



IC MEMBERS FEEDBACK

2018 - 2019

Prepared by
**Secretariat of Albania
Investment Council**

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the EBRD and the Swiss State Secretariat for Economic Affairs (SECO)

Interviewed Members

PUBLIC SECTOR



Mr. Eduard Shalsi,
*Minister of State
for Protection of
Entrepreneurship*



Mrs. Majlinda
Gjata Demko,
*Advisor to
Minister of
Finance and
Economy*



Mrs. Natasha
Ahmetaj,
*Deputy Governor,
Bank of Albania*



Mrs. Mileva Meksi,
*Director, FDI
Department, AIDA*

PRIVATE SECTOR



Mr. Edmond
Spahiu,
*Executive
Director,
AlbStar shpk*



Mr. Tom
Kristian Larsen,
*President,
Foreign
Investors
Association of
Albania*



Mrs. Ines
Muçostepa,
*Chair, Union
of Chambers
of Commerce
and Industry
Albania*



Mr. Mira
Pogaçi,
*Executive
Director,
Albanian
Commercial
Union*



Mr. Seyhan
Pencabligil,
*Executive
Director,
National
Commercial
Bank*

DEVELOPMENT PARTNERS



Mr. Laura
Qorlaze,
*Country
Representative,
IFC*



Mrs. Hilda
Shijaku,
*Economist,
World Bank*



Mrs. Ledia Muço,
*Economic and
Trade Advisor,
European Union
in Albania*

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CONTEXT

Investment Council (IC), plays an important role in the national debate on crucial investment climate issues in the country. The main focus of IC work relates to the institutional, regulatory and policy environment in which companies invest, create jobs or expand, but also interact with state institutions and other private actors that influence the country's economic performance.

The Albanian Government increased the number of business community representatives to the IC with two permanent members, through DCM no. 355 on 22/05/2019, following the suggestions of IC business representatives. The business community has actively contributed to the prioritization of key issues and the drafting of the IC agenda, as well as to consultations, annual surveys and the provision of concrete recommendations for investment climate issues.

To continuously improve IC work, the Secretariat prepares annually a report on IC members

feedback, which highlights members' comments on the format and composition of the IC, the quality of IC work, personal experience as a member of the IC, visibility and influence in the dialogue, on the investment climate in the country as well as suggestions for further improvement of work. For the first time, during the period November - December 2019, in addition to members of the business community (5), were interviewed also the representatives of governmental institutions (4) and the development partners members (3).

The structure of questions was slightly different from the one of previous years and the surveying process was conducted by the monitoring expert that joined the Secretariat in July 2019. Some of the questions were structured to give members the choice between several options, or base their comments on rating. We have truly appreciated the commitment of members to deliver narrative comments on our work.



Currently, IC remains the most structured advisory body and private public dialogue platform to convey messages on investment climate issues. Impact measurement remains difficult, but sharing messages is very important.



KEY MESSAGES

Strong points of Investment Council according to its members

- ▶ Currently, IC remains the most structured advisory body and private public dialogue platform to convey messages on investment climate issues. Impact measurement remains difficult, but sharing messages is very important.
- ▶ Almost all members expressed the readiness to continue the collaboration and contribution to the IC platform in the future, as they valued the engagement through topic voting, agendas, professional analysis and recommendations on specific topics as well as transparency through the publication of all materials.
- ▶ This platform must be sustainable and operational until the instrument of public private communication and dialogue becomes stable.
- ▶ It is very important and appreciated that the Minister chairs the meetings and that the EBRD is an important support factor.

