

CHALLENGES OF MUNICIPAL - BUSINESS INTERACTION

DIGITALIZATION OF SERVICE PROVISION

Survey Findings

Secretariat of Albania Investment Council

March 2025

SCOPE & METHODOLOGY



SCOPE

Public services at the local level and digitalization

Municipality-Business interaction in terms of:

- *Transparency*
- *Access to information*
- *Involvement in decision-making*
- *Communication*



METHODOLOGY

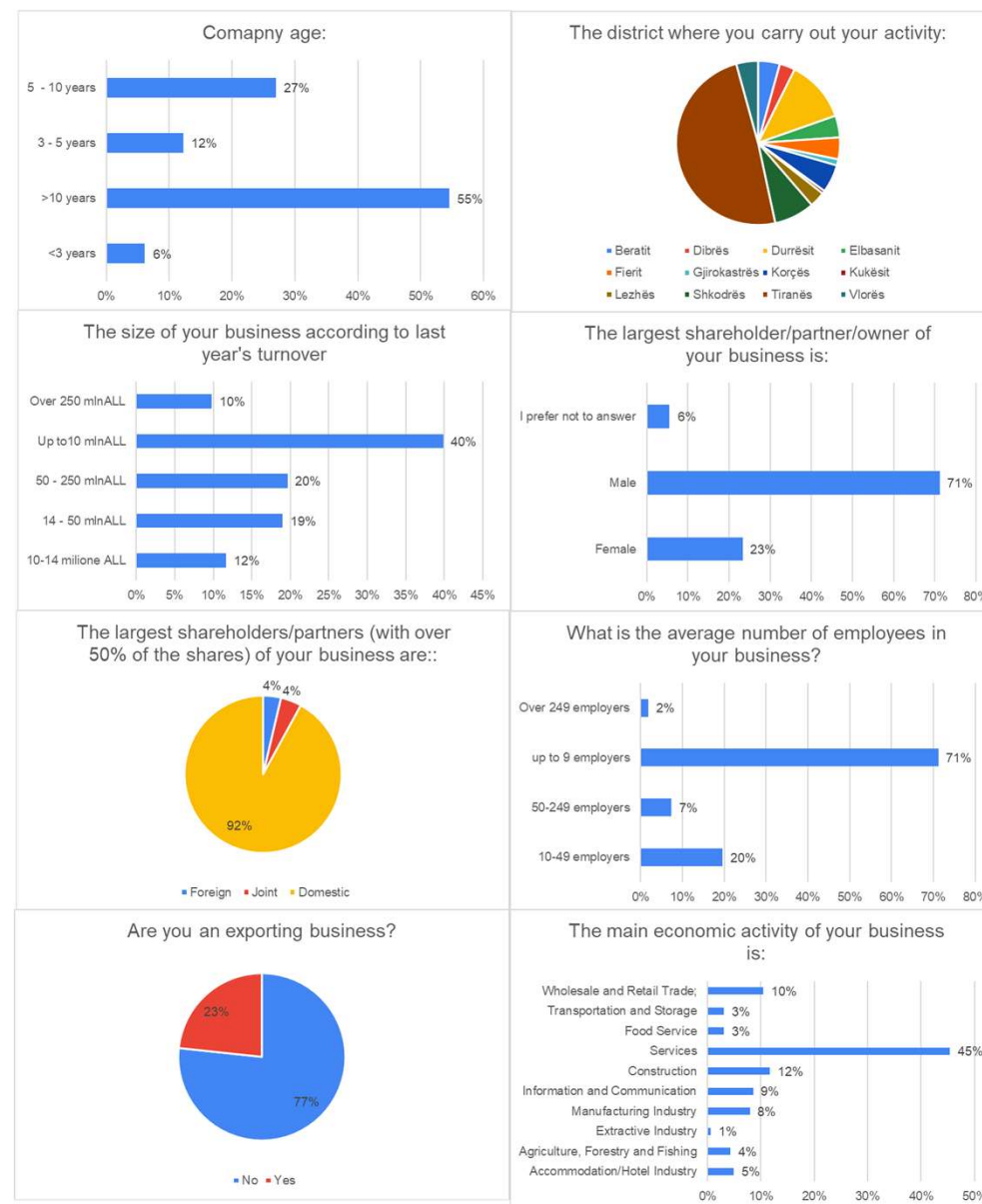
Structured questionnaire

Sent by email to companies

*Anonymously completed online questionnaires by
163 businesses*

*The survey includes data reported during the
period January – February 2025*

SAMPLE PROFILE 163 Enterprises



MAIN CONCLUSIONS



- **ADMINISTRATIVE SERVICES** - Only 20% of enterprises report improvements in the facilitation of administrative services by municipalities, while the majority observe either no change or a decline in service quality.
- **ONE STOP SHOPS** - Although these offices are present in most municipalities, they are not widely seen as having significantly improved access to services, with only 31% of enterprises believing they have made a meaningful difference.
- **DIGITALISATION** - Businesses consider digital interaction essential but believe it should always be complemented by physical service counters—a view consistent across companies of all sizes.
- **ADMINISTRATIVE BURDEN** - Enterprises recognize the significant role of digitalization in easing administrative burdens related to accessing local services, with 78% believing it will contribute positively to this area.
- **CORRUPTION** - A similar perception exists regarding the role of digitalization in reducing corruption, as it minimizes direct contact with municipal administration—an outcome supported by 73% of enterprises.

MAIN CONCLUSIONS

- **USE OF ONLINE SERVICES** - Only 30% of enterprises have used online services provided by municipalities. The remaining 70% have not benefited from such services, primarily because 27% report that their municipality does not offer online services, while 17% say they are unaware whether these services are available.
- ***E-PERMITS PLATFORM*** - *Enterprises are generally satisfied with the e-permit platform available on e-Albania, with 58% reporting that they are somewhat or completely satisfied with the online delivery of these services..*
- ***PRIORITIZATION IN DIGITALIZATION*** - *Among the top three priority services for digitalization, enterprises identify Requests/Complaints, fiscal services, and administrative complaints related to taxes and fees as the most important.*

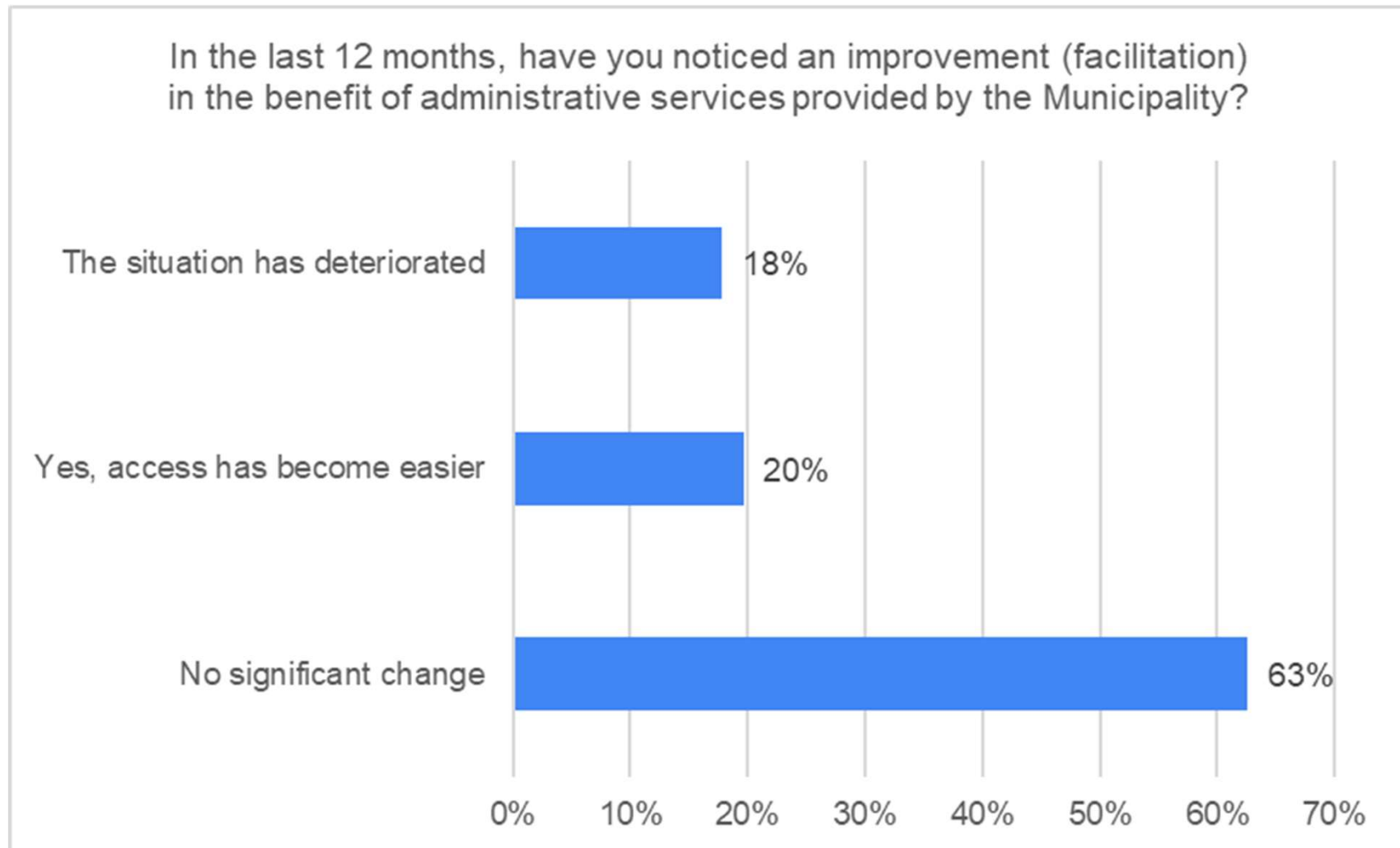
MAIN CONCLUSIONS

- **COMMUNICATION** - Communication with municipalities is rated as poor or very poor by 46% of enterprises. Additionally, 81% report that their municipality rarely or never holds meetings with businesses. As a result, 79% of enterprises feel they are not involved in decision-making processes that impact their activities.
- **INFORMATION.** Overall, enterprises still feel poorly informed about the local taxes and fees they pay. Compared to 2019, the proportion of enterprises feeling uninformed has risen from 14% to 29%. Similarly, there has been no improvement since 2019 in how well enterprises are informed about the latest decisions made by Municipal Councils, with 87% reporting that they do not receive updates on these decisions.
- **TRANSPARENCY.** A similar situation is observed concerning the transparency of information provided by the Municipality Tax Administration about local tax administrative procedures, with the percentage of enterprises finding the information unclear rising from 29% in 2019 to 59% in 2025.
- **COST/BENEFIT BALANCE.** Fifty-nine percent of enterprises perceive the balance between the services they receive and the local fees they pay to the municipality as unfair or largely unfair. While this reflects a slight improvement from 2019, when the figure was 78%, dissatisfaction remains high.

