

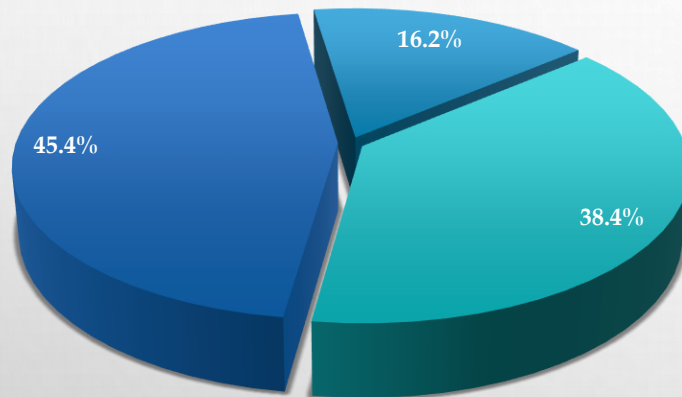


Progress of Investment Council Recommendations

JANUARY- AUGUST 2022

PROGRESS OF IC RECOMMENDATIONS EVIDENCED DURING JANUARY – AUGUST 2022

Status of IC recommendations, August 2022



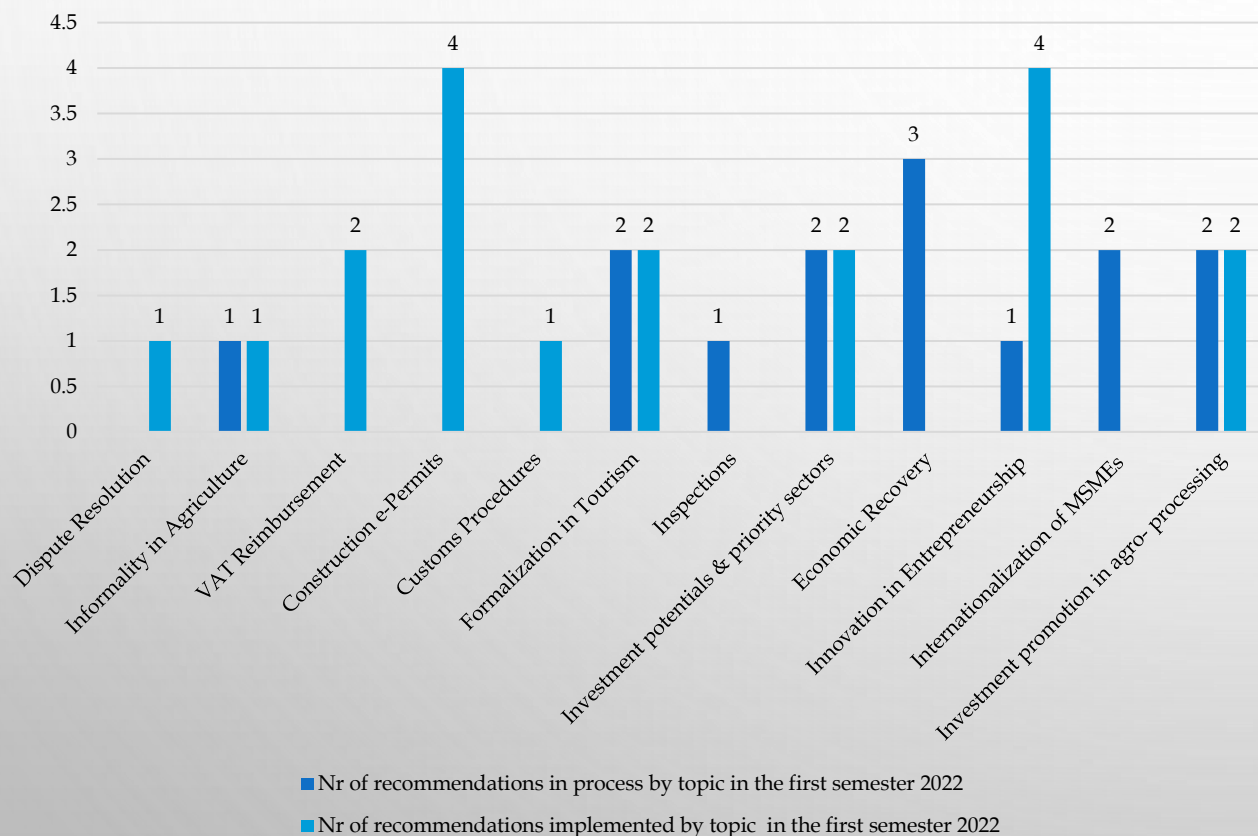
■ Implemented ■ In proces ■ Not implemented

