Albania Investment Council

Improving Transparency and Investment Climate

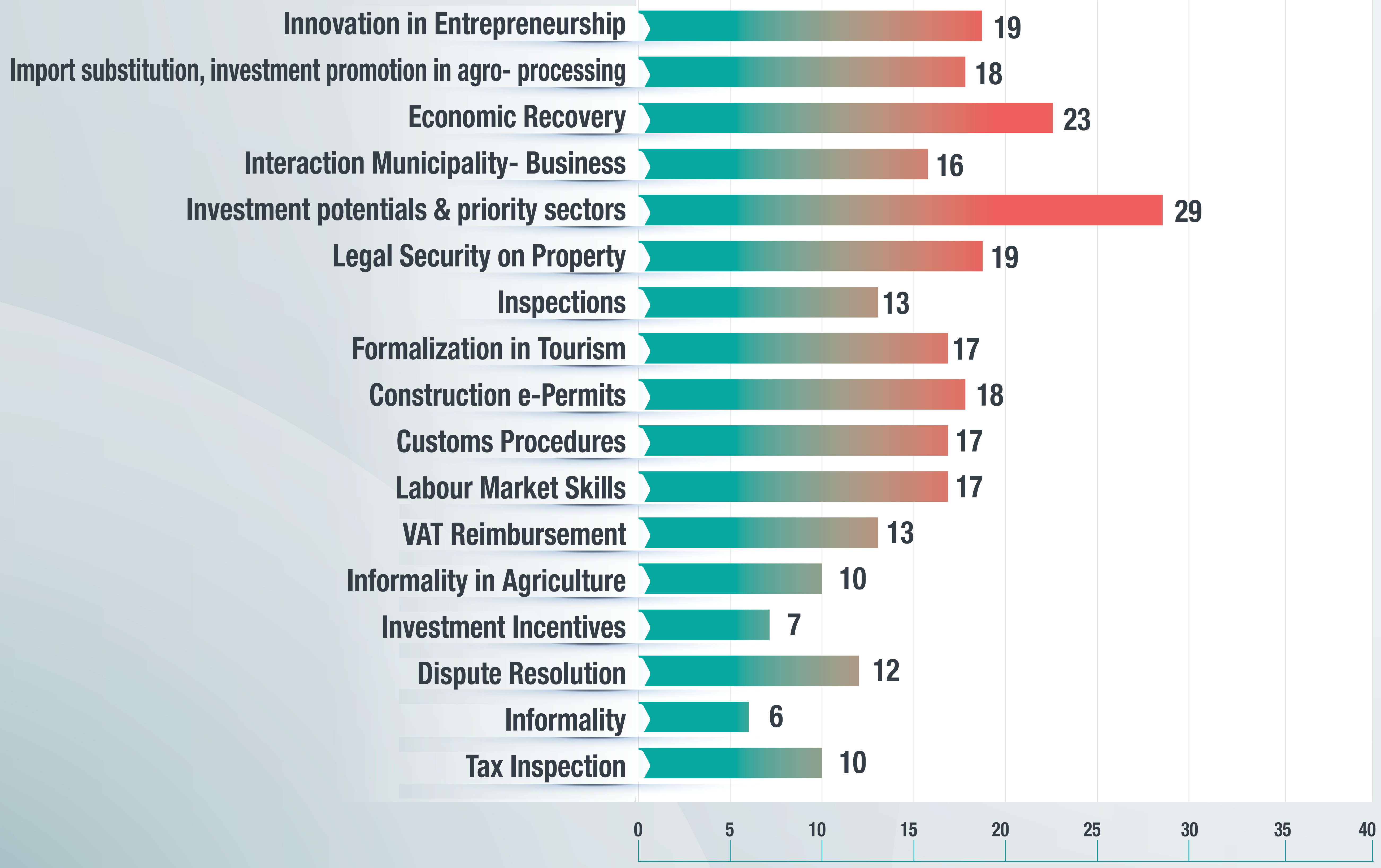
PROGRESS OF INVESTMENT COUNCIL RECOMMENDATIONS

July 2021

INVESTMENT COUNCIL
(April 2015- July 2021)