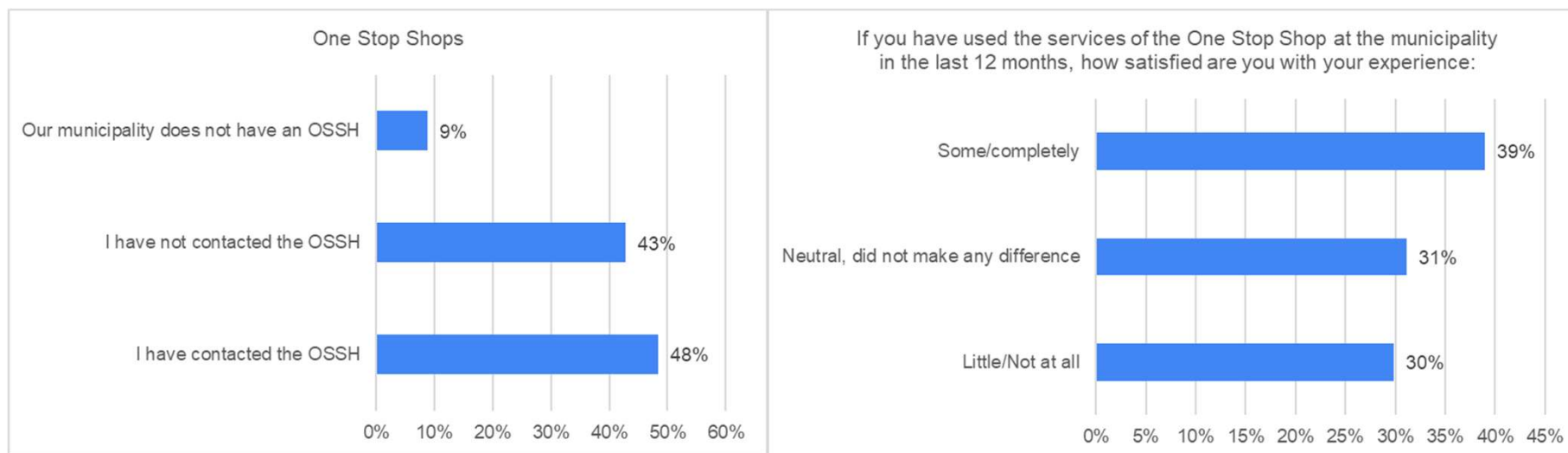
MAIN CONCLUSIONS

- **PROCEDURE** - *Fifty-two percent of enterprises are unclear about the austerity measures procedure used by the Municipality Tax Administration for collecting local fiscal obligations.*
- **BLOCKING OF BANK ACCOUNTS**- *Only 36% of enterprises report having experienced issues related to the municipality blocking their bank accounts.*
- **IMPROVEMENTS** - *Enterprises demand greater information and transparency from municipalities, along with simplified procedures and improved quality of infrastructure.*

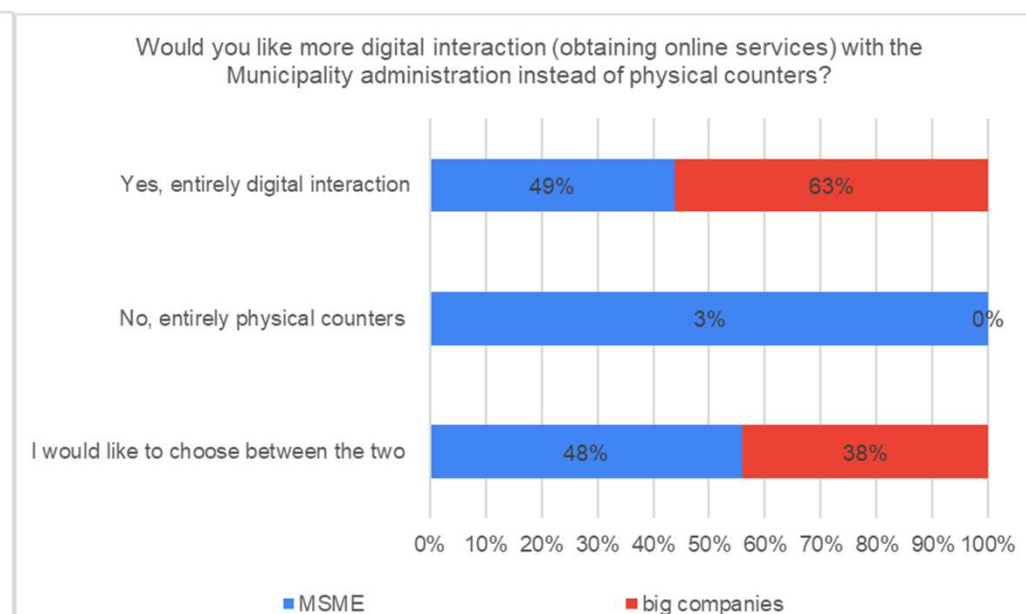
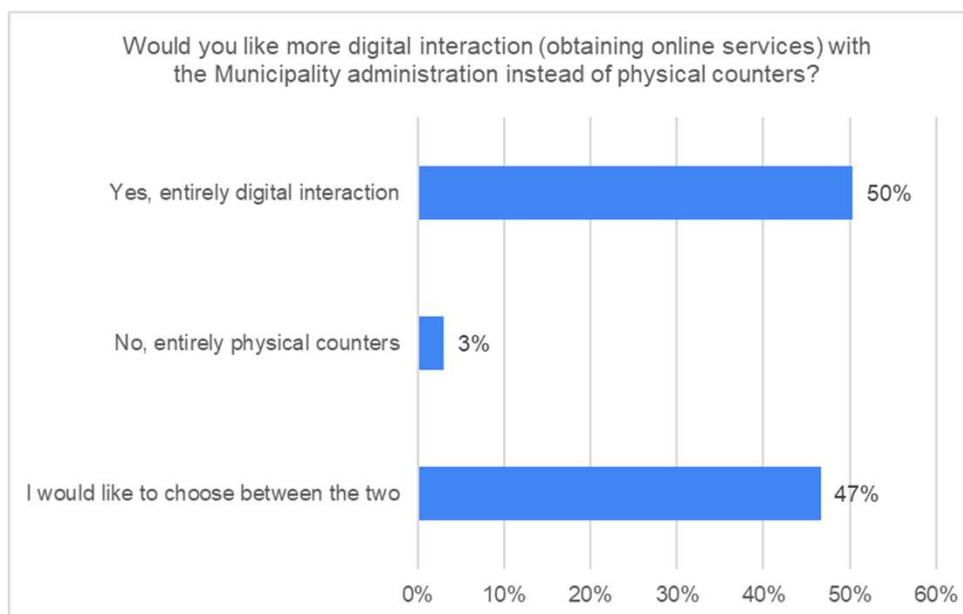
EVALUATION OF LOCAL SERVICES



ONE-STOP OFFICES (OSSH)

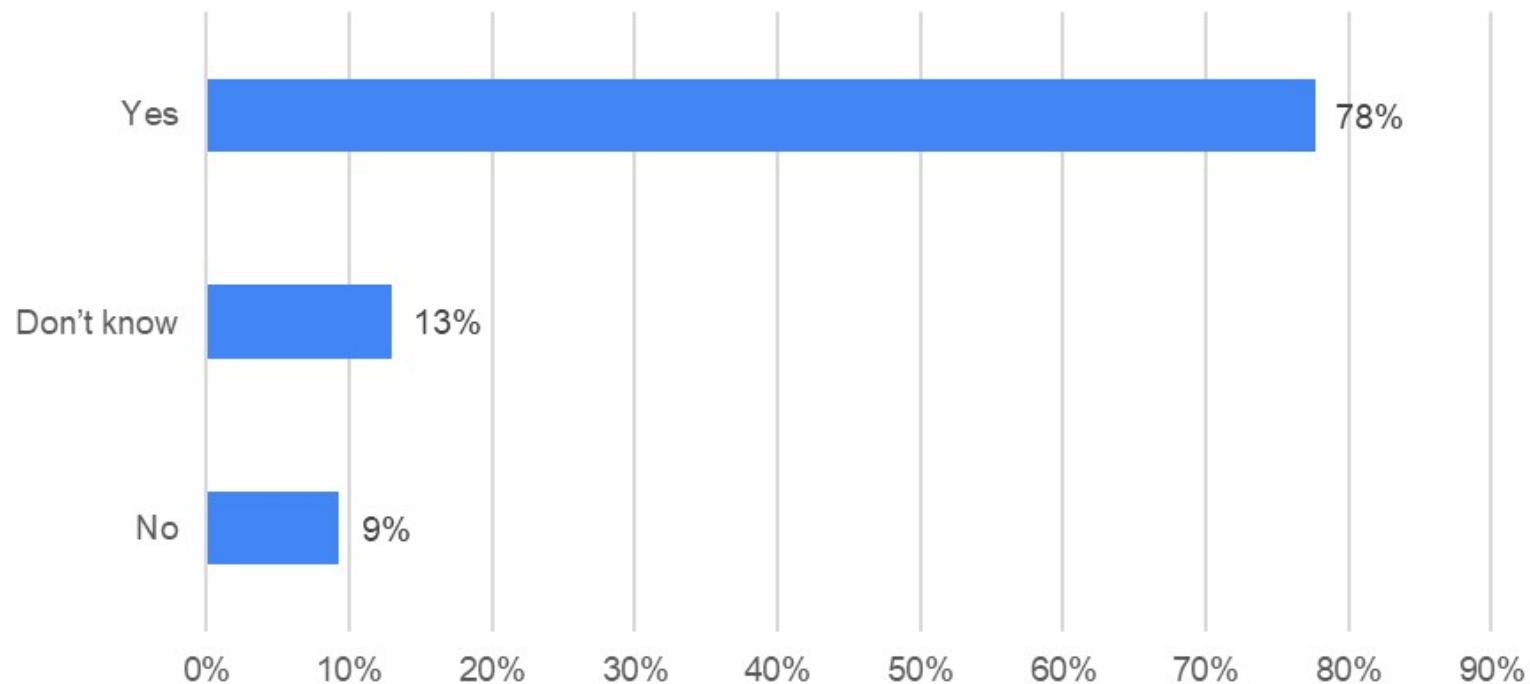


DIGITAL OR PHYSICAL INTERACTION?

