Albania Investment Council
Improving Transparency and Investment Climate

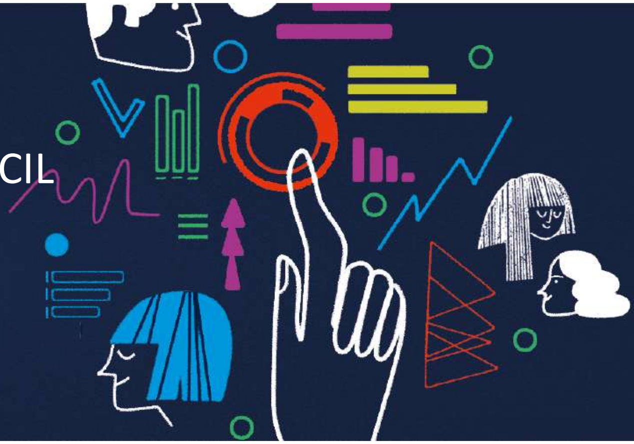
SECRETARIAT'S SUGGESTIONS ON THE DRAFTS UNDER PUBLIC CONSULTATION

Policy Document for SMEs 2026–2030
National Industry Strategy 2026–2030 and Its Action Plan

INVESTMENT COUNCIL

Meeting XXXVIII

30 June 2026



POLICY DOCUMENT FOR SMALL AND MEDIUM-SIZED ENTERPRISES 2026–2030

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DOCUMENT AS A STRATEGIC FRAMEWORK

GENERAL RECOMMENDATIONS

SPECIFIC RECOMMENDATIONS

IC RECOMMENDATIONS (2015-2026)

POSITIVE ASPECTS OF THE STRATEGIC FRAMEWORK

The document presents the Government's vision for the development of SMEs and alignment with European Union standards.

It confirms institutional fragmentation and the lack of coordination as the main systemic challenges.

It prioritizes the essential role of governance and highlights that its implementation depends not only on technical measures, but also on institutional architecture, coordination, reporting, and feedback from the private sector.

A strategic orientation toward competitiveness, with a clear structure, recognizes the role of SMEs not only from a social perspective but also in terms of economic productivity and technological transformation.

An integrated framework encompassing several vertical and horizontal policy documents and strategies (NSDI, S3, the Digital Agenda, NESS, and policies on innovation, financing, and exports).

A good basis for accountability and for monitoring the implementation of the measures (although some indicators need to be clarified) and their progress through public-private dialogue mechanisms.

GENERAL RECOMMENDATIONS

◉ METHODOLOGY

A more in-depth assessment of the SME sector and the size of SMEs or regions. ***The analysis could be based on comparable data, addressing current data gaps, such as regional data gaps, and avoiding "one-size-fits-all" measures.***

This would facilitate the link between diagnosis, objectives, measures, budgeting, costs, etc.

What is the costing logic?

◉ DATA

The analytical basis of the document could be complemented with a stronger evidence base on productivity and import/export data, which could better clarify the challenges and measures addressing Productivity, Trade, Innovation, Digitalisation, Financing, and Skills. ***The inclusion of an assessment of the effectiveness of existing programmes should also be considered.***

◉ PUBLIC-PRIVATE DIALOGUE

It acknowledges the importance of public–private dialogue and recognizes the existing challenges, but it does not provide an analysis showing how the findings from this dialogue have been reflected in the design of the measures. It is recommended to include concrete consultation mechanisms and to justify the prioritisation of measures based on evidence. ***For example, point 2.3.3 refers to strengthening dialogue before the approval of each measure, but no information is provided on how this will be implemented.***

SPECIFIC RECOMMENDATIONS

LEGAL AND INSTITUTIONAL ASPECTS

EASIER OPERATIONALISATION AND MONITORING
Clearer details on the legal basis/legal instruments that will enable the implementation of the measures proposed in the Document

TRANSPARENCY AND OBJECTIVE ASSESSMENT
Inclusion of the obligation to periodically publish policy progress reports.

“THINK SMALL FIRST”
The results of the consultations of the SME Consultative Council should be published periodically. The needs of SMEs should be taken into consideration from the early stages of public decision-making.

INDICATORS AND ECONOMIC APPROACH

MONITORING AND EVALUATION
Productivity and export expansion are prioritised, but outcome indicators are lacking for measuring productivity, exports, and human capital development beyond output indicators.

TARGETING OF INTERVENTIONS
Provision of differentiated measures that address the specific needs of different categories of enterprises according to their size and through a sectoral approach.

HUMAN CAPITAL AND STAKEHOLDERS

AVAILABILITY OF HUMAN CAPITAL
Addressing the phenomenon of labour migration and the departure of qualified professionals (“brain drain”).

