

Secretariat of Albania Investment Council

Feedback from IC Leaving Business Members, 2016-2017

Reaching Goals through Pro-active Business Involvement

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IC Business Members, 2016-2017



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Background

During its past three years (2015-2017), Albania Investment Council (IC) has played an important role in the national debate on sensitive issues related to the investment climate in the country. Its main work is focused on the institutional, regulatory and political environment in which companies invest, create jobs or expand, but also on interacting with state institutions and private sector actors with influence on the economic performance of the country.

The main objective of the IC work consists in:

1. Promoting and structuring the debate on investment climate based on direct consultations with the business community;
2. Preparing concrete and constructive recommendations to improve the business climate and submit them to relevant institutions;
3. Promoting good governance of both public and private institutions.

In total, during its first 3 years of activity (15 April 2015 - 15 April 2018), the Investment Council has had 18 members representing the business community (9 associations and 9 businesses) who have actively contributed in the prioritization of the concerns and in the provision of recommendations in addressing issues related to some of the main impediments to investment in the country.

During March-April 2018, the Secretariat met individually each of the members representing the private sector whose mandate ended in December 2017. This is in line with the standards and methodology of the IC work. The purpose of these meetings was to gather opinions on their experience as members of the IC, suggestions for improvements regarding the work of the IC and the Secretariat, as well as their insight on the investment climate in the country.¹

¹ This report does not include any feedback from Mr. Luan Bregasi.

The feedback received by the Leaving IC Members (2016-2017) is presented below in a consolidated way as per respective main pillars.

I. About the Experience as a Member of IC

How would you consider your experience as a member of the IC?

- ✚ The experience has been quite positive and the IC has served as a window to share experiences and contributions beyond the close interest of the company I represent.
- ✚ There is a good standard of organization of meetings and discussion in the best interest of businesses.
- ✚ The preliminary consultation of materials and presentations provide opportunities for more thorough discussions by members of the IC.

What would you consider the strongest point of the IC?

- ✚ By now IC can be considered a consolidated platform, functional and with a serious agenda.
- ✚ The analyses are deep, elaborated, based on accurate assessments.
- ✚ Government-Business-Donor triangle, support by EBRD and diversity of IC composition.
- ✚ IC is a result-oriented platform. Issues that have been discussed in IC have either been addressed by concrete solutions or have become subject of debate among professionals or media.

What would you consider as an opportunity for further improvement in the IC work?

- ✚ The IC Secretariat should promote as much as possible the results of the IC work through publication of clear indicators on implementation or follow up of the recommendations.
- ✚ Business climate concerns in the country outnumber those that are being included in the IC agenda. For this reason the meetings could be considered longer.
- ✚ Business representatives themselves should be more active in discussing issues relevant to the interest of a larger group.
- ✚ IC members representing the government should take concrete actions, in collaboration with decision-making institutions, for the implementation of IC recommendations based on the relevant analytical work.

II. Format and Organisation of IC

How would you consider the format and organization of the meetings of Investment Council? Do you consider IC as the right format focused on investment climate issues, given the tripartite composition of members: governmental institutions; businesses and business associations and donors and international institutions?

- ✚ This is the best well-structured format. It brings the best and most efficient approach to push things forward.
- ✚ This composition of members (Government-Business-Donors) is good. Rotation of members is appropriate because it refreshes the IC with new members representing various groups of interests.
- ✚ It is proposed that the Deputy Minister of Foreign Affairs becomes a permanent member of the IC in the framework of economic diplomacy.
- ✚ The frequency of rotation of business members on a yearly basis can be subject to revision. 1-year term of mandate for business members is short taking into account also the time needed to get familiar with the IC.

- ✚ A preliminary presentation/introduction with the new members would be useful for them to better understand the role and commitment within the IC, to be more responsive and more proactive.

III. IC Work Methodology

How would you consider the identification of the topics (setting the IC agenda) discussed in the IC?

