

ALBANIA



Summary

The year 2000 was characterized by positive achievements in the areas of macroeconomic stability and growth, fiscal consolidation and enterprise privatization and institutional reforms. The Government has committed itself to an ambitious programme of reform to build on this progress. The Monitoring Instrument, which has been approved as an official statement of policy, focuses on six key areas:

Establishing functioning institutions to promote investment and building an enabling environment for FDI. Priority here is on setting up an effective institutional framework for FDI promotion. Key initiatives include adoption of a law and statute creating an investment promotion agency and an agency for export promotion, establishment of a functioning entity to develop free zones and customs zones, and confirmation of ownership and title status of land and property by means of improvements in the real estate registration system.

Preparing strategic sectors for privatisation. Although there have been objective delays with some large privatisations, the pace has picked up and the government is targeting public utilities for pre-privatisation and the dominant savings institution for sale in the coming year. The priorities in the privatisation programme are implementation of programmes of technical assistance for restructuring of the Albanian Energy Corporation (KESH), privatisation of the large Savings Bank, privatization of the Albanian Insurance Institute, privatisation of the fixed line telecoms enterprise following successful GSM licence sales, and transformation of water companies into joint stock companies.

Implementation of a policy to support SMEs. The government recently adopted a comprehensive SME strategy and the first steps in building an institutional framework are being taken. The priority initiatives include establishment of an SME agency, review of the administrative barriers to entry and planning of a loan guarantee fund for SMEs.

Improving enforcement of commercial laws, rules and regulations. In many cases, the legal framework for commercial relations is already in place, but enforcement is weak and application is inconsistent and often arbitrary. Key measures to be implemented in 2001 include adoption of a bankruptcy law and training of judges/lawyers in implementation procedures, making fully operational the already established competition authority and anti-dumping agency, and preparation of a law on alternative resolution of commercial disputes and arbitration.

Improving transparency and reducing corruption in the public sector. Particular emphasis is being placed on combating corruption in tax and customs administration, and on providing support to the judiciary. *Key initiatives in this field include* ongoing evaluation of progress in implementing the Anti-Corruption Action Plan, tightening and streamlining of rules on public procurement, declaration of assets by customs officials and other civil servants, building on the experience of Business Advisory Council, which has proven to be a very effective institution in promoting transparency and structuring the institutional business lobbying.

Last, but not least, improving physical infrastructure. Following last year severe energetic crisis, the government has prepared a strategic plan to address the power supply problem for the business community and wider. On the other hand, priority has been to road infrastructure.

ABBREVIATIONS

AEDA	Albanian Economic Development Agency	LM	Line Ministries
AGA	Albanian Guarantee Agency	MoAF	Ministry of Agriculture & Food
AMC	Albanian Mobile Communication	MoECT	Ministry of Economic Cooperation & Trade
BAC	Business Advisory Council	MoF	Ministry of Finance
BoA	Bank of Albania	MoJ	Ministry of Justice
CCI	Chamber of Commerce and Industry	MoLSA	Ministry of Labour and Social Affairs
CET	Country Economic Team	MoPEP	Ministry of Public Economy & Privatization
CoE	Council of Europe	MoPO	Ministry of Public Order
CFOC	Committee for Former Owner Compensation	MoPW	Ministry of Public Works
CoM	Council of Ministers	NAE	National Agency of Energy
DoPA	Directory of Public Administration	NEFZ	National Entity of Free Zones
EBRD	European Bank for Reconstruction and Development	NGO	Non Governmental Organizations
FDI	Foreign Direct Investments	PPA	Public Procurement Agency
FIAS	Foreign Investment Advisory Service	RDA	Regional Development Agency
GCD	General Customs Directorate	RERO	Real Estate Registration Office
GDT	General Directory of Taxation	RFI	Regional Flagship Initiatives
GoA	Government of Albania	S II	Social Insurance Institute
GTZ	German Technical Co-operation	SAO	Supreme Audit Office
IC	Italian Cooperation	SCA	Security Commission of Albania
IFC	International Finance Corporation	UNCTAD	United Nations Conference on Trade and Development
INSTAT	Institute of Statistics	USAID	United States Agency for International Development
KESH	Albanian Energetic Corporation	WTO	World Trade Organization