Suggestions to be considered for improvement:

- ▶ Government institutions should improve their engagement through a faster response to the implementation of recommendations, especially considering that they are IC members.
- ▶ Representatives of chambers and associations to formalise written and structured comments prior to meetings, reflecting specific problems of their businesses.
- ▶ The number of meetings to be revised possibly to decrease, while being considered a space on the agenda for the following year, for a meeting to have an ad-hoc subject to the specific situations of that year. This suggestion comes from business representatives.
- ▶ From time to time, Secretariat should include in the agenda reporting on unfulfilled recommendations from previous meetings. The Minister of Finance and Economy should request reporting by the responsible public authorities on non-implementation. This recommendation comes from three members, two from government institutions and one from development partners.
- ▶ Possibly consider involvement as members for the Association of Municipalities, Albanian Association of Banks and SMEs operating in rural areas. (The suggestion was conveyed by two members of the business community and one of the development partners).
- ▶ The materials should be more concise and summarized, more specific recommendations, e.g. focusing on 2-3 recommendations for each meeting.
- ▶ Increase IC visibility through social media and visual media, but also by holding meetings at business premises related to the discussion topic, possibly in districts. This would increase confidence of business in this platform.

I. IC FORMAT AND ORGANISATION

In more concrete terms, the experiences, comments and opinions of IC interviewed members, are detailed in the following components:

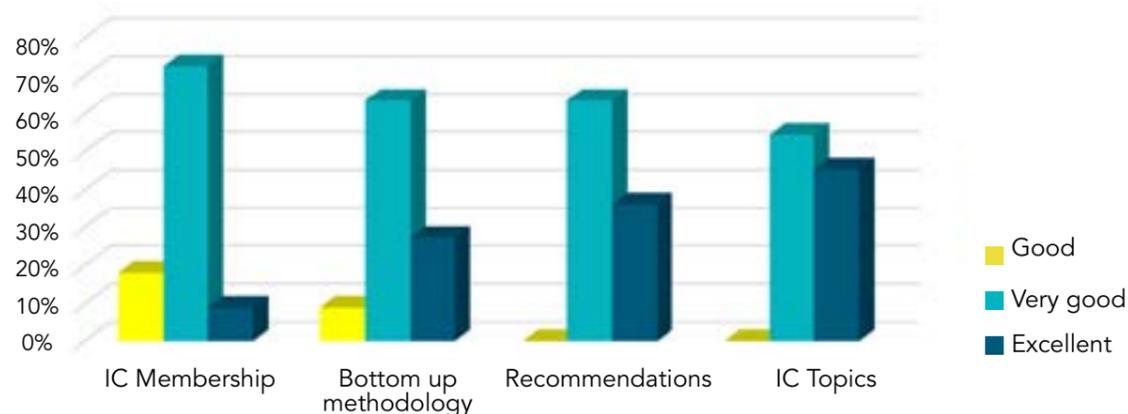
Q. How do you evaluate the format and organization of Investment Council meetings?

- The IC format is the best and the topics being addressed are well selected. The work done by the secretariat for organizing the IC meetings, preparing technical notes and materials is highly appreciated;
- Membership is all-inclusive. The methodology and recommendations are excellent and well implemented. Topics have been quite broad covering several industries and institutions;
- In terms of membership, the increase in the number of permanent members of the business was welcome;
- The methodology of selecting topics by voting is very good and well-appreciated.

The interviewed members were asked to evaluate the IC format and organization through the scoring of four key factors.



As shown in the below graph, between the choices: Needs improvement, Good, Satisfactory, Very good and Excellent, 11 members evaluated mostly with "Very good" and "Excellent" the four factors ranked above (one member didn't comment):