IC | Albania Investment Council
Improving Transparency and Investment Climate

Number of recommendations *(April 2015 - July 2021)*



24 Meetings

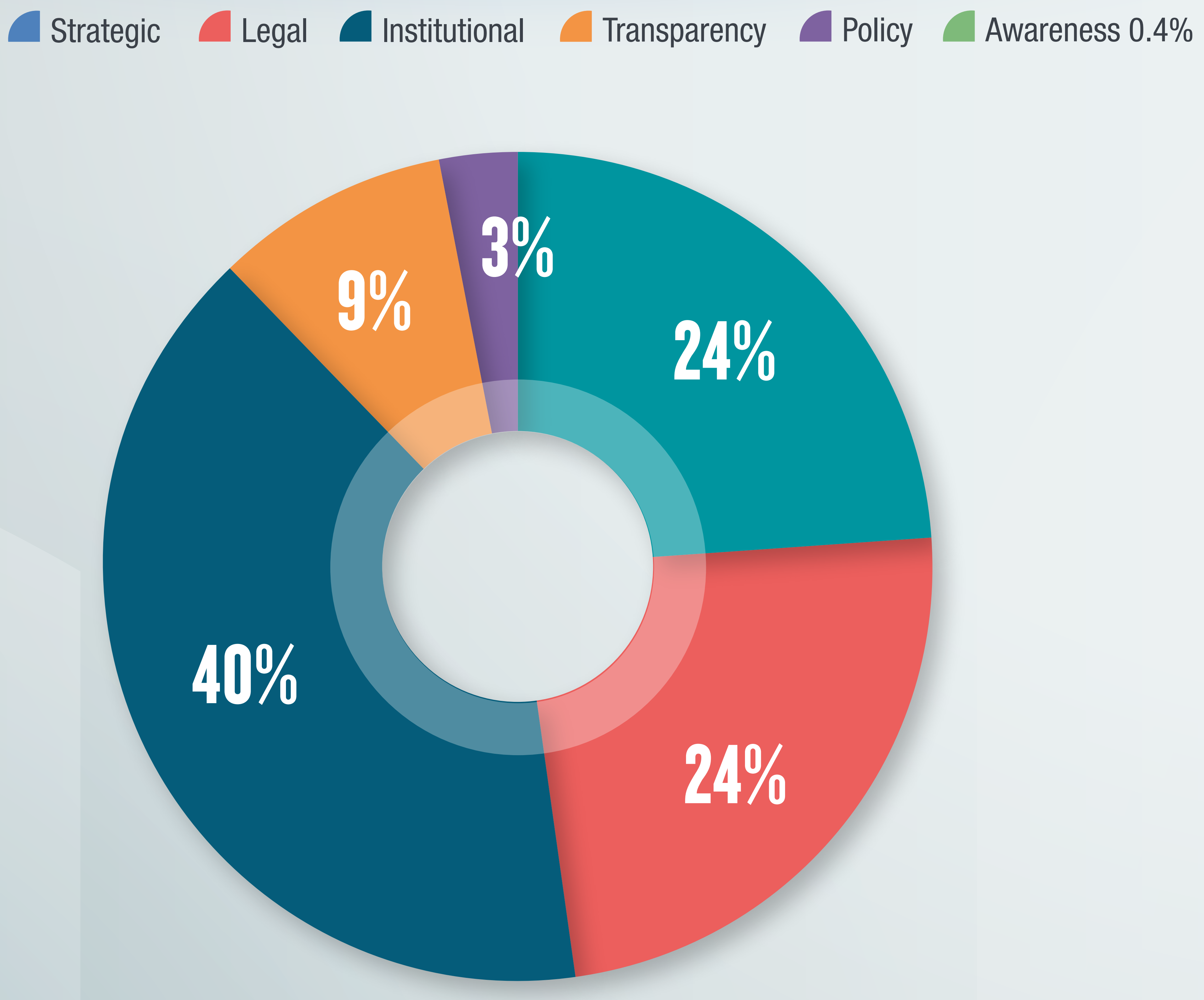
264 Approved Recommendations in Total (April 2015 - June 2021)

