



Funded by the  
European Union

**EURALIUS**  
Consolidation of the  
Justice System in Albania

### **Disclaimer**

Please note that this document is an unofficial translation and is provided for information purposes only. It confers no rights and imposes no obligations separate from those conferred or imposed by the legislation formally adopted and published in the Albanian language. EURALIUS makes no guarantee of accuracy and waives responsibility for the use that might be made of the following information.

### **DECISION**

No 579, dated 3.8.2016

### **ON THE INVESTMENT OF THE ROADMAP OF THE INVESTMENTS POLICY OF THE ALBANIAN GOVERNMENT**

Pursuant to Article 100 of the Constitution, upon the proposal of the Minister of Economic Development, Tourism, Trade and Entrepreneurship, the Council of Ministers

### **DECIDED:**

1. Adoption of the roadmap for the Albanian government's investment policy, as per the text attached to this decision.
2. The Ministry of Economic Development, Tourism, Trade and Entrepreneurship is responsible for the interaction and monitoring of the implementation of the roadmap.

This Decisions shall enter into effect following its publication in the Official Journal.

### **DEPUTY PREMIER**

**Niko Peleshi**

---

Ministry of Justice,  
Boulevard "Zogu I"  
Tirana, Albania  
Tel: +355 4 22 40 333  
E-mail: info@euralius.eu  
Web: www.euralius.eu



## **ROADMAP OF THE INVESTMENTS POLICY OF THE ALBANIAN GOVERNMENT**

### **I. INTRODUCTION**

The Albanian Government aims to stimulate and encourage investment in the private sector in the country, in order to accelerate growth and promote employment, as one of the priorities set out in the National Strategy for Development and Integration 2015-2020, the Business Strategy and Investment Development for the 2014-2020 period, aiming to implement the reform program to promote domestic and foreign investment and increase the benefits for Albanian citizens, and it has prepared the Investment Policy Roadmap. This roadmap sets out the principles and some reform priorities to be implemented by the Albanian government to support this objective.

The Albanian government recognizes the main role played by the domestic and foreign private sector in the country's development. Also, the Albanian government recognizes the role played by foreign direct investment, as well as non-capital investment, the latter referring to contractual relations between foreign and domestic investors in the form of franchising, licensing, production contracts, provision of services and other similar forms etc., in bringing multiple benefits to the economy. These benefits include additional capital flow, job creation, including high skilled jobs, technical and managerial transfer of knowledge, improved access to the international value chain and distribution networks of multinational enterprises, and so on.

The Albanian Government is committed to creating a favorable climate for domestic and foreign investments, which have a positive effect on the domestic economy. The implementation of the reforms set out in this guide aims at attracting investment, with a view to sustainable economic development of the country, increasing exports and generating employment.

The Albanian government aims at:

- a) Ensure an efficient, effective and transparent system for attracting and conducting investments;
- b) to improve and modernize the legal framework for investments in accordance with best international practices;
- c) promote the development and implementation of best international standards and practices regarding investment.

### **II. PRINCIPLES OF THE BEST POLICIES OF INVESTMENTS**

In accordance with good practices, the Albanian government will provide investors with the essential guarantees necessary to invest in the country, in accordance with the commitments arising from international investment agreements where Albania is a party to such agreement.

---

In fulfilling the reforms and investment policies, the Albanian government will promote the main international investment policy principles, as follows:

- Ensuring non-discrimination between domestic and foreign investors: Ensure equal treatment for all domestic and foreign investors / investments in respect of the expansion, operation and protection of their investments not less favorable than those provided in similar situations to domestic investors, in accordance with the provisions contained in laws, regulations and policies.

- Maintaining non-discrimination between foreign investors: Provide non-less favorable and non-discriminatory treatment to foreign investors / investments of a foreign country in similar situations in relation to the establishment, expansion and operation of their investments without prejudice to commitments and international principles.