Policy Objective	Planned Actions	Activities Implemented to Date	Remarks	Responsibility for Action	Target Date for Completion
1. FOREIGN DIRECT INVESTMENT POLICIES					
To establish a functioning FDI promotion agency	Preparation of the draft law and statute of the Agency	Underway –subcommittee of CET established. FIAS (with IMF agreement) are supporting preparation of draft	Postponed to June 2001	MoECT, MoPEP, MoF	June 2001
To promote FDI in line with the recommendations of a recent FIAS study	Publication of FIAS study and preparation of Plan of Action to implement recommendations	Completed in cooperation with FIAS	Discussed with relevant government institutions	MoPEP	January 2001
	Preparation of a strategic document on the most attractive sectors for FDI	Underway in cooperation with USAID	Workshop to be organized with Business community and donor support	MoECT, Line Ministries	End 2001
	Study of areas for potential investment in agriculture and agro industry	Programme underway		MoAF	End 2001
To implement the Free Zone initiative	Establishment of the Free Zone institution: drafting of its bylaws, training of staff, and location studies	Law on establishment of Free Zones passed in December 2000: board, executive director and staff appointed		NEFZ under CoM	End 2001
To improve the regulatory and legislative framework for FDI	Establishment of independent offices for the resolution of commercial disputes	New legislation and regulations required		INSTAT, MoECT, MoF/MoJ	Mid 2002
	Ratification of several agreements related to arbitration		Progress indicator is the number of new regional bilateral agreements ratified	MoJ, MoECT	End 2001
	Improvements of judiciary bodies and tribunals, training of judges, attorneys and notaries	Initial training underway	Progress indicators include number of formal training activities undertaken	MoJ	End 2001

2. SME SUPPORT STRUCTURES					
To adopt an enabling SME policy	Adoption of national strategy for SMEs	National Medium-Term Strategy for SMEs approved	Cabinet Decision has been adopted	MoECT	February 2001
To establish the legal framework for SMEs	Drafting of a comprehensive SME law	Ongoing	Approval expected by December	MoECT	2001
	Improvement of the Law on Small Business Taxes	Completed		MoF, GDT	June 2000
To develop SME institutions and define roles	Preparation of the legal framework for establishing an SME agency	Included in the overall SME strategy	Progress indicator is the formalisation of the agency's structure and role, and the appointment of key staff	MoECT	2001
	Modernisation of the law on Chambers of Commerce	Initial proposals received from the Union of Chambers of Commerce		MoECT, Union of CCI	2001
To facilitate SME's access to financing	Establishment of an SME Loan Guarantee Fund	Study undertaken	Support required for preparation of legislation and regulations	MoECT, MoF	June 2001
To address employment policy issues relating to SMEs	Review of labour legislation	Implementation, including institutional strengthening, in progress		MoLSA, Business associations and CCI	End 2001

3. PRIVATISATION

To make progress in the privatisation of public utilities	Implementation of a plan for privatising utilities, including water and electricity companies	The plan has been adopted and a progress statement was issued in March 2001	Progress indicator is the number of sales and enterprise restructurings completed	MoPEP	2001
	Transformation of water enterprises into joint stock companies	Procedure completed for 25 companies, from an overall planned 42 (from a total of 56)	Target is finalisation of arrangements for 42 companies by year end	MoPW, MoPEP	2001