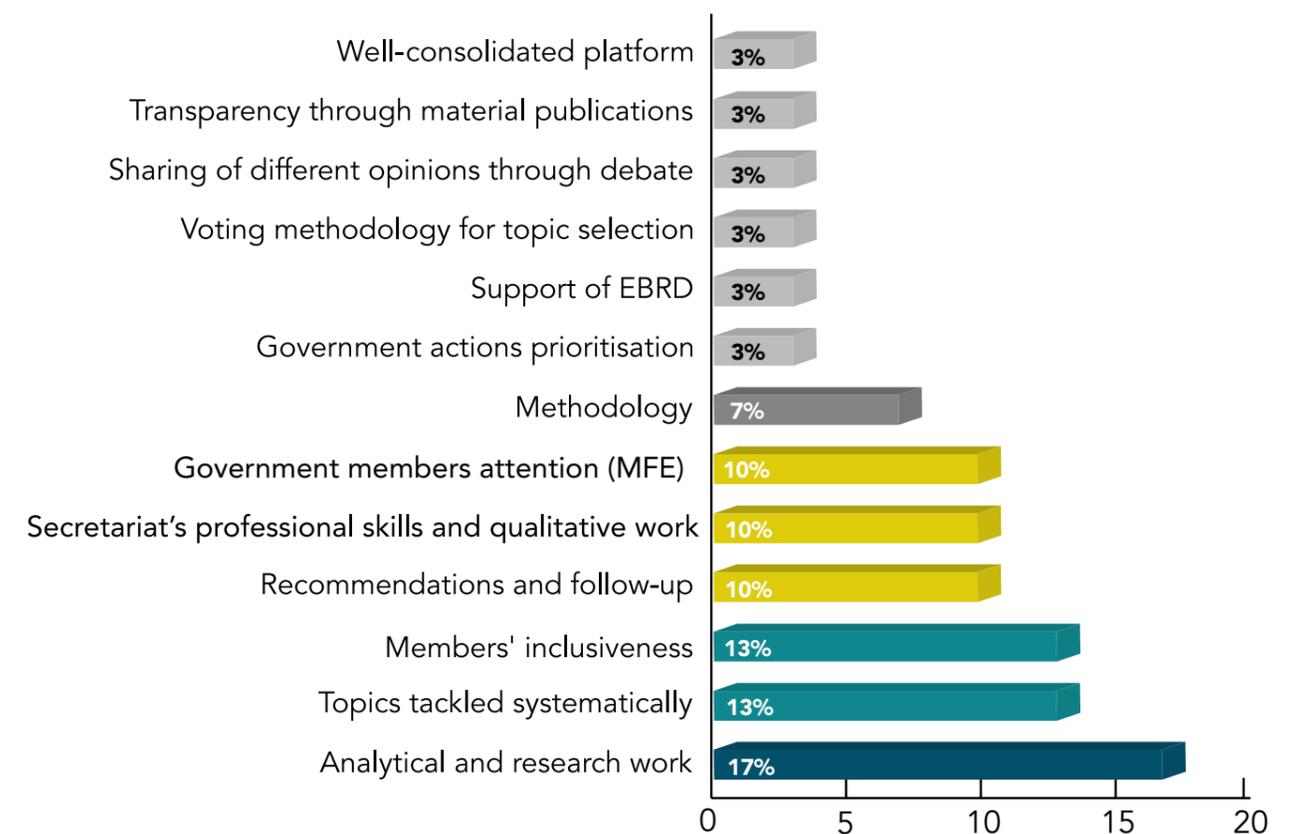


The % express the number of members that evaluated the factor with Good/Very Good/Excellent. Ex. 73% of the interviewed think that the IC Membership is very good.

Q. What would you consider as IC strengths?

- Very good analysis and study work on preparing materials;
- The topics covered and the voting methodology of the topics are highly appreciated by IC members;
- The inclusion, engagement and attention of key government members and businesses gives much value to the format;
- The attention of key government members through the permanent presence of the Minister of Finance and Economy;
- Very qualitative recommendations as well as systematic work in following up on them;
- The IC Secretariat's active work and the qualification of its staff is one of the strengths of the IC;
- Methodology of the work, follow-up and persistence on the achievement of the objective;
- Urges the government to prioritize their actions and thereby deliver the promises it makes;
- Presence of EBRD as an important factor strengthening the reputation;
- Transparency through the publication of all materials produced.

IC Strong Points



II. QUALITY & LEVEL OF PARTNER REPRESENTATION

(Business associations, businesses, government institutions, development partners and their level of representation)

Q. After the recent changes made by the IC with the increase of the number of members of the business community by 13%, is this community really represented in the IC (at sectoral level, size, geographical extent, gender equality etc.)? Do business associations contribute to a comprehensive dialogue on the most important issues of their members? (e.g. improvement proposals)

- IC has brought the novelty of permanent representatives from the businesses and increased their numbers over the last year by strengthening the voice of the business community. However, it is suggested that businesses participants to be invited according to the specific sector and topic discussed at each meeting without having to be permanently appointed.
- Government institutions need to improve their engagement through a faster response to the implementation of recommendations, especially considering that they are also IC members.
- Public institutions should report on the implementation status of the recommendations addressed to them.
- The voice of the members of chambers of commerce and business associations is underrepresented by the responsible people in these institutions (that mostly convey their personal opinions).