19 Approved Recommendations (January - June 2021)

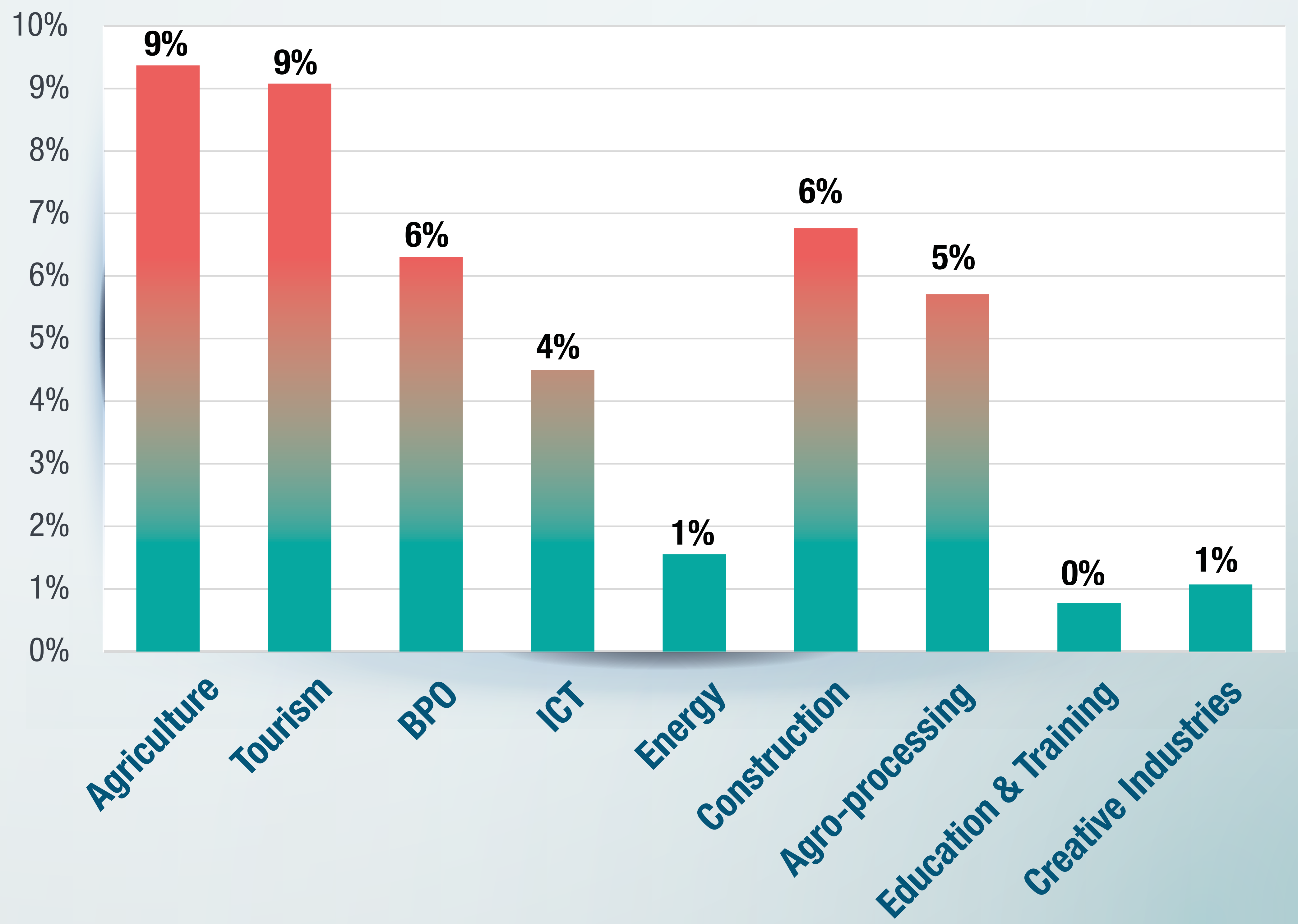
INVESTMENT COUNCIL
(April 2015- July 2021)