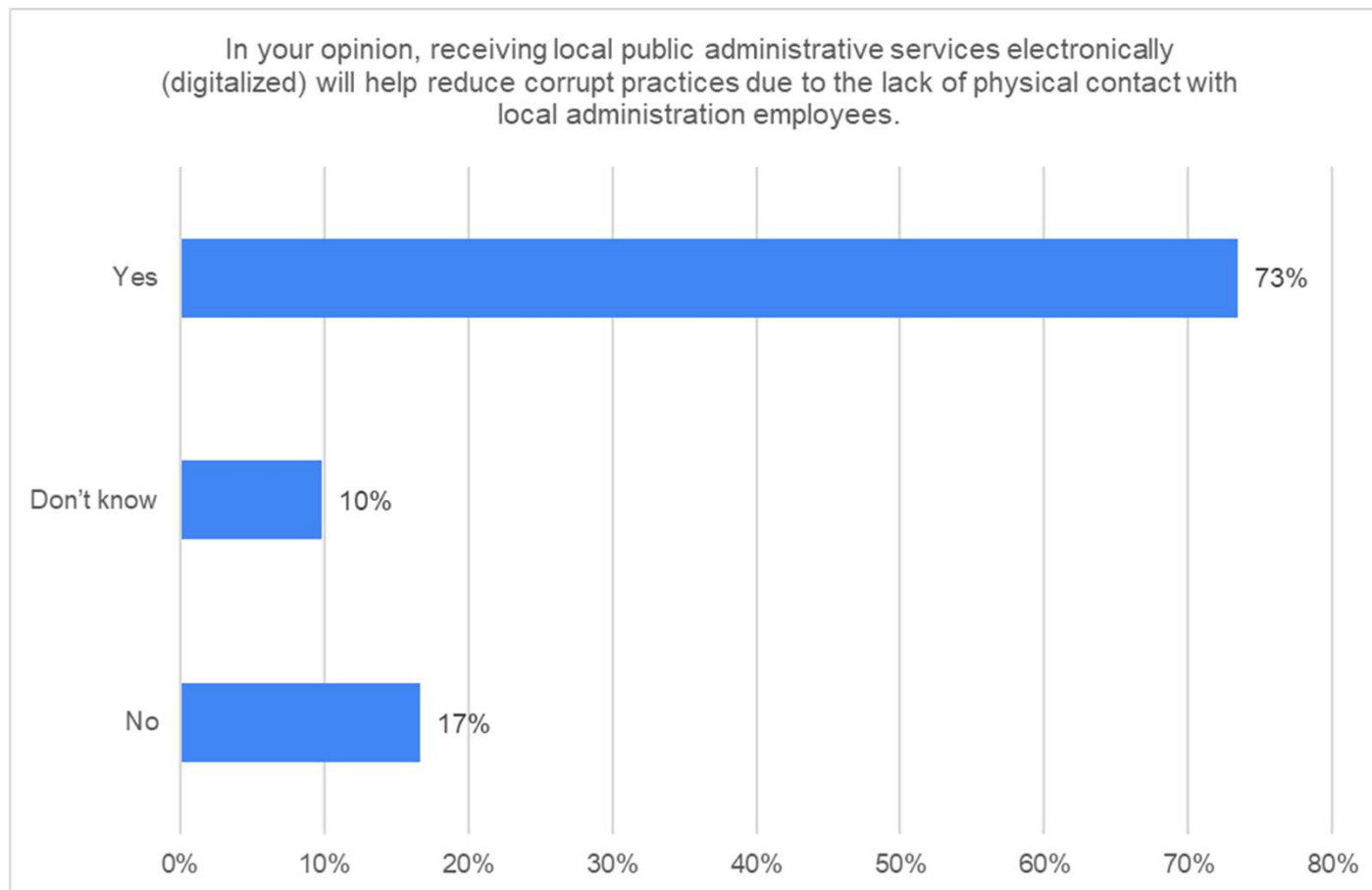


DIGITALIZATION AND ADMINISTRATIVE BURDEN

In your opinion, receiving local public administrative services electronically (digitalized) will help reduce the administrative burden for your company (time spent, financial costs, etc.) to obtain services.

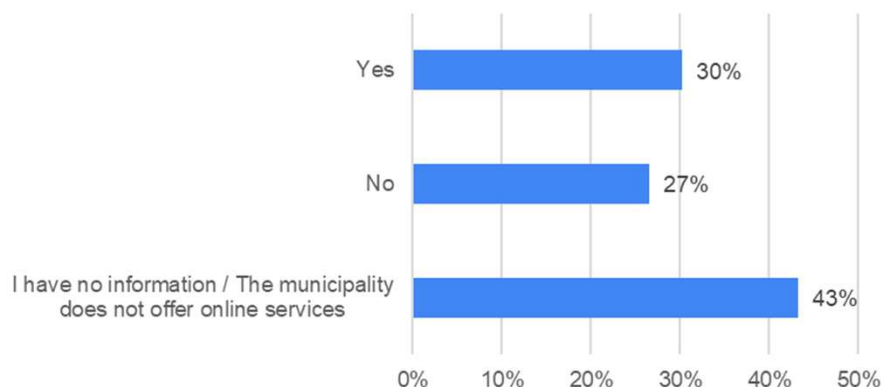


DIGITIZATION AND CORRUPTION

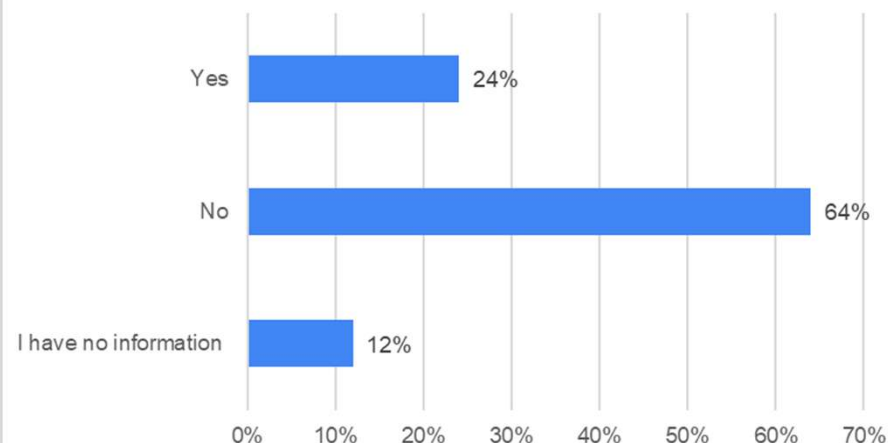


ONLINE PLATFORMS

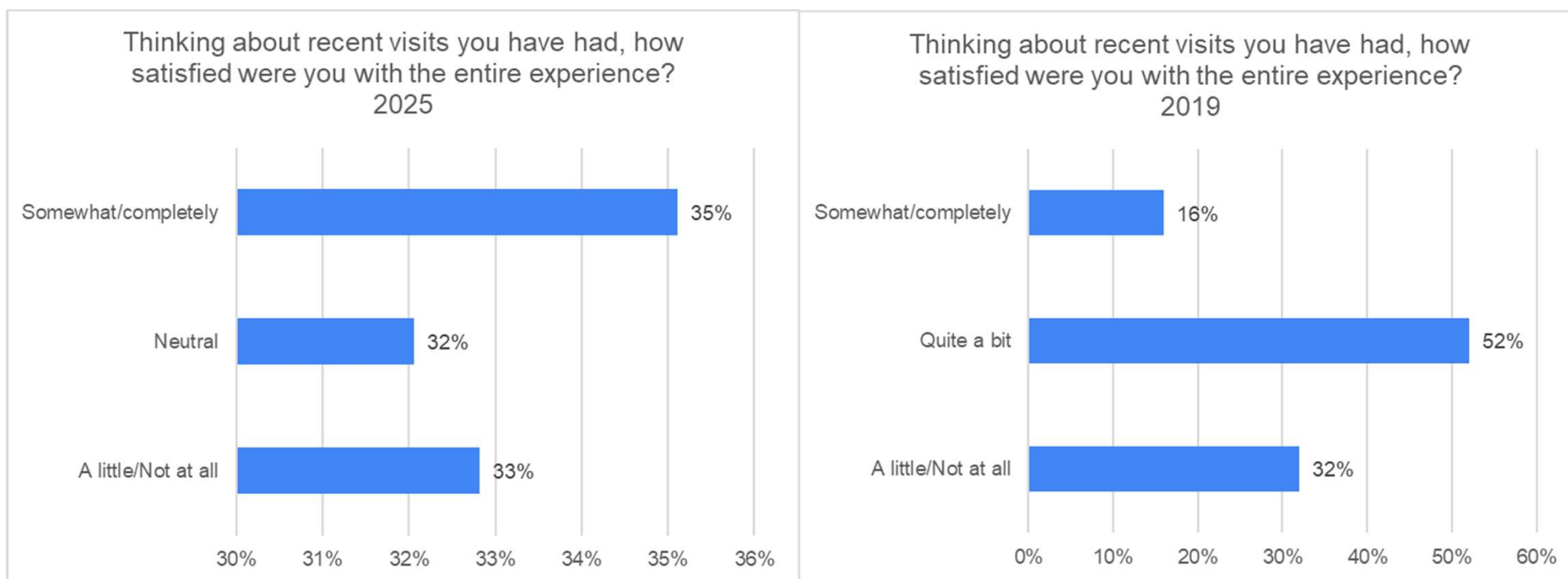
In the last 12 months, have you used for business purposes,
online service platforms of the Municipality where you exercise
your economic activity?
2025