BANKING SYSTEM AND ACCESS TO FINANCE
The implementation framework should include the banking system as a key actor in access to finance. The establishment of an SME Observatory and the strengthening of the role of the Development Bank for monitoring performance and achieving ambitious objectives are supported.

SUGGESTIONS BASED ON IC RECOMMENDATIONS DURING (2015–2026)

Based on the register of the Investment Council’s Recommendations (2015–2026), the following are suggested for inclusion:

43 Investment Council recommendations with an open status (not implemented, in progress, or partially implemented), aligned with the Strategic Goals and Specific Objectives of the Document.

QS 1 – SME Capacity System

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OS 1.1 Entrepreneurial skills

- Reform of social contributions for part-time employment (enabling the formalisation of seasonal SMEs)
- Adaptation of university curricula; Business Academy with short-term programmes in partnership with businesses
- Training/workshops with SME managers (CEOs) on human capital; mentoring of interns
- MFE communication strategy on employment mechanisms; local cooperation among chambers, employment offices, vocational schools, and VTCs

OS 1.2 Innovation & Knowledge Economy

- University/Business cooperation: online platform for business challenges; guidance on thesis topics; business expertise integrated into curricula
- Incentive-based fiscal policies for enterprises with dedicated Research & Development staff
- Fiscal incentives for R&D: accelerated and additional depreciation; deductible sponsorships
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OS 1.3 Digitalisation & Industry 4.0

- Consulting, training & networking for digital SMEs; awareness-raising on Law No. 62/2020 'On Capital Markets' and Law No. 66/2020 'On Financial Markets Based on Distributed Ledger Technology', and Crowdfunding.
- Creation of dedicated programmes for the digital transformation of small businesses
- Three-party cooperation model between government–business–donors for investments in the ICT sector; grants & subsidies

OS 1.4 Standards & EU certifications

- Chambers of Commerce to create information hubs on technical regulations & quality infrastructure
- MEI-MIE-AIDA-Chambers of Commerce campaign on EU directives for technical standards
- Support schemes for Global G.A.P., Organic, and Bio certifications for agro-processing SMEs

OS 1.5 Green Transition

- Diagnostic assessment of instruments for green SMEs; “Green SME” roadmap
- Amendment of Law No. 7/2017 'On the Promotion of the Use of Energy from Renewable Sources': (a) active self-producers in the unregulated market to sell their surplus energy to the Renewable Energy Operator; (b) increasing the total capacity of self-producers to 1 MW
- Advocacy instrument for MSMEs on energy efficiency & waste management
- Promotion of an annual “Best Practices” Award for MSMEs with ecological standards

QS 2 –The Operational Environment of SMEs

OS 2.1 – Regulatory quality & administrative burden

- Inter-institutional coordination to reduce the administrative burden; transparency & prior involvement of businesses in the drafting of acts
- Fundamental review of tax legislation to reduce bureaucracy and achieve final stabilization
- Consistency of fiscal stability and consolidation of tax procedures through a new law. The new law should unify all tax procedure practices currently provided for by several laws, subordinate acts, and regulations. Its adoption should be accompanied by detailed Guidelines providing for clear tax rulings
- Expansion of the scope of Law No. 146/2014 'On Public Notification and Consultation' by also including draft normative subordinate acts – Council of Ministers' Decisions and Ministerial Instructions that regulate issues with a direct impact on business activities

OS 2.2 – Public & business support services

- Simplification of the e-Albania platform for businesses: filtering/displaying only business services; separation of the interface from that for individuals
- Re-engineering of administrative practices and procedures related to the submission of financial statements by leveraging the functionalities offered by digitalization
- Access of the financial sector to government databases (ASHK, AKSHI) for the determination of collateral

OS 2.3 – Internationalization & access to markets

- Targeted internationalization training: young entrepreneurs, exporters, start-ups, and managers outside urban centres
- AIDA grants for MSME market research; financing of “Network Contracts” for SME consortia targeting foreign markets
- Sectoral Export Portal (AIDA): market information, guides, networking, statistics
- Increasing MSME participation in fairs & events “Sales Day”; Creation of a national database of exporting MSMEs
- Mutual recognition of phytosanitary certificates in the Western Balkans (CRM)

QS 3 – The Capital and Risk Ecosystem for SMEs

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OS 3.1 –Access to finance & alternative instruments

- Standardized data framework for SME lending (BoA, INSTAT, banks) for customized financial products
- Diagnostic assessment of Sovereign Guarantee Schemes (volume, sectors, repayment rates, impact on business growth)
- Adoption of the law on the “Credit Bureau” with broad consultation with the private sector
- Finalization of the legal framework: law on Crowdfunding; improvement of Laws No. 55/2020, 62/2020, and 66/2020 on financial markets
- State/donor guarantee fund with risk-sharing; Public–Private Joint Innovation Fund
- Identification of the “business angels” network & legal initiatives for their investments