- ✓ 27 meetings held by the Investment Council
- ✓ 284 recommendations in total
- ✓ Implemented recommendations account for 45.4% of the total
- ✓ Recommendations in process account for 16.2% of the total
- ✓ Compared to the end of 2021, during the period January –May 2022, is evidenced a decrease of 6.1% of unfulfilled recommendations (from 44.5% to 38.4% currently).

*TOTALLY (80-100%) OR PARTIALLY (50-70%)

PROGRESS OF IC RECOMMENDATIONS EVIDENCED DURING JANUARY – AUGUST 2022

Recommendations progress, August 2022



Positive progress of 33 recommendations:

- ✓ 19 implemented*
- ✓ 14 in the implementation process
- ✓ 13 recommendations from those addressed to the Ministry of Agriculture and Rural Development over the years, reported with progress (7 in process and 6 fulfilled).
- ✓ 6 of the recommendations reported by the General Directorate of Taxes.
- ✓ From the increased focus of the Ministry of Finance and Economy in terms of prioritizing KI recommendations, 5 recommendations received feedback from the responsible institutions.
- ✓ AZHT reported 4 recommendations with progress during this period.

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PROGRESS OF IC RECOMMENDATIONS EVIDENCED DURING JANUARY – AUGUST 2022

LEGAL IMPROVEMENTS IN TERMS OF:

-INNOVATION IN ENTREPRENEURSHIP

-ENCOURAGING INVESTMENTS IN AGRO-PROCESSING

Adoption of most of the secondary legislation related to the implementation of Law no. 55/2020, dated 30.04.2020 "On Payment Services" - approved during January-March 2022 about 90% of bylaws.

Approval of the draft law "On the Protection and Development of Innovative Start-ups"

Following this process, it is very important to adopt the secondary legislation related to this law.

Amendments and harmonization of law no. 106/2016 "On organic production, labelling of organic products and their control" with the provisions of EU Regulation 2018/848 "On organic production"

PROGRESS OF IC RECOMMENDATIONS EVIDENCED DURING JANUARY – AUGUST 2022

FURTHER IMPROVEMENT OF THE E-PERMITS PLATFORM FUNCTIONALITIES

Preparation of a detailed operational, technical and legal manual in the form of an instruction for all users, including Municipalities and AIDA as institutions that promote one-stop platform services to potential investors.

Completion of the legal changes recommended in 2018 referring to law no. 33/2012 "On registration of immovable property" which has already been repealed and approved Law 111/2018 "On cadastre" - Based on law no. 8402/1998 "On Control and Discipline of Construction Works" (amended) have been made Recent amendments to Law no. 120/2020 and IKTK and KKTMK are part of the institutions in the permit system, as well as any other institution.

Continuous training and qualification of human resources which are directly involved in the procedures of approval of construction permits through the e-Permit platform. Specific attention has been paid to this process by the Directorate of LGUs, which has been set up precisely for assistance and training to LGUs.

PROGRESS OF IC RECOMMENDATIONS EVIDENCED DURING JANUARY – AUGUST 2022

Further simplification of VAT refund procedures

Support for the agricultural sector in terms of formalization, standardization and investments

Since dt. March 7, 2022 any request for VAT refund is made only online, through the Digital VAT Refund Platform.

The Regulation of the Reimbursement Directorate has undergone changes approved at the end of 2021 that further facilitate the reimbursement process and risk filters for some business categories.

Increased and more focused support in the standardization and increase of exports of agricultural products, through direct support schemes, for the implementation and certification of Global GAP and organic agriculture, mainly in the production sectors of vegetables, fruits, grapes, olives and citrus fruits

Agreement signed on a €1.84 million project to strengthen the quality and compliance of Albanian product standards

Improvement of the level of formalization of businesses operating in the agricultural sector.

Currently, the number of formalized farmers, equipped with farmers NUIS, is about 82 thousand.

