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***SURVEY***  
***of***  
**ORGANISATIONS INVOLVED IN  
SME REGULATION AND PROMOTION  
IN ALBANIA**

**Tirana, November 1999**

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## Glossary of Acronyms

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AAEF	Albanian American Enterprise Fund
ADF	Albanian Development Fund
AEDA	Albanian Economic Development Agency
AREF	Albanian Reconstruction Equity Fund
EBRD	European Bank for Reconstruction and Development
EU	European Union
GTZ	Gesellschaft Technische Zusammenarbeit
HDPC	Human Development Promotion Center
IFC	International Finance Cooperation
INSTAT	Institute of Statistics
MoAF	Ministry of Agriculture and Food
MoECT	Ministry of Economical Cooperation and Trade
MoF	Ministry of Finance
MoLSA	Ministry of Labor and Social Affairs
MoPEP	Ministry of Public Economy and Privatization
MoTPW	Ministry of Transport and Public Works
NGO	Non Governmental Organization
RDA	Regional Development Agency
SME	Small and Medium Enterprises
TA	Technical Assistance
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
VAT	Value Added Tax
WB	World Bank

## **1 INTRODUCTION**

This survey is realized based on the contract No. 99/191P between the United Nations Industrial Development Organization (UNIDO) and the Human Development Promotion Center (HDPC), in the framework of the project No. DP/ALB/95/007.

The survey on Organizations Involved in Small and Medium size Enterprises (SME) Regulation and Promotion in Albania was carried out with about 150 representatives of State Regulation Institutions, Business Associations, International Donors, Banks, Non Governmental Organization (NGO) and Private Consulting, and State Promotion Institutions. The survey is complementary to the first survey that covers entrepreneurs in different cities of the country carried out by GTZ.

The survey provides basic information to the Albanian Government to formulate policy and strategy on SME development and promotion.

## **2 OBJECTIVE OF THE SURVEY**

The aim of this survey is to identify the main obstacles in regulation, procedures, taxation and general legislation that impede SME- s to start up and grow in Albania, in the viewpoint of problems that could be addressed by the Government.

The survey helps to develop a complete database of the institutions involved in SME regulation and promotion, the service they provide, and their experiences on SME-s development.

The survey results serve to prepare the Strategy on the Development of SME-s in Albania. The preliminary results are already put in the disposal of the MoECT as well to the SME's policy advisor and national SME policy expert, and are also taken into consideration in the Action Plan for SME Strategy Development prepared by them .

## **3 PRINCIPAL ACTORS**

### **3.1 State Regulation Institutions**

The number of State Regulation Institutions that are presently related to the activity SMEs in Albania is considerable.

The survey aimed at assuring necessary information on the following main issues: how do the Government Agencies perceive the activity of SMEs, how do they perceive the role of State in the private business and does the present situation coincide with this perception, how do they act in the preparation of legal and

regulatory framework and is there any co-operation with other actors in this aspect, what improvements in the legislation or procedures are intended to be done, are they spontaneous or based on a mid-term program, is there any political influence or obstacles to do them, what are the problems they face while exercising their competence, do they consider these competencies as administrative barriers or as regulatory aspect of the business, is there an overlapping of competencies and what are the improvements to be done, what kind of business services should be provided to SME-s.

### **3.2 Business Associations**

Different groups and organizations represent the Business Community in Albania. In some cases they perform similar activities without having any clear distinguishing criteria, thus making their classification difficult

The survey aimed at assuring necessary information on the following main issues: who participates in business associations, what kind of services do they offer for the members, what are their relations to the State, are they involved in the preparation of the legal framework on SME-s, in what way is their opinion drawn, what is their opinion on the main difficulties faced by business in Albania, what legal improvements do they think as necessary to the promotion of business, what is their opinion on the kind of support SME-s need presently and what are the optimal ways to provide this support

### **3.3 International Donors**

The survey aimed at assuring information about donors in the following main issues: what are the positive and negative experiences of different donors, where do they think the financial support is more necessary, in what aspects and ways should it be given to SME-s, what kind of development strategy on SME-s in Albania do they suggest as more efficient, what improvements of the existing legislation do they suggest and how do they see the current role of State in this sector

### **3.4 Banks and other credit institutions**

Some of the main information taken from the banks is: how do the banks consider the level of SME-s in Albania, what kind of services do they offer to the private business and what are the most frequent services, what are the reasons for the low-level or complete lack of crediting, what would be the acceptable solutions to increase the warranty, what are the directions of assistance to SME-s so as to increase the interest of banks towards them, what are the positive and negative experiences in crediting, do SME-s perform financial transactions through banks.

### **3.5 NGO and Private Consulting**

This comprises an undefined number of Albanian and foreign private companies with headquarters in Albania, which offer consulting services to private enterprises on



juridical and fiscal fields and on customs procedures. It includes the Auditing Institute, where all the Albanian auditors are joined, and also some foreign auditing companies operating in Albania. A considerable number of NGO-s are also established, most of them in Tirana, but only a part of them are actually operating in this sector.

### 3.6 State Promotion Institutions

This comprises the Albanian Economic Development Agency (AEDA) and some other public departments in line ministries. Some of the main information taken from them was: what kind of services do they offer, what are the most frequent services, what are their needs to increase the variety of services and quality, what are the problems arising when they assist SME-s.

## 4 METHODOLOGY

### 4.1 The questionnaires

Based on the terms of references, the team leader and the group of experts prepared six questionnaires (see Annex 3) and the survey plan. It is worth mentioning that until today there has never been applied such a complex questionnaire for institutions, the activity of which implies a definite direction of the economic development. Each of the questionnaires consists of two sections:

**Section A**, contains general information on the selected institutions and organizations to be interviewed in this survey: The geographic location, legal status of the organization and the year the organization is established or founded are the main questions that will help further analysis. The information collected in this section is presented in Albanian language in **Annex 7** and will be under the disposal of the ministries and other interested actors.

**Section B**, contains specific questions on which the opinion of all organizations, and institutions involved in the development of small and medium business in Albania is going to be taken. The main principles on which the section B was prepared are:

- Giving detailed evidence on the opinion of different institutions on the actual stage of development of the small and medium business in Albania. It reveals the real abilities of these institutions to assess and analyze the actual state of business development based on the comparative method and using the already existing materials.
- Making evident the barriers the small and medium business in Albania is facing, by means of making an assessment of these barriers according to their importance. This will serve the process of strategy - design to define the main directions to take concrete steps to alleviate or avoid such

barriers. Also it will show the level of the awareness of different institutions for the barriers faced by the businesses.

- A part of questions is oriented by the questionnaire of GTZ, aiming in confronting the opinions of business and institutions concerning problems of SME-s in Albania. This is helpful not only to analyze the same phenomenon from different viewpoints, but what is more important to be realistic in the proposals to make on the strategy of SME 's development in Albania. In addition, given the fact that the GTZ-s questionnaire is very limited and does not contain any important details on barriers of private business, HPDC experts while preparing this questionnaire have also taken into account the results of previous surveys on SME-s to be used during data processing.
- Since business associations are a new experience to countries in transition, questions related to them are focused not only on the evaluation of the stage of the development of these Associations but also on the space their activity offers to the business in Albania and the role they play in presenting the opinion of their members to the decision makers as well.
- Since limited financial resources and the development level of the banks are considered as the main barriers to the business environment, specific questions were included in order to have the opinions of these credit financial institutions on this issue. The assessment of the problems faced by small business is considered with a great interest by these institutions, because their existence decreases the access of these businesses to the banks.
- While preparing all questions we have seen the possibility of realizing cross analyses on different problems from the viewpoint of different organizations, which contributes to a deep analysis of the phenomena and the achievement of right conclusions.
- The questionnaires were prepared with qualitative and close-ended questions to realize more accurate analysis and concrete evidence of the problem. That's why each question is very detailed in all its elements. To complete the view, many questions are combining of qualitative with open-ended questions.
- Apart from the questionnaires, additional information for analysing purposes is required during the interviews. This information is collected more from donors and banks.

Questionnaires were discussed with representatives of the Competition and Trade Policies Department in the Ministry of Economic Cooperation and Trade and with the United Nations Development Programme (UNDP) project manager, with the policy adviser and national expert. All comments were taken into consideration.



## 4.2 Survey implementation

There were interviewed 151 representatives of the institutions, banks, donors, business associations and private consultants. (See *Table 4.2-1*). The full list is presented in **Annex 1**. All interviews were direct.

Table 4.2-1

	INTERVIEWED INSTITUTIONS/ASSOCIATIONS	No. of interviews
<b>1.</b>	<b>State regulation institutions</b>	<b>68</b>
1.1	Council of Ministers	4
1.2	Ministry of Economic Cooperation and Trade	5
1.3	Ministry of Public Economy and Privatization	5
1.4	Ministry of Agriculture and Food	3
1.5	Ministry of Finance	6
1.6	Ministry of Public Works and Transport	8
1.7	Ministry of Justice	2
1.8	Courts	6
1.9	Tourism Committee	3
1.10	Local Government	6
1.11	General Directorate of Customs	3
1.12	12 General Directorate of Taxes	3
1.13	13 National Agency for Privatization	4
1.14	Agency for Public Procurement	2
1.15	INSTAT	1
1.16	Faculty of Economy	2
1.17	INSIG	1
1.18	National Agency of Environment	1
1.19	Regulatory Entity	2
1.20	Ministry of Labor and Social Affairs	1
<b>2.</b>	<b>Business Associations</b>	<b>26</b>
2.1	Chambers of Commerce	15
2.2	Associations	11
<b>3.</b>	<b>International Donors</b>	<b>12</b>
<b>4.</b>	<b>BANKS</b>	<b>12</b>
4.1	Public Banks	3
4.2	Private Banks and Foundations	9
<b>5.</b>	<b>NGOs and Private Consulting</b>	<b>24<sup>+</sup></b>
<b>6.</b>	<b>State Promotion Institutions</b>	<b>9</b>
	<b>TOTAL</b>	<b>151</b>

During interviews three main difficulties were noticed. They were:

- Some of the interviewed wanted to remain confidential. Such a request was more frequent with local representatives of donors and banks. Both interviewers and HDPC promised to keep names confidential.
- The hesitation of the banks to give all detailed information on their activity was quite evident. Almost all bank representatives did not give any full information on credits, especially on the budget available for credit lines, the number of credits given and the respective fund. These data was complemented with the information taken from the Bank of Albania.

- Generally the interviewed from the public administration hesitated to answer questions related to the quality of legislation and the performance of public institutions.

HDPC implemented the project with a staff of about 11 people divided in three levels:

- Expert Team, consisting of one team leader and two senior experts. They have co-ordinated the implementation of the project with the Directorate of Business Development in the MoECT. The expert team have prepared the list of interviewees, the questionnaire, the Guide and conducted the training of interviewers. They have managed the process of interviewing and control the filled-in questionnaires, elaboration of the data, preparation of the final report and organisation of the discussions with specialists of the field.
- Interviewers. As foreseen in ToR 6 interviewers implement the survey, but 2 of them have been also members of the group of experts. This is done first because the quality of interviewing is considered as very important, second because our experience has shown that the quality of the report is better when the writers receive impressions directly from the interviews, third due to the local mentality, at some of the levels of interviewees the interviewing can be done only by well-known and high-level experts.
- Support Staff. It included 4 staff members for the editing, translation and secretarial works.

### 4.3 Training of interviewers

After the approval of the questionnaires HDPC experts prepared a guide where questions and technical elements of filling the questionnaires are given. The questionnaire guide contains the following elements:

1. *Background* which explains the survey's objectives, information about the sections of the questionnaire, details of the methodology to be used, parts of which is the survey sample selection, the legal status of the survey like data confidentiality etc., the way the data would be collected from the interviewees.
2. *Detailed rules for the interviewers*, which explains the main tasks of the interviewers, how to communicate with the interviewees, how to conduct the interview.
3. *Guidelines on the questionnaire*, which explains details on each section and question of the questionnaire and control of the filled in questionnaires (see Annex 2)

To clarify the questions and to discuss how the questionnaire should be fill in, as it is explain in our offer we organized a one-day training for the interviewers where the prepared guide was discussed and distributed to help them in the process of interviewing. Considering the high qualification of the interviewers and considering the fact that they have been involved by the team leader during the preparatory phase of the questionnaire, it is seen as not necessary to organize with them an introductory session about the SME-s development in Albania. However, the principal

preliminary conclusions of the GTZ survey on SME-s were discussed during a separate training session.

As foreseen in our technical proposal a second training session was organized after the control of the first questionnaires of each group filled in by each interviewer, in order to discuss the identified problems.

The group of experts organized the control of the filled-in questionnaires based on the selecting method. The sample was selected depending on the difficulties faced during filling in.

#### 4.4 Database and tables

The characteristics of information on six questionnaires were analyzed to decide for the most appropriate database software to build up the main database. The decision must be in line also with the objectives of the survey.

After estimation of advantages and disadvantages of each software, it was decided to use Microsoft Excel. Four were the main reasons in favour of using the Microsoft Excel:

- Small number of interviews for each group (less than 70).
- Simplicity of questions and analytic tables.
- A relatively high percentage of the open-ended questions.
- Facilities in exporting table to main report for the survey on Microsoft Word.

The six small databases of the six different groups and one combined database compose the entire database with the common questions from the six groups.

The coding of questions is very simple using digits 0-5 for the close-ended questions, and coding as 1 the open-ended text questions.

In an additional table are recorded all the answers of the close-ended questions. In case of any pattern in text answers (especially on "Others..." questions), the main database is modified adding extra codes and grouping some of the answers.

Statistical tables are composed in different forms, due to different pattern of the questions. Major part of tables show the distribution of all alternative answers in absolute numbers (count of answers) and percentages. No answered questions are shown in the statistics as "Blank" option.

For questions where the interviewed has to do an evaluation, among the distribution is given also the AVERAGE, MINIMUM, MAXIMUM and MODE (the value most selected).

Evaluation questions are on groups of 4-12 complement elements. For that reason, average, minimum, maximum and mode of ARITHMETIC MEAN was included as a special element to the respective tables. This gives an idea of overall impact of listed elements.

For questions where the answer is a real number (for example: Annual Budget) instead of MODE is calculated the MEDIAN (the centre a set of numbers). In very often cases MEDIAN is more significant then AVERAGE.



The identical or similar answers of open-ended questions are grouped together to create concentrate tables for these questions including answers itself and respective frequencies.

Statistical tables for a group of questions are sorted by the column of AVERAGE or COUNT (frequencies) in descending order.

## 5 RESULTS AND ANALYSES

### 5.1 State Regulation Institutions

5.1.1 The activity of the SME-s in Albania is linked with a considerable number of governmental institutions (see Chart 5.1-1), whose organizational structure contains departments or units responsible on preparing legislation and regulatory framework on private sector in Albania or departments or units dealing with implementation of such regulatory framework. More specifically these are licensing and development departments in line ministries, taxation offices, regulatory entities or customs offices. Generally the functions of the governmental institutions can be divided in 4 main groups:

- *Design and implementation of policies and strategies and design of legal and regulatory framework on sectors and issues which affect the SME's activity. The Council of Ministers, six Ministries, 4 National Agencies, a National Committee and a General Directory represent this group.*
- *Delivering licenses and defining tariffs. In this group a considerable number of departments from some ministries is included, a National Committee, 3 Regulatory Entities, a National Agency and the Local Government.*
- *Control functions of tariffs and collection of taxes: here almost all ministries are included, the Local Government, 2 general Directories and the Juridical System*
- *Monitoring and information: this group consists of MoECT, Institute of Statistics (INSTAT) and Municipalities*

5.1.2 All the interviewed admit to have difficulties in exercising their competencies (see Table 5.1-1 and Annex 4). This seems to happen because of two main reasons:

- problems within institutions such as not clear legal status and responsibilities and lack of co-ordination and co-operation with other institutions;
- Problems rising from out-of institution factors such as the low qualification level of the company managers and the low level of the law comprehension by them.

**Chart 5.1-1: ORGANIGRAMME OF STATE REGULATION INSTITUTIONS**

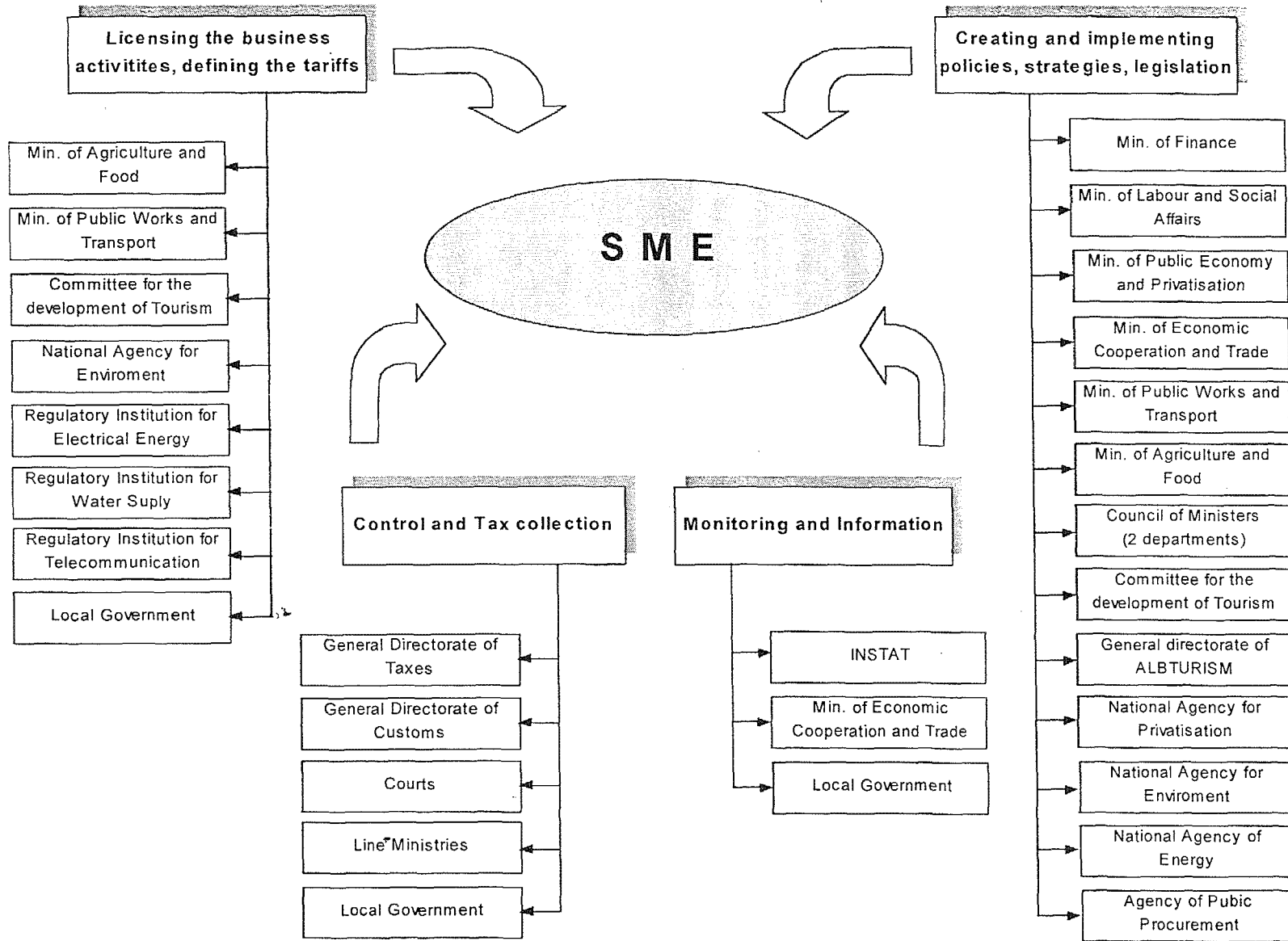


Table 5.1-1

<i>Please specify the most difficulties you have faced in exercising your competencies?</i>			
No.	Difficulties	In number	In %
1.	Not clear legal status of the institution as well as unclear responsibilities with other institutions.	26	21.8
2.	Lack of coordination and cooperation with other institutions	11	9.2
3.	Lack of monitoring within the institution. Lack of information.	9	7.6
4.	Lack of law enforcement, fiscal evasion, and unfair competition.	12	10.1
5.	Low qualification and laws understanding of the managers of the companies	9	7.6
6.	Inadequate professional level and lack of responsibility of the civil servants	11	9.2
7.	Corruption of public administration	5	4.2
8.	Others	36	30.3
<b>Total of specified difficulties</b>		<b>119</b>	<b>100.0</b>

5.1.3 As regards registration and licensing procedures and the respective tariffs over 80% of the 34 licensing institutions and departments interviewed admit that these procedures are neither difficult nor expensive, while 83% of 12 tax offices interviewed admit that taxes and contributions are not high (see Table 5.1-2)

Table 5.1-2

Questions for institutions that have licensing, registration or taxation department	NO	YES	Don't know	Blank
Do you feel that your licensing and registration procedures are long and complicated? (Total licensing institutions = 34)	82 %	12 %	6 %	-
Do you feel that your licensing and registration tariffs are high? (Total licensing institutions = 34)	91 %	3 %	3 %	3 %
Do you feel that your taxes and contribution tariffs are high? (Total taxation institutions = 12)	83 %	17 %	-	-

5.1.4 Almost 100% of the interviewed consider the preparation of a SME development strategy more than important (see Table 5.1-3). This strategy is considered very important by 67% of the out – of Tirana interviewed and 57% of the interviewed in Tirana share the same opinion.

