

FACTS AND FIGURES

STAKEHOLDER ENGAGEMENT & INFLUENCING



Stakeholder engagement through IC methodology

INCREASED INCLUSIVENESS by bringing forward main business concerns through the use of evidence-based instruments:

- o 12 Focus groups with 155 participants
- o 4 Regional Consultation Meetings in cooperation with chambers of commerce (77 participants)
- o 4 Consultation Roundtables with around 200 participants
- o 9 Business Surveys with 1100 survey respondents

INFLUENCED REGULATORY CHANGES

- o Analyzed and consulted 82 laws and codes, 13 national strategies, 115 by-laws
- o Recommendations for amendments on 28 by-laws, 22 laws

PROMOTED GOOD GOVERNANCE IN COMPLIANCE WITH THE SDG NO. 17 - SUSTAINABLE DEVELOPMENT THROUGH GLOBAL PARTNERSHIPS

Coordination and institutional collaboration with Inspectorates (Labour Inspectorate/ National Food Authority), General Tax Directorate (GTD), General Customs Directorate (GCD), Ministry of Finance and Economy (MFE), AIDA, and Chambers of Commerce and Industries.

- o Collaboration with partners for development such as Risi Albania, Swisscontact.
- o Coming as an IC recommendation, GTD, ADISA and EBRD signed an MoU for the establishment of "Helpdesk for taxpayers" under the support of EBRD.

STRENGTHENED THE BUSINESS VOICE IN IC by increasing the number of business representatives in IC by 13% in early 2019 and giving more attention to prioritizing the problems **and the proposed solutions coming from businesses**.

AMPLIFIED THE FOREIGN INVESTMENT PRESENCE IN PUBLIC-PRIVATE DEBATE through increased engagement of four foreign chambers of commerce: Association of Foreign Investors in Albania (FIAA), American Chamber of Commerce (AmCham), German Chamber of Commerce (DIHA), Confindustria Albania.

RAISED AWARENESS ON BUSINESS CONCERNs THROUGH TRANSPARENT TIMELY PUBLICATION OF IC MATERIALS



UPGRADED THE CAPACITY OF YOUNG GENERATIONS BY ADOPTING THE 3 HELIX APPROACH: GOVERNMENT-ACADEMIA-BUSINESS

Formalized through MoUs with reputable Academic Institutions in Tirana to assist in promoting business surveys completion, data entry and processing, as well as to perform research work on the investment climate.

Influencing reforms

IC Meetings

- » Deregulation of Licenses and Authorizations (2015)
- » Informal Economy (2015)
- » Informality in Agriculture (2016)
- » Labour Market Skills (2017)
- » Construction Permits e-Platform (2017)
- » Formalization in Tourism (2018)
- » Business Inspections (2019)
- » Legal Security on Property (2019)

IC discussed in eight meetings, Deregulation, Informality, Employment and Property reform issues from the perspective of improving the investment climate. **Out of the 101 provided recommendations, the main achievements are:**

Key Achievements

- **Influenced structuring of the Informality Reform** that improved in focus and approach followed by the MFE.
- **Analysed sectoral informality** - Agriculture, Tourism and Services, recommending specific formalisation strategy for an improved competitiveness.
- **Stimulated institutional collaboration** in fighting the informality, as in the case of the coordinated actions of GTD and Labour Inspectorate.
- **Advocated for simplification of business procedures** in terms of Deregulation Reform: 13% reduction on documentation – 23 digitally signed business attestations from GTD and GCD – online application on subvention schemes for farmers.
- **Encouraged better matching skills of working force** with the business sectoral needs and potentials for new investments. Significant steps were taken to strengthen the partnership university-government-business as in the case of different IT hubs (talent pool creation), Tech space and Piramida, increased job fairs organised in joint coordination from universities and chambers of commerce.
- **Improved public consultation of governmental acts** pushing towards a qualitative public-private dialogue.
- **Improved construction permits e-platform** administered by the Territory Development Agency.