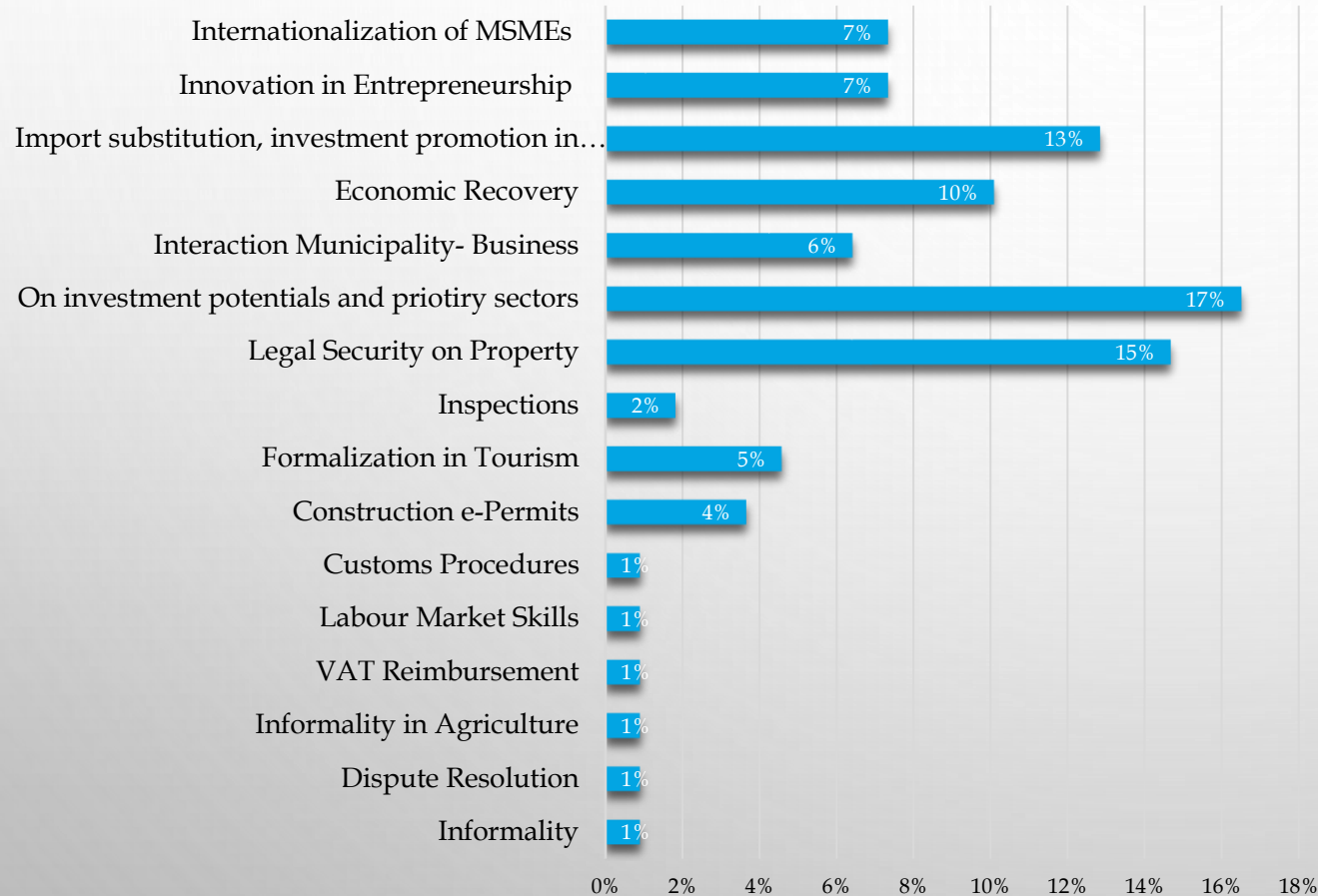
At the beginning of 2022, there were about 19,225 farmers equipped with electronic cards.

Possibility of access of potential investors to an inventory of public agricultural properties

MBZHR has already inventoried/recorded the surface of agricultural lands under its administration with the destination of leasing, but this inventory has not yet been made public.

NOT IMPLEMENTED IC RECOMMENDATIONS

Recommendations not implemented by Topic %, August 2022



*There are currently **109** unfulfilled recommendations*

Among the main institutions with the largest share in the implementation of unfulfilled recommendations are:

- ✓ *Ministry of Tourism and Environment - 14 recommendations*
- ✓ *State Cadastre Agency - 16 recommendations*