Table 5.1-3

<i>In your opinion, how important is a SME-s development strategy to the growth of the country and of your region? (Distribution in number and percentage)</i>							
Location	Not important	Little important	Moderate	Important	Very Important	Blank	Totals
Tirana – Count:	1		1	24	36	1	63
Out of Tirana – Count:				2	4		6
<b>Total</b>	<b>1</b>		<b>1</b>	<b>26</b>	<b>40</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	1.6		1.6	38.1	57.1	1.6	100.0
Out of Tirana – Percentage:			0.0	33.3	66.7	0.0	100.0
<b>Total</b>	<b>1.4</b>		<b>1.4</b>	<b>37.7</b>	<b>58.0</b>	<b>1.4</b>	<b>100.0</b>

5.1.5 Since these institutions are involved in business problems, efforts are made to have a clear view on the responsibility of the governmental institutions on the problems and constraints faced by the businessmen at both initial and further stages (see Table 5.1-4). The assurance of financial resources, unfair competition and the administrative bureaucracy are considered to be very difficult problems for starting and running a business in Albania. In the meantime the median shows that the information on business, the customs, the identification of a qualified staff and the assurance of the appropriate premises are also difficult problems to be solved.

Table 5.1-4

<i>Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5. 1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult.</i>						
<b>Steps/ Situations</b>	<b>COUNT</b>	<b>Count in %</b>	<b>AVERAGE</b>	<b>MIN</b>	<b>MAX</b>	<b>MODE</b>
Obtaining financial resources	67	97	4.7	3	5	5
Unfair competition	68	99	4.6	1	5	5
Administrative bureaucracy	67	97	4.2	3	5	4
Business information	67	97	3.9	1	5	4
Custom duties	66	96	3.7	1	5	4
Finding qualified staff	68	99	3.6	1	5	4
Ensuring premises	67	97	3.6	1	5	4
Taxes and contributions	66	96	3.4	2	5	3
Business registration procedures	68	99	3.2	1	5	3
Business initiative	67	97	3.1	1	5	3
Geographic location	67	97	2.8	1	5	3
<b>Arithmetic mean</b>			<b>3.7</b>	<b>2.7</b>	<b>4.6</b>	<b>3.7</b>

5.1.6 About 78% of the interviewed admit that it is necessary to make further legal improvements on business promotion (see Table 5.1-5). Thus, 100% of the interviewed out of Tirana consider this improvement as necessary, while only 76% of the interviewed in Tirana share the same opinion. Main issues that need to be improved concerning the legal framework are the competition law (77.8%), taxation and custom duties (74.1%), and employment legislation (42.6%). Specialists' consider that the competition law should foresee stronger sanctions and penalties in case of law abuse and controlling structures should be built to put the correct implementation of the law under control. One of the proposed improvements is a better formulation of the laws on taxation and custom duties, in order to be clearer and more precise. Regarding the law on employment, its implementation should be improved and also there need to be some amendments to the law on workers' protection. Anyhow, it is quite evident that most specialists consider that guidelines and regulations that explain the main articles of the laws in detail should support the law itself.

Table 5.1-5

<i>In your opinion is it necessary to make further legal improvements for the promotion of the business?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	6	48	7	2	63
Out of Tirana – Count:		6			6
<b>Total</b>	<b>6</b>	<b>54</b>	<b>7</b>	<b>2</b>	<b>69</b>
Tirana –Percentage:	9.5	76.2	11.1	3.2	100.0
Out of Tirana – Percentage:	0.0	100.0	0.0	0.0	100.0
<b>Total</b>	<b>8.7</b>	<b>78.3</b>	<b>10.1</b>	<b>2.9</b>	<b>100.0</b>
<i>If YES Where further legal improvements are necessary?</i>					
Laws to be improved	Selected				
	In number	In %			
Law on competition	42	77.8			
Taxation & custom duties regulations	40	74.1			
Employment legislation	23	42.6			
Registration regulations	18	33.3			
Law on companies	17	31.5			
Contribution regulations	14	25.9			
Others	8	14.8			
<b>At least one change must be done</b>	<b>54</b>	<b>100.0</b>			
<i>How to improve?</i>					
Laws to be improved	Main improvements to be done	No.	%		
Law on competition	1. It is not well implemented	14	25.9		
	2. More penalties for those who are not following the law	9	16.7		
	3. Establishing adequate structures to ensure the law enforcement	5	9.6		
Taxation & custom duties regulations	1. Simplifying and filling out the legal vacuum	8	14.8		
	2. Tax incentives for SME-s	5	9.6		
	3. More transparent procedures	4	7.4		
	4. Revising custom duties for vehicles	3	5.6		
Employment legislation	1. High penalties for non followers of the law	4	7.4		
	2. Completing the law aiming in the employee protection	3	5.6		
Registration regulations	1. Simpler procedures	11			
	2. More guidelines	2	3.7		
Law on companies	1 To make it more realistic	4	7.4		
Contribution regulations	1. More instructions and guidelines	3	5.6		
Others	1. More information and transparency for all the legal acts	3	5.6		
<b>Number of YES</b>		<b>54</b>	<b>100.0</b>		

5.1.7 About 54% of the interviewed in Tirana admit that they are not aware if the changes in business legislation are based on any medium-term strategy or are technically oriented (see Table 5.1-6 and Table 5.1-7). But, since most of them are specialists involved in preparing legislation or contributing in its preparation such an attitude can be considered as an hesitation to give an own pronounciation. It results that only 30% and 27% of the interviewed totally confirm that the changes in legislation are based on a medium-term program and are technically oriented. The very fact that 67% of the out of Tirana interviewed are not aware if changes in



business legislation are based in any medium-term strategy and 83% are not aware if these changes are technically orientated is explained by their low level of participation in this process due to the lack of decentralization of the competencies.

Table 5.1-6

<i>Are the changes in business legislation based in any medium-term program?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	9	19	34	1	63
Out of Tirana – Count:	2		4		6
<b>Total</b>	<b>11</b>	<b>19</b>	<b>38</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	14.3	30.2	54.0	1.6	100.0
Out of Tirana – Percentage:	33.3	0.0	66.7	0.0	100.0
<b>Total</b>	<b>15.9</b>	<b>27.5</b>	<b>55.1</b>	<b>1.4</b>	<b>100.0</b>

Table 5.1-7

<i>Are the changes in business legislation technically oriented?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	11	17	34	1	63
Out of Tirana – Count:		1	5		6
<b>Total</b>	<b>11</b>	<b>18</b>	<b>39</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	17.5	27.0	54.0	1.6	100.0
Out of Tirana – Percentage:	0.0	16.7	83.3	0.0	100.0
<b>Total</b>	<b>15.9</b>	<b>26.1</b>	<b>56.5</b>	<b>1.4</b>	<b>100.0</b>

5.1.8 The analysis of the negative answers on these two questions given by 16 % of the interviewed is very interesting. The political interests of the Party in power and the influence of international organisations were identified as the main reasons why legislative changes are not technically oriented (see Table 5.1-8).

Table 5.1-8

<i>If changes are not technically oriented, based on your opinion and experience, which is the reason ?</i>		
Possible reasons	Selected	
	Count	%
Political interests of the party in power	7	63.6
Influence of international organizations	7	63.6
Economic interests of people in the government	6	54.5
Pressure by different business unions and associations	4	36.4
Incompetence of government administration	3	27.2
Pressure from extra-government groups	1	9.1
<b>Number of "changes are not technically oriented"</b>	<b>11</b>	<b>100.0</b>

5.1.9 About 67% of the interviewed consider that generally businesses do not follow the law and this opinion is more frequent out of Tirana (see Table 5.1-9). According to them the main reasons are the hunger to make big profits in a short time, the lack of knowledge in legislation field and the unfair competition.

Table 5.1-9

<i>Do the business follow the law easily?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	40	5	16	2	63
Out of Tirana – Count:	6				6
<b>Total</b>	<b>46</b>	<b>5</b>	<b>16</b>	<b>2</b>	<b>69</b>
Tirana –Percentage:	63.5	7.9	25.4	3.2	100.0
Out of Tirana – Percentage:	100.0	0.0	0.0	0.0	100.0
<b>Total</b>	<b>66.7</b>	<b>7.2</b>	<b>23.2</b>	<b>2.9</b>	<b>100.0</b>

<i>If the business is not following the law, which might be the reasons ?</i>			
Most selected reasons	Count	%	% of NO
1. Desires to have big profits in a short time period	32	30.2	69.6
2. Legislation not well known by the businesses	17	16.0	37.0
3. Unfair competition	10	9.4	21.7
4. Low managerial and culture level of the entrepreneurs	9	8.5	20.0
5. Corruption in tax and customs offices	7	6.6	15.2
6. Corruption on the civil servants in high levels of public administration	5	4.7	10.9
7. Weak control on law enforcement	5	4.7	10.9
8. Legal penalties are not implemented. Weak courts	4	3.8	8.9
9. Lack of sustainable and qualified fiscal administration	4	3.8	8.9
<b>Total number of reasons selected</b>	<b>106</b>	<b>100.0</b>	<b>100.0</b>

5.1.10 The impact of the business associations or NGO-s in the process of decision making is considered as weak by almost 46% of the interviewed (see Table 5.1-10). In addition, only 30% of the interviewed admit that in the process of changes made in business legislation the opinion of the business associations is taken into consideration while 39.1% declare their unawareness on this point. These results show that generally the opinion of the business community is not taken into account while making changes in business legislation.

Table 5.1-10

<i>How is the activity of business associations, NGO-s, etc. to the decision-makers and other governmental institutions? (Distribution in number and percentage)</i>							
Location	Inactive	Weak	Moderate	Good	Very Good	Blank	Totals
Tirana – Count:	10	28	23		1	1	63
Out of Tirana – Count:	1	4	1				6
<b>Total</b>	<b>11</b>	<b>32</b>	<b>24</b>		<b>1</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	15.9	44.4	36.5		1.6	1.6	100.0
Out of Tirana – Percentage:	16.7	66.7	16.7				100.0
<b>Total</b>	<b>15.9</b>	<b>46.4</b>	<b>34.8</b>		<b>1.4</b>	<b>1.4</b>	<b>100.0</b>

<i>Do you feel that opinions of entrepreneurs and business associations are taken into consideration in changes made in business legislation?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	18	20	22	3	63
Out of Tirana – Count:		1	5		6
<b>Total</b>	<b>18</b>	<b>21</b>	<b>27</b>	<b>3</b>	<b>69</b>
Tirana –Percentage:	28.6	31.7	34.9	4.8	100.0
Out of Tirana – Percentage:	0.0	16.7	83.3	0.0	100.0
<b>Total</b>	<b>26.1</b>	<b>30.4</b>	<b>39.1</b>	<b>4.3</b>	<b>100.0</b>

5.1.11 As regards the impact of the changes in government structures (as joining or splitting ministries) to the business environment, only 32% of the interviewed consider it negative (see Table 5.1-11).

Table 5.1-11

<i>How do you consider the changes of the government structures (merging ministries or splitting up) regarding the effect on business environment?</i>					
Location	Negative	No effect	Positive	Blank	Total
Tirana – Count:	19	31	12	1	63
Out of Tirana – Count:	3	3			6
<b>Total</b>	<b>22</b>	<b>34</b>	<b>12</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	30.2	49.2	19.0	1.6	100.0
Out of Tirana – Percentage:	50.0	50.0	0.0	0.0	100.0
<b>Total</b>	<b>31.9</b>	<b>49.3</b>	<b>17.4</b>	<b>1.4</b>	<b>100.0</b>

5.1.12 Only 7.2% of the interviewed consider that there is no overlapping of competencies between governmental institutions, regarding regulations on SME-s (see Table 5.1-12). Most evident overlapping is considered to be that of controlling institutions and that of different Ministries.

Table 5.1-12

<i>In your opinion, is there any overlapping of competencies between different governmental institutions, regarding regulation of SME-s?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	5	37	20	1	63
Out of Tirana – Count:		2	4		6
<b>Total</b>	<b>5</b>	<b>39</b>	<b>24</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	7.9	58.7	31.7	1.6	100.0
Out of Tirana – Percentage:	0.0	33.3	66.7	0.0	100.0
<b>Total</b>	<b>7.2</b>	<b>56.5</b>	<b>34.8</b>	<b>1.4</b>	<b>100.0</b>



## 5.2 State Promotion Institutions

5.2.1 The number of the promoting institutions in Albania is rather limited. The Albanian Economic Development Agency is the main institution of a direct business promoting function. AEDA is a joint stock action company 100% state owned. It is lead by the board consisting of various representatives from several institutions and private sector. This board appoints the Executive Director. The AEDA has 40 employees, the staff of a daily economic newspaper included. The National Fair Entity has also a promoting function, and it is dependent upon the MoECT.

5.2.2 There are Departments of Public and International Relations in some of the line Ministries, which can indirectly be considered as business promoting since they are involved in identifying projects of business development and negotiating with donors to attract funds. We can mention such Departments in the Ministry of Agriculture (MoA), The Ministry of Transport and Public Works (MoTPW), the Ministry of Public Economy and Privatization (MoPEP), the Ministry of Labor and Social Affairs (MoLSA), the National Committee of Tourism as well as the Department of Aid Co-ordination in the Ministry of Economic Cooperation and Trade (MoECT).

5.2.3 Almost all these institutions exercise their activity in all districts, except the National Fair Entity that operates in main cities.

5.2.4 AEDA and National Fair Entity consider Business Associations as major partners in their business activity

5.2.5 The main promoting activities of these institutions are workshops, seminars, conferences, management and technical training programs, and publications. Other activities are fairs, exhibitions and general business consulting. While economic studies, information facilities, technology identification and partnership promotion is considered as minor activities.

5.2.6 Almost 100% of the interviewed consider a development strategy of SME-s as important (30%) or very important (70%) to the economic growth of the country (see Table 5.2-1)

Table 5.2-1

<i>In your opinion, how important is a SME-s development strategy to the growth of the country and of your region?</i>							
Distribution	Not important	Little Important	Moderate	Important	Very Important	Blank	Totals
Number				3	7		10
Percentage				30.0	70.0		100.0

5.2.7 100% of the interviewed consider the selected steps/situations to start and run a business in Albania not so easy. More specifically:

- The unfair competition, the assuring of financial resources and the administrative bureaucracy are considered as very difficult steps/situations.
- Other steps/situations: business information, taxes and contributions, business initiative, identification of a qualified staff, business registration procedures and geographic location are considered as difficult.



- All the interviewed consider that it is necessary to make further legal improvements of business promotion. About 80% consider the law and regulations on taxes and customs and the law on competition as the main laws to be improved. Less than half of the interviewed consider that the employment legislation, the law on companies and the law on contributions and regulations need also to be improved.

5.2.8 100% of the interviewed consider further legal improvements on business promotion as necessary (see Table 5.2-2). The taxation and custom regulations and the law on competition are considered the main issues to be improved.

Table 5.2-2

<i>In your opinion is it necessary to make further legal improvements for the promotion of the business?</i>					
Location	NO	YES	Don't know	Blank	Total
Number	0	10	0	0	10
Percentage		100.0			100.0
<i>If YES, in which of the following?</i>					
Laws to be improved	Selected				
	In number	In %			
Taxation & custom duties regulations		8	80.0		
Law on competition		8	80.0		
Employment legislation		5	50.0		
Law on companies		4	40.0		
Contribution regulations		3	30.0		
<b>At least one change must be done</b>		<b>10</b>	<b>100.0</b>		

5.2.9 70% of the interviewed confirm that they do not know if the changes in business legislation are technically oriented (see Table 5.2-3). The rest (30%) consider these changes as technically orientated saying that these changes are made under the influence of the international organizations, political interests of the Party in power and the pressure exercised by different business unions and associations.

Table 5.2-3

<i>Are the changes in business legislation technically oriented?</i>					
Location	NO	YES	Don't know	Blank	Total
Number	4		6		10
Percentage	40.0		60.0		100.0
<i>If NO, based on your opinion and experience, which is the reason?</i>					
	Number		Percentage		
Influence of international organizations	4		100.0		
Political interests of the party in power:	3		75.0		
Pressure by different business unions and associations	3		75.0		
Economic interests of people in the government	2		50.0		
Pressure from extra-government groups	2		50.0		
<b>Total of "NO" answers</b>	<b>4</b>		<b>100.0</b>		



5.2.10 Only 30% of the interviewed think that while making changes in business legislation the opinions of entrepreneurs and business associations are taken into consideration (see Table 5.2-4).

Table 5.2-4

<i>Do you feel that opinions of entrepreneurs and business associations are taken into consideration in changes made in business legislation?</i>					
Location	NO	YES	Don't know	Blank	Total
Number	4	3	3		10
Percentage	40.0	30.0	30.0		100.0

5.2.11 100% of the interviewed have given the following opinions on the main problems to be faced when running a business in Albania:

- The insufficient credit facilities, the lack of public order and the frequent laws and regulation changes are considered as very severe problems to run a business in Albania.
- Other factors as frequent government changes, complicated tax procedures, non-transparency of laws and regulations, the high level of the shadow economy and the continued intervention of the Government in the economy, are considered as severe problems to run a business.

5.2.12 100% of the interviewed consider the market information and financial advice as the most important areas of SME's promotion. 90% of the interviewed consider the advice on starting a business and the legal assistance as important steps (see Table 5.2-5).

Table 5.2-5

<i>What of the following areas of SME promotion you consider important?</i>		
Promotion areas	Number	Percentage
Market information	10	100.0
Financial Advise	10	100.0
Advice on starting the business	9	90.0
Legal assistance	9	90.0
Management assistance	8	80.0
Preparation of the business plan	8	80.0
Marketing:	8	80.0
<b>Total interviews</b>	<b>10</b>	<b>100.0</b>

5.2.13 The professional level of the civil servants in touch with business environment is considered not good by 100% of the interviewed, while 50% of the interviewed consider this level poor or very poor (see Table 5.2-6). 100% of the interviewed consider that the frequent staff changes of public administration do have a negative impact on the quality of services provided by civil servants. In the meantime changes in the government structure (merging ministries or splitting up)

with regard to their impact on business environment are considered as necessary by 80% of the interviewed (see Table 5.2-7).

Table 5.2-6

<i>In your opinion, how do you consider the professional level of the civil servants in contact with the business requirements?</i>							
Distribution	Very Poor	Poor	Moderate	Good	Very good	Blank	Totals
Number	2	3	5				10
Percentage	20.0	30.0	50.0				100.0

Table 5.2-7

<i>How do you consider the changes of the government structures (merging ministries or splitting up) regarding the impact on business environment?</i>					
Distribution	Unnecessary	Necessary	Very important	Blank	Totals
Number	2	8			10
Percentage	20.0	80.0			100.0

5.2.14 60% of the interviewed consider that there is an overlapping of competencies between different government institutions (see Table 5.2-8) and as most typical cases they specify the overlapping of competencies between the Ministry of Economic Cooperation and Trade (MoECT) and Ministry of Finance (MoF), and between the MoECT and the Priority Projects Unit in the Council of Ministers.

Table 5.2-8

<i>In your opinion, is there any overlapping of competencies between different governmental institutions?</i>					
Location	NO	YES	Don't know	Blank	Total
Number	1	6	3		10
Percentage	10.0	60.0	30.0		100.0

5.2.15 The strengthening of the credit system and the political stability of the country are considered as most important steps to be taken by the Government in order to promote the private sector.

