

# MATRIX OF RECOMMENDATIONS

## ON DIGITAL TRANSFORMATION OF PUBLIC LOCAL SERVICES FOR BUSINESSES

December 2025

This matrix of recommendations aims to summarize the recommendations and solutions proposed in the Technical Note and serves as an Internal Plan for monitoring from AIC secretariat team to follow up their implementation. The recommendations implementation requires actions and the proactive role of both governmental institutions and the business community.

Digital transformation, remains a complex process that requires institutional responsibility, robust strategic planning, and sustained commitment to inclusivity. Ensuring successful outcomes will depend on long-term investments in technological innovation, human resource development, and mechanisms that promote transparency and accountability.

The following recommendations are the result of the analysis and consultations of the IC Secretariat with a significant number of actors and experts in both the private and public sectors exploring expectations regarding the digital transformation of local services, with focus on three main pillars: (i) the administrative burden and business satisfaction in relation to the costs of accessing administrative and other services; (ii) the identification of local administrative services that should be prioritized for digitalization; and (iii) fiscal communication and transparency, building on earlier discussions around local taxes and fees, notification and appeal mechanisms, and electronic permitting procedures.

Intervention /Recommendation	Responsible institutions/ Institutions included in implementation	Term
<b>Recommendation 1: <u>Vision and Leadership for Local Digital Transformation</u></b> - Local government bodies should complement their political commitment to digitalisation with (a) <b>clear objectives and measurable performance indicators that reflect the needs of all stakeholders, including businesses.</b> The quality of digital services to businesses must be prioritised within strategic, budgetary, and operational planning. (b) <b>Furthermore, service performance indicators should be regularly monitored and reported, ensuring accountability and continuous improvement in delivering efficient, business-friendly local administration.</b>	<b>Ministry of State for Local Governance</b>  <b>Ministry of Economy and Innovation</b>  <b>Ministry of Finance</b>	<b>Medium-term</b>

	<p>Agency for Supporting Local Self-Governance</p> <p>National Agency for Information Society</p>	
<p><b>Recommendation 2:</b> <u>Adopting a cautious and inclusive approach to local digitalisation</u> - A gradual and well-coordinated transition from physical service delivery to digital systems—anchored within municipalities through dedicated task forces involving cross-departmental representatives—can help build trust and manage expectations around the quality of digital services. This transformation should be supported by clear budgetary allocations and continuous staff upskilling. The private sector recommends <b>complementing digitalisation with dedicated physical service desks for small businesses, integrated with national digital systems</b>, to provide guidance and resolve issues related to licenses, construction permits, tax consultations, and other administrative processes—thus reducing delays. As an initial step, priority should be given to enabling online access to key services such as information requests, tax filings, business registrations, fee payments, complaints, and certificates, with seamless integration into the e-Albania platform.</p>	<p>Ministry of State for Local Governance</p> <p>Ministry of Economy and Innovation</p> <p>Agency for Supporting Local Self-Governance</p>	<p>Medium-term</p>
<p><b>Recommendation 3:</b> <u>Strengthening Coordination in Public Investments and Data Exchange</u> -Local public investments in infrastructure and digital systems should be strategically aligned with national platforms and initiatives to ensure secure, reliable, and sustainable institutional coordination, particularly in data exchange between the central tax administration and municipalities. (a) <b>An efficient and secure mechanism should be established for real-time data exchange between the General Directorate of Taxes (GDT) and municipalities.</b> This would allow local authorities to verify business turnover, avoid double taxation, and ensure timely and accurate tax notifications. Controlled access for municipal employees to national tax databases could significantly improve service delivery and revenue collection. (b) <b>Automated inter-institutional notifications and alert systems would help prevent delays and reduce administrative disputes.</b> To further enhance transparency and engagement, businesses should also receive automatic updates (e.g., via email or SMS) regarding proposed municipal council decisions that may affect them.</p>	<p>Ministry of State for Local Governance</p> <p>Ministry of Economy and Innovation</p> <p>Ministry of Finance</p> <p>General Directorate of Taxation</p> <p>Agency for Supporting Local Self-Governance</p> <p>National Agency for Information Society</p>	<p>Medium-term</p>
<p><b>Recommendation 4:</b> <u>Regulatory Framework</u> - Local government should ensure that <b>the digitalisation process is guided by a regulatory framework that upholds key ethical and legal principles</b>, including the protection of personal and private data, environmental safeguards, and cybersecurity standards.</p>	<p>Ministry of State for Local Governance</p>	<p>Medium-term</p>