OS 3.2 – Financial education & literacy

- Interactive SME financial education programmes supported by technology; partnership with business associations
- Review of the roles of bank employees: from credit intermediaries to financial advisors for SMEs and start-ups
- Reduction of bureaucratic barriers, simplification of documentation in lending procedures; dignified treatment of SME clients

NATIONAL INDUSTRY STRATEGY 2026–2030 AND ITS ACTION PLAN

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POSITIVE ASPECTS OF THE STRATEGIC FRAMEWORK

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FOR THE FIRST TIME, A NATIONAL INDUSTRIAL STRATEGY IS PROPOSED

It harmonizes the evolution of the EU industrial policy with global geoeconomic changes. It addresses the reconfiguration of supply chains, technological competition, the green and digital transition, and adopts the principles and priorities of the EU's new industrial policy.

DRAFTING AND ADOPTION OF THE LAW ON INDUSTRIAL DEVELOPMENT AS A PRIORITY MEASURE

The measure will address an important legal and institutional gap and increase alignment with European standards, strengthening policy credibility and the conditions for long-term investment. For maximum effectiveness, broad consultation with the private sector, financial institutions, and the business community is recommended during the drafting of the law.

GENERAL RECOMMENDATIONS

VISION

It reflects a clear commitment and vision for addressing the structural challenges of the economy in line with EU priorities and standards. ***However, it is recommended that the process for identifying priority challenges be described more clearly, including regulatory, institutional, and financial aspects.***

SUSTAINABILITY

For Strategic Objective 1 (Transformation of production systems), ***it is recommended that the objectives be based on a more concrete analysis of the current situation,*** *supported by measurable data that enable a realistic assessment of the current state and progress:*

How will businesses be supported to address the costs of alignment?

How will innovation be optimized and in what ways can innovative technologies act as drivers of change in production processes?

COMMUNICATION PLAN

The consultations should also include the organization of open discussions focusing on: ***(a) Industrial Policies and (b) Competitiveness*** *in order to ensure public support and transparency regarding the structural changes of the Albanian economy as part of the country's integration dynamics.*

SPECIFIC RECOMMENDATIONS 1/2

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OPERATIONALIZATION OF LEGAL INTERVENTIONS

Although the measures are detailed, it is recommended to clarify the legal basis for their implementation by identifying the legal and subordinate acts that require amendment or harmonization. In addition, indicative timelines for the reforms are suggested to ensure coherence between the strategic objectives and the implementation instruments.

OPTIMIZATION OF THE RESULTS OF PUBLIC–PRIVATE CONSULTATION

The document should clarify the mechanisms for dialogue with the private sector during the implementation and monitoring of the strategy, in order to ensure that the real needs of businesses are addressed. It is also recommended to include a synthesized framework of inputs from consultations and recommendations from stakeholders, to increase transparency and trust in the process.

SPECIFIC RECOMMENDATIONS 2/2

SME GROWTH DYNAMICS

Key element of industrial policies, but it does not focus sufficiently on their growth dynamics. There is a lack of a dedicated policy for the expansion and scaling-up of enterprises, which is essential for the structural transformation of the economy.

TARGETING POTENTIALS

The strategy has a predominantly national approach and does not sufficiently reflect regional differences in industrial potential. It is recommended to develop regional industrial development plans to guide investments according to local advantages, increasing policy effectiveness and promoting more balanced territorial development.

PRIORITY SECTORS

The document adopts a general approach to industry but does not clearly define the priority sectors. This lack of specification limits strategic clarity and makes it more difficult to assess impact and direct public investments toward sectors with higher development potential.

TAILORING INDICATORS

The document focuses primarily on macro indicators such as value added, exports, and innovation, but lacks an emphasis on productivity objectives. It is suggested to include indicators such as labour productivity (GVA per employee, output per working hour) for a more accurate assessment of industrial efficiency and competitiveness.

SUGGESTIONS BASED ON IC RECOMMENDATIONS DURING (2015–2026)

Based on the register of the Investment Council’s Recommendations (2015–2026), the following are suggested for inclusion:

35 recommendations, with open status (not implemented, in progress, partially implemented), aligned with the Strategic Goals & Specific Objectives of the Document

QS 1 – Transformation of production systems

OS 1.2 – Resources, decarbonization & circular practices

Subsidization of R&D specialists in circular economy & renewable energy; focus on AI/digitalization for the productivity of energy-intensive sectors

Assessment of the instruments available to SMEs, particularly those operating in key sectors (tourism, construction), to support them in addressing uncertainties related to financing sources, the return on investment in renewable energy sources, energy security, and the applicable legislation; as well as the creation of a list of priority interventions focused on roadmaps for green SMEs.

