

PROGRESS OF INVESTMENT COUNCIL RECOMMENDATIONS

January - June 2023

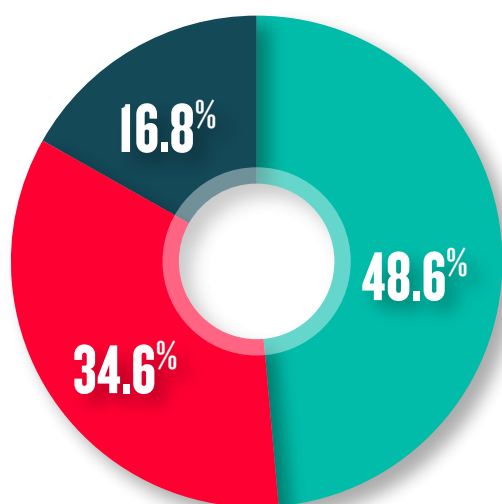
315

Total Recommendations

30

IC Meetings

Status of Recommendations June 2023

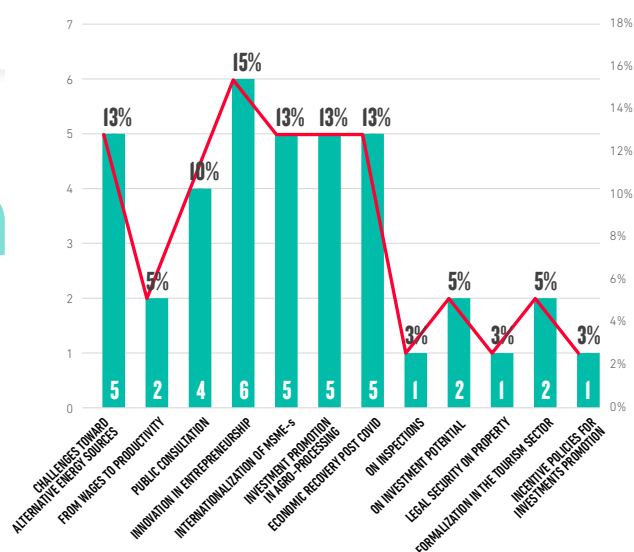


- Implemented
- Not implemented
- In process

Compared to the end of 2022, we observe a 4.6% increase in implemented recommendations, with a particular focus on internationalization of MSMEs, and the Green Agenda.

*Totally (80-100%) or partially (50-70%)

Progress of recommendations by topic



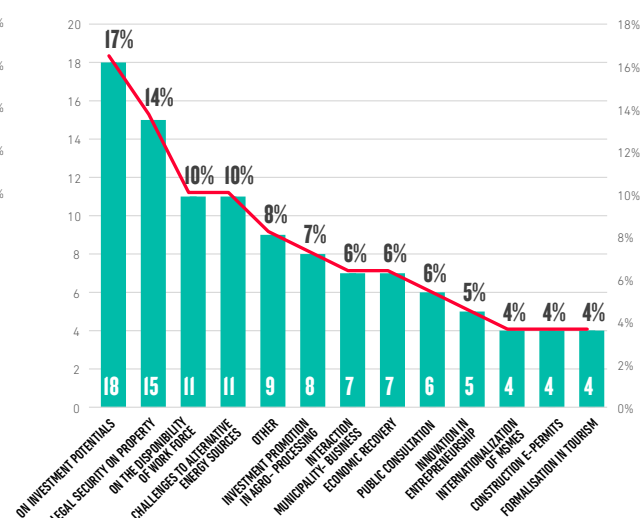
- Nr of recs in progress by topic
- % e recs. by topics over the total recs with progress

Positive progress in 39 recommendations:
 » **22 recommendations** have been implemented*.
 » **17 recommendations** are currently in the process of being implemented.
 » There has been an acceleration in the responsiveness and focus of public institutions, specifically:
 » Implemented **7 recommendations** from 2023 and 4 from 2022 (approximately 28% of all recommendations in progress).
 » Additionally, 6 recommendations were addressed during the meeting on "Innovation in Entrepreneurship," constituting around 15% of the total recommendations in progress.

* Out of the 10 institutions requested for information, 6 provided prompt responses - the Prime Minister's Office, Ministry of Finance and Economy, AIDA, AZHBR, MTM, and MSHMS.

*Totally (80-100%) or partially (50-70%)

Unfulfilled recommendations by topic



- Nr recs not implemented
- % of recs by topic over the total not implemented recs

There are currently 109 unfulfilled recommendations.

The majority of unfulfilled recommendations are centred around the topics discussed in the meetings:

- » **Investment Potentials**
- » **Legal Security on Property**

**"Others" include unfulfilled recommendations given in the meetings: From wages to productivity at work/Inspections/Informality/Informality in Agriculture/Administrative Complaints/Workforce - BPO/Customs Procedures.