### 5.3 Business Associations

5.3.1 The business associations operating in Albania are membership associations and can be divided into two general groups (see

5.3.2 Chart 5.3-1):

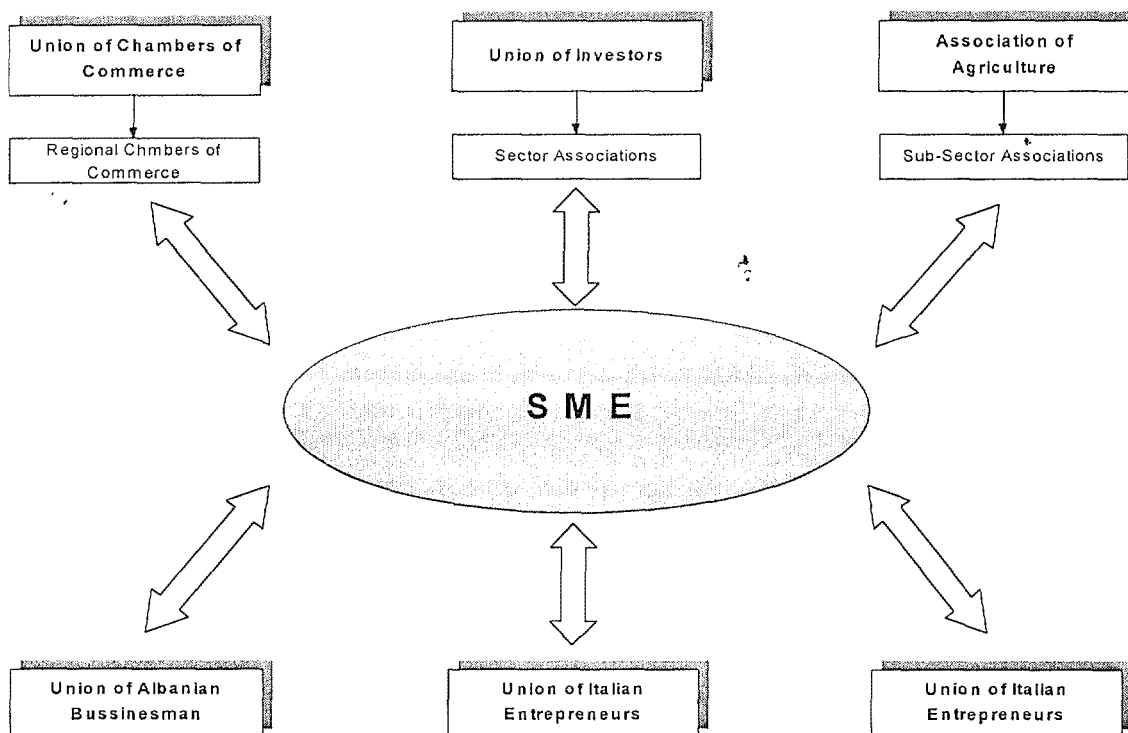
- *The Chamber of Commerce* consisting of the Union of Chambers of Commerce and the Chambers of Commerce in various districts of the country. Actually there are 35 operative Chambers of Commerce all over the country in district level and their unity consists in the Union of Chambers of Commerce that is a non-profit juridical person located in Tirana. The Chambers of Commerce operate on the



basis of the law no. 7804 dated 10.03.1994 "On the Chambers of Commerce and Industry". The membership is obligatory to entire public enterprises, businessmen and registered business companies. In addition there may also be registered foreign companies operating in our country. Each of the members is obliged to pay contributions and the quota in accordance with the Statute of the Chamber of Commerce, and in case of any abuse they are obliged to pay different fines. The supervising body of Chambers or the Union of Chambers is the MoECT, which supervises the implementation of the legal provisions and other sub-legal acts regulating their business and industrial activity, drawn by chambers assemblies. It also defines the procedure regulations on the election of the General Assembly and its president, the President of Chambers and the President of the Union of Chambers up to the first design of the Statute. The leading organs of the Chamber is the Representing Assembly and its President, the Leading Council and the Chairman and the Secretary General. The members of the Representing Assembly and the President are elected every four years through the votes of the members of the Chamber, while the Leading Council and the Chairman of the Chamber are elected by the Representing Assembly every two years. The Secretary General is appointed by the MoECT.

- *Other business associations* are established as non-profit organizations and associations operating on sector basis or other general basis. For example general associations are The Union of Albanian Businessmen, the Union of Investors, Italian Entrepreneurs, Greek Entrepreneurs, different joint economic associations between Albania and other countries. Business Association operating on sector basis is the Association of Agriculture Sector consisting of many smaller groups according to the kind of the activity they are involved. Analyzing the results of the survey for this group of institutions we come to the conclusion that except Chambers of Commerce operating in district level, other associations are mainly focused in Tirana and other big cities.

**Chart 5.3-1: ORGANIGRAMME OF BUSINESS ASSOCIATIONS**





5.3.3 All the interviewed admit that their associations operate on the basis of membership and the quota varies from 3,000 lek to 25,000 lek on an average of 13,700 lek or approximately 100 USD with the current exchange rate. Main income comes from private sector members and they spent all the income they have every year (see Table 5.3-1).

Table 5.3-1

Criterion of size on LEK currency	COUNT	Count in %	AVERAGE	MIN	MAX	MEDIAN
Annual membership fee	23	88.5	13,700	3,000	25,000	10,000
Annual Budget (expenses):	18	69.2	4,862,400	30,000	32,000,000	5,110,000
Total Annual Income	19	73.1	4,908,700	11,500	32,000,000	5,830,000

5.3.4 50% of the interviewed admit that they pay other costs beside quotas as for example donations on special activities. At the end of the year a certain percentage of their profit is given as contributions on specific services as training, visas, certificate of origin, participation in the fairs etc. Anyway, the membership fees are considered as main source of income, making up about 84% of the total income (see Table 5.3-2).

Table 5.3-2

<i>Sources of income in percentage</i>						
Sources of Income	COUNT	Count in %	AVERAGE	MIN	MAX	MEDIAN
Membership fees	23	88.5	83.9	0	100	92
Fees for services	23	88.5	11.8	0	70	8
Earned income	23	88.5	1.5	0	30	0
Other grants	23	88.5	2.9	0	50	0

5.3.5 The Business Associations offer all kinds of listed services, but trade promotion, general business consulting and library/information facilities are the most frequent services (see Table 5.3-3)

Table 5.3-3

<i>What services provide your association. Please select the main services</i>				
Services provided (percentages are from total of 26 interviews)	Count of YES		Count of MAIN	
	Number	%	Number	%
1. Trade Promotion (fairs, exhibitions, etc.)	24	92.3	8	30.8
2. General business counseling:	24	92.3	7	26.9
3. Library/ information facilities:	23	88.5	13	50.0
4. Workshop, seminars, conferences	21	80.8	8	30.8
5. Newsletters/ other publications	20	76.9	8	30.8
6. Technical training program	17	65.4	6	23.1
7. Management training programs	17	65.4	8	30.8
8. Brokering/ subcontracting exchange:	7	26.9	2	7.7
9. Technology identification	5	19.2	0	0.0
10. Other miscellaneous	5	19.2	1	3.8
11. Micro-finance	0	0.0	0	0.0

5.3.6 In 61.5% of the cases the relations of the Business Association with local and central government are classified as quite normal (see Table 5.3-4). Relations with local government are considered as good and very good by the business associations located out of Tirana (about 42% of the interviewed), while 8.3% of the interviewed located in Tirana consider such relations good and none of them specifies them as very good. Almost same consideration is given for the relations with central government. About 36% of the interviewed out of Tirana consider such relations as good and very good, while 16% of the interviewed located in Tirana consider them as good and none of them as very good. These results show that in general the business associations located out of Tirana have built better relations with the local and central government. This fact can be explained with relatively limited requests that the business associations located out of Tirana have towards the local and central government.

Table 5.3-4

<i>How do you consider the relations of your business association with the local government?</i>							
Location	Very Bad	Bad	Normal	Good	Very Good	Blank	Total
Tirana – Count:			10	1		1	12
Out of Tirana – Count:		1	6	3	3	1	14
<b>Total</b>	<b>0</b>	<b>1</b>	<b>16</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:	0.0	0.0	83.3	8.3	0.0	8.3	100.0
Out of Tirana – Percentage:	0.0	7.1	42.9	21.4	21.4	7.1	100.0
<b>Total</b>	<b>0.0</b>	<b>3.8</b>	<b>61.5</b>	<b>15.4</b>	<b>11.5</b>	<b>7.7</b>	<b>100.0</b>
<i>How do you consider the relations of your business association with the Central Government?</i>							
Location	Very Bad	Bad	Normal	Good	Very Good	Blank	Total
Tirana – Count:			9	2		1	12
Out of Tirana – Count:		1	7	3	2	1	14
<b>Total</b>		<b>1</b>	<b>16</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:	0.0	0.0	75.0	16.7	0.00	8.3	100.0
Out of Tirana – Percentage:	0.0	7.1	50.0	21.4	14.3	7.1	100.0
<b>Total</b>	<b>0.0</b>	<b>3.9</b>	<b>61.5</b>	<b>19.2</b>	<b>7.7</b>	<b>7.7</b>	<b>100.0</b>

Anyway, about 85% of the interviewed consider that the participation on different meetings is their main activity of cooperation with the local and central government (see Table 5.3-5)

Table 5.3-5

<i>Does your organization have government liaison in the following directions?</i>					
Fields of relationship (percentages are from total of 26 interviews)		Count of YES		Count of MAIN	
		Number	%	Number	%
1	Representation on different meetings/events	22	84.6	4	15.4
2	Monitoring of legislation/ policies	18	69.2	5	19.2
3	Lobbying	7	26.9	0	0.0
4	Other miscellaneous	5	19.2	1	3.8

5.3.7 Only 46% of the interviewed consider that the opinion of the associations is taken into account by the government when the problem of SME-s is being discussed, while 50% of them think that this opinion is not taken into consideration at all. The main reason for that is considered the lack of interest by the government to take their opinions (see Table 5.3-6).

Table 5.3-6

<i>Do the government institutions draw your opinion in case they are dealing with the SME-s problems?</i>				
Location	NO	YES	Blank	Total
Tirana – Count:	6	6		12
Out of Tirana – Count:	7	6	1	14
<b>Total</b>	<b>13</b>	<b>12</b>	<b>1</b>	<b>26</b>
Tirana –Percentage:	50.0	50.0	0.0	100.0
Out of Tirana – Percentage:	50.0	42.9	7.1	100.0
<b>Total</b>	<b>50.0</b>	<b>46.2</b>	<b>3.9</b>	<b>100.0</b>
<i>If “NO”, this is because what of the followings?</i>				
No.	Major Accomplishments	In number	In %	
1.	Lack of interest from the government	12	92.3	
2.	Conflicts between business associations and government	5	38.5	
3.	Corruption inside government institutions	2	15.4	
4.	Lack of information by the members of the association	1	7.7	
5.	Your indifference	0	0.0	
	<b>Total of “NO”</b>	<b>13</b>	<b>100.0</b>	

5.3.8 The lack of credit resources and the unfair competition are considered to be main problems faced by these associations in running their businesses (see Table 5.3-7)

Table 5.3-7

<i>Please explain shortly, which are the main problems your members are facing in their business?</i>			
No.	Main problems	In number	In %
1.	Very poor credit resources	11	17.7
2.	Unfair competition, false products	8	12.9
3.	The lack of public order	7	11.3
4.	Free movement abroad on business purposes	7	11.3
5.	Very weak infrastructure	4	6.5
6.	Corruption in taxation and customs	4	6.5
7.	Heavy fiscal burden to small and initial business	4	6.5
8.	Problems of inner organization	4	6.5
9.	Specific problems of the sector	4	6.5
10.	Contraband	4	6.5
11.	The legislation design and improving amendments	3	4.8
12.	Unclearness in land ownership	2	3.2
	<b>Total of main problems mentioned</b>	<b>62</b>	<b>100.0</b>

5.3.9 Most of the interviewed (about 65%) consider that their associations take an active part in the process of SME-s development, while about 27% of them give a negative answer to this question (see Table 5.3-8). More optimistic is the situation in Tirana where 83.3% of the interviewed admit that they have been active in this process. In cases when they have not been active it has been mainly by the lack of information on barriers their members are facing, the low interest of the government on business associations, or the lack of qualified staff working in such associations.

Table 5.3-8

<i>In your opinion, are the business associations active enough in the process of the SME-s development?</i>				
Location	NO	YES	Blank	Total
Tirana – Count:	1	10	1	12
Out of Tirana – Count:	6	7	1	14
<b>Total</b>	<b>7</b>	<b>17</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:	8.3	83.3	8.3	100.0
Out of Tirana – Percentage:	42.9	50.0	7.1	100.0
<b>Total</b>	<b>26.9</b>	<b>65.4</b>	<b>7.7</b>	<b>100.0</b>

5.3.10 Obtaining financial resources, unfair competition and the administrative bureaucracy are described as very difficult problems to start a new business or to extend the business activity (see Table 5.3-9). Other problems as taxes, contributions, custom duties and the lack of business information are also considered to be difficult.

Table 5.3-9

<i>Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5.</i>						
<i>1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult</i>						
Steps/ Situations	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Obtaining financial resources	24	92.3	4.9	4	5	5
Unfair competition	24	92.3	4.6	2	5	5
Administrative bureaucracy	24	92.3	4.5	3	5	5
Taxes and contributions	24	92.3	4.0	3	5	4
Custom duties	23	88.5	4.0	3	5	4
Business initiative	24	92.3	3.5	2	5	3
Business information	24	92.3	3.5	2	5	4
Geographic location	24	92.3	3.5	1	5	3
Finding qualified staff	24	92.3	3.5	2	5	3
Ensuring premises	23	88.5	3.4	1	5	3
Business registration procedures	24	92.3	3.3	2	5	3
<b>Arithmetic mean</b>	<b>24</b>	<b>92.3</b>	<b>3.9</b>	<b>3.4</b>	<b>4.7</b>	<b>4.0</b>

5.3.11 88.5% of the interviewed consider that legal improvements promoting business development are necessary (see Table 5.3-10), and in 82.6% of the cases they think that such improvements should be focused on the laws on taxes and contributions, while 56.5% think that they should be focused on the competition law. Concerning the improvement of these laws, they suggest a decrease of the custom duties and Value Added Tax (VAT), the removing of the custom duties on production lines and machinery by facilitating and filling legal gaps. With regard to the

competition law, the business associations think that this law is not correctly functioning and they suggest applying big penalties in case they are neglected.

Table 5.3-10

<i>In your opinion is it necessary to make further legal improvements for the promotion of the business?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:		11		1	12
Out of Tirana – Count:		12	1	1	14
<b>Total</b>		<b>23</b>	<b>1</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:		91.7	0.0	8.3	100.0
Out of Tirana – Percentage:		85.7	7.1	7.1	100.0
<b>Total</b>		<b>88.5</b>	<b>3.8</b>	<b>7.7</b>	<b>100.0</b>
<i>Where further legal improvements are necessary?</i>					
Laws to be improved	Selected				
	In number	In %			
Taxation & custom duties regulations	19	82.6			
Law on competition	13	56.5			
Employment legislation	8	34.8			
Contribution regulations	7	30.4			
Law on companies	4	17.4			
Others	2	8.7			
<b>Number of “YES” (at least one change to do))</b>	<b>23</b>	<b>100.0</b>			

5.3.12 Based on the opinions of the business associations, Albania is presented, as a country with severe problems for the businessmen to face (see Table 5.3-11). The insufficient credit facilities, the lack of public order and the high level of the shadow economy are considered as the most difficult problems.

Table 5.3-11

<i>How do you consider the following factors to run a business in Albania?</i>						
<i>Evaluation in a scale of 1-5.</i>						
<i>1=No problem at all, 2=Small problem, 3=Moderate problem, 4=Severe problem, 5=Very Severe</i>						
Factors	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Insufficient credit facilities	24	92.3	4.8	4	5	5
Lack of public order	24	92.3	4.6	3	5	5
High level of the shadow economy	22	84.6	4.5	3	5	5
Frequent laws & regulation changes	24	92.3	4.0	2	5	5
Frequent government changes	24	92.3	3.9	2	5	5
Complicated procedures of taxes, etc	23	88.5	3.6	2	5	3
Non transparency of laws & regulat.:	24	92.3	3.5	1	5	5
Continued intervention of the Government in the economy	22	84.6	3.2	1	5	3
Lack of qualified labor	23	88.5	2.7	1	5	3
<b>Arithmetic mean</b>	<b>24</b>	<b>92.3</b>	<b>3.9</b>	<b>3.0</b>	<b>5.0</b>	<b>4.0</b>

5.3.13 Almost all the interviewed consider that the assistance asked for by their members includes advice on starting a business, legal, financial and management assistance, market information, preparation of the business plans and marketing advice.

5.3.14 Only 31% of the interviewed consider the professional level of the civil servants in contact with the business community as a good one (see Table 5.3-12).

Table 5.3-12

<i>In your opinion, how do you consider the professional level of the civil servants in contact with the business requirements? Evaluation in scale 1-5</i>							
<i>1= Very poor, 2= Poor, 3= Moderate, 4= Good, 5. Very good.</i>							
Location	Very poor	Poor	Moderate	Good	Very Good	Blank	Total
Tirana – Count:	1	3	3	4		1	12
Out of Tirana – Count:	2	3	4	4		1	14
<b>Total</b>	<b>3</b>	<b>6</b>	<b>7</b>	<b>8</b>		<b>2</b>	<b>26</b>
Tirana –Percentage:	8.3	25.0	25.0	33.3	0.0	8.3	100.0
Out of Tirana – Percentage:	14.3	21.4	28.6	28.6	0.0	7.1	100.0
<b>Total</b>	<b>11.5</b>	<b>23.1</b>	<b>26.9</b>	<b>30.8</b>	<b>0.0</b>	<b>7.7</b>	<b>100.0</b>
COUNT	Count %	AVERAGE	MIN	MAX	MODE		
24	92.3	2.8	1	4	4		
	Only in Tirana	2.9	1	4	4		
	Only out of Tirana	2.7	1	4	3		

5.3.15 About 81% of the interviewed consider that frequent staff changes in public administration do have a negative impact on the quality of services provided by civil servants (see Table 5.3-13).

Table 5.3-13

<i>How is the impact of frequent staff changes of public administration on the quality of services provided by civil servants? Evaluation in scale 1-5</i>					
<i>1= Positive, 2= Not Important, 3= Negative</i>					
Location	Positive	Not Important	Negative	Blank	Total
Tirana – Count:		1	10	1	12
Out of Tirana – Count:		2	11	1	14
<b>Total</b>		<b>3</b>	<b>21</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:		8.3	83.3	8.3	100.0
Out of Tirana – Percentage:		14.3	78.6	7.1	100.0
<b>Total</b>		<b>11.5</b>	<b>80.8</b>	<b>7.7</b>	<b>100.0</b>

5.3.16 About 42% of the interviewed consider that changes in business legislation are not technically orientated (see Table 5.3-14). More negative in this evaluation are the interviewed from the business association located in Tirana. The economic interests of the people in the government, the political interests of the party in power, and the pressure from non-government groups, are considered as the main reasons that the changes in business legislation are not technically oriented.

Table 5.3-14

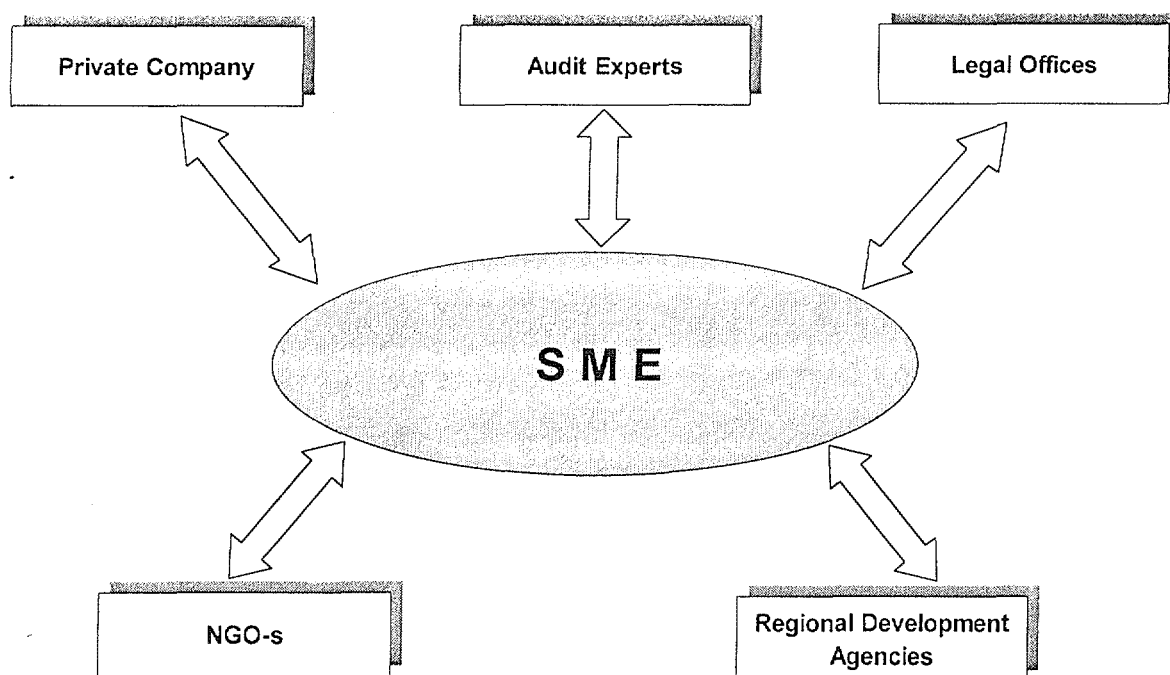
<i>Are the changes in business legislation technically oriented?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	6	4	1	1	12
Out of Tirana – Count:	5	2	6	1	14
<b>Total</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>2</b>	<b>26</b>
Tirana – Percentage:	50.0	33.3	8.3	8.3	100.0
Out of Tirana – Percentage:	35.7	14.3	42.9	7.1	100.0
<b>Total</b>	<b>42.3</b>	<b>23.1</b>	<b>26.9</b>	<b>7.7</b>	<b>100.0</b>

5.3.17 The public order and the increase of the investments are considered as the most important measures to be taken in order to promote and support the development of the private sector in Albania. In addition free movement of the businessmen getting rid of visa limitations, the customs facilities, the increase of partnership with other associations are some concrete proposals.