Do you benefit from electronic services from your Municipality?
2019



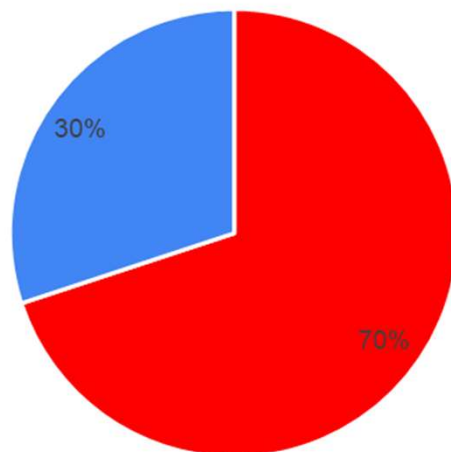
ONLINE PLATFORMS



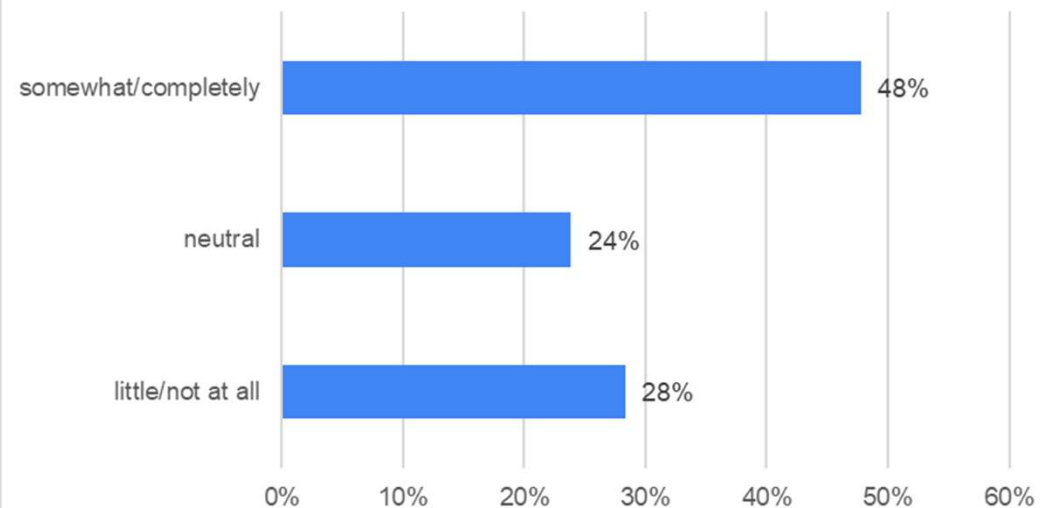
E-PERMIT PLATFORM IN E-ALBANIA



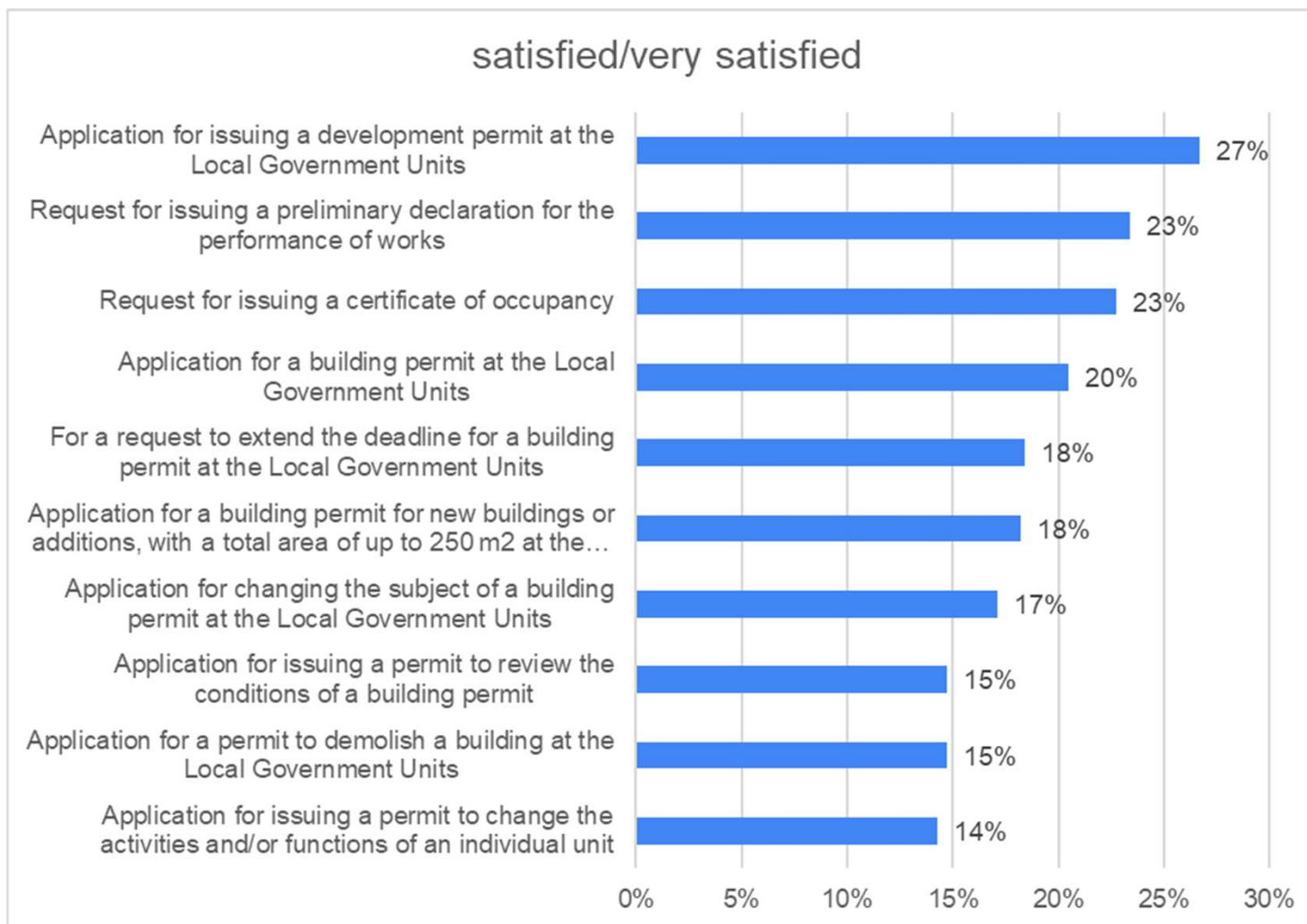
Have you used the e-permits portal (Application for building permits in e-albania):



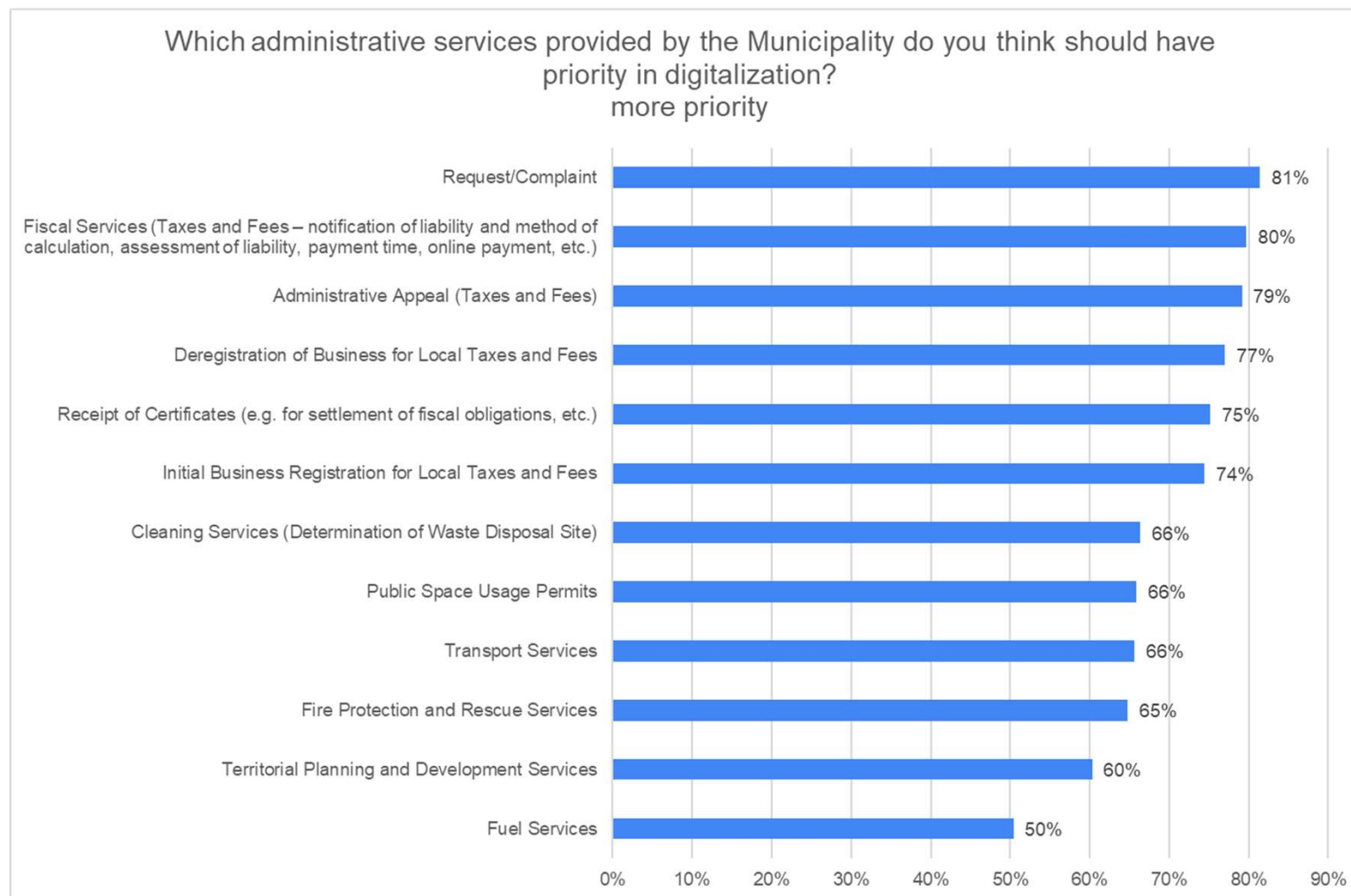
Thinking about your last visit to the e-permits portal (Application for building permits in e-Albania), how satisfied were you with the entire experience?