Ensuring effective protection to property: Ensure private property and investments against expropriation or measures with a similar effect, unless the expropriation is carried out for a public purpose, on a non-discriminatory basis and as a last resort, in accordance with national law and international law principles and through immediate, appropriate and effective compensation payment.

Following good regulatory practices: Ensure that all laws, regulations, administrative instructions and investment policies are approved after being notified, consulted and made public in a fast, transparent manner and easily accessible.

Effective promotion of the approach to investments: To implement effective mechanisms for managing investor complaints in order to strengthen trust, to ensure that investment is preserved in time and to increase regulatory and administrative transparency.

Using planned incentives when needed and promoting full transparency in providing incentives: Promote the use of planned incentives where appropriate, aimed at attracting domestic and foreign investment, and to encourage the investor's response to key public policy objectives; develop a consolidated inventory of investment incentives; and to ensure the implementation of the principles of accountability, non-discrimination, clarity and transparency in the process of providing incentives for investors.

Ensuring environmental and social standards: Ensure that all regulations on work, health, safety and the environment are implemented by domestic and foreign investors.

Avoiding distortion-related performance requirements: Not to set or approve performance requirements which spoil or restrict the expansion of trade and investment.

- Facilitation of temporary entry and stay of staff: To facilitate the temporary entry and stay of foreign technical and managerial personnel, as well as their families, in order to engage in activities related to foreign investment.
- Implementing high governance standards: Make efforts to fight corruption at all levels and make every effort to ensure that all public agencies maintain high standards of governance.

### **III. REFORM ACTION PLAN**

Taking into account the principles of investment policy as outlined above and the objectives of Albania's economic and social development, the Albanian government will implement the reform action plan set out in this Roadmap for the period 2016-2018.

Competition between countries for foreign investments and changes in the world economy leads to the need for a dynamic policy framework for investment. To this end, the development and further implementation of the reforms and respective action plans aim at:

- Improve, where appropriate, all areas of importance for an effective investment policy framework, including vision and investment strategy, policies, laws and regulations that translate this vision and strategy into legal terms, as well as the institutions and mechanisms that will ensure their proper implementation.

Maximizing the effectiveness of investments at different stages of the investment cycle, from entering the first time for new investments and protecting them, including links to the domestic economy, with the aim of alleviating policy barriers.

Creating a favourable environment for all investments, particularly efficient export-oriented investments, and are the most efficient form of investment that requires effective import-export operations and establish improved standards for investor protection.

The Albanian government in determining the key reforms presented in this guide and in the subsequent stages of implementing the vision of investment considers it very important to consult with the private sector. During 2016-2018, the Albanian government will implement the following reforms:

1. Drafting a unified investment law The Albanian government will adopt a unified investment law, which will replace existing laws regulating investment, including the Foreign Investment Law (1993) and the Strategic Investment Law (2015). The new law will concretise the principles of good investment policy set out in this guide and the principles of Albania's international investment agreements with a view to their implementation by courts and international arbitration.

The new law will ensure that no expropriation is carried out in the future, except in circumstances where it is the ultimate means of action and is in compliance with the principles of international law. The law will ensure the implementation of the labor, safety and environmental standards and regulations contained in the domestic legislation and in accordance with the relevant international treaties in which Albania is a party. All laws, regulations and decrees adopted under previous investment legislation, including the law on strategic investments, will be harmonized and will be reformulated to ensure compliance with the principles and good practices presented in this guide.