Policy Objective	Planned Actions	Activities Implemented to Date	Remarks	Responsibility for Action	Target Date for Completion
To privatize the telecom sector	Formulation of a plan to address bill collection, theft and cost recovery problems in the water companies	Plan in place since end 2000	Progress indicator will be the level of implementation of plan and the increase in number and value of payments	MoPW	End 2000
	Strengthening of cost control by reducing overstaffing and improved management	Plan in place	Progress will be measured by the implementation of new management practices	MoPW and water companies	2001
	Approval of overall strategy document on Telecommunications	Plan prepared and completed	Under implementation	MoPEP	June 2000
	Privatisation of ALB TELECOM	Studies and preparatory work undertaken	Plan to privatise this year	MoPEP	2002
	Privatisation of Albanian Mobile Communications (AMC) and issuance of second GSM licence	AMC privatised in June 2000 and GSM licence issued through international tender	Completed	MoPEP	
To make progress in privatisations in the energy sector and industrial enterprise sector	Privatisation of the petroleum & gas sector (Servcom)	Restructuring completed. Servcom split into 3 separate companies	Law approved and privatisation underway	MoPEP	End 2000
	Implementation of power sector reform strategy	TA provider selected for the management of the Albanian Energy Corporation (KESH)	Progress will be measured by increased supply and reduction of illegal connections	MoPEP	2001 to 2003
	Privatization of small hydro power plants	Spin-off of small plants part of the process of restructuring KESH, which is underway	Progress will be measured by actual privatisations	MoPEP	End 2001

	Privatization of Alb Baker (Copper); and Alb Chromium	Accomplished		MoPEP	Mid 2001
	Privatization of Agri Food and pharmaceutical sectors	Completed		MoPEP	End 2000
To foster privatization in the financial sector	Privatization of all commercial banking activity	All Banks (except the Savings Bank) privatised		MoF	End 2000
	Privatisation of the Savings Bank, which is the dominant savings institution	Restructuring and reorientation studies undertaken: Tenders to be invited by mid year	Target is to privatise the SB by end year; indicator will be progress towards this goal	MoF	2001
	Privatization of the Insurance Institute	Studies undertaken	Underway	MoF	End 2001

4. FISCAL REFORM AND TAXES

To modernise the VAT administration system	Completion of computerisation of the VAT administration system in 8 districts	Completed		GDT	Beginning of 2001
	Establishment of a permanent training centre for tax and customs staff	Discussions underway in relation to funding the initial phase		GDT, GCD	2002
	Strengthening of the operations of the large taxpayer office	Office currently being reorganised	Measured by evidence of improved revenues and compliance	GDT	2002
To improve the fiscal balance	Amendment of the Income Tax Law	Adopted in mid 2000	Ongoing activity	MoF, GDT	June 2002
	Approval and implementation of the new tax code	Adopted in December 2000	Ongoing activity	MoF, GDT	2000
	Enforce compliance with the laws on personal income tax and on social security contributions	This is an ongoing activity under the overall programme to modernise the overall tax administration	Measured by continued improvements in revenue collection and level of measures undertaken against defaulting taxpayers	GDT, SII	2000-2002

Policy Objective	Planned Actions	Activities Implemented to Date	Remarks	Responsibility for Action	Target Date for Completion
	Simplification of the appeals procedure for taxpayers	Establishment of new procedural code Formal appeals mechanism in place	The aim is to increase the level of compliance and usage, and ensure the availability of clear documentation for taxpayers	MoJ, GDT	End 2000
	Preparation of a position paper on the introduction of agricultural land taxation	Working group established to look at implementation		MoF	2000-2001
	Amendment of the law on Bad Loans Portfolios	Terms of Reference for TA from World Bank approved International expert to start work soon	Harmonisation of laws with European standard accounting practice would facilitate investment	MoF, GDT	End 2001
	Development of tax sources for local governments	Element of overall tax reform package. on going	Development of local tax base would empower local administrations and Government	MoF	Continuous
	To improve the regulations of customs duties	Continuing of reduction in the stock of customs debt	Element of ongoing overall tax administration reform	Progress expected in 2001	GCD
To improve the efficiency of the customs system and its administration and combat smuggling and corruption	Continuing implementation of merit-based payments in customs	Outline scheme in place	Progress in this area is intended to support improvements in public sector performance	GCD	Continuous
	Making anti-smuggling group in Customs Department fully operational	This work is ongoing as an element of overall tax administration reform	Improved performance expected in 2001	GCD	2000