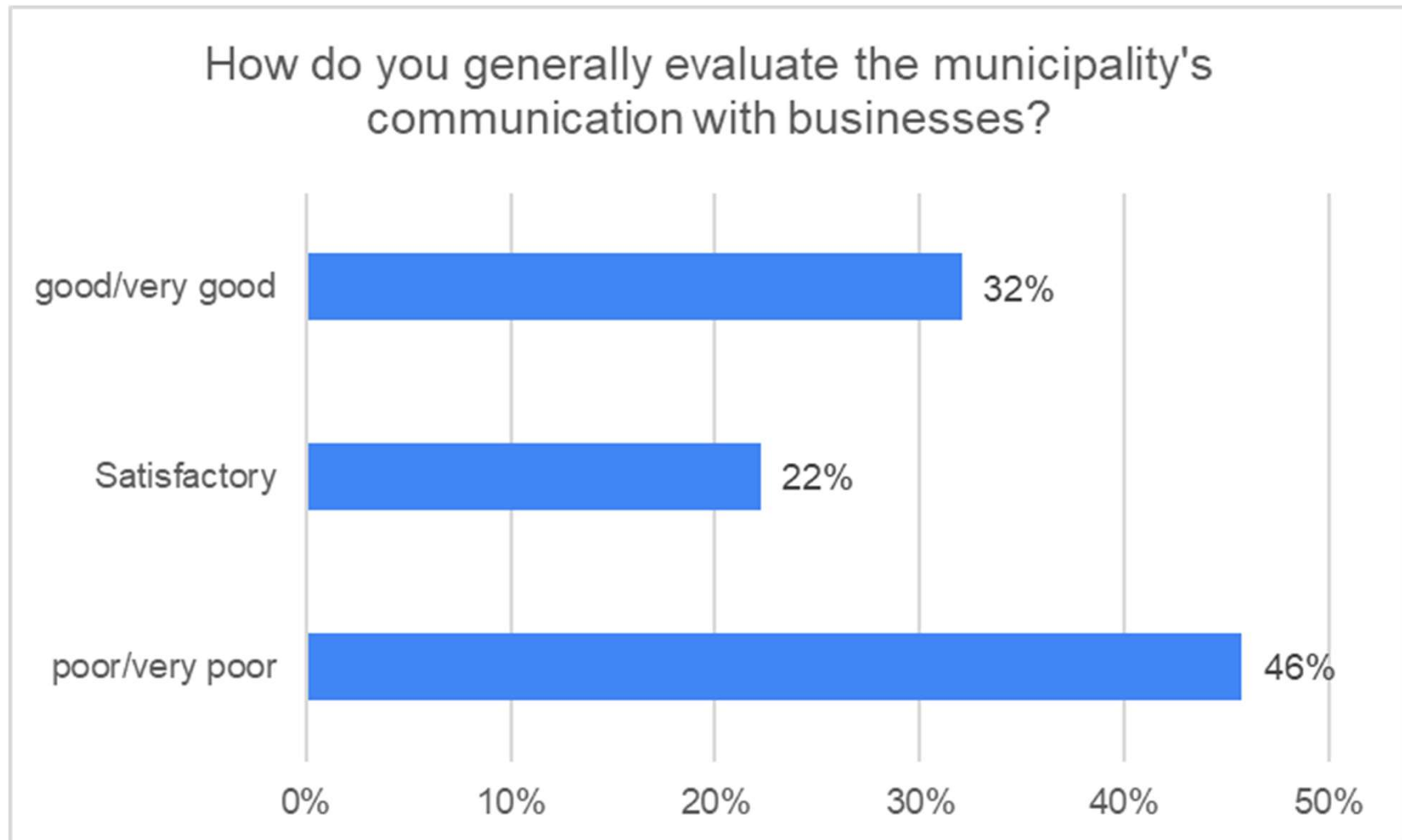
E-PERMIT PLATFORM IN E-ALBANIA



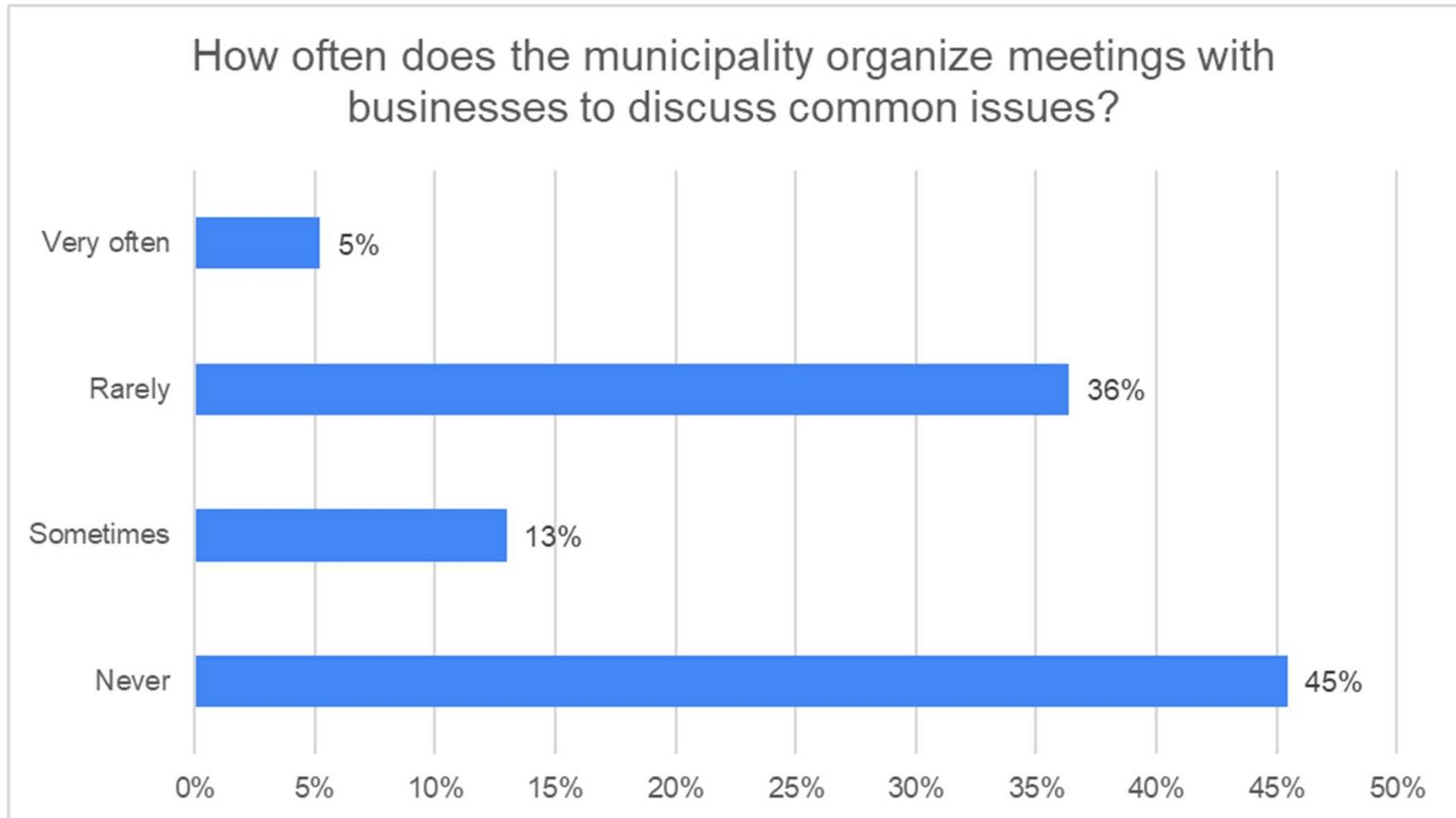
PRIORITIZATION IN DIGITALIZATION



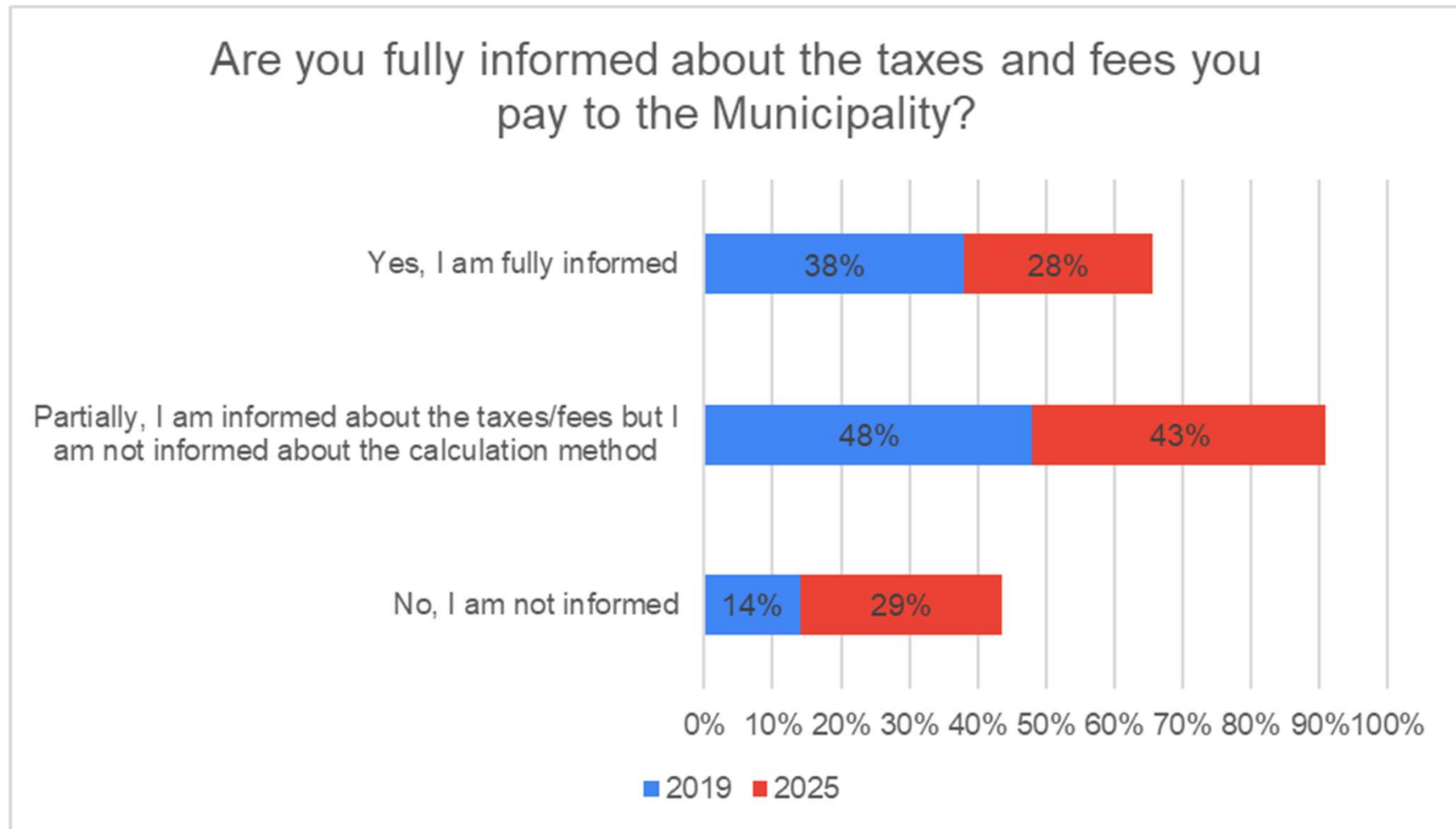
COMMUNICATION WITH THE MUNICIPALITY



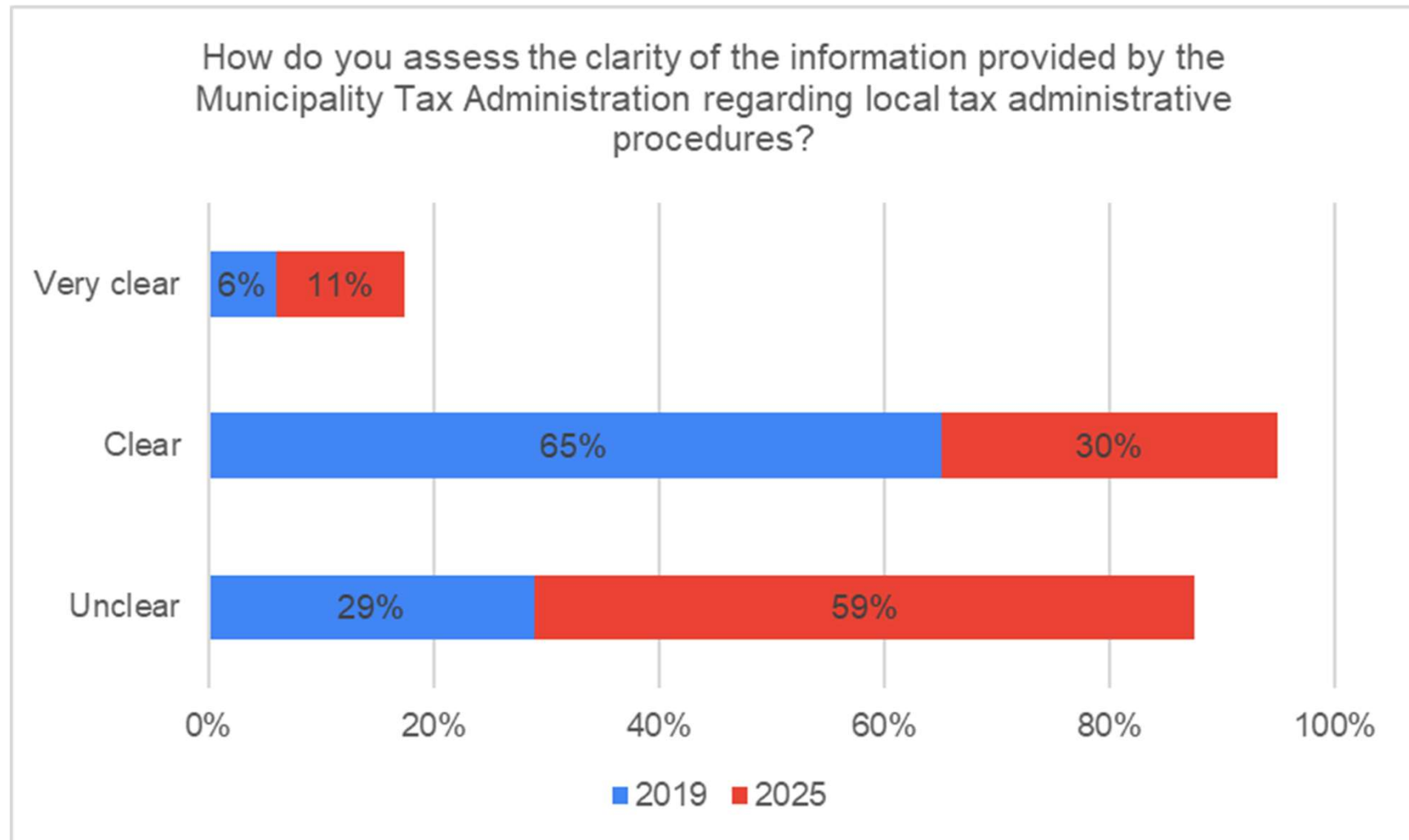
BUSINESS MEETINGS



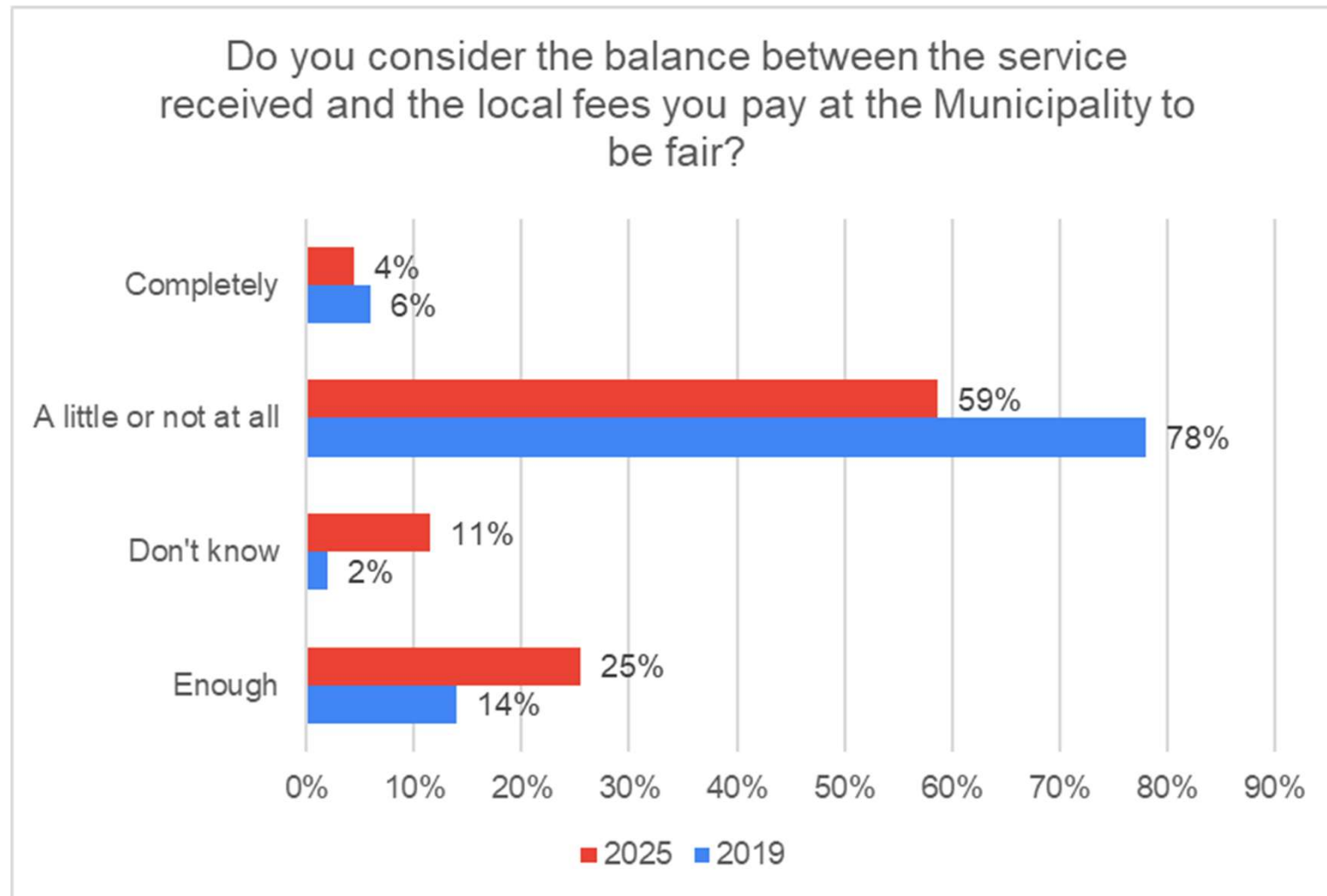
