

Administrative Barriers and the Legal Framework

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Snapshot of Hitherto Transition Achievements

- Ongoing adaptation of a market oriented legal and regulatory framework
- Privatization process
- Macroeconomic indicators – strive for stability and growth
- Positive development of main stakeholders' profile:
 - Government
 - Judiciary
 - Business community

Obstacles Encountered

- **Weak governance**
- **Chaotic business regulations' framework and implementation:**
 - **Lack of completeness**
 - **Lack of clarity and consistency among laws and regulations, which accounts for difficulties in implementation:**
 - **Law on competition**
 - **Bankruptcy law**
 - **Law on Intellectual Property Rights, etc.**

Obstacles Encountered

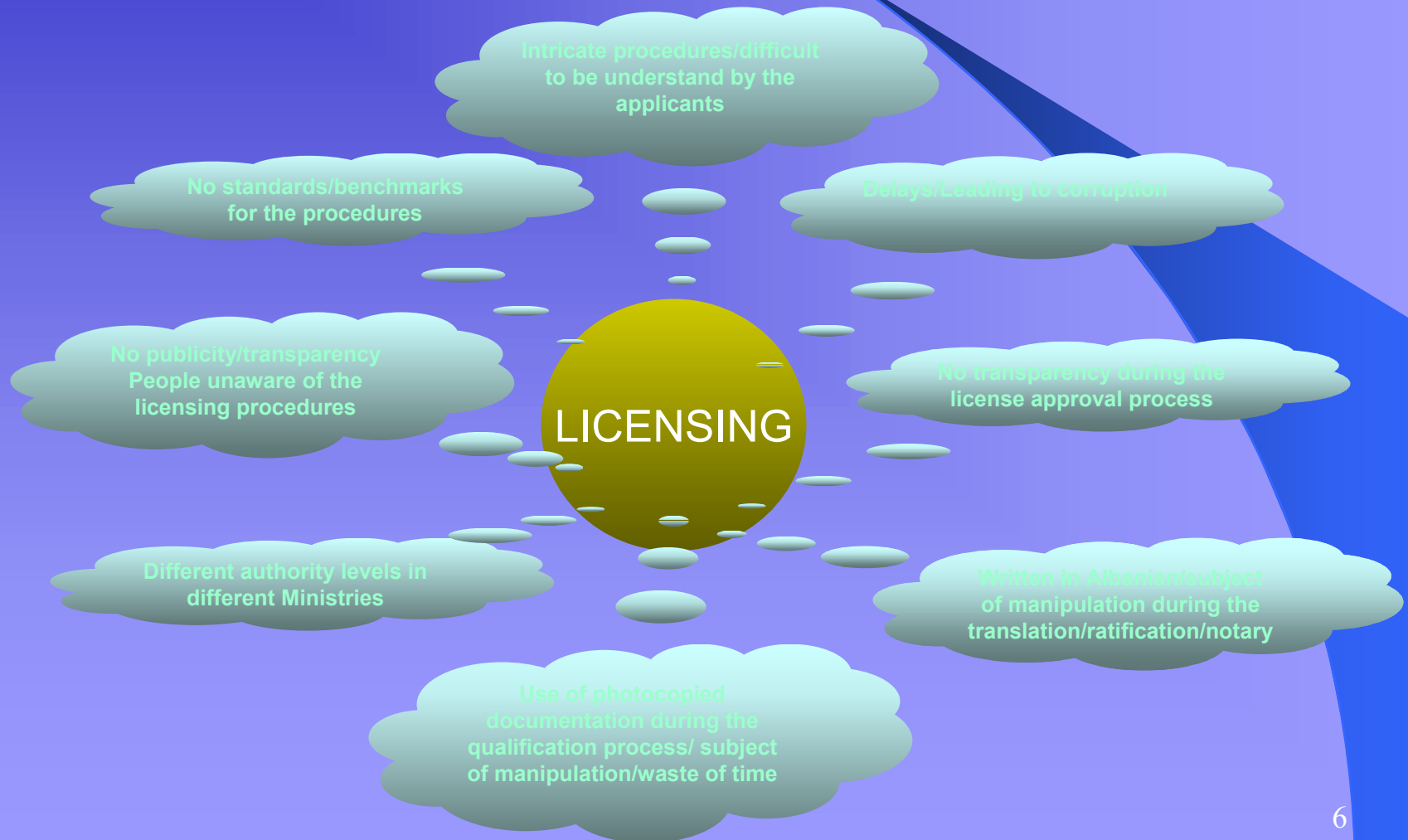
- Weak and compromised judiciary system
- Inconsistent regulations' and procedures' implementation by tax and customs authorities
- Insufficient disclosure of decisions which have an impact on the private sector



Investors' CHALLENGES



Albania: basic procedures



Albania: Basic Procedures

General manufacturing licensing -example

- The Ministry of Industry and Energy is the authority responsible to issue of the license.
- The applicant files the request at the ministry. The request is a prepared form and should contain information about the exact nature of the activity, its location, and the offered product(s). In addition to the request, the applicant should submit the following:
 - 1. Court's decision registering the applicant as a legal entity;
 - 2. Ownership title or leasing contract of the object where the activity will be exercised;
 - 3. Installation of the production line, water and electricity net;
 - 4. Testing of the production line;
 - 5. Qualification diploma relevant for the production activity, for at least one employee;
 - 6. Work contract for the technical director, where is specified that he/she is not the legal representative of the entity;
 - 7. Relevant qualification diploma for the technical director;
 - 8. Technical scheme for the production line;
 - 9. The business plan for the activity;
 - 10. Standard certificate for the raw materials;
 - 11. Environmental permission;
 - 12. Declaration of the applicant that it will engage in the activity for which the license is asked.

Albania: Study on the Administrative Barriers to Investments

Govern't of Albania

MoE, FIAS, IFC/WB, SOROS

Phase I
09/12 –11/02

Human Dev't
Promotion Ctr.

500
Company
Survey

Boga &
Associates

Systematic
Interviews with
35 government
authorities

Phase II
11/02 –02/03

FIAS in-depth
Investigation
Into 4-5 top
concerned areas
FIAS
recommendations

Phase III
02/03 –

Action Plan

IMPLEMENTATION



GOVERNMENT intervention

- Increase of government's credibility and management capacities :
 - Uniform and consistent application of laws and procedures;
 - Decrease of governmental discretionary decision making powers/increase of transparency;
 - Standardization and clarification of administrative procedures;
 - Protection of property rights/ licenses/ concessions;
 - Empowerment of the judiciary;



GOVERNMENT intervention

- Stepping up the privatization process:
 - public services like power, water resources, infrastructure, telecommunications etc;
- Reforms in the tax and customs administration:
 - elimination of abusive behavior/ increase of responsibility/ facilitation and simplification of procedures for the business;
- War against corruption:
 - replacement of the corruption as “facilitator” and expedient of the business through consolidation of administrative practices and procedures

GOVERNMENT intervention



- Improvement of the dialogue government – business
 - Institutionalization of the partnership
 - under the motto dialog = consensus
- Development of managerial capacities
 - Through continues support for the small and medium size business.
- Coordination of donors' support
 - In order to maximize the use of their financial and technical capacities.



Investors' CHALLENGES