## 5.4 Private Consultant

5.4.1 Private consulting and other institutions giving advice on private sector are a new experience to the Albanian reality. Consulting companies are either local or foreign companies. Their actual stage of development reflects the development of the private sector in Albania, which is still not consolidated and very problematic, giving no sufficient access to such institutions. Private consultants may be divided into 5 main groups (see Chart 5.4-1).

- *Non Governmental Organizations:* A considerable number of NGO-s, about 65, is committed in activities in support of private sector. But to most of them they are quite sporadic and not the only field of their activity. Only 5 of them are focused on projects of this kind.
- *Regional Development Agencies:* there are 7 RDA-s established since 1997, originating from the previous Regional Business Agencies, established in 1993 in the framework of Phare program. At first they were dependent on SME's Foundation in Tirana, while at present they are registered as own foundations.
- *Private companies:* Their number and geographical location can hardly be defined, because most of them have registered a rather wide object of activity and the consultants on private sector are only a small part of the object of their activity.
- *Legal Offices:* Juridical consultants on private companies are a part of the activity of these legal offices and there are no mere consultant offices for private sector.
- *Audit experts:* This is a relatively new profession in Albania, and consequently the number of auditing experts is rather limited. They exercise their activity under the umbrella of the Auditing Institute established in 1996. Beside them there are other foreign companies involved in such an activity. These companies have opened their representative offices in Albania

**Chart 5.4-1: ORGANIGRAMME OF PRIVATE CONSULTANTS**

5.4.2 Most of the consulting companies or institutions operate in Tirana. Among 22 consulting companies interviewed both in Tirana and outside Tirana, only 27% of them operate all over the country, while 36% of the companies operating only in Tirana are planning to extend their activity outside Tirana as well (Table 5.4-1 and Table 5.4-2). The main reason that consultants not operating in other districts do not take such the initiative to extend their activity is the lack of financial means. Other reasons are: most of the clients are located in Tirana, it is still very early to extend such kind of activity in many cities or such activities are very difficult to run.

Table 5.4-1

<i>Where does your institution/ agency operate?</i>			
No.	Place of Operation	Number	Percentage
1.	Only in Tirana	4	18.2
2.	Only out of Tirana	8	36.4
3.	In Tirana and main cities	4	18.2
4.	In all districts	6	27.3
	<b>Total</b>	<b>22</b>	<b>100.0</b>

Table 5.4-2

<i>In case you are operating only in Tirana or in a few cities, do you have any plan to start soon operating in other cities?</i>					
Location	NO	YES	Don't know	Blank	Total
Number	6	8	3	5	22
Percentage	27.3%	36.4%	13.6%	22.7%	100.0%



5.4.3 In the interviewed companies the average number of the employees, including managing staff is 12 people. This average seems to be not so real, because most of domestic consultant companies and NGO-s have a staff of no more than 2-3 people, with the exception of some foreign companies which are involved consulting and auditing at the same time.

5.4.4 These companies or institutions offer to the private sector a large number of services. The tax and legal service as well as training activities are the most frequent services (see Table 5.4-3)

Table 5.4-3

<i>What services your company provides and which are the main ones?</i>			
Services (percentages from 22 consultant companies/ inst.)	All services available		Main Services from total
	Number	%	
1. Tax and legal services	18	81.8	7
2. Training	17	77.3	10
3. Feasibility studies	15	68.2	8
4. Business evaluation	14	63.6	10
5. Investment & technology consulting	14	63.6	7
6. Business information	14	63.6	8
11. Auditing and accounting	13	59.1	4
12. Company restructuring	13	59.1	7

5.4.5 The number of clients they have is also small. The median shows 105 people, even though there are some companies that have about 850 people. According to 65% of the interviewed the clients of these companies are regular clients (see Table 5.4-4). 70% of the interviewed think that the tariffs on various services do not change more often than once in a year, while 67% say that the defined tariffs are market orientated.

Table 5.4-4

QUESTIONS	NO		YES		Total answers	
	No.	%	No.	%	Np.	%
<i>Are your clients regular or not?</i>	7	35.0	13	65.0	20	100.0
<i>Do you change your services' tariffs more than once a year</i>	14	70.0	6	30.0	20	100.0
<i>Are the tariffs market-determined or there is any legal stipulation?</i>	7	33.3	14	66.7	21	100.0

5.4.6 More than 50% of the interviewed consider that Albania has comparative advantages with the East West Europe to start a business, because of the cheap labor market, semi products at a low price, favored geographical position, low competition etc. But if you want to run a business in Albania you will realize that it is not that easy, instead you have a lot of difficulties to overcome. On the other hand almost all the interviewed consider unfair competition, financing resources, and administrative bureaucracy as the most difficult problems in starting and running a business in Albania (see Table 5.4-5).

Table 5.4-5

<i>Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5.</i>						
<i>1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult.</i>						
<b>Steps/ Situations</b>	<b>COUNT</b>	<b>Count in %</b>	<b>AVERAGE</b>	<b>MIN</b>	<b>MAX</b>	<b>MODE</b>
Unfair competition	20	90.9	4.6	4	5	5
Obtaining financial resources	22	100.0	4.6	4	5	5
Administrative bureaucracy	22	100.0	4.4	3	5	4
Business information	22	100.0	3.9	3	5	4
Custom duties	21	95.5	3.6	3	4	4
Taxes and contributions	22	100.0	3.6	3	5	3
Business registration procedures	22	100.0	3.4	1	5	4
Finding qualified staff	22	100.0	3.4	2	5	3
Ensuring premises	22	100.0	3.2	2	5	4
Business initiative	21	95.5	2.9	2	4	3
Geographic location	22	100.0	2.6	1	5	3
<b>Arithmetic mean</b>	<b>22</b>	<b>100.0</b>	<b>3.7</b>	<b>3.1</b>	<b>4.2</b>	<b>4.0</b>

5.4.7 About 95.5% of the interviewed consider that there is a need for further legal improvements for the business promotion (see Table 5.4-6 and Table 5.4-7). Such improvements should be focused on taxation and custom duty regulations, on the law of competition and on employment legislation. Even this group of institutions shares the same opinion that the custom duties should be removed on articles of productive activities, so as to promote country production. The Law on competition should create better conditions for a fair competition, ensuring its implementation through adequate structures. On the other hand, the contributions are described as very high and the idea to decrease them should be taken into consideration.

Table 5.4-6

<i>In your opinion is it necessary to make further legal improvements for the promotion of the business?</i>					
<b>Location</b>	<b>NO</b>	<b>YES</b>	<b>Don't know</b>	<b>Blank</b>	<b>Total</b>
Tirana – Count:		12	1		13
Out of Tirana – Count:		9			9
<b>Total</b>		<b>21</b>	<b>1</b>		<b>22</b>
Tirana –Percentage:		92.3	7.7		100.0
Out of Tirana – Percentage:		100.0	0.0		100.0
<b>Total</b>		<b>95.5</b>	<b>4.5</b>		<b>100.0</b>

Table 5.4-7

<i>Where further legal improvements are necessary?</i>		
Laws to be improved	Selected	
	In number	In %
Taxation & custom duties regulations	18	85.7
Law on competition	12	57.1
Employment legislation	11	52.4
Contribution regulations	7	33.3
Law on companies	6	28.6
Others	1	4.8
<b>Number of "YES" (changes must be done)</b>	<b>21</b>	<b>100.0</b>

5.4.8 The insufficient credit facilities, the lack of public order, frequent laws and regulation changes, the high level of shadow economy, the non-transparency of laws and regulations appear to be serious problems in running a business (see Table 5.4-8).

Table 5.4-8

<i>How do you consider the following factors to run a business in Albania?</i>						
<i>Evaluation in a scale of 1-5.</i>						
<i>1=No problem at all, 2=Small problem, 3=Moderate problem, 4=Severe problem, 5=Very Severe</i>						
Factors	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Insufficient credit facilities	22	100.0	4.7	3	5	5
Lack of public order	22	100.0	4.7	3	5	5
Frequent laws & regulation changes	22	100.0	4.2	2	5	5
High level of the shadow economy	22	100.0	4.2	2	5	5
Frequent government changes	22	100.0	3.8	2	5	3
Non transparency of laws & regulat.:	22	100.0	3.8	1	5	5
Lack of qualified labor	22	100.0	3.2	1	5	4
Complicated procedures of taxes, etc	22	100.0	3.1	1	5	3
Continued intervention of the Government in the economy	22	100.0	2.9	1	5	3
<b>Arithmetic mean</b>	<b>22</b>	<b>100.0</b>	<b>3.9</b>	<b>3.0</b>	<b>4.7</b>	<b>3.4</b>

5.4.9 There are various opinions given on the state intervention in the economy. For example grants given to import products from neighbor countries is considered as a wrong practice. For example fruit production artificially limits the domestic trade, at a time when the government should try to create new possibilities for the development of the domestic production which is still far from the European Union (EU) export standards. It is the same situation with the grants negotiated by the government with foreign donors. Businesses should be well informed on agreements of the government with other countries on such products such as wheat, food products etc. The government should try hard to promote domestic production and various processing businesses. For example it would be better to import wheat instead of flour, because it would create conditions to put the flour factories of the country in efficiency. The state is not playing the role of the economic regulator, but sometimes according to the interviewed the state out of narrow interests or due to the weakness

of its structures allows fiscal evasion and unfair competition, thus creating problems to business time after time.

5.4.10 Market information, preparation of business plans, financial advice and management assistance are identified as principal needs for SME's assistance (see Table 5.4-9). About 68% of the interviewed think that the existing consulting institution or companies can not meet the needs of the business in general, while about 27% of the interviewed are not pronounced on this issue (see Table 5.4-10). There are arguments given to support such an idea as weak support of donors or the actual state of such institutions, the lack of access of such companies in all the territory of Albania, the relatively low qualification level of the consulting companies, unable to meet the requests of the business, the relative lack of Albanian business emancipation which limits the allocation of money for consulting companies.

Table 5.4-9

<i>Based on your experience, what kind of assistance does SME-s need actually?</i>		
Promotion areas	Number	Percentage
Market information	21	95.5
Preparation of the business plan	21	95.5
Financial Advise	21	95.5
Management assistance	21	95.5
Advice on starting the business	18	85.7
Marketing	17	80.9
Legal assistance	16	76.2
<b>Total interviews</b>	<b>22</b>	<b>100.0</b>

Table 5.4-10

<i>Do you think that the existing consulting institutions/companies fulfill all the needs the SME-s has for assistance?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	8		5		13
Out of Tirana – Count:	7	1	1		9
<b>Total</b>	<b>15</b>	<b>1</b>	<b>6</b>		<b>22</b>
Tirana –Percentage:	61.5	0.0	38.5		100.0
Out of Tirana – Percentage:	77.8	11.1	11.1		100.0
<b>Total</b>	<b>68.2</b>	<b>4.5</b>	<b>27.3</b>		<b>100.0</b>

5.4.11 About 68% of the interviewed consider that changes in business legislation are not technically orientated and in most cases they happen due to economic interests of the government people, while 86.7% think that they are due to political interests of the party in power (see Table 5.4-11).

Table 5.4-11

<i>Are the changes in business legislation technically oriented?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	7	3	3		13
Out of Tirana – Count:	8	1			9
<b>Total</b>	<b>15</b>	<b>4</b>	<b>3</b>		<b>22</b>
Tirana –Percentage:	53.8	23.1	23.1		100.0
Out of Tirana – Percentage:	88.9	11.1	0.0		100.0
<b>Total</b>	<b>68.2</b>	<b>18.2</b>	<b>13.6</b>		<b>100.0</b>
<i>If "NO", based on your opinion and experience, which is the reason?</i>					
	Number		Percentage		
Economic interests of people in the government	13		86.7		
Political interests of the party in power:	13		86.7		
Influence of international organizations	7		46.7		
Pressure by different business unions and associations	4		26.7		
Pressure from extra-government groups	0		0		
<b>Total of "NO"</b>	<b>15</b>		<b>100.0</b>		

5.4.12 According to most of the interviewed changes in the government structure do have a negative impact. About 77% of the interviewed from Tirana confirm the negative impact of these changes (see Table 5.4-12). About 85% of the interviewed operating in Tirana mention cases of overlapping of competencies among different governmental institutions (see Table 5.4-13). As the most problematic they mention the lack of co-ordination between different ministries, the cases when three ministries are involved in economic development instead of having only one ministry dealing with problems of economy. Another difficulty is the lack of a distinct division of competencies between the local and central government.

Table 5.4-12

<i>How do you consider the changes of the government structures (merging ministries or splitting up) regarding the impact on business environment?</i>					
Distribution	Negative	No effect	Positive	Blank	Total
Tirana – Count:	10	2	1		13
Out of Tirana – Count:	4	5			9
<b>Total</b>	<b>14</b>	<b>7</b>	<b>1</b>		<b>22</b>
Tirana –Percentage:	76.9	15.4	7.7		
Out of Tirana – Percentage:	44.4	55.6	0.0		
<b>Total</b>	<b>63.6</b>	<b>31.8</b>	<b>4.5</b>		<b>100.0</b>

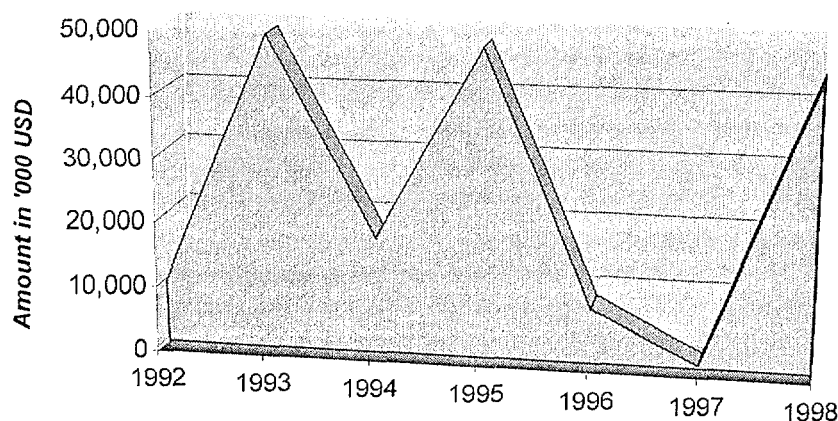
Table 5.4-13

<i>In your opinion, is there any overlapping of competencies between different governmental institutions?</i>					
Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	1	11	1		13
Out of Tirana – Count:	1	3	5		9
<b>Total</b>	<b>2</b>	<b>14</b>	<b>6</b>		<b>22</b>
Tirana –Percentage:	7.7	84.6	7.7		100.0
Out of Tirana – Percentage:	11.1	33.3	55.6		100.0
<b>Total</b>	<b>9.1</b>	<b>63.6</b>	<b>27.3</b>		<b>100.0</b>

## 5.5 Donors

5.5.1 SME-s development in Albania has been directly supported by 13 main donors based on the agreement of cooperation established with the Albanian Government. Some NGO-s have also contributed on SME-s development without being based on any state agreement. This contribution is considered to be modest and actually not monitored by any local institution or structure. Total budget allocated by donors for SME's development during 1991-1998 is about 177 million US \$, of which 49% is already disbursed (see Annex 6).

**Chart 5.5-1: Total Commitment by Years**



5.5.2 Based on the data analysis, the following conclusions can be drawn out (see Chart 5.5-1):

- Commitments have started since 1992 with about 9 million USD, mainly in TA projects, especially in designing the legal and regulatory framework on private enterprises.
- During 1993 -1995 the financial support for SME-s development has evidently increased and it presents about 65 % of the total financing on this sector for the period 1992 - 1999. This fact had a positive impact on the successful steps towards economic reform in Albania during this period, the rapid privatization of the state enterprises and the relatively stable country situation. Beside TA projects, donors have also started the financial support through credit lines projects on private sector and commodity aid projects on restarting the activity of state enterprises at the edge of privatization.
- Financial support was decreased in a drastic way after 1995 up to 1997 and this is the period of the flourishing of the pyramid schemes, the total economic and political collapse, the banking system crisis and the total lack of stability in the country.
- In 1998 the financial support for SME's development was reactivated with same funds as those of 1993- 1995, mostly provided as credit line projects.

5.5.3 The present donors who support the SME's Development operate in the following ways:

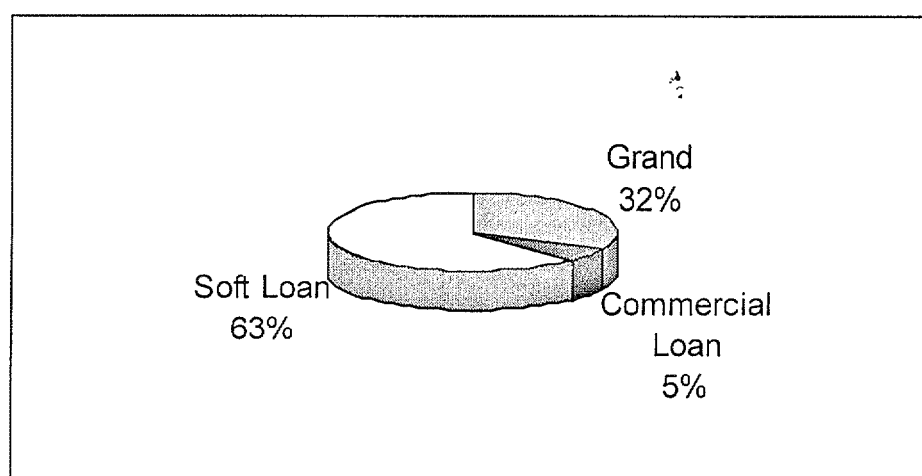
- Through intermediary institutions. This is a typical operational way of credit lines projects where public and private banks play the role of intermediary institution.
- Through Foundations that provide credits for business: the typical case is the EU Phare and World Bank (WB) financing, implementing micro - credit lines projects through Albanian Development Fund, a foundation established upon their initiative.
- Through a contractor or offices established by Donors in Albania for SME's development: This is the typical way of TA projects.

5.5.4 The following are the more complex and organized initiatives for SME's development:

- Financial support of EU Phare. Since 1993 a Business Development Department at the MoECT was set up, and the policy guidelines for SME's development were prepared through Phare TA. The existing SME Unit, established in 1992 was transformed into SME Foundation, which developed a network of 7 Regional Business Agencies, covering 37 districts of the country. Credit Lines were disbursed through Savings Bank of Albania to the local entrepreneur, using network in preparing business plans. This program was partially successful, because only a small part of the credit budget was allocated. The weakness of the banking system, the strong request for the safety of the private business and the unfavorable credit terms are considered main reasons of this unsuccessful result.
- The financial support of GTZ. Since 1994 GTZ started the implementation of TA and financial projects for SME's development through a special unit, established and administrated for this purpose. The procedure of providing such assistance is considered as simpler, quicker and more efficient.

5.5.5 Donors' support is provided in three main ways as: *Soft Loan, Grant and Commercial Loan*<sup>1</sup>. The following conclusions are carried out from the data analysis concerning the type of financing (see *Chart 5.5-2*):

**Chart 5.5-2: Commitment by type of Financing**



<sup>1</sup> The terms of the credits disbursed to the SME do not depend from the type of financing committed by the donors.

- Soft loan is widely used. It covers about 62 % of the total commitments and it is related to SME's credit lines projects or to the Commodity Aid Support. About 35 % of the committed budget is disbursed in this way. This fact shows that the lack of credits to private sector, identified as one of the main difficulty to the SME's development in Albania by almost all the interviewed, is due to other factors rather than the lack of funds for credit lines.
- Grants present about 32 % of the total funds and are mostly committed in projects of TA and credit lines. That's why the disbursement rate for these funds is about 78 %.
- Commercial Loan presents about 6 % of the total fund and is mostly allocated to co-finance private investment projects. This kind of finance is used in 29% of the committed budget, speaking of a still weak Albanian economy, unable to absorb this kind of financing.