IC | Albania Investment Council
Improving Transparency and Investment Climate

Recommendations by category



Recommendations by sector

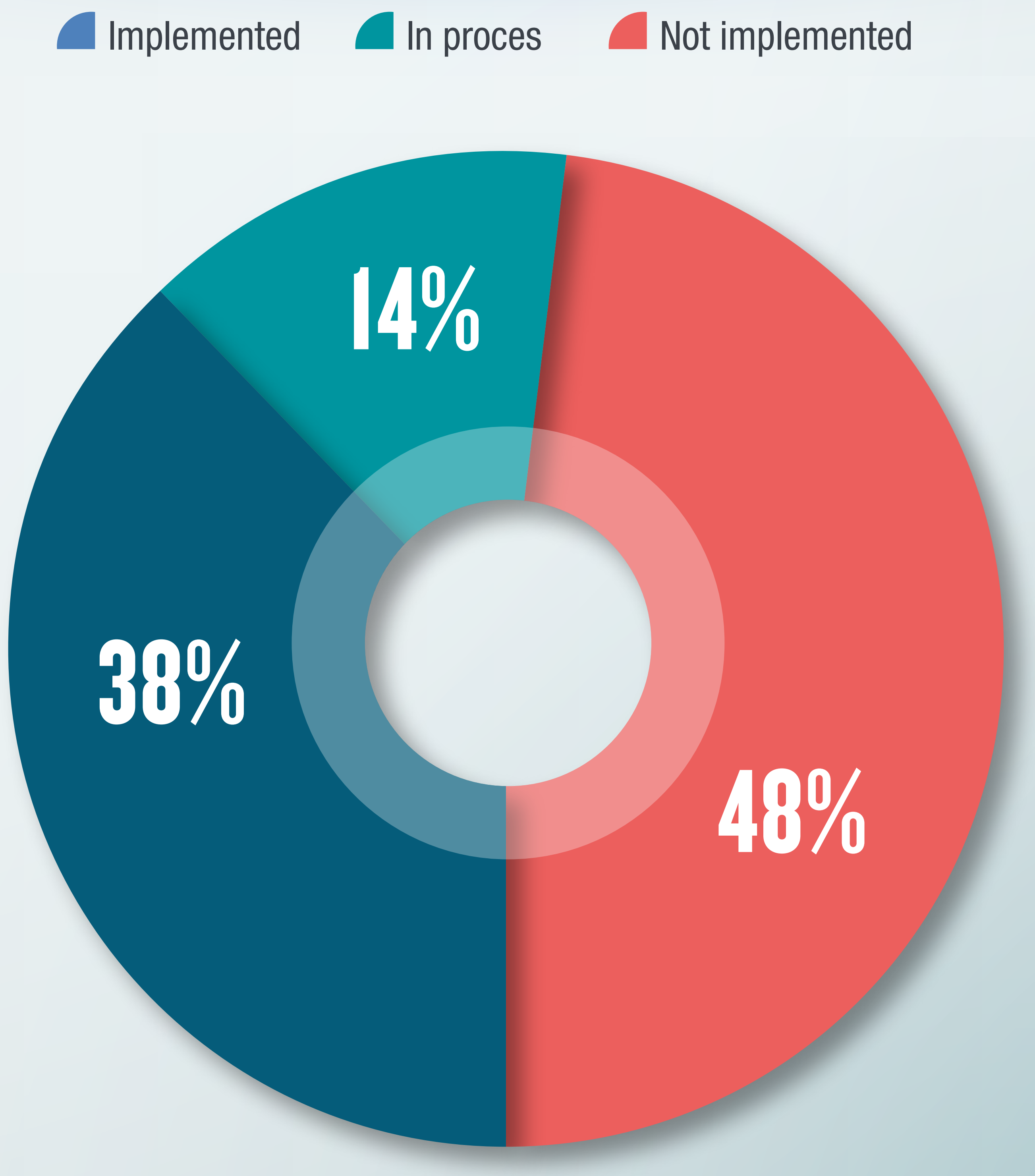


IC | Albania Investment Council

Improving Transparency and Investment Climate

POSITIVE PROGRESS ON RECOMMENDATIONS
(April 2015 – July 2021)

Actually we have **38%** of the recommendations completed, among which during *January –July 2021* we have identified **positive progress** in **15** recommendations - **9** implemented fully or partially and **6** in process of implementation.



MORE SPECIFICALLY:

- Implementation of the legal obligation under Article 25 paragraph ç) of Law 68/2017 **to allocate 2% of personal income tax revenues to local self-government units.**

- **Prioritization of digitalization and acceleration of national broadband coverage** – based on a feasibility study with the support of WBIF and MEI where are detailed in regions base the concentration of SMEs and priority areas for broadband extension as well as the most favorable scenarios for extension based on international models, it was approved a specific budget from MFE to speed up the process of broadband coverage.

- **Accuracy and harmonization of national statistical data referring to the level of use and accessibility in ICT by businesses** – after the establishment of a working group and with a technical support from EBRD for MFE, a study was undertaken and specific indicators such as DESI and Eurostat ICT were adopted and reported on the ICT data usage from SMEs in Albania and models from developed countries and the region that can be considered.