Influencing regulatory framework

IC Meetings

- » Tax Inspections (2015)
- » Dispute Resolution Mechanisms (2016)
- » Informality in Agriculture (2016)
- » VAT Reimbursement (2016)
- » Facilitation of Customs Procedures (2017)

The stability of legal and regulatory framework, including specific and timely interventions in the legislative acts, institution and procedures have been continually raised as business concerns in all IC meetings. Out of the **65 provided recommendations**, the **main achievements are**:

Key Achievements

- In 2017, GoA adopted **37 changes** in tax procedures, out of which 12 were IC recommendations.
- IC motivated business community to share their concerns in the areas of **tax administration**, VAT reimbursement and informality through the use of evidence-based instruments (9 surveys with 1100 respondents).
- IC advocated more transparency for taxpayers by General Tax Directorate resulted in a well-structured website providing easy access to information for the businesses.
- Increased access to information for SMEs through the EBRD's support in establishing a helpdesk with user-friendly information for taxpayers.
- Influenced the Government approval in November 2017 of the Decree "On the Rules for Implementation of the Customs Code". Also, it initiated the consultation process on the relevant regulatory acts of the draft law.
- Made a thorough analyses and relevant public debate in Albania on business administrative appealing mechanism within public administration.
- Stimulated independence of Tax Appeal Directorate from Regional Tax Administration.
- Enforcement of the role of the Taxpayer's Advocate.
- Improved transparency on internal procedures for VAT reimbursement.
- Specific recommendations to strengthen the capacities of GTD and AKBN (Hydrocarbon) were adopted.



Influencing incentives to investments

IC Meetings

- » Investments Incentives, Albania vs. the Region (2016)
- » Access to Finance (2016)
- » Construction Permits e-Platform (2017)

Out of the 59 provided recommendations, main achievements are:

PRIORITY INTERVENTION AREAS TACKLED

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Key Achievements

- Preparation of the inventory of incentives in Albania and Western Balkan countries in coordination with AIDA in 2016. A second comparative incentives profile for WB countries was prepared and published in 2019.
- AIDA published the list of public properties as an option for investment.
- IC led the consultation process of the draft Unified Law on Investments.

- IC advocated for specific support in innovation and IT-related professions. In 2018 was approved the reduction from 15% to 5% in corporate tax for companies operating in the software industry.



Improving Investment Climate

PRIORITY AREAS

- Deregulation
- Tax Inspection
- Informality
- Dispute Resolution
- Investment Incentives
- Informality in agribusiness
- Access to Finance
- VAT Reimbursement
- Labour Market Skills

- Customs Procedures
- Survey on Investmet Climate
- Construction e-Permits
- Legal Investment Framework
- Formalization in Tourism
- Inspections
- Legal Security on Property
- Invoices and the System for - Monitoring Transactions
- Investment potentials and priority sectors

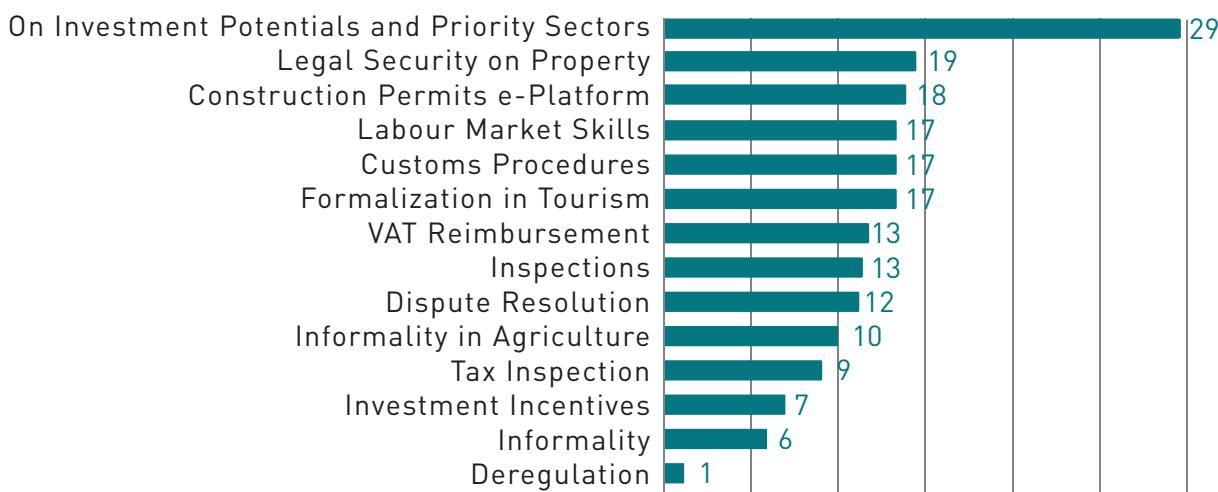
INVESTMENT COUNCIL (IC) is a platform set up in 2015 by the Government of Albania (GoA) with the support of the EBRD in the framework of EBRD's Investment Climate and Governance Initiative (ICGI). IC aims to improve the business climate and to promote good governance in the country. It leverages the private sector's experience to enhance the content and prioritization of policy reforms.