* % of recommendations not implemented by topic (over the total number of recommendations)

PROGRESS OF INVESTMENT COUNCIL RECOMMENDATIONS

JANUARY - JUNE 2023

From the Recommendations in the agriculture sector

Initiative to update the agricultural land map and clarify property ownership in areas with significant economic potential. - The decision no. 320, dated 31.5.2023, has been approved for the establishment of an inter-institutional task force to coordinate the process of handling agricultural land in use.

Facilitation of the growth of value chain integration and the supply of raw materials for agro-processing through funds disbursed by AZHBR - In 2022, under IPARD II funding, 36 processing lines in the Fruit-Vegetable sector were supported with a total value of 1,677,085,049.78 Albanian Lek. Additionally, under the National Schemes, funding was provided for "Seedlings and Planting Material" with a value of 181,453,780 Albanian Lek and for "Planting of Medicinal and Aromatic Plants" with a value of 100,656,400 Albanian Lek for 174 beneficiaries.

Improvement and updating of information on the domestic market needs regarding fresh and processed products in use. This was achieved through the launch of the Farmer's Portal in April 2023, providing up-to-date information on markets, product prices, food analysis, financing instruments, and other relevant data. The portal aims to inform farmers in real-time and facilitate their connection with collectors and buyers.

About Investment Council in Albania

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. IC is chaired by the minister responsible for the economy and is composed of representatives from Government, the private sector, and partners for development.

From the Recommendations in the ENERGY sector

Effective establishment of the liberalized energy market and Energy Exchange. This was accomplished on April 12, 2023, and the procedures for the Energy Exchange Committee have been approved.

Facilitating access to information through the establishment of a centralized instrument serving as an information hub to support electricity producers and consumers. This initiative aims to provide easy access to relevant data and insights related to electricity consumption, renewable energy promotion, and energy efficiency.

Promoting the use of renewable energy sources by enhancing the net metering scheme for electricity, which, following recent legal amendments through the approval of the "Law on the Promotion of Renewable Energy Use," allowed for the replacement of the monthly resolution with an annual one.

Approval of the functioning principles of "Aggregators" and "Renewable Energy Communities" through amendments to Law No. 7/2017 "On the Promotion of the Use of Renewable Energy Sources."

Facilitation of the installation of a self-produced electricity generation unit in a separate location from the electricity consumption unit, accommodated through Article 20, point 5 of Law No. 7/2017 "On the Promotion of the Use of Renewable Energy Sources."

From the Recommendations in the tourism sector

Encouraging investments in tourism based on economic and urban development plans, with reference to specific detailed plans of National Importance Zones approved by the Council of Territorial Adjustment (KKT):

1. PDZRK for Gropa e Portës, Fushë Okol, and Qafë Thorë in the vicinity of Bogë village, Malësi e Madhe
2. PDZRK for the area of Drilon Tushemisht
3. PDZRK for the Coastal Area: Baks-Rrojll and Rana e Hedhun-Port Shëngjin
4. PDZRK for Grykë-Derdhja e Ishmit Tale, Spille, etc.

Expansion of promoting the tourist offer at the international level through a series of initiatives:

- FESTA Forum
- BBC documentary dedicated to Albania "Wonders of the World"
- Participation in the regional project Balkan Wine Tour
- Signing the accession to the Partial Agreement (EPA) on Cultural Routes of the Council of Europe.
- The International Berlin Fair (ITB Berlin)
- Fair Expo Tourism 365
- MoA between AKT and the Swiss National Tourism Organization.

Improvement of governance in the tourism sector at the local level through the involvement of local authorities in monitoring the sector's development and fostering dialogue with businesses.

- Regional Tourism Development Committees, led by Prefects of the respective regions, have been established in each prefecture.
- Additionally, a Task Force for the Management of the Summer Tourist Season, headed by the Ministry of Tourism and Environment (MTM), has been established. This task force is responsible for overseeing the implementation of the plan and coordinating the projected actions at the regional level, under the guidance of the Prefect of the Region.

From the Recommendations in all the sectors

Acceleration of institutional support in implementing programs to enhance the education of MSMEs for their faster integration into international value chains. This includes providing various training programs to MSMEs, such as:

- Training on waste management, utilization of photovoltaic systems, and implementation of energy efficiency measures
- Training sessions for members of the Wine Producers Union on Enology and Wine Tasting to enhance their knowledge and skills in the wine production industry.
- Workshops focused on E-commerce

Enhanced promotion of MSMEs at the international level through active participation in trade fairs, forums, and international missions. Some specific initiatives undertaken in this direction are:

- The Albania-Germany Business Forum
- The Roundtable of Business "Poland-Albania":
- "Made in Albania" Campaign: An AIDA-led promotional campaign dedicated to supporting Albanian businesses and showcasing Albanian products

Encouraging the involvement of the business community in consultations to enable their influence in decision-making processes. One concrete initiative in this regard is the inclusion of business associations and trade unions as part of the National Labor Council.

The adoption of a wage indexation mechanism According to Law 35/2023 dated 25.05.2023, "On competencies for determining salaries, other financial benefits, and perks for employees in public administration institutions, as well as the minimum wage scale nationwide," the CoM has been granted additional powers to approve the wage indexation measure for public sector employees, no later than two years from the previous indexing.