	Introduction of a unified system of sanctions	Ongoing as an element of overall tax administration reform	Improved performance expected in 2001	MoJ, GDT	End 2000
	Insertion of modern post-custom auditing techniques	Ongoing as an element of overall tax administration reform	Improved performance expected in 2001	GCD	2000
	Introduction of standard deadlines for completing clearances and transit transfers	Ongoing as an element of overall tax administration reform	Improved performance expected in 2001	GCD	End 2000
To build the capacity of custom personnel in these areas	Compilation and implementation of an Ethics Code for customs officials including an ethics training plan	Ongoing as an element of overall tax administration reform	Improved performance expected in 2001	GCD	2001
	Completion of training programme for the anti smuggling units (12 trained units)	Ongoing as an element of overall tax administration reform		GCD	2001
	Continuation of the introduction of the system ASYCUDA: • Pilot project • Complete implementation	Project underway to bring system into conformity with European classification standards and norms		MoF / GCD	2001

5. ACCOUNTING REGIMES/PRACTICES

To modernise the public accounting system	Amendment of the existing law on accounting in the public sector	Relevant draft law prepared	Full implementation will facilitate improved medium term public sector planning	MoF	2001
	Compilation of a state accounts manual for the Treasury	Ongoing training programme underway		MoF	2001
To reform the accounting and auditing regimes for private companies	Refinement of the accounting plan for companies	Modernisation of reporting requirements underway		MoF	2001

Policy Objective	Planned Actions	Activities Implemented to Date	Remarks	Responsibility for Action	Target Date for Completion
To implement functioning standards for public companies	Implementation of regulations on financial and accounting requirements for public companies	CoM decision already prepared and sent for approval	Formal approval by CoM of draft standards will facilitate launch and trading of company shares on the Stock Exchange	CoM, ASC	2001
6. COMPETITION					
To establish institutional mechanisms for monitoring competition issues in Albania	Establishment of the Economic Competitiveness Directorate	Formally established as a separate unit through an Order of the Prime Minister. Staff to be recruited and trained	When implemented, the Directorate will be responsible for clarification of competition issues	MoECT	June 2001
	Training of the Economic Competitiveness Directorate staff	Presented to the EU for TA support	Awaiting response on funding	MoECT	June 2001
	Establishment of an Antidumping Office	Formally established as a separate unit through an Order of the Prime Minister. Staff to be recruited and trained		MoECT	2001
7. CORPORATE GOVERNANCE					
To complete the legal/judicial framework and provide training to ensure sound implementation	Completion of the Commercial Code	Ongoing	Successful implementation of law will bring legislative framework for commercial transactions closer to international commercial norms	MoJ, CoM	End 2001
	Approval of a Law on Alternative Resolution of Commercial Disputes	Legal basis for arbitration of commercial cases established	Part of wider effort to complete the legislative framework for commercial transactions	MoJ	2001

	Approval of a new Bankruptcy Law	Law passed	Part of wider effort to complete the legislative framework for commercial transactions	MoJ, MoF	2000
	Training of judges and attorneys in enforcement of the Bankruptcy Law	Ongoing	Successful implementation of law will improve perceptions of enforcement capacities	MoJ	2001
	Organisation of a workshop on Corporate Governance issues in Albania	Work underway in cooperation with USAID and Financial Volunteers Corporation	To provide forum for government and private sector to review issues	MoECT, MPEP, SCA	June 2001

8. BRIBERY AND CORRUPTION

To implement overall government strategy for tackling bribery and corruption	Completion of revision of Anti-Corruption Plan	Completed	Separate unit under the Council of Ministers has been established	Minister of State under CoM	2000
	Preparation and publication of semi-annual assessment of progress	Process for semi-annual assessments established	4 reports already completed by end 2000. Progress in maintaining transparency is intended to support investor confidence	CoM	Ongoing