IC Albania Investment Council

Improving Transparency and Investment Climate

POSITIVE PROGRESS ON RECOMMENDATIONS
(April 2015 – July 2021)

- **Increasing the access of SMEs to ICT with a focus on the specific needs of SMEs. Simplification and better information coordination on European projects supporting SMEs** - An inventory of existing schemes and donors has been made and was set up a unified platform: https://ebrd2.dm-consulting.biz/ which has been discussed with AIDA and MFE and it is expected to be launched and promoted as well as to finalize the training for AIDA and businesses.

- **Stimulation of e-commerce - its legal formalization, as a potential model of providing sustainable services/products** – Aiming the promotion of e-commerce, a study has been undertaken "Albania e–commerce diagnostic leveraging the digital trade opportunity" through the cooperation MFE-World Bank, where the situation of e-commerce in Albania and the region is diagnosed. The measures proposed in this study are being consulted in the technical working group “Digital Connections/Activities“ created with experts of WB, MFE and MEI and a specific action plan has been set up for 2021-24, but not yet published and still to be implemented.

- **Oil subsidy for the farmers as an instrument to encourage the formalization of farmers and supporting the investment of farmers** – It has been approved in January 2021 and the implementation started with 20,600 benefiting from the scheme.

POSITIVE PROGRESS ON RECOMMENDATIONS
(April 2015 – July 2021)

- **Support of e-commerce trading, through the consideration of alternative clearing forms for local Euro transfers, in order to reduce the high costs charged by correspondent banking network** - Bank of Albania has announced that with the approval of the law "On Payment Services", a transposition of the second directive on Payment Services of the European Union has started (PSD2), which is considered as an achievement and fulfillment of a number of commitments. It was also confirmed that the Clearing or Instant Payment System in Euro is expected to become effective till the end of 2021.
- **Speeding up the e-commerce through a clear identification of e-commerce actors, their footprint, operations and the overall impact of digital economy in the Albania economy** - The identification of innovation actors in Albania has already been completed by MFE.
- **Improvement of national service delivery through the establishment of standards for all services provided locally to citizens/businesses based on concrete indicators and creation of a system for measuring performance at the municipal level** - Through STAR 2 project is set up a performance monitoring methodology which is based on an index built by NALAS and applied at the regional level, for all countries in the region. The catalogue indicators are adapted for Albania and for the specific application at the municipality level.
- **Enabling the Liberalized Energy Market and the functionality of the Energy Stock Exchange – The Energy Stock Exchange** - ALPEX is already registered in the NRC, the governing bodies have been selected, as well as the organizational structures have been approved. Also, the business strategy for the next three years has been approved, as well as the economic plan for 2020-2021. Its most important element is the electronic trading platform for which a tender has been opened twice for the selection of the entity that will meet the criteria set out in the tender documents.