Activities for drafting a unified investment law	Deadline	Responsible State Institution	Source of funding	Outcome
1. Establish a working group for drafting a unified investment law; 2. Identifying stakeholders within and outside the government, their roles and mandates in the field of investment; 3. Develop a roadmap for the adoption of a unified investment law; 4. Review of basic laws and regulations, institutional arrangements governing investments, including: - Law on Foreign Investments; - Law on Strategic Investments; - international agreements of Albania; Other investment enforcement laws and implementing regulations, such as: the Law on Free Economic Zones, the Law on Public Private Partnerships and other legal acts. 5. Drafting a unified investment law. If necessary, develop and adapt other relevant legal instruments to ensure coherence with the principles and proper implementation. Ensure consultation with other stakeholders (internal and external), as part of the process. Adopt new unified investment law	1. July 2016 2. October 2016 3. November 2016 4. May 2017 5. December 2017 6. February 2018	MEDTTS, Premier Office	Donor organisation <sup>1</sup>	Adoption of a Unified Law on Investments and Related Legal Acts, as well as amendments to legal acts

<sup>1</sup> Support for this reform will be provided by the World Bank / IFC in the framework of an existing co-operation agreement with the Albanian government.

## 2. Improving investor confidence by creating investment / retention mechanisms

The Albanian government will set up mechanisms such as procedures for tracking investor complaint handling and a system for dealing with investor complaints that pursues good practices addressing the concerns and complaints faced by investors when conducting their business in the country.

In this way, the aim is to increase the investor's credibility, to encourage investment expansion to existing investors, addressing systemic problems in public institutions in Albania.

Activities to improve investor confidence by creating investment safeguarding mechanisms	Time frame	Responsible state institution	Financial Resources	Outcome
1. Assess the feasibility of the mechanism for tracking and managing investor complaints. 2. Approval of the Minister's Order of MEDTTS to establish a mechanism for addressing the concerns of investors in AIDA ". 3. Develop a plan for implementing an investor management complaint mechanism. 4. Approval of the legal framework in support of the mechanism for addressing investors' concerns. 5. Practical implementation of the mechanism. Provide consultations with stakeholders (internal and external) as part of the process.	Completed July 2016 December 2016 September 2017 February 2018	MEDTTS, Premier Office, AIDA	Donor organisation <sup>2</sup>	The adoption of the Order of the Minister of Economic Development, Tourism, Trade and Entrepreneurship for the establishment of the institutional structure for the Investor Complaints Mechanism (ICM) Adoption of the legal framework in support of ICM. Effective ICM implementation in practice.

## 3. Develop a modern framework for promoting and maintaining / retaining investment

In the spirit of the Albanian Government's strategy for promoting and maintaining investment, the institutional framework and the necessary capacities for its implementation will be improved. In particular, the Government will take action to enhance and improve AIDA's investment promotion efforts to engage proactively in promoting investment by pursuing good practices such as sector planning and care later for

<sup>2</sup> Support for this reform will be provided by the World Bank / IFC in the framework of an existing co-operation agreement with the Albanian government.

investors. This will create appropriate mechanisms for the coordination between agencies and plans for implementation with clear performance indicators to ensure appropriate outcomes and impacts.

The Albanian Government will review and update the strategy for promoting and developing investment to ensure a clearer role of domestic and foreign investment in fulfilling its vision. This strategy will distinguish between different types of investments as well as targeted sectors to attract investment and to clearly identify the roles and responsibilities of key agencies involved in encouraging, facilitating and providing care to investors. The Albanian Government will pursue the progress of the set objectives through a monitoring and evaluation system.

Activities to develop a modern framework for investment promotion and	Timing	Responsible state institution	Financial Resources	Outcome
1. Review of existing institutional arrangements and effectiveness in implementing the strategy for investment promotion and development. 2. Develop a roadmap to improve the effectiveness of the implementation framework and strengthen the capacity of AIDA. 3. Develop and implement core functions and coordination mechanisms to fully implement the strategy. Ensure consultation with other stakeholders (internal and external) as part of the process.	1 December 2016 2 June 2017 3 September 2017	MEDTTS, AIDA	Donor Organization AIDA Budget	Adoption of a strategy for the promotion and development of foreign direct investment (FDI). Increasing AIDA's capacity as a key and proactive investment promoter in the country.