held, including the annual meeting of the EU-Georgia Association Committee and preliminary negotiations, where the Agency presented the 2022 summary report and plans for 2023. According to the minutes of the EU-Georgia ACTC Committee, further steps of cooperation were agreed.

On February 14, 2022, an online meeting was held regarding the **"Interim results of the ex-post evaluation of the Deep and Comprehensive Free Trade Area Agreement (DCFTA) signed between the European Union and Georgia"**. The purpose of the workshop was to present and discuss the interim results of the assessment.

On February 24, 2022, the first meeting of the **Committee on Trade Issues was held in the framework of the Strategic Partnership and Cooperation Agreement between the United Kingdom and Georgia**. At the meeting, the parties discussed the changes proposed by the British side in the text of the agreement, which related to certain categories of medical services in the field of public procurement.

On March 10, 2022, a **regional workshop, organized by the World Bank Regional Office**, was held for representatives of Georgia and Armenia on the topic **"Joint Work to Eliminate Fraud and Corruption in Procurement"**.

On March 23-24, 2022, a two-day conference on **"Environmentally Sustainable Public Procurement"** was held with the support of the Commercial Law Department Program (CLDP) of the US Department of Commerce. The conference was attended by representatives of the State Procurement Agency and dozens of large contracting authorities.





On May 30 and June 27, 2022, two trainings "Encouraging Sustainable Public Procurement in Georgia: Green Criteria for Photocopiers and Consumables" were held. The trainings were conducted in the framework of the "EU4Environment" program funded by the European Union.





On June 13-15, 2022, a **regional conference on cyber security and implementation of 5G systems** was held in Zagreb, Croatia, organized by the Commercial Law Department Program (CLDP) of the US Department of Commerce. The purpose of the conference was to provide technical assistance to the participating countries in order to introduce relevant regulatory framework. Employees of the State Procurement Agency took part in the conference; they got acquainted with the issues of state and municipal electronic services, integration of computer systems and cyber security.

On July 4-6, 2022, the **annual international conference on public procurement - GPC2022 - 7th Global Procurement Conference** was held at the University of Rome, Italy. Heads of the Agency took part in international discussions, established business contacts with colleagues from different countries, and additionally held negotiations on future cooperation with officials from Italy, USA, Macedonia, Ukraine, Azerbaijan and Belarus.

On September 14-16, 2022, representatives of the State Procurement Agency and GITA were on a **study visit to the Norwegian** cities of Drammen and Oslo. The visit was organized by the United Nations Economic Commission for Europe (UNECE). The purpose of the visit was to get acquainted with the best international practices for the transposition of regulations promoting innovation in public procurement. For this purpose, the representatives were introduced with the new concepts and approaches, such as circular economy principles and production, the so-called Escalation of Green Procurement (GPP), SPP (Sustainable Public Procurement), IEP (Innovation-Enhancing Procurement), wide use/implementation of energy-efficient procurement, eco-labeling and others.

On October 10-12, 2022, the US Commercial Law Department Program (CLDP) organized a **regional seminar of Eastern European countries on "Sustainable Public Procurement"** in Vilnius, Lithuania. Representatives of the State Procurement Agency and the Ministry of Regional Development and Infrastructure attended the event.

On September 19-21, 2022, the **World Bank's annual public procurement forum "PRIMO - Promoting Sustainable Development through Public Procurement"** was held in Tirana, the capital of Albania. Representatives of the State Procurement Agency took part in the forum and shared their experience with the forum participants regarding the reforms implemented in the field of public procurement in Georgia.

On December 5-6, 2022, the **8th Asian Development Bank Conference "Asia-Pacific Public Electronic Procurement Network (APPeN)"** was held in Manila, the capital of the Philippines. The topic of the conference was "Public Procurement to Support Sustainable Development". Representatives of the State Procurement Agency took part in the conference; they introduced the progress of centralized procurement reforms in Georgia to the conference participants.

In 2022, the **mission of the International Monetary Fund** paid a visit to the agency. The mission of the International Financial Institute was conducting an important assessment in Georgia regarding the investments and effectiveness of managing investment projects in the public sector. The mission was interested in details in the regulatory norms in the field of public procurement, the current practice of e-procurement and other aspects.



The Public Procurement Agency, with the support from USAID's Economic Governance Program, carried out **awareness raising campaigns on the reform of public procurement**. Many members of Georgian business associations, including the Georgian Chamber of Commerce, Business Association, Employers' Association, Manufacturers' Federation, Association of Infrastructure Builders, European Business Association and others, were introduced to the draft law.





In November 2022, the Environmental Information and Education Center of the Ministry of Environmental Protection and Agriculture and the State Procurement Agency organized a press tour in Kakheti, at small and medium-sized enterprises where eco-innovative approaches are already applied. In the framework of the tour a meeting was held, which aimed at bringing together media representatives, entrepreneurs and decision-makers to share their views and plans regarding sustainable business practices and the transition to green economy; another objective of the meeting was to raise public awareness on the benefits of "green" public procurement, eco-labelling and sustainable production.



The Deputy Minister of Environmental Protection and Agriculture, Solomon Pavliashvili and the representatives of the State Procurement Agency provided information to the journalists about the current situation regarding the "green" procurement and the introduction of circular economy and its principles in Georgia.





## 12. Cooperation with Partners

