Albania Investment Council
Improving Transparency and Investment Climate

AGENDA
MEETING XXXV
INVESTMENT COUNCIL (IC)

ON ACCESS TO FINANCE
IMPROVEMENT OF FINANCING INSTRUMENTS

Date: 12 November 2024 11h00 – 12h30

Venue: Oval Hall, Palace of Congresses

11:00 – 11:10 | Welcome and Approval of the Agenda
Mr. Blendi Gonxhja, IC Chair / Minister of Economy, Culture, and Innovation

11:10 – 11:20 | Presentation on Access to Finance for MSMEs and Recommendations for Improving Financing Instruments
Presented by: Secretariat of the Investment Council

11:20 – 12:20 | Focused Discussion by IC Members
The session will address key challenges facing micro, small, and medium enterprises (MSMEs) in Albania, highlighting access to finance as critical for economic growth and entrepreneurial advancement. Discussion points include:

1. **Challenges in Financing for MSMEs:**
    - High collateral requirements
    - Limited credit history
    - Restrictive loan terms and high administrative costs
    - Lengthy and bureaucratic procedures
    - Limited financial literacy among MSMEs

    Can banks, given their strong capital positions, assume greater risks to support MSMEs?

2. **Financial Education:**
    - Need to strengthen the financial capacity of MSMEs to better understand financial products and financial management.
    - Inclusion of training programs and educational resources to increase financial literacy among businesses.

3. **Harmonization of Definitions to Improve Data Quality:**
    - Promoting the harmonization of definitions used by banks and financial institutions for classifying MSMEs and financial products.
    - Enhancing data collection and analysis to enable more informed and effective policy-making.

4. **Digitalization in Banking Services:**
    - Digitalization has streamlined services, yet many banks still face delays in credit assessments.
    - Potential of automation to enhance transaction processing, risk assessment, compliance, and document verification.
    - Consideration of access for financial institutions to state-owned databases (via AKSHI): benefits and risks involved.
5. **Partial Credit Guarantee Schemes:**
    - Enhancing attractiveness of these schemes for banks and microfinance institutions to improve usage.
    - Targeting support for women-led businesses.
    - Regular impact assessment and adaptive strategies for continued effectiveness.
6. **Additional Policies and Legislative Adjustments:**
    - Identifying further policy and regulatory needs to better support access to finance.

12:20 – 12:30 | Approval of Recommendations and Closing Remarks
Mr. Blendi Gonxhja, IC Chair / Minister of Economy, Culture, and Innovation