In four years, IC has consolidated as a structured and reliable public-private dialogue platform that focuses its work on:

- a) Consultations with the business community, government and international development partners, collecting proposals for the agenda to improve the investment climate in the country;
- b) Analysis, surveys, consultations, country's desk-research (national and international reports), face-to-face interviews, collecting written comments from partners, organizing focus group meetings, working groups, and recording a comprehensive database of business issues;
- c) Elaborating recommendations and specific actions to support necessary investment climate improvements;
- d) Monitoring implementation of approved recommendations.

Influencing through IC recommendations

Recommendations by Topic



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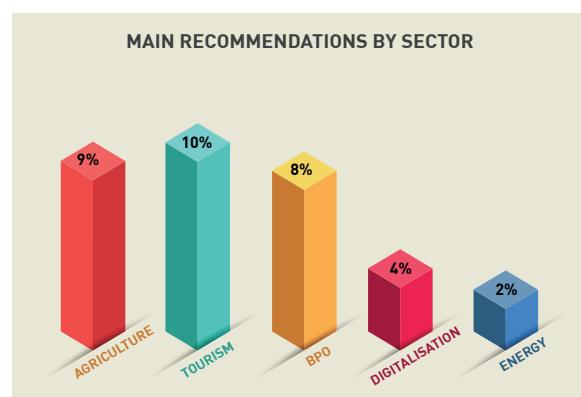
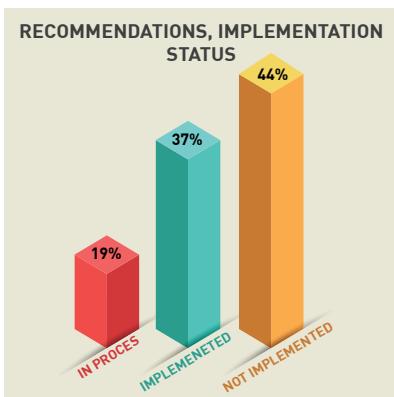
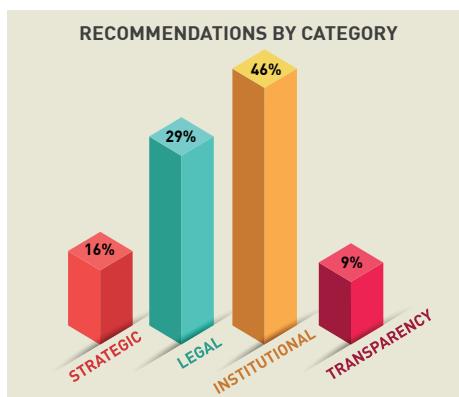
RECOMMENDATIONS PROVIDED

84%

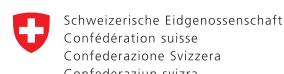
INTERVENTIONS AIMING AT OPERATIONAL LEVEL

16%

INTERVENTIONS AIMING AT STRATEGIC LEVEL



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