Amendment of Law No. 7/2017 'On the Promotion of the Use of Energy from Renewable Sources', by (a) enabling active self-producers in the unregulated market to sell surplus energy to the Renewable Energy Operator; (b) increasing the total capacity of self-producers to 1 MW.

Dedicated advocacy instrument for MSMEs on energy efficiency & waste management (manufacturing & tourism), linked to EU technical assistance

OS 1.3 – Digitalization of industrial production systems

Regulatory framework for the digital economy & online platforms; clarification of the framework for e-commerce and electronic payments

Simplification of the country’s digital ecosystem; finalization of the framework for digital signatures to facilitate business transactions

QS 2 – Integration into European ecosystems and the qualitative growth of exports

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OS 2.1 Links with European manufacturing

- The MEI should establish a database of domestic producers by product category; conduct analyses to identify sectors with competitive and export potential. Annual updates.
- Funding for “Network Contracts for Internationalization” to support industrial clustering with a joint market offering in foreign markets.
- Incentives for farmer cooperation: procedural simplification; streamlined land registration and construction permitting; fiscal incentives for cooperatives.

OS 2.2 Standards and quality infrastructure

- Accelerate the transposition of the Construction Products Regulation (CPR); Albania is the only CEFTA country that has not yet completed the transposition.
- Strengthen market surveillance and inspectorates: implement a risk-based model, performance-based training, a reporting procedure, and anonymous reporting mechanisms.
- Chambers of Commerce to establish information hubs on technical regulations and quality infrastructure for priority sectors.
- Support schemes for certifications: Global G.A.P., Organic, and Bio for agro-processing; control of agricultural inputs.

OS 2.3 Cross-border barriers and customs

- GTD: periodic publication of reference prices and typical cases; removal of reference prices for container transport.
- Mutual recognition of phytosanitary certificates in the Western Balkans; removal of non-tariff barriers (NTBs).

OS 2.4 High-quality exports and diversification

- AIDA: Updating the Sectoral Export Portal with market information, guides, international networking, advisory services, and statistics.
- AIDA: increasing the participation of SMEs in trade missions, fairs, “Sales Day” events for manufacturing and agro-processing; B2B events.

QS 3 –Dynamic industrial innovation ecosystems

OS 3.2 – Technology transfer and industry–research collaboration

- Formal structuring of University–Business collaboration: an online platform for business challenges; guidance on thesis topics; integration of business expertise into curricula.
- Coordinated MEI-AIDA campaign with businesses and financial institutions to promote financing for innovation; raising SMEs' awareness of R&D.
- Alignment of university curricula with industry needs; innovative short-term programmes in partnership with businesses (Business Academy).

OS 3.3 – The private sector in R&D and industrial innovation

- Fiscal incentives for R&D: recognition of R&D sponsorships as deductible expenses.
- Incentive-based fiscal policies for enterprises with dedicated R&D budgets and staff.
- Identification of a network of "business angels" and legal initiatives to support their investments.
- Public–private joint innovation fund; state/donor-backed guarantee fund with risk-sharing; unified national platform.
- Tax exemption for reinvested profits; extension of the tax loss carry-forward period as incentives for industrial investments.

QS 4 – Coherent architecture for industrial development

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OS 4.1 Industrial financing and risk mitigation

- Diagnostic Assessment of Sovereign Guarantee Schemes (volume, sectors, repayment rates, impact on businesses)
- Approval of the law on the "Credit Bureau" through broad public consultation with the private sector
- Finalization of the legal framework: law on Crowdfunding; improvement of Laws 55/2020, 62/2020, and 66/2020 on financial markets
- State/donor risk-sharing guarantee fund; Public–Private Joint Fund; unified national platform

OS 4.2 Absorption of EU and international funds

- Building business capacities for applying to EU funds (COSME, WBIF, IPA III); sectoral projects to achieve higher fund absorption
- New component on aida-smefinance.gov.al: database of MSMEs benefiting from grants, including evaluation, scoring, and credibility indicators

OS 4.3 Workforce aligned with industrial priorities

- MEI communication strategy for employment: local cooperation with chambers/employment offices/vocational schools/VTCs/local government/donors
- Strengthening cooperation between chambers of commerce and VTCs for reskilling and upskilling in technology, automation, and digital skills
- Reform of the social contribution system for part-time employment – enabling formalization in sectors with seasonality

OS 4.4 Industrial governance and monitoring

- Transparent monitoring mechanism for the coordination of Public Investments (central and local) with the strategies of priority sectors

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THANK YOU!

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