III. IC VISIBILITY

Q. Do you think the Investment Council is well known by the business community?

- IC is well known and most importantly influential in gathering consultations and tables in a short time with important members and participants.
- IC is acknowledged by the relevant interested the institutions. Collaboration with different institutions, student participation in the Secretariat's activity, cooperation with civil society like Risi Albania and other institutions are all very valuable for visibility.
- To increase visibility, it is suggested that meetings could also be organized in a representative business' premises related to the specific topics discussed at the meetings, so that businesses can be more engaged in enhancing IC visibility.
- IC member from business associations and chambers of commerce can play a more active role in increasing the IC visibility amongst their members.

IV. INFLUENCE IN THE INVESTMENT CLIMATE

Q. Do you think that the work of the Investment Council makes a difference from similar formats of public-private dialogue? Has IC influenced the improvement of the investment climate dialogue in Albania?

- The IC is the most structured council in terms of public private dialogue. There is no other format so structured;
- IC has influenced in the increase of transparency and consultative communication;
- In other structures of public private dialogue, issues are discussed more in technical level, meanwhile in IC they are analysed and debated also in a macro level;
- IC makes a difference both in composition and in methodology;
- It has had a positive impact, but it should be the case that the state authorities should be very attentive to the implementation of the recommendations in order to achieve better results.
- Yes, it is the most successful platform to convey the messages, the impact on the business climate depends on the government;
- From time to time, Secretariat should include in the meeting agenda the unfulfilled recommendations from topics discussed in previous meetings. The Minister of Finance and Economy should request reporting by the responsible public authorities on the reason for non-implementation.

Q. In your opinion, what are the best ways to measure the impact of IC work over the years and contribute to improving the investment climate?

- The best way to measure impact is the percentage of implemented recommendations, but as an advisory body this percentage depends directly on the commitment of government institutions;
- Better functioning of IC also raises awareness of public bodies to understand the business opinions;
- Transmitting messages is very important;
- It is difficult to measure the impact.

V. PERSONAL & PROFESSIONAL EXPERIENCE WITH IC

Q. In your experience with the Investment Council, what do you consider to be your greatest benefit from this membership?

- The importance of this platform is the harmonization of many factors and the perfect coordination between parties;
- Knowledge of the problems of supply and demand in the real economy and the quality of transmission and communication of this sector with the financial one;
- The IC sectoral analyses have filled the gap of information that the members have;
- It's a great opportunity to benefit from the information shared and convey our messages.

Q. What do you think has been your main input into the work of IC?

- Recommendations shared in the IC meeting;
- Addressing the concerns of the members of the institution I represent;
- Credit and banking infrastructure expertise.

VI. IC PLATFORM SUSTAINABILITY

Q. Do you see the Investment Council as a long-term, business-friendly platform?

- This platform must be operational until the private public communication tool becomes stable and functioning normally. This does not exclude the strengthening of the role of chambers of commerce in conveying and resolving business concerns;
- IC can be adapted to contribute to different stages of improving the investment climate, playing the role of catalyst.

VII. CONTINUITY OF YOUR COOPERATION WITH IC / IC MEMBERS

Q. How do you see your future cooperation with the Secretariat and the Investment Council? Would you engage in taking the initiative to raise a specific topic for discussion in the IC Secretariat? Including the IC Secretariat in meetings such as board meeting attendees / part of your committees / investment climate oriented events organized by you? Share with the IC Secretariat analytical or documentary material on issues encountered by you, for IC review or follow-up?

- We are definitely committed and suggest that more written feedback from members before meetings to be requested;
- Yes, we have already showed our commitment by conveying our proposals on topics considered important;
- We have a constant institutional relationship with IC and consider it an important stakeholder in the activities we organize.





Albania
Investment
Council

Improving Investment Climate



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