5.5.6 Donor's finance to support SME's development is committed through three types of assistance (see Chart 5-6 and Chart 5.5-4):

Chart 5.5-3: Commitment by type of Assistance

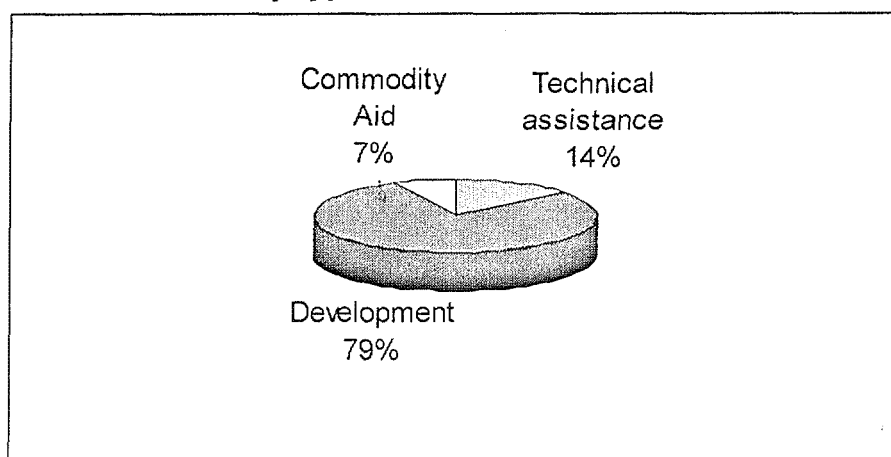
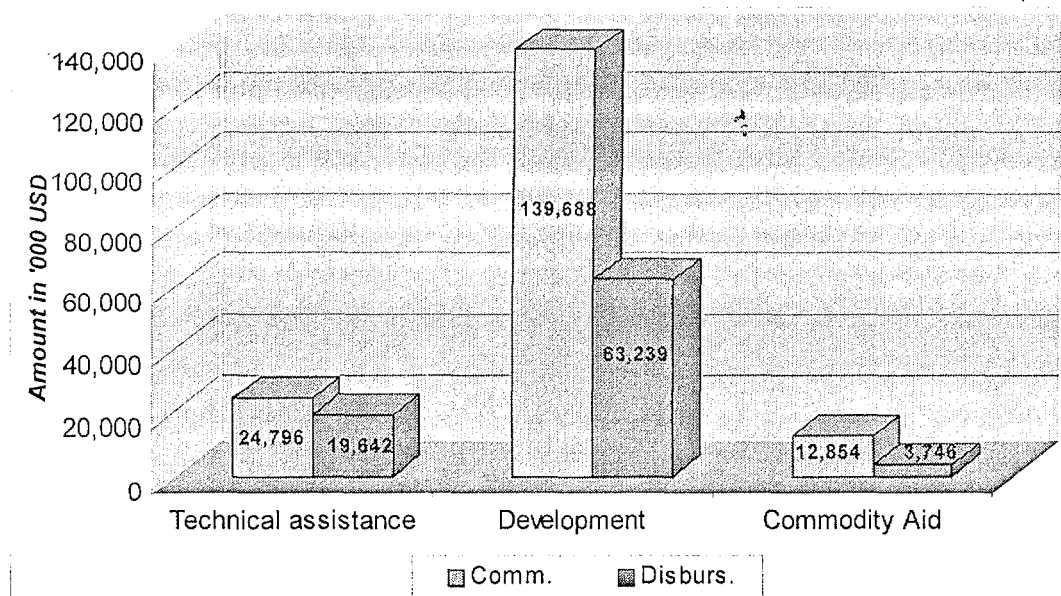


Chart 5.5-4: Total Commitment and Disbursement by type of Assistance





- *Development projects*, where the credit line for the establishment of new SME-s is dominant. They present about 79% of the total funds and the disbursement rate is about 45%. This fact shows a low rate of credit absorption by private sector and on the other hand the insufficient commitment of the banking system in supporting new private clients with credit lines. We should bear in mind that about 10% of the development projects funds is used for TA in a project implementation.
- *The TA projects*, including technical assistance projects for entrepreneurs in the business field, especially focused on SME-s management and the preparation of business plans for concrete initiatives and projects on institutional and legal framework strengthening as well (see Table 5.5-1). They present about 14 % of the total funds and the rate of their disbursement is 79%. The part of fund allocated on the development projects and used for TA is not included here.
- *Commodity Aid Support* presents about 7% of the total funds. The disbursement rate is about 29%, because the main part of the budget is committed during 1998 and is already disbursed.

Table 5.5-1

<i>What assistance or services other of financing, has your institution/organization ever provided to the small businesses?</i>		
Services	Number	Percentage
Training for the businessmen and business managers	8	66.7
TA to different institutions	7	58.3
Advising and consulting	3	25.0
Business plans, loan applications	2	16.7
Market survey	2	16.7
Procurement	1	8.3
<b>Total of number of interviews</b>	<b>12</b>	<b>100.0</b>

5.5.7 About 67% of the donors base their financial support to private sector in a long term and sustainable strategy. About half of them have a special Department for this purpose (see Table 5.5-2 and Table 5.5-3). Based on this strategy donors intend the continuity of their financing for credit lines and micro-credit projects, as well as for TA support on SME's development.

Table 5.5-2

<i>Do you have any special department or arrangement for SME-s in your institution/organization?</i>				
Location	NO	YES	Blank	Total
Number	5	6	1	12
Percentage	41.7	50.0	8.3	100.0

Table 5.5-3

<i>Does your institution/ organization have a long term and sustainable strategy in financing and supporting the private sector in Albania?</i>				
Location	NO	YES	Blank	Total
Number	4	8		12
Percentage	33.3	66.7		100.0

5.5.8 10 donors finance credit lines programs on SME's development in Albania (see Table 5.5-4). Most of them (75%) consider these programs successful, based on the following principal results:

Table 5.5-4

<i>Do you think that your institution's supporting programs for the private sector has been successful in Albania?</i>				
Location	NO	YES	Blank	Total
Number		9	3	12
Percentage		75.0	25.0	100.0

- The World Bank (WB), IFAD, and Japan Government consider the rural and urban micro - credit programs as very successful, based on the high disbursement rate and the high scale of credit recovery. (about 95%)
- EU Phare considers as very successful the part of financing allocated to the establishment of a Business Agencies Network in 7 regions, including 37 districts, to financing of 22 new SME-s, and to the establishment the Credit Department in the Savings Bank.
- GTZ implemented successful projects supporting Regional Development Agencies, established through EU Phare funding, training of SME-s and financing about 1800 SME clients.
- UNDP considers as very successful the implementation of the projects related to TA's support to the private sector, in particular to SME-s, providing training, technical expertise, information, market surveys.

5.5.9 About 50% of the interviewed consider that credit lines are attractive enough to SME-s, but they identify the weak banking system, the political instability and the lack of public order as the main difficulty they have faced during the implementation of the credit lines programs (see Table 5.5-5 and Table 5.5-6).

Table 5.5-5

<i>Do you think that your credit lines are attractive enough for SME-s in Albania?</i>				
Location	NO	YES	Blank	Total
Number	3	6	7	12
Percentage	25.0	50.0	25.0	100.0

Table 5.5-6

<i>Please specify the most difficulties you have faced in implementation of the credit lines projects?</i>		
Difficulties	Number	Percentage
Weak banking system, low performance	5	71.4
Political instability	4	5.7
Public order situation	3	4.2
Inadequate Infrastructure	1	
Reciprocal assurance and understanding	1	
The interest rate and collateral not attractive	1	
Low level of services provided by the established SME Foundation	1	
<b>Total number of donors that have credit lines projects</b>	<b>7</b>	<b>100.0</b>

5.5.10 Almost all interviewed donors (92%) have established a good co-operation with the Albanian Government focused on their private sector supporting programmes (see Table 5.5-7). 75% of the donors take part in regular donors' co-ordination meeting to discuss different programmes (see Table 5.5-8). About 83% of the donors consider that the co-operation with the Albanian Government should be improved in order to avoid overlapping and to reach synergy, especially through periodic round tables. They also stress the need for further co-operation with local government, the strengthening of SME-s Development Sector in the Ministry of Economic Co-operation and the co-operation for strategy development.

Table 5.5-7

<i>Do you have regular cooperation with the Albanian government for your private sector's supporting programs?</i>				
Location	NO	YES	Blank	Total
Number		11	1	12
Percentage		91.7	8.3	100.0

Table 5.5-8

<i>Do you have regular donors' coordinate meeting to discuss different programs?</i>				
Location	NO	YES	Blank	Total
Number	3	9		12
Percentage	25.0	75.0		100.0
<i>Do you think that they should established/ improved?</i>				
Location	NO	YES	Blank	Total
Number	2	10		12
Percentage	16.7	83.3		100.0

5.5.11 Only 33% of the interviewed consider that there is a comparative advantage to start a business in Albania as compared to other countries of Western Europe or Central and Eastern Europe (see Table 5.5-9). They support such an idea with the young and relatively cheap labor force, the resources of tourism sector and the geographic position of Albania.

5.5.12 Above 83% of the interviewed consider the SME-s development strategy as extremely important to the economic growth of the country.

Table 5.5-9

<i>In your opinion, how important is a SME-s development strategy to the growth of the country and of your region?</i>							
Distribution	Not important	Little important	Moderate	Important	Very important	Blank	Totals
Number			2	6	4		10
Percentage			16.7	50.0	33.3		100.0

5.5.13 75% of the interviewed consider that in order to promote SME-s development it is very necessary to improve infrastructure and the public order (see Table 5.5-10). A more liberal and flexible credit policy needs to be established and some specific laws on SME-s development promotion need to be improved.

Table 5.5-10

<i>Based on your opinion and knowledge, what should be improved to promote SME development in Albania?</i>			
What to be improved	Selected		Comments
	Number	%	
Public order	9	75.0	<ul style="list-style-type: none"> <li>• The most important</li> <li>• First priority</li> </ul>
Infrastructure	9	75.0	<ul style="list-style-type: none"> <li>• To facilitate the process</li> <li>• Fundamental</li> <li>• Immediate task</li> </ul>
Credit policy	7	58.3	<ul style="list-style-type: none"> <li>• More liberal system</li> <li>• Fundamental</li> <li>• More flexible</li> </ul>
Legislation	5	41.7	<ul style="list-style-type: none"> <li>• Specific laws for SMEs</li> <li>• Fundamental</li> <li>• Fair equal transparent implementation of existing laws</li> </ul>
Information and other services	5	41.7	<ul style="list-style-type: none"> <li>• Centralized &amp; organized</li> <li>• Important</li> </ul>
Taxation & custom duties regulations	4	33.3	<ul style="list-style-type: none"> <li>• Fundamental</li> <li>• Implementation of legislation</li> </ul>
<b>Total number of interviews</b>	<b>12</b>	<b>100.0</b>	

5.5.14 About 33% of the interviewed consider that a new institution should be established so as to facilitate SME' s development. It maybe a non-Public Agency or Foundation with the monitoring and co-ordination functions (see Table 5.5-11).

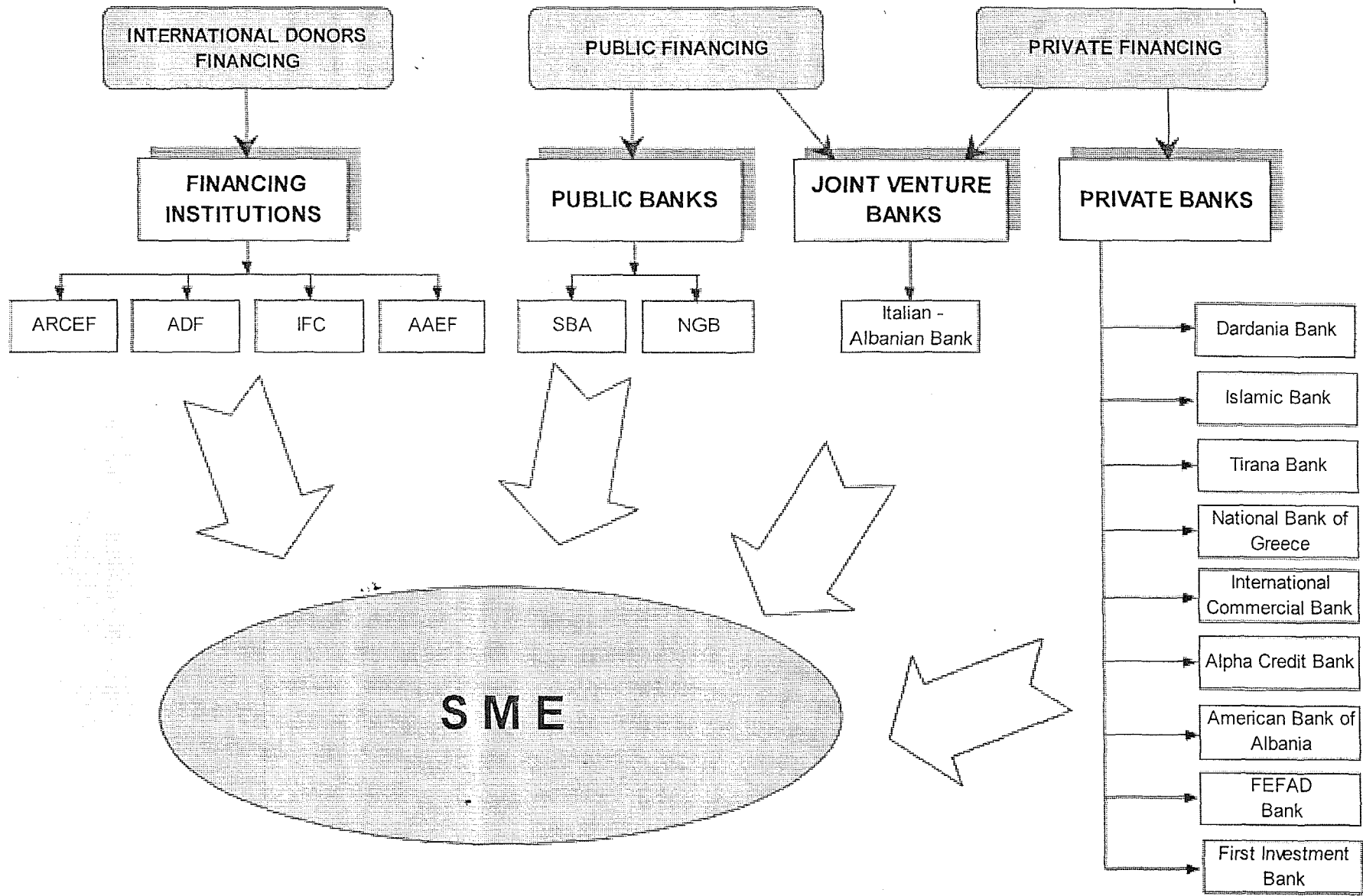
Table 5.5-11

<i>Do you thing any new institution is necessary to facilitate SME development?</i>				
Location	NO	YES	Blank	Total
Number	4	4	4	12
Percentage	33.3	33.3	33.3	100.0

## 5.6 Banks

5.6.1 After 1991 the banking system in Albania entered the road of deep restructuring as a part of the overall economic reform. The most evident step was the establishment of a new legal and regulatory framework on the banking system. But, the progress in the implementation of such restructuring was a bit slow as compared to other components of the economic reform. This fact was made evident during 1995 –1997, the flourishing period of the pyramid schemes, which among other things witnessed also on the weakness of the banking system. Under such conditions it is quite obvious that the contribution of the banking system on SME's financing was rather limited.

**Chart 5.6-1: ORGANIGRAMME OF BANKS AND OTHER FINACING INSTITUTIONS**



**Chart**

5.6.2 Main actors contributing to SME's financing are 16 banks and other financing institutions (see Chart 5.6-1 and Annex 5), divided in three main groups:

- *Public Banks:* The Savings Bank and the National Commercial Bank included. These banks are under the process of privatization. The financing resource of these banks is public financing.
- *Private Banks:* Their number is still very limited. Until now the Albanian Bank has licensed only 10 private banks, of which a Joint Venture with the Savings Bank.
- *Financing Institutions:* there are 4 institutions included in this group:
  - The Albanian Development Fund (ADF), a foundation funded by the World Bank, EU Phare and some other bilateral donors implementing the rural infrastructure rehabilitation program and a program on micro – credit of rural areas. The program of micro – credit is now operating as a separate foundation apart from ADF.
  - International Finance Cooperation (IFC) which is a project management unit financed by World Bank.
  - Albanian American Enterprise Fund (AAEF), financed by US Government
  - Albanian Reconstruction Equity Fund (AREF) financed by EBRD, Italian Government and Banca Popolare di Bari.

5.6.3 During 1992 -1999 the number of licensed banks is increased as follows:

- 1992                      2 banks, of which 1 was private
- 1993                      1 private bank
- 1995 -1996              2 banks, of which 1 was private
- 1997- 1999              7 private banks

5.6.4 Only one bank, the Savings Bank, operates in all districts of Albania, 4 banks operate in Tirana and main cities and 7 banks operate in Tirana only (see Table 5.6-1). All the banks are planning to extend their activity in other cities, without having a specific program on such an extension (see Table 5.6-2).

Table 5.6-1

<i>Where does your institution/ agency operate?</i>			
No.	Place of Operation	Number	Percentage
1.	Only in Tirana	6	50.0
2.	Only out of Tirana		
3.	In Tirana and main cities	4	33.3
4.	In all districts	2	16.7
	<b>Total</b>	<b>12</b>	<b>100.0</b>

Table 5.6-2

<i>In case you are operating only in Tirana or in a few cities, do you have any plan to start soon operating in other cities?</i>				
Location	NO	YES	Blank	Total
Number	1	9	2	12
Percentage	8.3	75.0	16.7	100.0

5.6.5 To give or not to give credits is an obvious and fundamental dilemma of both public and private banks. This is quite clear if you see the extremely low credit level in Albania, only 2-4% of the GDP. The fact is that public banks at the edge of privatization have totally suspended the process of the credit lending. Since March 1993 the Albanian Bank has provided no lending limits to two public banks with the argument that these banks have worsened their indicators of the bad loans recovery. This situation is partially linked with the problem of the lack of recovery of the given credits and partially with the banking system restructuring process. This restructuring consisted in closing the Agrarian Commercial Bank and putting 25 branches of the National Commercial Bank and 25 branches of the Agrarian Commercial Bank under the dependence of the Savings Bank. Consequently, the number of creditors of the Savings Bank rapidly increased from 3700 in 16600 and for most of these credits there is no hope of recovery. The credit line is rather limited even for private banks.

5.6.6 During this survey, the interviewed banks hesitated to give full information on credit lines for SME-s development, especially on the number of given credits and available funds. Two banks have no available funds for credit line, three banks consider the information as confidential, while the rest say that they do possess funds for credit, but their information is only partial. Anyway, based on the collected information, included in *Annex 5*, the following terms of credit were identified:

- Maximum credit amount per client varies as to banks from 2,000 USD in 2 million USD; from 500,000 Lek in 172 million Lek; from 120,000 DEM in 7 million DEM; as well as 70,000 EUR and 120,000 GRD.
- Annual interest rate varies as to banks from 9.5%-13% per credit in USD; from 29%-43% per credit in leks and it is 12% per credit in DEM.
- Grace period is negotiable or 6-12 months.
- Collateral requirement varies as to banks from 100% in 200%

Other indicators are considered as variable and negotiable.

5.6.7 According to the interviewed banks the time to process a loan application is 1-3 months and for 50 % of the interviewed this time has not changed since their establishment (see *Table 5.6-3* and *Table 5.6-4*).

Table 5.6-3

<i>How long, in average, does it take to process a loan application (in months)?</i>						
	COUNT	Count %	AVERAGE	MIN	MAX	MEDIAN
Months	8	66.7	1.5	1	3	1

Table 5.6-4

<i>Has it changed over the past 3 years?</i>		
	Number	%
No, it has not changed	6	50.0
Yes, it has increased		0.0
Yes, it has decreased	2	16.7
Blank	4	33.3
<b>Total interviews</b>	<b>12</b>	<b>100.0</b>

5.6.8 50% of the interviewed confirm that they do have a clearly defined policy on credit lending to small private firms, especially new firms, while 42% say that they lack such a policy (see Table 5.6-5).

Table 5.6-5

<i>Have you a clearly defined policy for lending to small private firms, especially new firms?</i>				
Location	NO	YES	Blank	Total
Number	5	6	1	12
Percentage	41.7	50.0	8.3	100.0

5.6.9 About 70% of the banks provide other services, except loans for business, such as banking deposits, money exchange, money transfer, credit cards etc.