A. Institutional Reform

To set out the key elements of the reform and clarify their societal impact	Statement prepared that clarifies key ways in which the government's institutional and public administration reform strategy addresses poverty reduction objectives of supporting sustainable, socially inclusive growth	The statement emphasises: (a) building more inclusive and citizen-responsive state institutions, and (b) enhancing the public sector's capacity to cost-effectively help in building human capital, particularly among the poorer sections of the Albanian society	CoM Minister of State	May 2000
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To promote reforms that improve transparency in the Civil Service	Enhancement of legislation in the field of the prevention of corruption within the Public Administration	Legislation completed	Appointment of anti-corruption officials in each ministry and publication of their activities will support investor confidence	Minister of State	2001
	Issuing of secondary legislative decrees on (a) recruitment procedures (b) job description, classification, evaluation and appraisals	Planned that all recruitment will follow new procedures	Successful implementation will improve confidence in public sector	DoPA	2001
	Approval of the Law "On the control of ownership declaration"	Draft law completed; with the Government for adoption	Successful implementation will improve confidence in public sector	MoF	2001
To set up institutional mechanisms to improve transparency and monitor progress	Appointment of Ombudsman	Ombudsman appointed	Completed	MoJ	February 2000
	Appointment of Civil Service Commission	Civil Service Commission appointed	Completed	MoJ	July 2000
	Preparation of performance measures for the civil service	Baseline indicators prepared that measure institutional and public administration capacities and performance	Completed	DoPA	End 2000
	Preparation of a remuneration review for the civil service	Salary survey conducted to assess the competitiveness of salaries within the civil service	Completed	DoPA	2000
	Establishment of a functioning central database to monitor employment and authorised posts in the budgetary sector	Phase 1 completed	Phase 2 underway	DoPA	2000-2002

To enhance the role of the Supreme Auditing Office	Review of the Law relating to the office	Completed		Supreme Auditing Office	2000
	Approval of the guidelines and the procedures for the implementation of the Law	Completed	Successful management of the office will enhance public sector reform and investor confidence	Supreme Auditing Office	End 2001
B. Legislative reform					
To adopt and implement European and International legal instruments	Adoption of the Council of Europe Criminal Law Convention on Corruption	Adopted by Government; awaiting Parliamentary approval		MoJ	2001
		Council of Europe Twenty Guiding Principles for the Fight Against Corruption (GRECO) adopted	Ratified by Parliament	MoJ	2000
		Council of Europe Civil Law Convention on Corruption adopted	Ratified by Parliament	MoJ	2000
	Adoption of the Council of Europe Convention on Money Laundering	Convention prepared for ratification	Ratification would provide a positive signal for international business community	MoJ	2000
		Council of Europe 1990 Convention on Search, Seizure and Confiscation of Proceeds of Crime adopted	Ratified by Parliament	MoJ	2000
	Adoption of the 1998 UN Convention Against the Trafficking of Drugs and Psychotropic Substances	Draft law completed	Awaiting ratification by Parliament	MoJ	2001
	Adoption of the 1998 Vienna Convention on Illicit Trade and Money Laundering	Draft law completed	Awaiting ratification by Parliament	MoJ	

Policy Objective	Planned Actions	Activities Implemented to Date	Remarks	Responsibility for Action	Target Date for Completion
To adapt and implement Albanian legislation	Adoption of laws on money laundering	Adopted		MoJ	2000
	Revision of legislation on the confiscation of assets acquired through corruption	Ongoing		MoJ	
	Improvement of the Civil Procedure legislation, especially the Civil Code, the Civil Procedure Code and the Family Code	Ongoing	Original target of mid 2000 put back because of scale of work	MoJ	End 2000
	Strengthening of the Bailiff's Office: reorganisation of structure, increase in its budget and staff training	Completed		MoJ	End 2000
To enact reform of judicial procedures to promote transparency	Opening of court proceedings to the public	Court cases are now open to the public. Exemptions foreseen by laws	It is expected that continued evidence of improved transparency will improve public confidence	MoJ	Ongoing
	Creation of Public Relations structures for providing court information to the public	The PR system is now in place		MoJ	
To implement the reform of the police service	Strengthening of the police service and improvement of their efficiency	This is an ongoing process		MoJ	2000
	Implementation of the Law on State Police	The Law "On State Police" and several Cabinet Decisions have already been approved. Bylaws on police operation have been approved by the government			