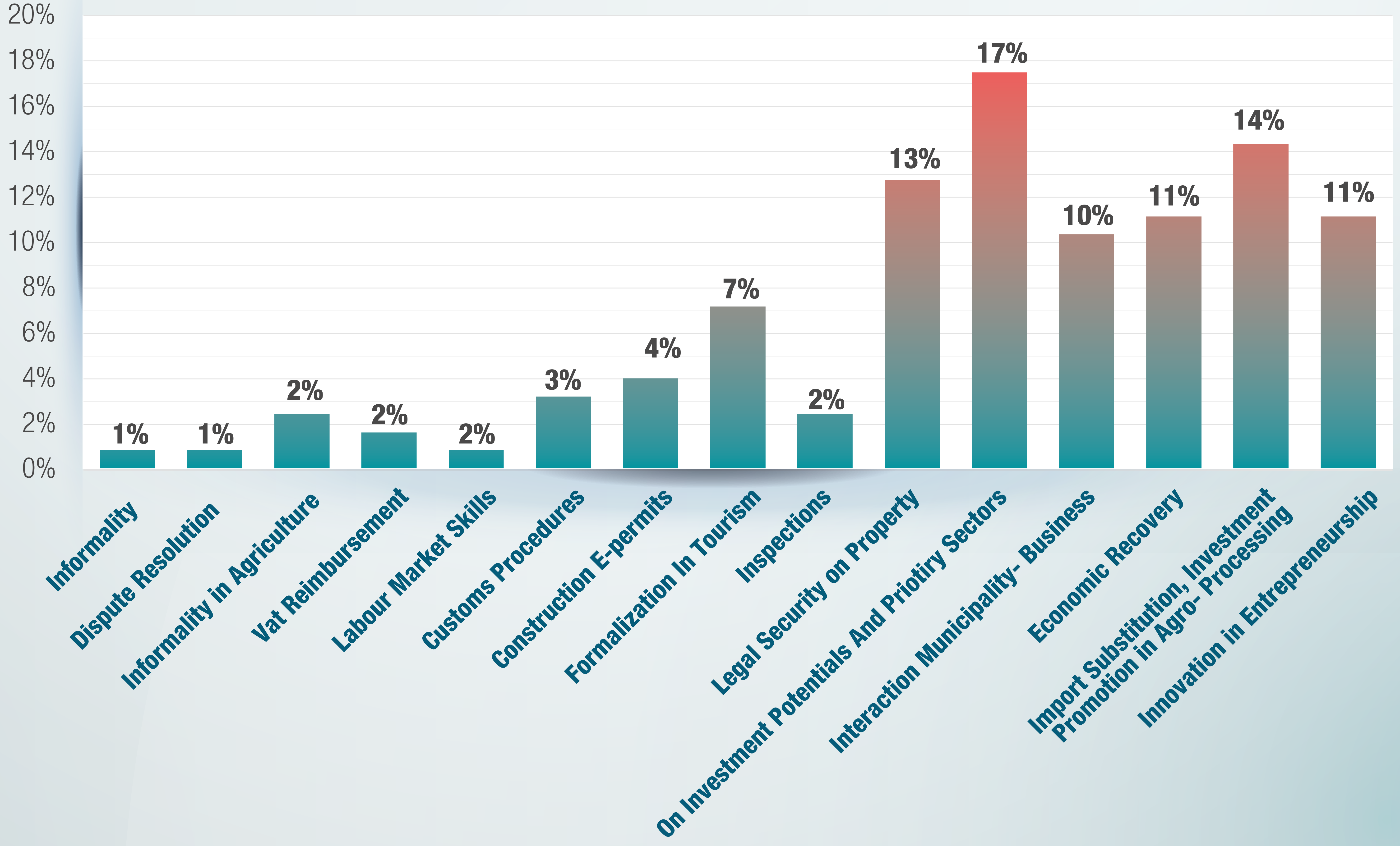
NOT IMPLEMENTED IC RECOMMENDATIONS (April 2015 - July 2021)

IC | Albania Investment Council

Improving Transparency and Investment Climate

There are currently **126 unfulfilled recommendations** and **36 in process**.

Recommendations not implemented by topic (in %)



ABOUT INVESTMENT COUNCIL IN ALBANIA

Albania Investment Council
Improving Transparency and Investment Climate

The Investment Council facilitates the development of mutual trust between the business community and the government in Albania and contributes to an incremental institutionalization of effective policy dialogue. It contributes to the national reform and economic transition process by enhancing institutions, laws and policies that promote market functioning and efficiency.

Secretariat of Albania Investment Council – Team
The work of the Investment Council is supported by the Secretariat, an independent body of professionals selected and contracted by the EBRD to directly engage with the business community.

Dr. Diana Leka (Angoni)
Head of Secretariat
lekad@investment.com.al

Elvis Zerva
Legal & Regulatory Expert
zervae@investment.com.al

Elida Fara
Economic Expert
farae@investment.com.al

Xaira Shurdha
Liaison and Monitoring Expert
shurdhax@investment.com.al

Elisa Lula
Administrative and Communications Officer
lulae@investment.com.al

Published by the Investment Council Secretariat (ICS), Dëshmorët e Kombit, Tiranë, Shqipëri
info@investment.com.al / www.investment.com.al / ICS is responsible for the content of this publication.

Albania Investment Council ALInvestCouncil Albania Investment Council

REPUBLIKA E SHQIPËRISË
MINISTRIA E FINANCAVE DHE EKONOMISË

European Bank
for Reconstruction and Development

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

State Secretariat for Economic Affairs SECO

Investment Council is supported by the Ministry of Finance and Economy, the European Bank for Reconstruction and Development (EBRD) and the Swiss State Secretariat for Economic Affairs (SECO)