5.6.10 The collateral requirements, having not adequate business plan, the need to have track record and the cost of the loan (interest rate) are considered as severe problems by about 83% of the interviewed (see Table 5.6-6). Other problems are listed such as: complicated application procedures, close relation with the bank managers and long decision making procedures for credit approval, but they are considered as minor problems.

Table 5.6-6

<i>The factors listed below usually are considered as the main obstacles for the clients to get a loan. In your opinion, what kind of problem are these factors for a client?</i>						
<i>1=No problem at all, 2=Small problem, 3=Moderate, 4=Severe problem, 5.Very severe</i>						
Obstacles	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Collateral requirements	10	83.3	4.2	3	5	4
Having an adequate business plan:	10	83.3	4.1	1	5	5
The need to have a track record :	10	83.3	3.6	1	5	4
The cost of the loan (interest rate):	10	83.3	3.2	1	5	4
Complicated application procedures	9	75.0	2.6	1	5	1
Close relations with the bank Managers	8	66.7	2.4	1	3	3
Long decision making procedures for credit approval	10	83.3	2.3	1	5	1
<b>Arithmetic mean</b>	<b>10</b>	<b>83.3</b>	<b>3.2</b>	<b>2.0</b>	<b>4.2</b>	

5.6.11 In order to give investment loans to SME-s the following criteria are considered to be very important by almost all interviewed: (see Table 5.6-7) the risk level, the good track record, the quality of management, the expected profitability, the financial statement, the availability of the collateral, the feasibility study and the use of own capital.



Table 5.6-7

<i>For giving investment loans to SME, please evaluate the importance of the following criteria for your bank. Evaluation in scale 1-5.</i>						
<i>1= Not important, 2= Little Important, 3=Moderate, 4= Important, 5. Very important.</i>						
Importance of criterion	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Level of risk	11	91.7	4.8	4	5	5
Good track record	11	91.7	4.7	4	5	5
Quality of management	11	91.7	4.6	4	5	5
Expected profitability	11	91.7	4.4	4	5	4
Balance sheet & financial statements	11	91.7	4.4	3	5	4
Availability of collateral	10	83.3	4.3	3	5	4
Feasibility study	11	91.7	4.3	3	5	5
Use of own capital	11	91.7	4.1	3	5	4
<b>Arithmetic mean</b>	<b>11</b>	<b>91.7</b>	<b>4.4</b>	<b>4.0</b>	<b>4.9</b>	<b>4.6</b>

5.6.12 More than 75% of the interviewed consider that SME actually need assistance on financial advice, legal assistance, marketing, management assistance and preparation of the business plan (see Table 5.6-8).

Table 5.6-8

<i>On the bases of your experience, what kind of assistance does SME-s need actually?</i>		
Assistance to SME-s	Number	Percentage
Financial Advise	11	91.7
Legal assistance	10	83.3
Marketing	10	83.3
Management assistance	9	75.0
Preparation of the business plan	9	75.0
Advice on starting the business	8	66.7
Market information	8	66.7
<b>Total of number of interviews</b>	<b>12</b>	<b>100.0</b>

5.6.13 According to the interviews with the representatives from the banks it resulted that other institutions, except banks give credits to SME-s. They have started to operate since 1994 and for a long time have not been supervised by the Bank of Albania and the Ministry of Finance. Their legal status has not been defined. They have been registered as non- profit foundations and have managed donors' funds on SME-s development. In March 1999 in order to supervise their activity the Bank of Albania published the Set of Regulations that obliged them to get licensed through this bank.

## 5.7 Combined Groups

5.7.1 The headquarter of about 80% of institutions and associations interviewed is located in Tirana (see Table 5.7-1). The headquarters of all banks, of all donors and of all State Promotion Institutions are located in Tirana.

Table 5.7-1

<i>Where is your headquarter located?</i>						
No.	Groups of Institutions	In Tirana		Out of Tirana		Total number
		Number	%	Number	%	
1.	Business Associations	12	46.2	14	53.8	26
2.	Banks	12	100.0		0.0	12
3.	Consultants	13	59.1	9	40.9	22
4.	Donors	12	100.0		0.0	12
5.	State Promotion	10	100.0		0.0	10
6.	State Regulation	63	91.3	6	8.7	69
	<b>TOTALS</b>	<b>122</b>	<b>80.8</b>	<b>29</b>	<b>19.2</b>	<b>151</b>

5.7.2 About half of interviewed institutions and associations operate in all districts (see Table 5.7-2). State regulation and state promotion institutions develop their activities even outside Tirana and less so do the banks.

Table 5.7-2

<i>Where does your institution/ agency operate?</i>										
No.	Groups of Institutions	Only in Tirana		Only out of Tirana		In Tirana and main cities		In all districts		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations	2	7.7	14	53.8	4	15.4	6	23.1	26
2.	Banks	6	50.0		0.0	4	33.3	2	16.7	12
3.	Consultants	4	18.2	8	36.4	4	18.2	6	27.3	22
4.	Donors	3	25.0		0.0	5	41.7	4	33.3	12
5.	State Promotion		0.0		0.0	1	10.0	9	90.0	10
6.	State Regulation	13	18.8	6	8.7	3	4.3	47	68.1	69
	<b>TOTALS</b>	<b>28</b>	<b>18.5</b>	<b>28</b>	<b>18.5</b>	<b>21</b>	<b>13.9</b>	<b>74</b>	<b>49.0</b>	<b>151</b>

NOTE: Percentages are by rows. Maximums by columns are highlighted.

5.7.3 Generally overcoming the main situations related to the starting and running a business in Albania, is considered as a difficult problem to be solved (see Table 5.7-3). The obtaining financial resources, the unfair competition and the administrative bureaucracy are specified as most difficult problems to overcome.

Table 5.7-3

<i>Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5.</i>					
<i>1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult.</i>					
Steps/ Situations	COUNT	AVERAGE	MIN	MAX	MODE
Obtaining financial resources	123	4.7	3	5	5
Unfair competition	122	4.6	1	5	5
Administrative bureaucracy	123	4.3	3	5	4
Business information	123	3.8	1	5	4
Custom duties	120	3.7	1	5	4
Taxes and contributions	122	3.6	2	5	4
Finding qualified staff	124	3.5	1	5	3
Ensuring premises	122	3.5	1	5	4
Business registration procedures	124	3.3	1	5	3
Business initiative	122	3.2	1	5	3
Geographic location	123	2.9	1	5	3
<b>Arithmetic mean</b>	<b>123</b>	<b>3.7</b>	<b>2.7</b>	<b>4.7</b>	<b>3.8</b>

*NOTE: The "AVERAGE" column has almost the same values on each group of institutions.  
This question was not available for Donors and Bank Institutions*

5.7.4 85% e of the interviewed consider as indispensable the making of further legal improvements on business promotion (see Table 5.7-4). The representatives from the state promotion institutions and the consultants consider as most necessary such improvements, while representatives of State Regulation Institutions do not insist on the need for legal improvements. The taxation and custom duties regulations, as well as the low on competition is considered as main laws to be improved. Improvements are recommended even for employment legislation, contribution regulations and in the law on Company.

Table 5.7-4

<i>In your opinion is it necessary to make further legal improvements for the promotion of the business?</i>										
No.	Groups of Institutions	NO		YES		Don't know		Blank		Total n'number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations			23	88.5	1	3.8	2	7.7	26
2.	Banks									
3.	Consultants			21	95.5	1	4.5			22
4.	Donors									
5.	State Promotion			10	100.0					10
6.	State Regulation	6	8.7	54	78.3	7	10.1	2	2.9	69
	<b>TOTALS</b>	<b>6</b>	<b>4.7</b>	<b>108</b>	<b>85.0</b>	<b>9</b>	<b>7.1</b>	<b>4</b>	<b>3.1</b>	<b>127</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.  
This question was not available for Donors and Bank Institutions*

5.7.5 Only 22% of the interviewed consider the changes in business legislation as technically oriented (see Table 5.7-5). About 32% of them admit that they are not technically oriented and according to them the economic interests of people in the government, the political interests of the party in power, and the influence of the International Organizations are main reasons to that. It is worth underlining that more than half of the representatives of State Regulation and State Promotion Institutions

interviewed are not aware if the changes in business legislation are technically orientated, though they are specialists directly involved in the process of changes preparation.

Table 5.7-5

<i>Are the changes in business legislation technically oriented?</i>										
No.	Groups of Institutions	NO		YES		Don't know		Blank		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations	11	42.3	6	23.1	7	26.9	2	7.7	26
2.	Banks									
3.	Consultants	15	68.2	4	18.2	3	13.6			22
4.	Donors									
5.	State Promotion	4	40.0			6	60.0			10
6.	State Regulation	11	15.9	18	26.1	39	56.5	1	1.4	69
	<b>TOTALS</b>	<b>41</b>	<b>32.3</b>	<b>28</b>	<b>22.0</b>	<b>55</b>	<b>43.3</b>	<b>3</b>	<b>2.4</b>	<b>127</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.  
This question was not available for Donors and Bank Institutions*

5.7.6 The changes of the Government structures with regard to the impact on business environment is considered as necessary by more than half of the interviewed, while about 37% of them consider such changes as unnecessary (see Table 5.7-6).

Table 5.7-6

<i>How do you consider the changes of the government structures (merging ministries or splitting up) regarding the impact on business environment?</i>										
No.	Groups of Institutions	Unnecessary		Necessary		Very important		Blank		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations									
2.	Banks									
3.	Consultants	14	63.6	7	31.8	1	4.5			22
4.	Donors		0.0		0.0		0.0			
5.	State Promotion	2	20.0	8	80.0		0.0			10
6.	State Regulation	22	31.9	34	49.3	12	17.4	1	1.4	69
	<b>TOTALS</b>	<b>38</b>	<b>37.6</b>	<b>49</b>	<b>48.5</b>	<b>13</b>	<b>12.9</b>	<b>1</b>	<b>9.9</b>	<b>101</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.  
This question was not available for Donors, Banks and Business Associations*

5.7.7 About 58% of the interviewed admit that there is overlapping of competencies between different governmental institutions (see Table 5.7-7).

Table 5.7-7

<i>In your opinion, is there any overlapping of competencies between different governmental institutions?</i>										
No.	Groups of Institutions	NO		YES		Don't know		Blank		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations									
2.	Banks									
3.	Consultants	2	9.1	14	<b>63.6</b>	6	27.3			<b>22</b>
4.	Donors									
5.	State Promotion	1	<b>10.0</b>	6	<b>60.0</b>	3	30.0			<b>10</b>
6.	State Regulation	5	7.2	39	56.5	24	<b>34.8</b>	1	1.4	<b>69</b>
	<b>TOTALS</b>	<b>8</b>	<b>7.9</b>	<b>59</b>	<b>58.4</b>	<b>33</b>	<b>32.7</b>	<b>1</b>	<b>9.9</b>	<b>101</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.  
This question was not available for Donors, Banks and Business Associations*

## 6 GENERAL CONCLUSIONS

6.1. The activity of SME-s in Albania is closely linked with a considerable number of Public Regulatory Institutions: 6 Ministries, 4 National Agencies, 3 Regulatory Entities, 3 General Directories and a National Committee as well as the local government in district level, the Courts and the Institute of Statistics. This number is still greater taking into account the fact that some governmental institutions have more than one department charged with tasks linked with the SME' s activity. From the institutional point of view concerning SME' s development the problem is rather complex because of the following reasons:

- The legal status and the responsibilities of the governmental institutions are not so clear defined;
- The coordination between governmental institutions is not considered as adequate and there is overlapping of competencies. The already established sector in the MoECT charged with SME' s development is not sufficiently strong, lacking necessary competencies and human resources to realize such coordination;
- A medium - term strategy on SME' s development and a government structure responsible on policy development and implementation are lacking;
- There are frequent changes of staff of governmental institutions;
- The professional level of the civil servants dealing with businesses is considered to be not adequate;
- The cooperation between governmental institutions and the business community is not at an adequate level.

6.2. The number of SME-s promoting institutions is rather limited. Albanian Economic Development Agency can be considered as the leading promoting institution. But, at present even AEDA is focused in a limited number of activities and it is not an adequate organizational structure capable of developing all the needed promoting activities. Other departments in charge of International Relations in some of the Line Ministries can indirectly be considered as business promoting since they are involved in identifying projects of business development and negotiating with



donors to attract funds. The market information and the financial management advice are considered as the most important areas of SME' s promotion.

6.3. The collection of information regarding SME' s sector development is done by INSTAT in the framework of information on Private Enterprise Sector. It is based on a limited number of indicators in national level. Actually, what is being lacked is a specialized monitoring unit on SME' s sector to collect in a periodical way a full information and on its basis then propose the decision-makers appropriate policies and strategies.

6.4. The Chamber of Commerce and other business associations are mainly focused in Tirana and other big cities. They operate on the basis of membership and the main income comes from the contribution of private sector members. The kinds of services they offer to SME-s are mainly activities linked with trade promotion, general business counseling and information facilities. The relations of the Business Associations with central and local government are estimated as normal, but the representation on different meetings is the main activity of such a cooperation. Generally the opinion of the business community is not taken into consideration at all by the government when the problem of SME-s is being discussed, mainly because of the low interest of the Government to have their opinion.

6.5. Private consulting and other institutions giving advice on private sector are a new experience to the Albanian reality. Their actual stage of development reflects the development of the private sector, which is still not consolidated. They range from small local companies to some foreign companies. Most of them operate only in Tirana, because of the lack of financial means and because most of the clients are located in Tirana. The number of clients they have is small, the median shows 105 people, and the tariffs on various services do not change more often than once in a year. The tax and legal services and training activities seem to be the most frequent services provided by the private consulting.

6.6. SME-s development in Albania was supported by a large number of international donors, which from 1991- 1998 have committed about \$ 177 millions, of which only 49 % is already disbursed. About 62% of this budget have come to Albania in the form of soft loans to the Government. Grants represent about 32% and direct commercial loans for co-financing private investment about 5%. The financial assistance was focused on commodity aid support, technical assistance projects and development projects. The disbursement of the budget on development projects is much smaller than two other kinds of assistance, because generally the credit lines projects on SME have not been so successful. As results, the main problems are not related to the availability of finance for credits but perhaps to other factors within the lending system. Donors have regular cooperation with the Albanian government, but they consider that this cooperation should be improved in order to avoid overlapping of the programs financed by them.

6.7. There are twelve licensed banks in Albania, of which ten are private and two are in the process of being privatisad. Only one of them, the Saving Bank, operate in all districts of Albania. To give or not to give credits is a fundamental dilemma to all the existing public and private banks. The public banks at the edge of privatization have suspended their credit lending activity. Private banks, though they hesitate to give information, have available funds for credit line, but they do not trust in entrepreneurs. Consequently, to most of the banks the banking deposits, money

exchange, money transfer, credit cards, etc. remain principal services. Where declared, requirements on collateral are high, interest rates variable but reasonable high and grace period limited. From the interviews resulted that there are other institutions, except banks, that give credits to SME-s. Initially their legal status has not been defined and they were operating under different legal status as non-profit organizations, foundations, state agencies etc. In March 1999, in order to supervise their activity the Bank of Albania passed the Set of Regulations to be followed by such institutions to be licensed by the Bank of Albania.

6.8. The unfair competition, the lack of financial resources and the lack of public order are considered by the interviewees as the most difficult situations to be faced in starting and running a business in Albania. The unfair competition is related to the existing legal and regulatory framework that needs further improvement and to the lack of law-following by entrepreneurs. The lack of financial resources is related to the lack of confidence on the part of the banks and the terms of credits, which they apply for, which are generally considered as not favorable and not at all stimulating. The lack of public order is related to the political situation in Albania. Consequently, the strengthening of the credit system and the political stability of the country are considered as the most important measures to be taken by the government in order to promote the private sector. But other constraints were also seen as serious, including taxes and contribution, business initiative and information, regional location, finding qualified staff and premises, and business registration procedures.

6.9. The legal and regulatory framework concerning the activity of SME-s has suffered frequent changes. It is considered that these changes are neither based on any medium term strategy nor on the opinion of entrepreneurs and business associations. It is also considered that the changes in business legislation are not always technically orientated, but sometimes-political interests or international organizations influence them.

6.10. The existing legal and regulatory framework needs to be further improved related to business promotion. The taxation and custom duty regulations, as well as the law on competition are considered as the main laws to be improved. Improvements are also recommended in employment legislation.

6.11. Market information of business plans, financial advice and management assistance are identified as principal Technical Assistance needs for SME' s development.

6.12. The majority of the interviewed felt that an SME development strategy is important or very important to promote economic growth.

## **7 ANNEXES**

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**Annex 2: Guide lines**

**Annex 3: Questionnaires**

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**Annex 4. Statistical Tables**

- 4.1 State Regulations**
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**Annex 5: General information about the financial institutions in Albania**

**Annex 6: Foreign Financial Support on Private Enterprise Development**

**Annex 7: General information on Institutions involved in SME-development**





## **ANNEX 1: LIST OF INTERVIEWED PEOPLE**

### **1. STATE REGULATION INSTITUTIONS**

#### **1.1 Council of Ministers**

1. Arben Mura – Director of Legal Department
2. Mustafa Muci – Advisor of the Vice Prime Minister
3. Sokol Lame – Legal Advisor
4. Armand Sharra - Head of the Information Technology Department

#### **1.2 Ministry of Economic Cooperation and Trade**

1. Genci Gjoncaj – Director of Legal Department
2. Dorit Myftari – World Trade Organization Sector
3. Fatmir Lacaj – Trade Promotion expert
4. Ilir Kodra – SME development specialist
5. Viktor Larja – SME Policy Expert

#### **1.3 Ministry of Public Economy and Privatization**

1. Pajtim Bello – Vice Minister
2. Vasil Pano – Director of Privatization Department
3. Tefta Komino – Director of Legal Department
4. Genc Celso – Director of SME Privatization Department
5. Bashkim Vladi – Director of Industry Department

#### **1.4 Ministry of Agriculture and Food**

1. Luliëta Cuko – Director of Legal Department
2. Tatjana Dishnica – Director of Department of Sciences
3. Ago Nezha – Director of the SME-s Department

#### **1.5 Ministry of Finance**

1. Adriana Berberi – Vice Minister
2. Ilir Zeqo – Director of Credit Department
3. Limoz Malaj – Director of the Bank Supervision Department
4. Genc Cifligu – Director of Legal Department
5. Etleva Kikina – Specialist of Fiscal Policies
6. Agim Paskali – Treasury expert



## **1.6 Ministry of Public Works and Transport**

1. Genc Lubonja – Legal advisor
2. Besnik Dervishi – Director of Licensing Department
3. Astrit Avduli – Director of Transport Department
4. Vladimir Meksi – Chairman of Regulatory Agency
5. Ali Dedej – Specialist in the Statistical sector
6. Agim Muca- Advisor of the Minister
7. Thimio Plaku – Director of Navy transport
8. Ahmet Cani\_Vice-Minister

## **1.7 Ministry of Justice**

1. Adrian Dvorani – Director of Legal Department
2. Adelina Deneku – Director of the Department of Codification

## **1.8 Courts**

1. Anila Capo – Judge for the registration of commercial companies, Tirana
2. Neritan Gjiriti - Judge for the registration of commercial companies, Tirana
3. Fatmira Laskaj - Judge for the registration of commercial companies, Tirana
4. Xheladin Karkini – Judge in Elbasan
5. Ermal Tabaku – Judge in Fieri
6. Ariana Xhoxhaj - Judge for the registration of commercial companies, Tirana

## **1.9 Tourism Committee**

1. Sherif Bundo – Chairman
2. Leonard Tasillari – ALBTourism
3. Arian Skenderi – Director of the Tourism Investment Department

## **1.10 Local Government**

1. Engjell Dakli – Mayer of Elbasan
2. Ramiz Balla – Vice Mayer
3. Agron Milaj - Mayer of Fieri
4. Capajev Zoraj - Mayer of Saranda
5. Safet Sula - Mayer of Kukës
6. Violeta Zaimi – Mayer's advisor

## **1.11 General Directorate of Customs**

1. Vaso Pilo – Vice Director
2. Sabina Shyti – Director of Customs Tariffs
3. Vladimir Llakaj – Statistical Sector

**1.12 General Directorate of Taxes**

1. Kujtim Brovina – General Director
2. Florian Mima – Specialist
3. Petrit Ago – Director of Tirana Branch

**1.13 National Agency for Privatization**

1. Silvana Simaku – Head of Privatization Department
2. Ricard Marku – Legal Director
3. Gjergj Kasneci – Specialist
4. Sadik Llapashtica - Specialist