	Adoption of the law "On the Functioning of Financial Police"	Approved by Parliament, now in implementation phase	Strengthening of commercial fraud investigator capability should improve business confidence	MoF	2001
C. Public Finance Management					
(i) Taxation:					
To decrease opportunities for tax evasion	Improvement of procedures for detection	Legislation in place and being implemented	Measurable by continued improvement in tax collection and number of taxpayers	MoF, GDT	2000
To improve VAT collection	Application of new VAT guidelines	Work has commenced on new guidelines	Measurable by level of new guidelines in place by year end	MoF, GDT	2001
To strengthen professionalism among tax administrators	Reorganisation of tax police by means of a new law	Law approved		MoF, GDT	2001
	Training of tax administrators according to new Tax Procedures Law	Training of Trainers underway		GDT	
To increase public awareness of new tax rules	Regular performance review of tax administrators	Ongoing activity		GDT	2000
	Preparation of guidelines for the general public on the Tax Procedures Law	Programme to publish explanatory leaflets and make available in all districts is now in operation		GDT	2000
(ii) Customs					
To increase transparency of the asset holdings of customs officials	Preparation of amendments to Law on transparency of assets of customs officials	The law currently in place has only limited sanction on accuracy of declarations. A working group has been set up to examine the issue	Receipt of final report and action plan thereon will constitute a measurable output	MoF, MPO, MoJ, CoM	

Policy Objective	Planned Actions	Activities Implemented to Date	Remarks	Responsibility for Action	Target Date for Completion
	Establishment of mechanisms to reward efficient customs officials	Mechanism established to allocate percentage of tax revenues for official bonuses	Progress will be measured by increased levels of detection and actual disbursement of awards	GCD	Ongoing
	Establishment of internal information flow to familiarise employees with rewards and bonus procedures				
(iii) Public Procurement					
To improve implementation of the Public Procurement Law	Adoption of a decision giving jurisdiction on public procurements to the PPA	Decision adopted		CoM	2000
	Revision of standard procedures on public procurements	CoM Decision on standard procedures approved		CoM	2000
D. Public Awareness					
To promote ACP initiatives	Establishment of a public information unit in each ministry	Public information office established in majority of ministries	The target for year end is completion of organisation for all Ministries	LM/ CoM	2001
	Installation of public complaint phone lines in individual ministries	Ongoing – limited progress to date	Completion expected by end 2001	LM	2001
	Organisation of public opinion surveys relating to government initiatives to fight corruption	Ongoing public relations work underway		LM	2001
To implement outreach programme to the business community	Provision of public procurement rules to the Chambers of Commerce and other business associations	Rules circulated to all Chambers	Intended to demonstrate transparent administration of rules to the private sector	PPA, CCI	2000, ongoing

To increase transparency in the public sector by means of public information campaigns	Publication of leaflets explaining the services ministries provide to the public	Ongoing publication programme underway, each ministry has its own home page		LM	2000
	Publication of licence requirements and procedures for starting a business	Ongoing		LM, MoPEP	2000
	Publication of Ethics Codes for civil servants, police forces, attorneys, notaries, arbiters, mediators, economists and journalists	Completed		MoJ	2000
To improve the effectiveness of the financial system	Encouragement of the level of savings by the public	Preparation of draft law on amendment of the Savings Association Law completed	Awaiting Cabinet approval	CoM BoA	September 2000
	Launch of the credit information bureau	To be developed	Awaiting approval	BoA	2001
	Preparation of a plan to introduce a deposit insurance scheme	The draft law has been prepared	Awaiting approval	BoA	2000
To broaden securities markets	Improvement of auction market for treasury bills	The T Bill system is in operation, primarily as an InterBank mechanism		BoA	2000
	Transformation of Tirana Stock Exchange into a separate joint stock company	1st stage achieved with the passing of primary legislation and appointment of initial staff	Not functioning yet as a normal stock exchange – initial measure will include privatisation of AlbTelecom	MoF MoPEP	End 2001
	Approval of the law “On Collective Investment in Securities Fund”	Legislation approved by the Government; awaiting approval by Parliament	Eventual measurable outcomes will include development of mutual funds and similar instruments	CoM, ASC	September 2001