	Agency for Supporting Local Self-Governance	
<b>Recommendation 5:</b> <u>Promote Inclusive Collaboration and Capacity Building for Local Policy Design and Implementation</u> - To ensure equitable access and shared benefits from local development initiatives, <b>stronger collaboration between local governments and the private sector—particularly small businesses, is essential.</b> This collaboration should be rooted in knowledge-sharing, continuous training, and inclusive dialogue, with a particular focus on digitalisation and fiscal policy reforms. More specifically, <b>there remains significant room for improvement in the legal framework governing local taxes and fees.</b> As repeatedly highlighted by the IC, the existing system is outdated and does not adequately reflect the socio-economic changes and policy reforms of recent years. <b>Early and structured engagement with institutions is vital to ensure that business perspectives are reflected from the outset in the drafting and revision of legislation related to local taxation.</b>	Ministry of State for Local Governance  Ministry of Economy and Innovation  Ministry of Finance  General Directorate of Taxation  Agency for Supporting Local Self-Governance	Medium-term
<b>Recommendation 6:</b> “ <u>Enhance Support Mechanisms for Business Digitalisation Transformation</u> ” - Given the challenges that many enterprises—particularly small businesses—face in adopting digital solutions, <b>it is essential that chambers of commerce and business associations play an active role in facilitating the digital transition. In partnership with local authorities, they should jointly invest in capacity-building efforts for local stakeholders. These efforts should aim to strengthen participation in the design and implementation of local reforms—especially those targeting simplification of tax obligations and reduction of bureaucratic barriers. Advocacy initiatives should be grounded in data-driven analysis and supported by case studies that illustrate the adverse effects of complex or poorly implemented procedures on enterprise development. Moreover, they should engage in offering targeted training programs, advisory services, and thematic seminars (including IA) focused on strengthening digital competencies, data analysis, innovation, and entrepreneurship.</b> Special attention should be given to promoting the effective use of national digital platforms such as e-Albania, thereby improving access to public services and fostering a more competitive and modern business environment.	Ministry of State for Local Governance  Agency for Supporting Local Self-Governance  Chambers of Commerce  Business Associations  National Association of Albanian Municipalities  Institute for Albanian Municipalities	Medium-term
<b>Recommendation 7:</b> Development and Implementation of a Sustainable and Transparent Methodology for Real Estate Valuation through a broad consultative process with stakeholder groups. <b>It is recommended that a sustainable and standardised methodology for market valuation and reference pricing be developed</b>	Ministry of State for Local Governance	Medium-term

<p><b>in close cooperation with the business community and professional organisations.</b> This methodology should include (i) the delineation of fiscal cadastral zones and sub-zones, (ii) the definition of criteria for assessing real market values, and (iii) a new value map that is public, evidence-based, and regularly updated.</p>	<p><b>Ministry of Finance</b> <b>State Cadastre Agency</b> <b>National Real Estate Association of Albania (NAREA)</b></p>	
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Suggestions from Members	Referent subject of the suggestion
<p>Improving local tax and fee collection procedures - Although the local administration follows central legislation, processes need to be improved to increase efficiency and harmonization with central practices.</p>	<p><b>Municipality of Tirana</b></p>
<p>Creating a “digital investor dossier”, summarizing all documents and requirements for an investment project, providing investors with a clear and complete overview.</p>	<p><b>Albanian Tourism Association</b></p>
<p>Establish a strategy for digitizing agricultural properties, developing a long-term plan, as well as a short-term strategy for the period 2027–2030, with the aim of improving the management and disbursement of funds. The agricultural property register should be linked to the needs of municipalities, especially for the production and calculation of property tax, one of the main revenues of local authorities.</p>	<p><b>KASH</b> <b>Minister of State for Local Government</b></p>

**Term:**

**Short-term-** period from 1 to 6 months.

**Medium-term** – period from 6 months to 1 year.

**Long-term** – period over 1 year.