**1.14 Agency for Public Procurement**

1. Agron Zeneli – Chairman
2. Edmond Aliaj – Specialist

**1.15 INSTAT**

1. Milva Ekonomi – General Director

**1.16 Faculty of Economy**

1. Bardhul Ceku – Chief of the Marketing Department
2. Lulieta Minxhozi – Professor

**1.17 INSIG**

1. Sokol Hatellari – Advisor

**1.18 National Agency of Environment**

1. Violeta Zuna – Specialist

**1.19 Regulatory Entity**

1. Engjell Cuci – Director of ERE
2. Gjergj Simaku – Director of AKE

**1.20 Ministry of labor and social affairs**

1. Ledio Milkani - Expert in Legal Department

## 2. BUSINESS ASSOCIATIONS

### 2.1 Chambers of Commerce

1. Anton Leka – President of the Union of Chambers of Commerce, Shkoder
2. Islam Bendo - Chairman of the Chamber of Commerce, Berat
3. Panajot Rusha – Secretary of the Chamber of Commerce, Durres
4. Qazim Sejдини - Chairman of the Chamber of Commerce, Elbasan
5. Keti Bezhani - Chairman of the Chamber of Commerce, Korca
6. Ilir Gusho - Chairman of the Chamber of Commerce, Gjirokastra
7. Bardhyl Nasto - Chairman of the Chamber of Commerce, Vlora
8. Bardhok Cara - Chairman of the Chamber of Commerce, Mirdita
9. Vasel Muca – President of the Chamber of Commerce, Malesi e Madhe
10. Kozma Stavro - Chairman of the Chamber of Commerce, Kucova
11. Shezai Cobo - Chairman of the Chamber of Commerce, Fieri
12. Edmond Karanxha– Secretary of the Chamber of Commerce, Tirana
13. Kujtim Saja - Chairman of the Chamber of Commerce, Kruja
14. Agim Bufi – Secretary of the Union of Chambers of Commerce
15. Arben Haveri - Chairman of the Chamber of Commerce, Shkodra

### 2.2 Associations

1. Koco Kokedhima – President of BOBSH
2. Bashkim Sala – Secretary General of BOBSH
3. Petraq Gramo – BOBSH, Tirana branch
4. Niko Katsiopisd - Association of Greek Entrepreneurs
5. Llukan Jani - Association of the flavor production
6. Zana Pela - Association of producers of oil
7. Artan Belegu – AMPA
8. Elida Pipa – PFA
9. Zyhdi Teqja – AMA
10. Zyber Aliaj – ACH
11. Vjollca Backa-HABA

## 3. INTERNATIONAL DONORS

1. European Commission PHARE Program
2. USAID
3. EBRD
4. Ismail Beka, GTZ Coordinator
5. World Bank
6. Mikel Dushniku, GTZ SME Project
7. Italian Cooperation
8. Etleva Vertopi, UNDP project manager
9. European Investment Bank
10. Saimir Ivziku – Investment Project Manager, Soros Foundation
11. Qemal Minxhozi – Danish Cooperation
12. DANIDA

## **4. BANKS**

### **4.1 Public Banks**

1. Dhame Pite - Vice Governor
2. Limin Çaçi - Savings Bank
3. Arben Jorgji - Head of SME Unit

### **4.2 Private banks and foundations**

1. National Bank of Greece
2. Mira Klino-FEFAD
3. Albana Ferraj-Albanian American Bank
4. Ardian Fullani-Albanian Italian Bank
5. Arabian Islamic Bank
6. First Investment Bank
7. Beqir Melzenxhiu – Dardania Bank
8. Eni Koco-International Commercial Bank
9. Orfea Dhuci-Alfa Credit Bank

## **5. NGOS AND PRIVATE CONSULTING**

1. Artan Hoxha, Institute of Contemporary studies
2. Zef Preçi, ACER
3. Ilir Gedeshi, CESS
4. Edmond Luçi, IFB
5. Ilirjana Leno, Auditing Expert
6. Zana Rusi, Auditing Expert
7. Lindita Xhillari, HDPC
8. KPMG
9. Rozana Elmasllari - Deloitte & Touch
10. Enver Lame, Lawyer
11. Ilir Rembeci, RBA Tirana
12. Dhimitraq Marko, RBA Fier
13. Gjenerin Shantoja, RBA Shkodra
14. Bashkim Dema, RBA Kruja
15. Naim Çope, Elbasan
16. Ildis Brahimi, RBA Vlore
17. Ulio Kokalari, RBA Gjirokastra
18. Aurel Grabocka, RBA Korçe
19. Mikel Gjogu, RBA Tirana
20. Qemal Balliu, SME Foundation
21. Dritan Shano – ADS
22. Luan Muhametaj – EKSP0 KLIK
23. Agron Jano - EKSP0 PRIMA
24. Anton Lezhja-D&T

## Annex 2: GUIDELINES ON THE QUESTIONNAIRES

1. The survey is carried out on study aims on a national viewpoint of institutions involved in promoting and developing SME-s in Albania. There is no special interest on the information given by any specific institution. That's why the answers should be sincere.
2. In case the interviewed does not prefer to be identified, he/she should write the word confidential in the top-right place. The name and the signature of the interviewed are not required.
3. **The interview must keep on secret the information received by the interviewed. Also he must avoid to ask for information out of the questionnaires.**
4. The interviewer must be very careful in talking with the interviewed. He must give all necessary explanations to avoid any misunderstanding of questions by the interviewed.
5. It is strongly recommended that answers should be written by pencil, so as to make possible the correction of any misunderstanding or mistakes committed during the interview. This does not prevent the interviewed person to write with pen.
6. At the end of interview, the interviewer must check the questionnaire from the beginning and correct any possible.
7. The first question serves only for operator and should not be completed.
8. **True options chosen on each answer should be crossed, and false options should remain empty.**
9. Questions are built in three ways:
  - **Direct questions:** are those in capital letters beginning with the number of the question or with a filled circle. When the direct question is led by a number and a list of some possible excluding alternatives, only one answer is valid.
  - **Sub-questions:** are questions written in smaller letters accompanied by a number at the beginning of the question. A group of such questions is part of a direct question in a filled circle. For each sub-question one of the listed versions is chosen, for example: YES or NO.
  - **Open questions:** are free questions to be filled with text (for example question 5 section A), or completed with a number (for example question 6 in section A). In case there is no enough space to write extra pages could be used.
10. **One and only one CROSS should be put for each question having a number, being it direct or sub-question.**

11. Attention should be given to questions of the kind YES - NO. Sometimes when the answer is "NO" the cross is neglected. As a result it is difficult to precise if the answer is neglected or it is a "NO" by default. "NO" option must be always selected if it is true.
12. Business associations and banks have an additional form to complete. These forms can take time to fill in decent way, so the best will be to leave the forms to interviewed and receive them completed some days later.

# ORGANIZATIONS INVOLVED IN SME REGULATION AND PROMOTION

## Questionnaire on GOVERNMENT REGULATION

Interviewers \_\_\_\_\_

Date of interview \_\_\_\_\_

Name, title of interviewee \_\_\_\_\_

\_\_\_\_\_

### Section A : INFORMATION ON THE INSTITUTION/ AGENCY

1. Reference number: \_\_\_\_\_

2. Headquarter:

Tirana:

Out of Tirana:

3. Name of Institution/ Agency, Address, Tel/Fax: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

4. Legal Status of the Institution/ Agency: \_\_\_\_\_

5. Responsibility/ Purpose of institution as specified in law: \_\_\_\_\_

\_\_\_\_\_

6. Year of Establishment:

7. Where does your institution/ agency operates, please specify all cities?

\_\_\_\_\_

8. Presently, which are the departments of your institution/ agency that regulates the SME?

\_\_\_\_\_

\_\_\_\_\_

9. What kind of regulatory procedures you dispose to private business in Albania?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



10. Please specify the most difficulties (no more than three) you have faced in exercising your competencies?

a) \_\_\_\_\_

b) \_\_\_\_\_

a) \_\_\_\_\_

11. Does your institution have a special department for licensing or registration?

YES

NO

12. If YES, please specify: \_\_\_\_\_

13. If YES, do you feel that your licensing/ registration procedures are long and complicated?

YES

NO

No idea

14. If YES, do you feel that fees for licensing/ registration are high?

YES

NO

No idea

15. Does your institution have a special department for taxes and other contribution regulation?

YES

NO

16. If YES, please specify: \_\_\_\_\_

17. If YES, do you feel that taxes and contribution tariffs are high?

YES

NO

No idea

## Section B : OTHER QUESTIONS

1. In your opinion, how important is a SME-s development strategy to the growth of the country and of your region ?

	Not important	Little Important	Moderate	Important	Very Important
SME development strategy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

• Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania?

	Very easy	Easy	Normal	Difficult	Very difficult
2. Business initiative:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Business information:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Business registration procedures:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Obtaining financial resources:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Unfair competition:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Taxes and contributions:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Custom duties:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Administrative bureaucracy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Geographic location:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Ensuring premises (buildings, site):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Finding qualified staff:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. How do you consider the actual legal procedures regarding the SME-s?

Very simple:       Simple:       Normal:       Complicated:       Very complicated:

14. In your opinion is it necessary to make further legal improvements for the promotion of the business?

YES       NO       No idea

- If YES, in which of the following (please give short comments):

15. Registration regulations:  Comments \_\_\_\_\_
16. Taxation & custom duties regulations:  Comments \_\_\_\_\_
17. Contribution regulations:  Comments \_\_\_\_\_
18. Law on companies:  Comments \_\_\_\_\_
19. Law on competition:  Comments \_\_\_\_\_
20. Employment legislation:  Comments \_\_\_\_\_
21. Others \_\_\_\_\_:  Comments \_\_\_\_\_

22. Are the changes in business legislation based in any medium-term program?

YES  NO  No idea

23. Are these changes technically oriented?

YES  NO  No idea

- If NO, based on your opinion and experience, which is the reason:

24. Economic interests of people in the government: No  Yes
25. Political interests of the party in power: No  Yes
26. Pressure by different business unions and associations: No  Yes
27. Influence of international organizations: No  Yes
28. Pressure from extra-government groups: No  Yes
29. Other: \_\_\_\_\_ No  Yes

30. Do the business follow the law easily?

YES  NO  No idea

31. If NO, which might be the reasons?

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

32. How is the activity of business associations, NGO-s, etc. to the decision-makers and other governmental institutions?

Inactive:  Weak:  Moderate:  Good:  Very good:

33. Do you feel that opinions of entrepreneurs and business associations are taken into consideration in changes made in business legislation?

YES

NO

No idea

34. How do you consider the changes of the government structures (merging ministries or splitting up) regarding the effect on business environment?

Negative:

No effect:

Positive:

35. In your opinion, is there any overlapping of competencies between different governmental institutions, regarding regulation of SME-s ?

YES

NO

No idea

36. If YES, please specify in a short way \_\_\_\_\_

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# ORGANIZATIONS INVOLVED IN SME REGULATION AND PROMOTION

## Questionnaire on GOVERNMENT PROMOTION

Interviewers \_\_\_\_\_

Date of interview \_\_\_\_\_

Name, title of interviewee \_\_\_\_\_

\_\_\_\_\_

### Section A : INFORMATION ON THE INSTITUTION/AGENCY

1. Reference number: \_\_\_\_\_

2. Headquarter:

Tirana:

Out of Tirana:

3. Name of Institution/ Agency, Address, Tel/Fax: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. Legal Status of the Institution/ Agency: \_\_\_\_\_

5. Responsibility/ Purpose of institution as specified in law: \_\_\_\_\_

\_\_\_\_\_

6. Year of Establishment:

7. Where does your institution/ agency operates, please specify all cities?

\_\_\_\_\_

8. Presently, which are the departments of your institution/ agency that promotes the SME?

\_\_\_\_\_

\_\_\_\_\_

9. Which are the programs you are implementing to promote the SME development?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10. Are the business associations your major partners in these programs?

YES

NO

• What services provide your institution/ agency? Please select the main services?

	NO	YES	MAIN
11. Trade Promotion (fairs, exhibitions, etc.):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Workshop, seminars, conferences:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Technical training program:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Management training programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Library/ information facilities:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Newsletters/ other publications:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Technology identification:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. General business counseling:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Others: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Others: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

21. What have been the major accomplishments of your institution/ agency in business promotion and who have been the beneficiaries: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Section B : OTHER QUESTIONS**

1. In your opinion, how important is a SME-s development strategy to the growth of the country and of your region ?

	Not important	Little Important	Moderate	Important	Very Important
SME development strategy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania?

	Very easy	Easy	Normal	Difficult	Very difficult
2. Business initiative:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Business information:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Business registration procedures:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Obtaining financial resources:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Unfair competition:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Taxes and contributions:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Custom duties:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Administrative bureaucracy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Geographic location:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Ensuring premises (buildings, site):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Finding qualified staff:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. In your opinion is it necessary to make further legal improvements for the promotion of the business?

YES       NO       No idea

14. If YES, in which of the following (please give short comments):

15. Taxation & custom duties regulations:  Comments \_\_\_\_\_
16. Contribution regulations:  Comments \_\_\_\_\_
17. Law on companies:  Comments \_\_\_\_\_
18. Law on competition:  Comments \_\_\_\_\_
19. Employment legislation:  Comments \_\_\_\_\_
20. Others: \_\_\_\_\_  Comments \_\_\_\_\_

- How do you consider the following factors to run a business in Albania?

	No problem at all	Small problem	Moderate problem	Severe problem	Very Severe
21. Complicated procedures of taxes, etc:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Frequent government changes:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Frequent laws & regulation changes:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Non transparency of laws & regulat.:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Insufficient credit facilities:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. High level of the shadow economy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. Lack of qualified labor:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. Lack of public order	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Continued intervention of the Government in the economy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

30. Please specify number 31 . \_\_\_\_\_

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- What of the following areas of SME promotion you consider important ?

31. Advice on starting the business	No <input type="checkbox"/>	Yes <input type="checkbox"/>
32. Legal assistance	No <input type="checkbox"/>	Yes <input type="checkbox"/>
33. Management assistance	No <input type="checkbox"/>	Yes <input type="checkbox"/>
34. Market information	No <input type="checkbox"/>	Yes <input type="checkbox"/>
35. Preparation of the business plan	No <input type="checkbox"/>	Yes <input type="checkbox"/>
36. Financial Advise:	No <input type="checkbox"/>	Yes <input type="checkbox"/>
37. Marketing:	No <input type="checkbox"/>	Yes <input type="checkbox"/>
38. Others: _____	No <input type="checkbox"/>	Yes <input type="checkbox"/>

39. In your opinion, how do you consider the professional level of the civil servants in contact with the business requirements?

Very poor:       Poor:       Moderate:       Good:       Very good:

40. How is the impact of frequent staff changes of public administration on the quality of services provided by civil servants?

Positive:       Not Important:       Negative:



41. Are the changes in business legislation technically oriented?

YES       NO       No idea

• If NO, based on your opinion and experience, which is the reason:

- |  |                             |                              |
|--|-----------------------------|------------------------------|
| 42. Economic interests of people in the government:          | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 43. Political interests of the party in power:               | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 44. Pressure by different business unions and associations : | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 45. Influence of international organizations:                | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 46. Pressure from extra-government groups::                  | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 47. Other: _____   | No <input type="checkbox"/> | Yes <input type="checkbox"/> |

48. Do you feel that opinions of entrepreneurs and business associations are taken into consideration in changes made in business legislation?

YES       NO       No idea

49. How do you consider the changes of the government structures (merging ministries or splitting up) regarding the impact on business environment?

Unnecessary:       Necessary:       Very important:

50. In your opinion, is there any overlapping of competencies between different governmental institutions?

YES       NO       No idea

51. If yes, please specify in a short way \_\_\_\_\_  
\_\_\_\_\_

52. In your opinion which steps should be taken by the government in concrete terms, to promote the private sector:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ORGANIZATIONS INVOLVED IN SME REGULATION AND PROMOTION**  
**Questionnaire on BUSSINESS ASSOCIATION**

Interviewers \_\_\_\_\_

Date of interview \_\_\_\_\_

Name, title of interviewee \_\_\_\_\_

\_\_\_\_\_

**Section A : INFORMATION ON THE INSTITUTION/ ASSOCIATION**

1. Reference number: \_\_\_\_\_

2. Headquarter:

Tirana:

Out of Tirana:

3. Name of association/ institution, Address, Tel/Fax: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. Legal Status of the association/ institution: \_\_\_\_\_

5. Mission/ Purpose of association/ institution as specified in statute: \_\_\_\_\_

\_\_\_\_\_

6. Year of Establishment:

7. Where does your association/ institution operates, please specify all cities?

\_\_\_\_\_

8. Type of association/ institution:

Membership:

Non-membership:

QUESTIONS 9-14 ARE ONLY FOR MEMBERSHIP ASSOCIATION.

9. What are the criteria for membership: \_\_\_\_\_

\_\_\_\_\_

10. How much is the annual membership fee:

11. Do the members pay other costs?

YES

NO

12. If YES please specify?

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13. What have been the major accomplishments of the organization: \_\_\_\_\_

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14. How members and clients have benefited? If possible, express the benefits in quantitative terms: \_\_\_\_\_

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- Please specify the following information for your members (in numbers):

Groups	State	Private
Natural Persons	15.	16.
Juridical Persons	17.	18.
From Industry	19.	20.
From Trade	21.	22.
From Services	23.	24.
Other Sectors	25.	26.

- Size of association:

27. Number of total employees:

28. Number of Managerial Staff:

29. Annual Budget (expenses):

30. Total Annual Income

• Sources of income in percentage:

31. Membership fees:	<input type="text"/>
32. Fees for services:	<input type="text"/>
33. Earned income:	<input type="text"/>
34. Grant from government:	<input type="text"/>
35. Other grants:	<input type="text"/>
36. Others _____:	<input type="text"/>

• Does your organization have government liaison in the following directions?

	NO	YES	MAIN
37. Monitoring of legislation/ policies:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38. Lobbying:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39. Representation on different meetings/events:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40. Others _____:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

• What services provide your association. Please select the main services?

	NO	YES	MAIN
41. Trade Promotion (fairs, exhibitions, etc.):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42. Workshop, seminars, conferences:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43. Technical training program:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44. Management training programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45. Library/ information facilities:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46. Newsletters/ other publications:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47. Technology identification:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48. Brokering/ subcontracting exchange:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49. General business counseling:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50. Micro-finance:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51. Others _____:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
52. Others _____:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FOR EACH SERVICE SELECTED AS **MAIN**, PLEASE FILL OUT THE FORM ATTACHED TO THE QUESTIONNAIRE.

53. How do you consider the relations of your business association with the local government?

Very bad:       Bad:       Normal:       Good:       Very good:

54. How do you consider the relations of your business association with the central government?

Very bad:       Bad:       Normal:       Good:       Very good:

55. Do the government institutions draw your opinion in case they are dealing with the SME-s problems?

YES       NO

• If NO, this is because what of the followings?

56. Your indifference:

No       Yes

57. Lack of information by the members of the association:

No       Yes

58. Lack of interest from the government:

No       Yes

59. Conflicts between business associations and government:

No       Yes

60. Others: \_\_\_\_\_

No       Yes

61. Please explain shortly, which are the main problems your members are facing in their business:

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## Section B : OTHER QUESTIONS

1. In your opinion, are the business associations active enough in the process of the SME-s development?

YES  NO  No idea

• If the answer is NO, which might be the reason?

- |   |                             |                              |
|---|-----------------------------|------------------------------|
| 2. Lack of qualified staff working in such associations:          | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 3. Lack of motivation of business association:                    | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 4. Lack of information for the barriers their members are facing: | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 5. Low interest of government on business associations:           | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 6. Others (please specify in a short way)                         | No <input type="checkbox"/> | Yes <input type="checkbox"/> |

Specify \_\_\_\_\_

• Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania?

	Very easy	Easy	Normal	Difficult	Very difficult
7. Business initiative:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Business information:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Business registration procedures:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Obtaining financial resources:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Unfair competition:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Taxes and contributions:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Custom duties:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Administrative bureaucracy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Geographic location:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Ensuring premises (buildings, site):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Finding qualified staff:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. In your opinion is it necessary to make further legal improvements for the promotion of the business?

YES  NO  No idea

- If YES, in which of the following (please give short comments):

19. Taxation & custom duties regulations:  Comments \_\_\_\_\_
20. Contribution regulations:  Comments \_\_\_\_\_
21. Law on companies:  Comments \_\_\_\_\_
22. Law on competition  Comments \_\_\_\_\_
23. Employment legislation:  Comments \_\_\_\_\_
24. Others:  Specify \_\_\_\_\_

- How do you consider the following factors to run a business in Albania?

