

# Support for the Harmonization of Economic and Trade Legislation with EU acquis

Europe – More than a feeling

## Support Albania towards accession to European Union

On 27 June 2014, Albania received the EU candidate status and is waiting to open soon the accession negotiations. Membership in the European Union is a strategic goal fully embraced across the Albanian political spectrum. Such goal is considered particularly important to Albania's relations with other countries, and the strengthening of competitiveness of the Albanian economy, being the source of opportunities for employment and income generation for Albanian citizens.

## What is the Project all about?

Harmonization of Albania's economic and trade law with the EU acquis, building ownership and expertise, and preparing in advance the public administration officials for the conduction of EU accession negotiations is the overarching objective of the project "Support for the Harmonization of Economic and Trade Legislation with EU acquis". Funded by the German Ministry of Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH since January 2015, the Project assists the Albanian Ministry of Economic Development, Tourism, Trade, and Entrepreneurship (MEDTTE), as of September 2017, attached to Ministry of Finance and Economy, to achieve the above objective.

Support consists mainly in legal advice and training to help produce better laws and to increase capacities for its implementation. Advice is also provided to develop the necessary capacities to coordinate and manage the negotiation process for EU membership.

## The benefits

The Project focuses on three complementary areas:

### a) Harmonization of national legislation and interpretation of the EU acquis, namely Chapters 1, 3, 6, 20, 28 and 30.



Awariness campaign - Consumer, Use your rights

Project name	Support for the Harmonization of Economic and Trade Legislation with EU acquis
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Project region	Albania
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- **Removal of unnecessary barriers** for service providers significantly stimulates growth in this sector. The EU-compliant legal frame for the establishment of service providers is now in place. It will ensure simplification of administrative procedures and removal of obstacles for services activities, both in existing and new legislation. In parallel, Albanian legislation with regard to Mining, Veterinary Services, Legal professions, Taxation and Social Policy is screened to identify barriers for service providers in these sectors. Recommendations are formulated accordingly.

- **Granting of state aid according to well defined criteria** is key to avoid distortion of competition in the market. With the support of the project, three Decisions of Council of Ministers aligning EU Law are approved. They will ensure granting of state aid in a transparent, clear and simple manner to undertakings below a particular threshold and particular economic sectors. The aim is to create a safe harbour for aid, and not to distort competition.

- **Full and proper information to consumers** when buying products and services, is crucial to enable them make better decisions. The principles foreseen by relevant EU directives are now incorporated into the Albanian consumer law minimizing asymmetric information between consumers and traders. Besides, these principles aim at ensuring low-cost and fast alternative to resolving disputes among consumers and traders from out of court bodies.

- **Regulatory Impact Assessment (RIA)** is essential to increase effectiveness and efficiency of government actions. Evidence-based and widely consulted decision-making is ensured through development of two RIAs in the areas of consumer protection and export credit insurance. Moreover, guiding methodologies to support integration of RIA into Albanian law making system are elaborated, bringing in capacities assessments and better regulation aspects from SMEs perspective, the latter being a critical part of Albanian economy.

### b) Implementation of harmonized legislation with EU acquis.

- Fight against corruption is the top priority of Albanian government and a key requirement for its membership to EU. **Transparency and accountability of State Aid Commission (SAC)** and **Consumer Protection Commission (CPC)** is ensured, through respective websites that provide thorough information for the public. CPC is empowered to better enforce

consumer legislation based on assessments conducted on implementation level, in key areas of public interest (telecommunication, travel packages, consumer credits). Cooperation platforms with local government are now in place through counselling centres established in three municipalities, to provide information and orient consumers on complaint processes.

- **National Business Centre (NBC) is fully operational** since April 2016. Law 131/2015 “On National Business Centre“ accompanied by a full package of 9 legal acts, enabled a swift merger of National Registration Centre and National Licensing Centre and a streamline of respective procedures. Being the only window for business registration and licensing, businesses benefit from improved quality of services and reduced cost and time. In less than one year of operation, NBC has been proclaimed top state institution of 2016, for best performance in offering public services.

- **Market Surveillance Inspectorate (MSI), established in 2016**, is crucial for functioning of the Albanian market. It helps protect consumers against unsafe products and protect businesses from unfair competition by those who ignore the rules. Support is focused in strengthening its competences at managerial and organizational level, as well as in building capacities for market inspectors.

### c) Preparation of accession negotiations for EU membership.

A successful management and coordination of the negotiation process for EU membership requires proper structures, instruments and capacities in place.

- MEDTTE is the leading institution for the harmonization and implementation work in one third of EU acquis. Six inter-institutional working groups (IIWGs) need to start preparations well in advance to be ready once a date for opening of negotiations is set by EU. Members of IIWGs for Chapters 1, 3, 28 and 30 are equipped with **strategic working instruments (Task Plans)** for defining clear activities and steps ahead. **Coordination mechanisms (Rules of Procedure)** to ensure effectiveness of their work are also set. IIWGs are organising their activity based on these instruments. Praised as the most useful instrument for a structured approach to get prepared for EU accession negotiations, Ministry of European Integration is replicating them for all 35 IIWGs of EU acquis chapters.

- **Bilateral Investment Treaties (BITs)** are important instruments for protection of foreign investments in the area of trade policy. Mapping and analysis of 47 Albanian BITs is finalized with a view to identify incompatibilities with EU law and prepare for their harmonization. Policy recommendations are provided for future BITs.

- The principle of free movement of goods is that goods are freely traded within EU countries. Thus Albania as an EU candidate country needs to make sure to remove any unjustified restrictions to trade. A methodology is finalized to guide public administration in identifying legal provisions that constitute non-tariff barriers to trade and decide if are to be abolished or upheld.

### Cross-cutting activity

The project closely cooperates with the Albanian School of Public Administration (ASPA) to conduct trainings and to develop innovative, useful and replicable training curricula. Supported by the project, an **e-learning platform and 5 online courses** are now integrated into ASPA's training system being successfully used by public officials on issues related to EU integration. In addition trainings are delivered through ASPA to public officials for the three complementary areas, enabling them to carry out related tasks.

### Facts and figures

- **9760** foreign companies working in Albania operate in an improved business environment that comply with EU standards, following harmonization of the national economic and trade laws with EU acquis.
- **18** economic legal acts are harmonized with EU legislation. For more than **243 acts**, analyses for compliance with EU legislation is done, as a basis for the Government's work to plan and prioritize further alignment.
- Over **195.000** businesses operating in Albania benefit from reduced costs and timing of registration and licensing and, since 2015, from offering them online for free. During 2015, **7.4%** of new companies registered online, over 14'500 businesses submitted annual balance sheets online, **23'560** transactions were made online, thus marking the highest number of services used by the public in the government platform e-albania.
- The National Business Centre (NBC) is established as a one-stop shop where businesses register and get a license within a shorter time. C.a. **1'400** applications are processed by NBC every day. In 2016 NBC was proclaimed the best institution offering public services.
- **70** members of IIWGs are now equipped with instruments and knowledges required for proper preparation for accession negotiations.
- **1'064** public officials received training through e-learning platform integrated at ASPA training system.
- **80** IIWGs members gained knowledges on better law making training course, **80%** of which confirm the application of knowledges in their daily work.
- More than **100** representatives from civil society and business community have been consulted during different project activities.
- Awareness on consumer rights is increased through dissemination of around **23'000** brochures and leaflets.



Entrepreneurs at National Business Centre

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