Policy Objective	Planned Actions	Activities Implemented to Date	Remarks	Responsibility for Action	Target Date for Completion
To improve banking regulations	Replacement of government non-marketable obligations to the Bank of Albania with marketable securities	Partly accomplished		MoF/BoA	2001
	Adjustment of statutory minimum reserves	Regulations introduced	This initiative will serve to increase confidence in banking system	BoA	2000
	Improvement in the operational efficiency and effectiveness of the Loan Collection Agency	Ongoing	Challenging measure to achieve repayment of "old debts"	MoF	2001
	Design and implementation of a real-time gross settlement system	Terms of reference for study prepared		BoA	2001

9. OTHER KEY POLICIES

A. Land Reform

To introduce a functioning and comprehensive system of land zoning and registration	Preparation of a plan for real estate registration	Plan prepared		MoAF, REGO	End 2000
	Documentation for 500 Ha cadastral lands prepared and sent to the Real Estate Registration Office	Prepared		MoAF, REGO	2001
	Finalisation of the cartography for 3046 cadastral areas	Finalized for 2400 areas	Completion of measure will facilitate development of a real estate market	MoAF	End 2001
To complete land distribution and expand opportunities for asset accumulation	Reinstallation of district Land Commissions to (a) issue land distribution documents and (b) distribute the remaining undistributed land to individual users or communes	Ongoing	Distributed for 97,7% of the total; 95,5% of which with relevant documentation	MoAF	End 2001

	Allocation of land refused in distribution process to individual users or communes	Proposal prepared	Awaiting approval by Cabinet	MoAF	2001
	Preparation of legislation addressing the issue of compensation for former owners	Two amendments have been prepared; ongoing process	This initiative will contribute towards final resolution of land ownership issue	CFOC	2001
	Completion of the resolution process for forest and pasture land and compensation process for agricultural land	Ongoing	This initiative will contribute towards final resolution of land ownership issue	CFOC	2000
B. Trade Policy					
To reduce and streamline customs duties and tariffs	Reduction of average tariff rates through reductions in the level, number and dispersion of rates	Ongoing element of the overall tax administration reforms		MoF	2001
	Reduction of the top customs duty rate to 15 percent	Ongoing element of the overall tax administration reforms		MoF	2001
To develop an export promotion policy and supporting institutions	Preparation of an Export Promotion Strategy	Draft strategy prepared	Awaiting approval	MoECT	End 2000
	Establishment of an Export/Trade Promotion Centre	Awaiting approval of proposed overall strategy		MoECT	End 2002
	Addition of an export guarantee function in the Albanian Guarantee Agency	Preliminary studies underway		MoECT, MoF	End 2001
To increase bilateral trade agreements	Negotiation and conclusion of a Free Trade Agreement with Macedonia	Ongoing	FTA will influence increasing regional trade and attraction of FDI	MoECT, MoF	2001/2002
C. Energy					
To improve the power supply for the business community	Preparation and monitoring of an action plan on the energy sector	Relevant Cabinet Decision has already been approved	Monitoring underway	MoPEP	2000

Policy Objective	Planned Actions	Activities Implemented to Date	Remarks	Responsibility for Action	Target Date for Completion
	Preparation of a strategic intervention programme for the energy system	Completed	In co-operation with USAID	MoPEP	2001
D. Infrastructure					
To improve physical infrastructure	Implementation of Stability Pact Quick Start Projects	Ongoing	Seven infrastructure QSPs have been selected for Albania; limited progress to date	MoECT, LM	2001
E. Others					
To establish institutional business lobbying	Support for establishment of a professional secretariat for the Albanian Business Advisory Council	BAC already established through an order of the Prime Minister	The discussions in the BAC have already contributed to increasing the level of transparency of the legal framework affecting the business community. In addition, it has proven to be effective in structuring the lobbying activities of the private sector	MoECT	2001