TRANSPARENCY ON TAXES AND FEES



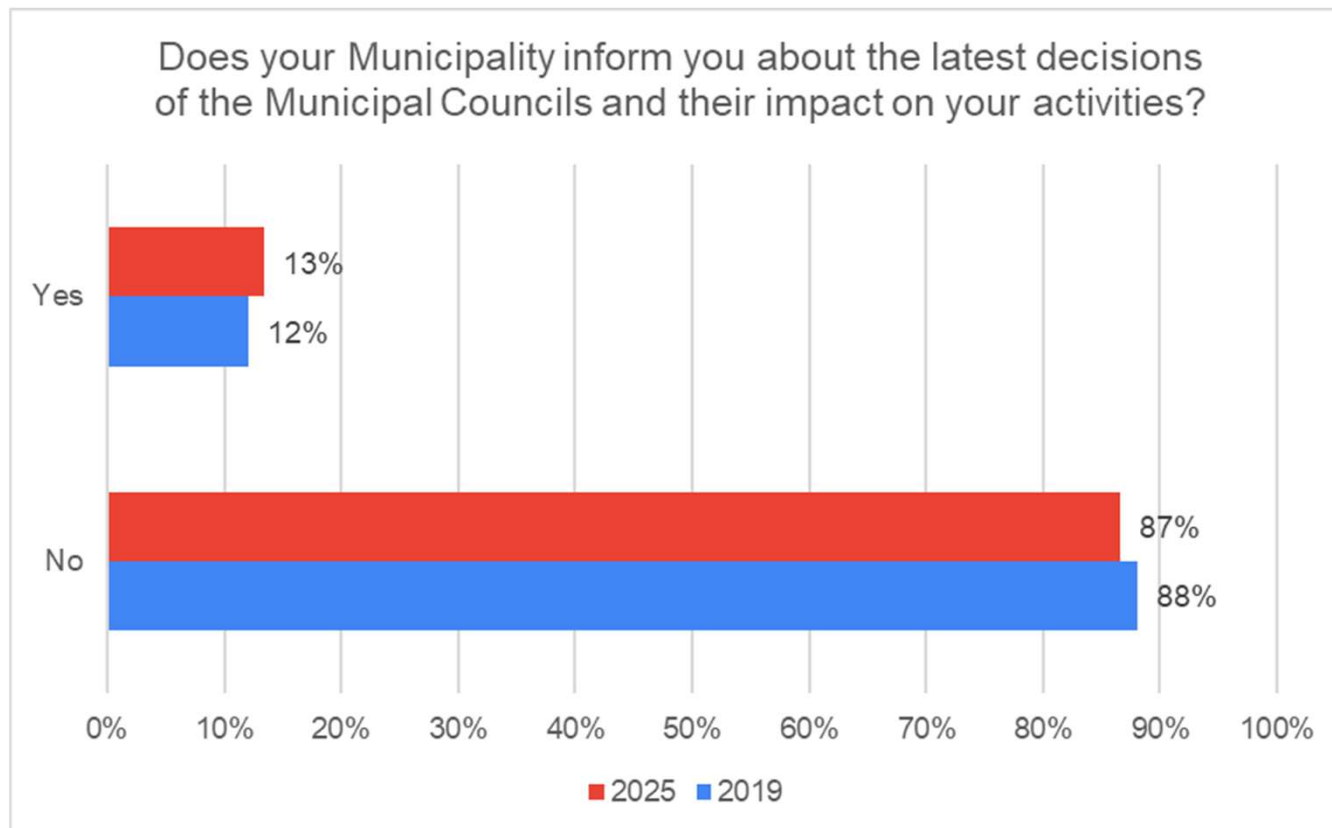
TRANSPARENCY ON PROCEDURES



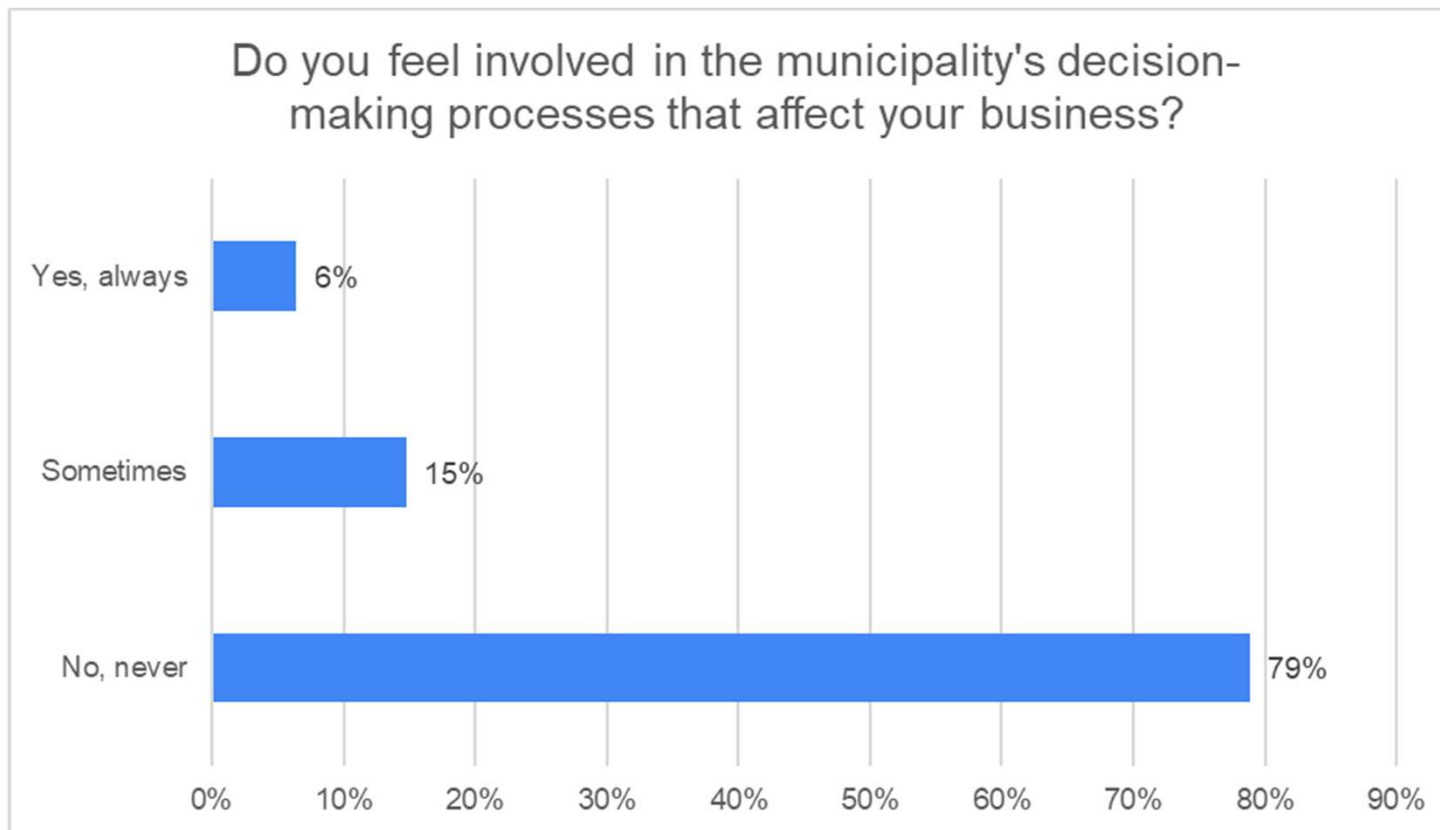
SERVICE BALANCE – TARIFF



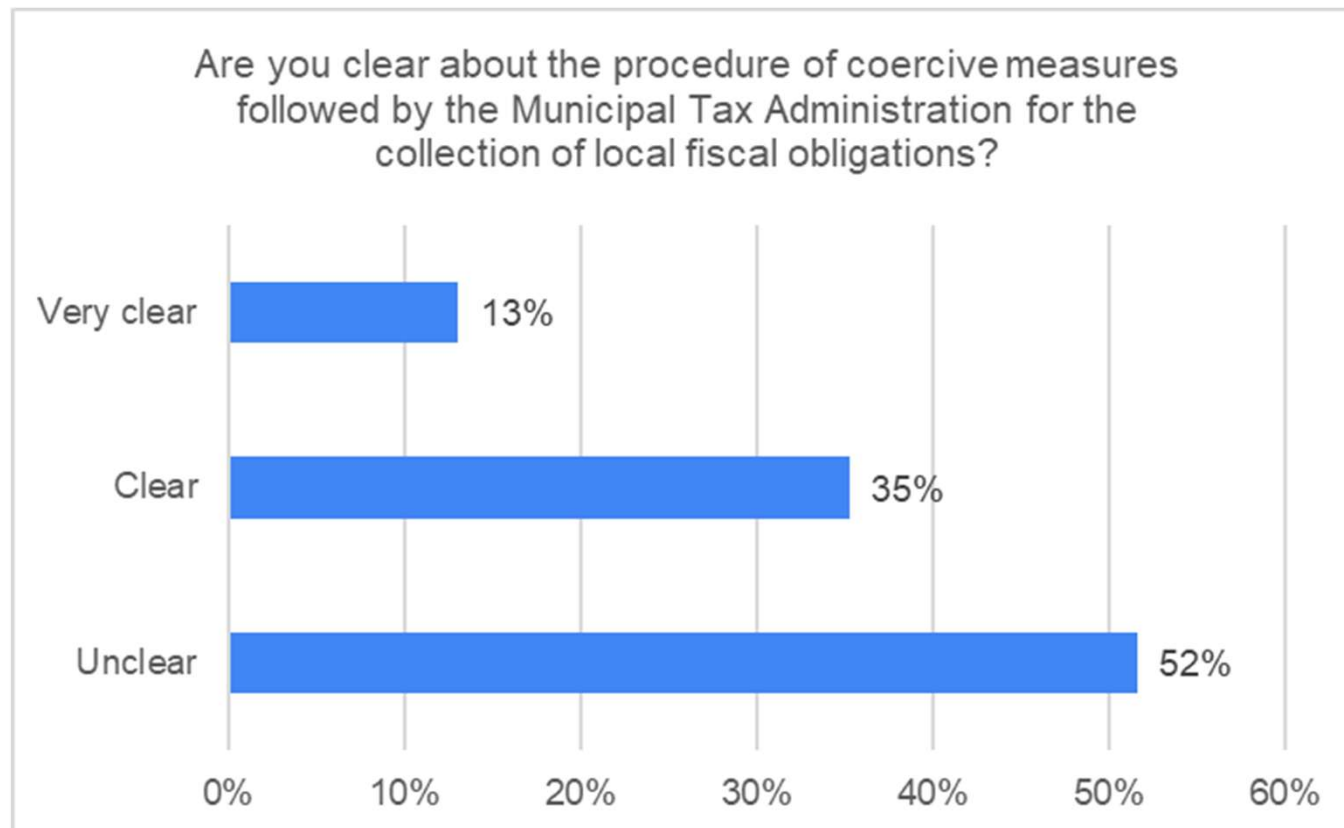
OUTREACH



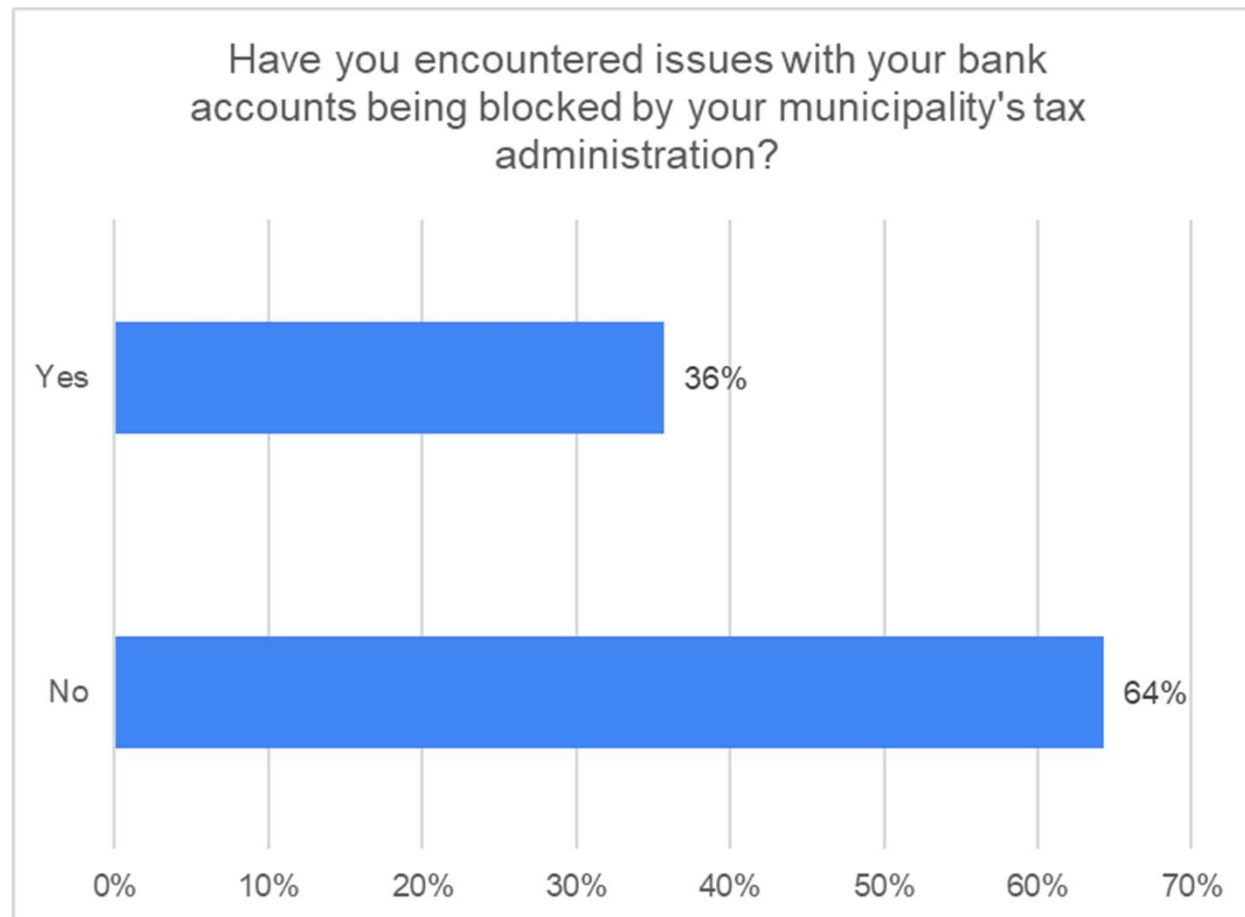
INVOLVEMENT IN DECISION-MAKING