- ✚ The online voting by the IC members of annual topics to be addressed conveys directly the voice of the businesses.
- ✚ Prioritising business issues and elaborating recommendations through Technical Notes raises the standard of discussions at IC.
- ✚ IC needs to focus more on specific topics and business problematics as the capacities of the IC Secretariat are limited.
- ✚ The Government should use the IC agenda to discuss its priorities, initiatives and reforms.
- ✚ Often, businesses prefer not to report their own concerns for not opposing directly/openly state institutions and often speak through business associations. Still, the identification of the issues and key stakeholders by the Secretariat is adequate.

IV. IC impact

Do you think the IC has brought an impact in the business climate in the country, and has made a difference amongst similar public-private platforms?

- ✚ While, there are many IC recommendations considered by the Government, there is still a need for a frequent monitoring of their outcome at national level, in order to assess the impact of the IC.

- ✚ It is difficult to measure the IC impact. The main criterion for measuring it should be the number of recommendations implemented by the Government.
- ✚ Recommendations adopted at IC are accurate. Their implementation remains on the Government's will.
- ✚ The impact of the IC work depends also on the political agenda of decision-making institutions.

V. Transparency

Regarding the transparency and visibility of the work of the Investment Council, do you think IC is well known to the business community?

- ✚ The IC platform can be used more from the Government as relates to the launching of its initiatives, especially legal ones, which have an impact for the business.
- ✚ There is still a lot of need for the entrepreneurship to be informed in regards to the work and role of the IC.
- ✚ IC visibility so far has been good. No need for more media. More PR could create space for wrong interpretations and could potentially harm IC's image.
- ✚ IC paperwork is transparent, well-balanced and published on the IC website.

VI. Engagement of the members

How would you consider the engagement of the IC members in the discussion?

- ✚ The business community has been quite active, but it needs to be heard more.
- ✚ The Government should be more "proactive" and listen to the discussions; otherwise the dialogue becomes a monolog.

- ✚ The business has evolved, has more capacities to elaborate and deal with investment climate issues.
- ✚ Businesses could be more active and visionary. It is very difficult to find analyses elaborated and put forth by the business community especially as relates to the economic development options. In general, the business is focused more on its individual issues and not on economic policy issues that are of interest for the whole society.

VII. Sustainability

Do you consider the IC as a long-term platform and with interest to the business? Do you think the business can contribute in such initiatives?

- ✚ It is quite a useful platform for the country in the long term.
- ✚ Although limited to a consultative body, IC has helped to structure the debate, opinions and analyses.
- ✚ The initiative should be sustained and remain active for a long-term. The support from the EBRD enhances the IC profile and guarantees the sustainability.

VIII. On Investment Climate

What would you consider as the main issues of concern related to the investment climate?

- ✚ Infrastructure (seaports, airports, roads);
- ✚ High level of fiscal burden and delays in the VAT refund;
- ✚ Low performance of public administration;
- ✚ Lack of a plan for promoting the competitiveness of Albanian entrepreneurship in the regional market;

- ✚ Limited human resources and limited skilled workforce especially outside Tirana;
- ✚ Political conflicts paint a sombre picture of instability for the country;
- ✚ Energy supply and private investments in the energy sector;
- ✚ Investment projects for potential investors;
- ✚ Property issues and the lack of a digitalized cadastre.

IX. Investment Council Friends

How would you consider the Secretariat initiative for establishing a Forum or an IC Club with all-time IC members by the business community?

- ✚ It is a positive initiative. The forum could serve as a consolidated lobby centre for 3-4 basic topics that affect the entire business community in the country.
- ✚ The proposed idea could be materialised in 1 meeting per year, tackling most critical business concerns which might have not been formally discussed by the IC.
- ✚ It helps to build a positive image for the IC, it could further advocate IC recommendations and create a synergy for positive pressure towards institutions.