CLARITY OF INFORMATION

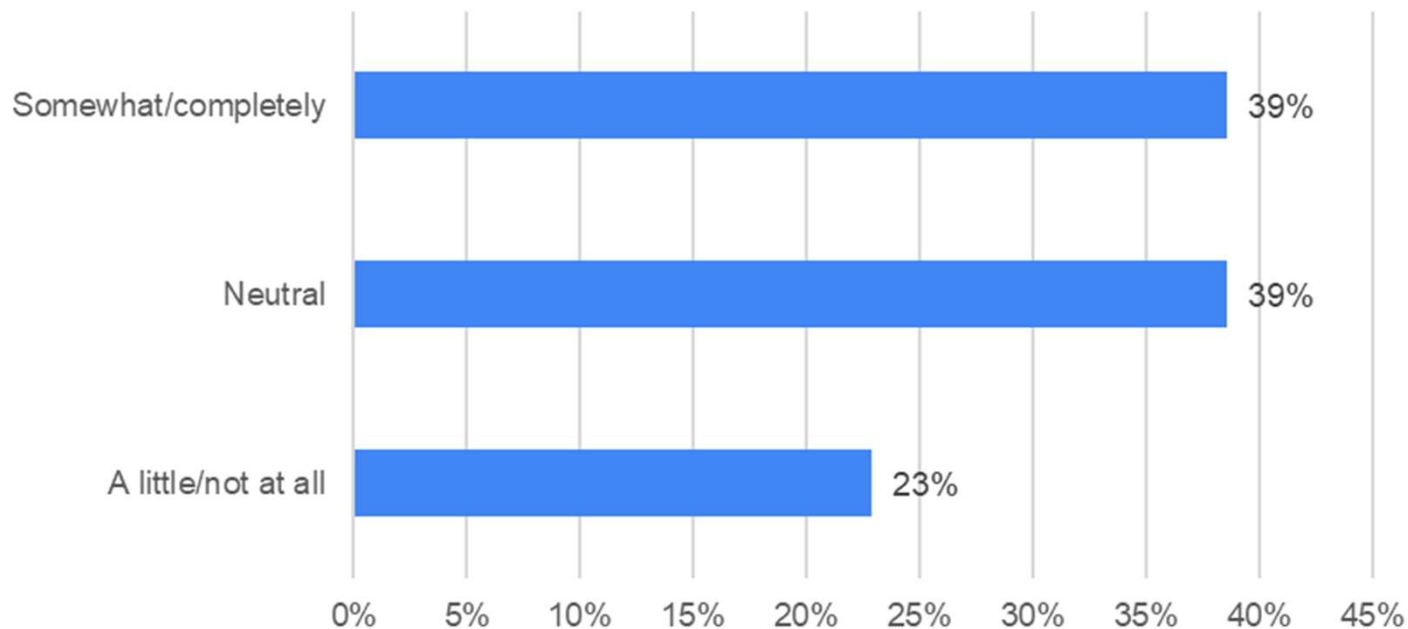


BANK ACCOUNT BLOCKING

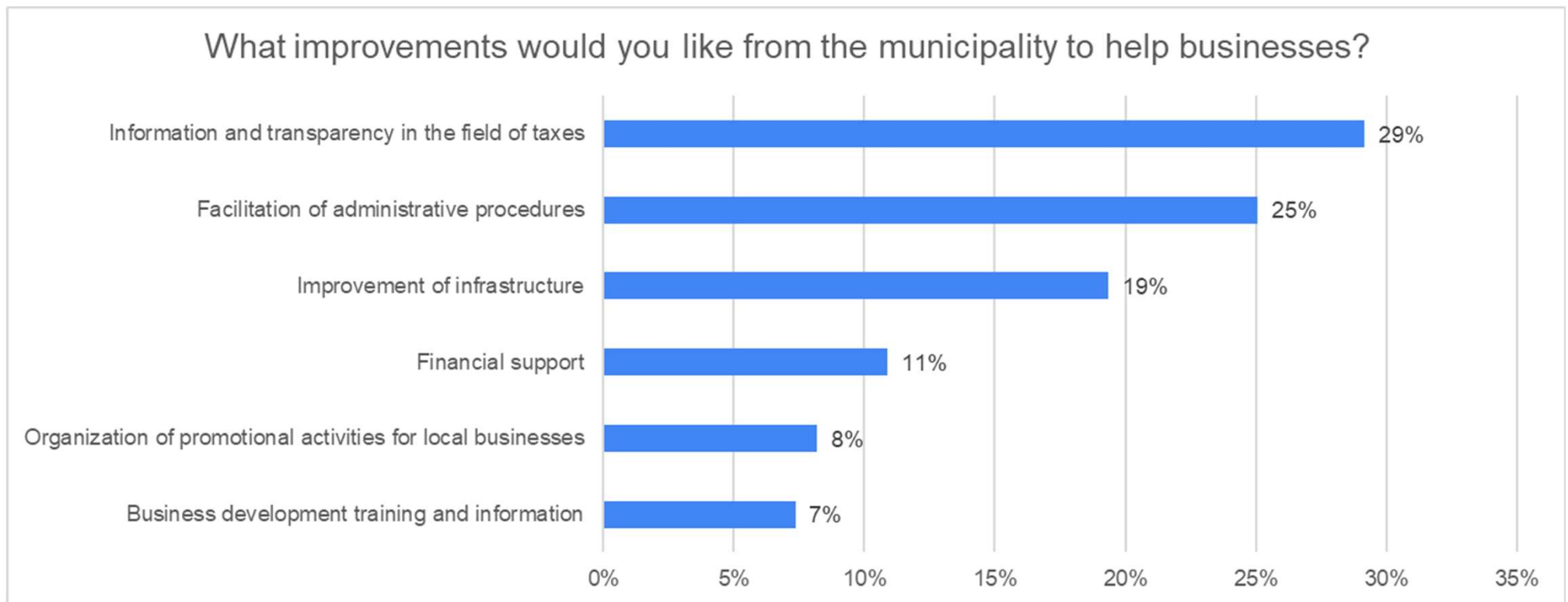


INSPECTIONS

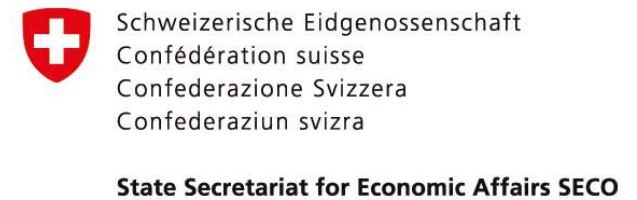
If you have been inspected by municipal inspectors in the last 12 months, please comment on your satisfaction with the interaction with the inspectors:



What improvements would you like from the municipality to help businesses?



THANK YOU!



Investment Council is supported by the Ministry of Economy and Innovation, the European Bank for Reconstruction and Development (EBRD) and the Swiss State Secretariat for Economic Affairs (SECO)