	No problem at all	Small problem	Moderate problem	Severe problem	Very Severe
25. Complicated procedures of taxes, etc:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Frequent government changes:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. Frequent laws & regulation changes:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. Non transparency of laws & regulat.:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Insufficient credit facilities:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. High level of the shadow economy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Lack of qualified labor:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. Lack of public order	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Continued intervention of the Government in the economy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

34. Please specify number 35. \_\_\_\_\_

- On the bases of your experience of the feedback of your members, what kind of assistance does SME-s need actually?

35. Advice on starting the business No  Yes
36. Legal assistance No  Yes
37. Management assistance No  Yes
38. Market information No  Yes
39. Preparation of the business plan No  Yes
40. Financial Advise: No  Yes
41. Marketing No  Yes
42. Others No  Yes  Specify \_\_\_\_\_

43. In your opinion, how do you consider the professional level of the civil servants in contact with the business requirements?

Very poor:       Poor:       Moderate:       Good:       Very good:

44. How is the impact of frequent staff changes of public administration on the quality of services provided by civil servants?

Positive:       Not Important:       Negative:

45. Are the changes in business legislation technically oriented?

YES       NO       No idea

• If NO, based on your opinion and experience, which is the reason:

- |  |                             |                              |
|--|-----------------------------|------------------------------|
| 46. Economic interests of people in the government:          | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 47. Political interests of the party in power:               | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 48. Pressure by different business unions and associations : | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 49. Influence of international organizations:                | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 50. Pressure from extra-government groups:                   | No <input type="checkbox"/> | Yes <input type="checkbox"/> |
| 51. Other _____:   | No <input type="checkbox"/> | Yes <input type="checkbox"/> |

52. In your opinion which steps should be taken by the government in concrete terms, to promote the private sector:

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**DETAILED DESCRIPTION  
OF MAJOR SERVICES AVAILABLE FROM EACH ASSOCIATION**

For each major service listed in questions A41-A52 above, obtain the following information:

SERVICE: \_\_\_\_\_

1. Detailed description of services available
  
  
  
  
  
  
  
  
  
  
2. An explanation of why the services are needed (that is why do clients or members want these services and why is it necessary for the organization to be the one that provides it)
  
  
  
  
  
  
  
  
  
  
3. Description of the clients for each service (explain who is eligible to receive the services, and provide a profile of the past clients)
  
  
  
  
  
  
  
  
  
  
4. An explanation of the application requirements
  
  
  
  
  
  
  
  
  
  
5. Fees charged
  
  
  
  
  
  
  
  
  
  
6. Results and benefits (as precisely as possible, describe the results and benefits achieved for each service, in terms of number of clients served, fees charged or income earned, and benefits to the clients or members of each service)

# ORGANIZATIONS INVOLVED IN SME REGULATION AND PROMOTION

## Questionnaire on CONSULTANTS

Interviewers \_\_\_\_\_  
Date of interview \_\_\_\_\_  
Name, title of interviewee \_\_\_\_\_  
\_\_\_\_\_

### Section A : INFORMATION ON THE INSTITUTION/COMPANY

1. Reference number: \_\_\_\_\_
2. Headquarter:
- Tirana:
  - Out of Tirana:
  - International:

3. Name of Institution/Company, Address, Tel/Fax: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Legal Status of the Institution/Company: \_\_\_\_\_

5. Mission/ Purpose of your Institution/company as specified in statute: \_\_\_\_\_  
\_\_\_\_\_

6. Year of Establishment:

7. Where does your Institute/Company operates, please specify all cities?  
\_\_\_\_\_

8. In case you are operating only in Tirana or in a few cities, do you have any plan to start soon operating in other cities?

YES       NO       No idea

9. If NO, please specify three of your main reasons.

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

10. Number of employees (managerial incl.):

- What services your company provides and which are the main one?

	NO	YES	MAIN
11. Auditing and accounting:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Company restructuring:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Tax and legal services:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Business evaluation:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Feasibility studies:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Investment & technology consulting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Business information:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Others: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20. How many clients do you have from the business community?

21. Are your clients regular or not?

YES  NO

22. Do you change your services' tariffs more than once a year?

YES  NO

23. Are the tariffs market-determined or there is any legal stipulation?

YES  NO

## Section B - OTHER QUESTIONS

- In your opinion is there any comparative advantage to start a business in Albania compared to:

1. Countries in Western Europe?

YES  NO  No idea

2. Countries in Central and Eastern Europe?

YES  NO  No idea

3. If any YES, please specify in a short way: \_\_\_\_\_

---

- Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania?

	Very easy	Easy	Normal	Difficult	Very difficult
4. Business initiative:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Business information:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Business registration procedures:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Obtaining financial resources:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Unfair competition:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Taxes and contributions:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Custom duties:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Administrative bureaucracy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Geographic location:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Ensuring premises (buildings, site):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Finding qualified staff:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. In your opinion is it necessary to make further legal improvements for the promotion of the business?

YES

NO

No idea

- If YES, in which of the following (please give short comments):

16. Taxation & custom duties regulations:  Comments \_\_\_\_\_

17. Contribution regulations:  Comments \_\_\_\_\_

18. Law on companies:  Comments \_\_\_\_\_

19. Law on competition:  Comments \_\_\_\_\_

20. Employment legislation:  Comments \_\_\_\_\_

21. Others:  Comments \_\_\_\_\_

- How do you consider the following factors to run a business in Albania?

	No problem at all	Small problem	Moderate problem	Severe problem	Very Severe
22. Complicated procedures of taxes, etc:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Frequent government changes:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Frequent laws & regulation changes:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Non transparency of laws & regulat.:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Insufficient credit facilities:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. High level of the shadow economy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. Lack of qualified labor:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Lack of public order	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Continued intervention of the Government in the economy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

31. Please specify number 30. \_\_\_\_\_

- Based on your experience, what kind of assistance does SME-s need actually?

32. Advice on starting the business	No <input type="checkbox"/>	Yes <input type="checkbox"/>
33. Legal assistance	No <input type="checkbox"/>	Yes <input type="checkbox"/>
34. Management assistance	No <input type="checkbox"/>	Yes <input type="checkbox"/>
35. Market information	No <input type="checkbox"/>	Yes <input type="checkbox"/>
36. Preparation of the business plan	No <input type="checkbox"/>	Yes <input type="checkbox"/>
37. Financial Advise:	No <input type="checkbox"/>	Yes <input type="checkbox"/>
38. Marketing	No <input type="checkbox"/>	Yes <input type="checkbox"/>
39. Others	No <input type="checkbox"/>	Yes <input type="checkbox"/> Specify _____

40. Do you think that the existing consulting institutions/companies fulfill all the needs the SME-s has for assistance?

YES  NO  No idea

41. If NOT, please specify what should be improved:

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42. Are the changes in business legislation technically oriented?

YES

NO

No idea

• If NO, based on your opinion and experience, which is the reason:

43. Economic interests of people in the government:

No

Yes

44. Political interests of the party in power:

No

Yes

45. Pressure by different business unions and associations :

No

Yes

46. Influence of international organizations:

No

Yes

47. Pressure from extra-government groups:

No

Yes

48. Other: \_\_\_\_\_

No

Yes

49. How do you consider the changes of the government structures (merging ministries or splitting up) regarding the effect on business environment?

Negative:

No effect:

Positive:

50. In your opinion, is there any overlapping of competencies between different governmental institutions, which complicate the procedures?

YES

NO

No idea

51. If YES, please specify in a short way \_\_\_\_\_

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# ORGANIZATIONS INVOLVED IN SME REGULATION AND PROMOTION

## Questionnaire on DONORS

Interviewers \_\_\_\_\_  
Date of interview \_\_\_\_\_  
Name, title of interviewee \_\_\_\_\_  
\_\_\_\_\_

### Section A : INFORMATION ON THE INSTITUTION/ORGANIZATION

1. Reference number: \_\_\_\_\_
2. Headquarter: \_\_\_\_\_  
Tirana:   
Out of Tirana:   
International:
3. Name of Institution/Organization, Address, Tel/Fax: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Legal Status of the Institution/Organization: \_\_\_\_\_
5. Mission/ Purpose of the Institution/organization as specified in statute: \_\_\_\_\_  
\_\_\_\_\_
6. Year of Establishment:
7. Where does your Institution/organization operates, please specify all cities?  
\_\_\_\_\_
8. In case you are operating only in Tirana or in a few cities, do you have any plan to start soon operating in other cities?  
YES  NO  No idea
9. If NO, please specify three of your main reasons.  
a) \_\_\_\_\_  
b) \_\_\_\_\_  
c) \_\_\_\_\_

10. Do you have any special department or arrangement for SME-s in your institution/organization?

YES

NO

11. Do you have any project for providing credit lines for SME-s in private sector?

YES

NO

• If YES, provide the following information?

12. Date started:

13. Operation bank:

14. Total fund:

15. Disbursement:

16. Interest rate:

17. If YES, please specify the most difficulties (no more than three) you have faced in implementation of these projects?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

18. Do you think that your institution's supporting programs for the private sector has been successful in Albania?

YES

NO

19. If YES, explain in a concrete way:

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20. If NO, explain in a concrete way:

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21. Do you think that your credit lines are attractive enough for SME-s in Albania?

YES

NO

22. If NOT, in what way they can be more attractive?

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23. What assistance or services other of financing, has your institution/organization ever provided to the small businesses?

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24. Does your institution/ organization have a long term and sustainable strategy in financing and supporting the private sector in Albania?

YES

NO

25. Do you have regular cooperation with the Albanian government for your private sector's supporting programs?

YES

NO

26. Which are the directions this cooperation should be established/improved?

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27. Do you have regular donors' coordinate meeting to discuss different programs?

YES

NO

28. Do you think that they should be established/ improved?

YES

NO

29. If YES, explain shortly which are the directions this cooperation should be established/improved?

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## Section B : OTHER QUESTIONS

- In your opinion is there any comparative advantage to start a business in Albania compared to:

1. Countries in Western Europe?

YES  NO  No idea

2. Countries in Central and Eastern Europe?

YES  NO  No idea

3. If any YES, please specify in a short way: \_\_\_\_\_

4. In your opinion, how important is a SME-s development strategy to the growth of the Albanian economy?

	Not important	Little important	Moderate	Important	Very important
SME development strategy:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Based on your opinion and knowledge, what should be improved to promote SME development in Albania?

5. Legislation:  Comments \_\_\_\_\_

6. Taxation & custom duties regulations:  Comments \_\_\_\_\_

7. Infrastructure:  Comments \_\_\_\_\_

8. Information and other services:  Comments \_\_\_\_\_

9. Credit policy:  Comments \_\_\_\_\_

10. Public order:  Comments \_\_\_\_\_

11. Others: \_\_\_\_\_  Comments \_\_\_\_\_

12. Based on your experience in what directions your institutions foresees to give finances:

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13. Do you thing any new institution is necessary to facilitate SME development?

YES

NO

Don't know

14. If any YES, please specify in a short way: \_\_\_\_\_

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# ORGANIZATIONS INVOLVED IN SME REGULATION AND PROMOTION

## Questionnaire on BANKS AND FINANCIAL INSTITUTIONS

Interviewers \_\_\_\_\_

Date of interview \_\_\_\_\_

Name, title of interviewee \_\_\_\_\_

### Section A : INFORMATION ON THE BANK/ INSTITUTION

1. Reference number: \_\_\_\_\_

2. Headquarter:

Tirana:

Out of Tirana:

International:

3. Name of Bank/ Institution, Address, Tel/Fax: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Legal Status of the Bank/ Institution: \_\_\_\_\_

5. Mission/ Purpose of bank/institution as specified in statute: \_\_\_\_\_  
\_\_\_\_\_

6. Year of Establishment:

7. Where does your bank/ institution operates, please specify all cities?  
\_\_\_\_\_

8. In case you are operating only in Tirana or in a few cities, do you have any plan to start soon operating in other cities?

YES

NO

No idea

9. If NO, please specify three of your main reasons.

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

• Size of bank/ institution:

10. Number of total employees:

11. Number of Managerial Staff:

12. How long, in average, does it take to process a loan application?

13. Has it changed over the past 3 years?

No, it has not changed:

Yes, it has increased:

Yes, it has decreased:

14. What is the percentage of rejected applications?

15. PLEASE COMPLETE THE TABLES ATTACHED TO THE QUESTIONNAIRE, WITH ALL AVAILABLE INFORMATION FOR YOUR CREDITS?

16. Have you a clearly defined policy for lending to small private firms, especially new firms?

YES

NO

17. Do you provide services other than loans for businesses?

YES

NO

18. If YES, please specify shortly these services and the respective tariffs:

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**Section B : OTHER QUESTIONS**

1. What is your definition on SME, in terms of number of employees?

2. What is your definition on SME, in terms of the assets value (in USD)?

- The factors listed below usually are considered as the main obstacles for the clients to get a loan. In your opinion, what kind of problem are these factors for a client?

	No problem at all	Small Problem	Moderate problem	Severe problem	Very Severe
3. The cost of the loan (interest rate):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Complicated application procedures:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Collateral requirements:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Close relations with the bank Managers:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The need to have a track record :	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Long decision making procedures for credit approval:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Having an adequate business plan:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- For giving investment loans to SME, please evaluate the importance of the following criteria for your bank:

	Not important	Little Important	Moderate	Important	Very important
10. Expected profitability:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Level of risk:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Use of own capital:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Balance sheet & financial statements:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Good track record:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Quality of management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Feasibility study	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Availability of collateral	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Others _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

• On the bases of your experience, what kind of assistance does SME-s need actually?

- |                                      |                             |  |
|--------------------------------------|-----------------------------|--|
| 19. Advice on starting the business  | No <input type="checkbox"/> | Yes <input type="checkbox"/>               |
| 20. Legal assistance                 | No <input type="checkbox"/> | Yes <input type="checkbox"/>               |
| 21. Management assistance            | No <input type="checkbox"/> | Yes <input type="checkbox"/>               |
| 22. Market information               | No <input type="checkbox"/> | Yes <input type="checkbox"/>               |
| 23. Preparation of the business plan | No <input type="checkbox"/> | Yes <input type="checkbox"/>               |
| 24. Financial Advise:                | No <input type="checkbox"/> | Yes <input type="checkbox"/>               |
| 25. Marketing                        | No <input type="checkbox"/> | Yes <input type="checkbox"/>               |
| 26. Others                           | No <input type="checkbox"/> | Yes <input type="checkbox"/> Specify _____ |

BANK: \_\_\_\_\_

### General information for credits

Description	1993	1994	1995	1996	1997	1998
1. Credit Fund:						
2. Disbursements in '000 USD:						
3. Disbursement for SME in '000 USD:						
4. Number of given credits						
5. Number of given credit for SME:						
6. Repayments in '000 USD:						
7. Outstanding bad debts in %						
8. Collateral requested in %:						
9. Interest rate in %:						
10. Interest rates only for SME in %:						



BANK \_\_\_\_\_

PERIOD \_\_\_\_\_

SOURCE OF FINANCING	PROJECT NAME	DESTINATION OF CREDIT	INTERMEDIARY INSTITUTION	TOTAL FUND IN 000' MONETARY UNIT	CREDIT FUND STILL AVAILABLE IN 000' MONETARY UNIT	MIN. - MAX. CREDIT AMOUNT PER SUBJECT IN 000' MONETARY UNIT	TERMS OF CREDIT					
							DURATION OF CREDIT IN YEARS	ANNUAL INTEREST RATE	OWN CONTRIBU - TION	GRACE PERIOD	PAYMENT OF PRINCIPAL (Pr) & INT. (I)	COLLATERAL
<u>Details for the credit line:</u> <u>Type of collateral accepted</u>												
<u>Details for the credit line:</u> <u>Type of collateral accepted</u>												
<u>Details for the credit line:</u> <u>Type of collateral accepted</u>												

## Annex 4.1: STATE REGULATION INSTITUTIONS

### Question A7

Where does your institution/ agency operate?

No.	Place of Operation	Number	Percentage
1.	Only in Tirana	13	18.8
2.	Only out of Tirana	6	8.7
3.	In Tirana and main cities	3	4.3
4.	In all districts	47	68.1
	<b>Total</b>	<b>69</b>	<b>100</b>

### Question A10

Please specify the most difficulties you have faced in exercising your competencies?

No.	Difficulties	In number	In %
1.	Not clear legal status of the institution as well as unclear responsibilities with other institutions.	26	21.8
2.	Lack of coordination and cooperation with other institutions	11	9.2
3.	Lack of monitoring within the institution. Lack of information.	9	7.6
4.	Lack of law enforcement, fiscal evasion, and unfair competition.	12	10.1
5.	Low qualification of the managers of the companies, low level of understanding of the laws	9	7.6
6.	Inadequate professional level and lack of responsibility of the civil servants	11	9.2
7.	Corruption of public administration	5	4.2
8.	Others	36	30.3
	<b>Total of specified difficulties</b>	<b>119</b>	<b>100.0</b>

### Questions A13, A14, A17

Questions for institutions that have licensing, registration or taxation department	NO	YES	Don't know	Blank
Do you feel that your licensing and registration procedures are long and complicated? ( Total licensing institutions = 34 )	82 %	12 %	6 %	-
Do you feel that licensing and registration tariffs you apply are high? ( Total licensing institutions = 34 )	91 %	3 %	3 %	3 %
Do you feel that your taxes and contribution tariffs are high? ( Total taxation institutions = 12 )	83 %	17 %	-	-

### Question B1

In your opinion, how important is a SME-s development strategy to the growth of the country and of your region? Evaluation in a scale of 1-5

1=Not important, 2=Little Important, 3=Important, 4=Important, 5. Very important.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
68	99	3.24	3	4	3

Distribution in number and percentage

Location	Not important	Little important	Moderate	Important	Very important	Blank	Totals
Tirana – Count:	1		1	24	36	1	63
Out of Tirana – Count:				2	4		6
<b>Total</b>	<b>1</b>		<b>1</b>	<b>26</b>	<b>40</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	1.6		1.6	38.1	57.1	1.6	100.0
Out of Tirana – Percentage:			0.0	33.3	66.7	0.0	100.0
<b>Total</b>	<b>1.4</b>		<b>1.4</b>	<b>37.7</b>	<b>58.0</b>	<b>1.4</b>	<b>100.0</b>

### Questions B2-B12

Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5.

1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult.

*Sorted by the average*

Steps/ Situations	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Obtaining financial resources	67	97	4.7	3	5	5
Unfair competition	68	99	4.6	1	5	5
Administrative bureaucracy	67	97	4.2	3	5	4
Business information	67	97	3.9	1	5	4
Custom duties	66	96	3.7	1	5	4
Finding qualified staff	68	99	3.6	1	5	4
Ensuring premises	67	97	3.6	1	5	4
Taxes and contributions	66	96	3.4	2	5	3
Business registration procedures	68	99	3.2	1	5	3
Business initiative	67	97	3.1	1	5	3
Geographic location	67	97	2.8	1	5	3
<b>B2-B12 mean</b>			<b>3.7</b>	<b>2.7</b>	<b>4.6</b>	<b>3.7</b>

Question B13

How do you consider the actual legal procedures regarding the SME-s? Evaluation in scale 1-5.

1=Very simple, 2=Simple, 3=Normal, 4=Complicated, 5. Very complicated.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
68	99	4.53	1	5	5

Distribution in number and percentage

Location	Very simple	Simple	Normal	Complicated	Very complicated	Blank	Totals
Tirana – Count:			42	15		6	63
Out of Tirana – Count:			6				6
<b>Total</b>			<b>48</b>	<b>15</b>		<b>6</b>	<b>69</b>
Tirana –Percentage:			66.7	23.8		9.5	100.0
Out of Tirana–Percentage:			100.0	0.0		0.0	100.0
<b>Total</b>			<b>69.6</b>	<b>21.7</b>		<b>8.7</b>	<b>100.0</b>

Question B14

In your opinion is it necessary to make further legal improvements for the promotion of the business?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	6	48	7	2	63
Out of Tirana – Count:		6			6
<b>Total</b>	<b>6</b>	<b>54</b>	<b>7</b>	<b>2</b>	<b>69</b>
Tirana –Percentage:	9.5	76.2	11.1	3.2	100.0
Out of Tirana – Percentage:	0.0	100.0	0.0	0.0	100.0
<b>Total</b>	<b>8.7</b>	<b>78.3</b>	<b>10.1</b>	<b>2.9</b>	<b>100.0</b>

Question B15-21

Where further legal improvements are necessary?

Laws to be improved	Selected	
	In number	In %
Law on competition	42	77.8
Taxation & custom duties regulations	40	74.1
Employment legislation	23	42.6
Registration regulations	18	33.3
Law on companies	17	31.5
Contribution regulations	14	25.9
Others	8	14.8
<b>At least one change must be done (B14 = YES)</b>	<b>54</b>	<b>100.0</b>

Laws to be improved	Main improvements to be done	No.	%
Law on competition	1. It is not well enforced and implemented	14	25.9
	2. More penalties should be applied to those who do not follow the law	9	16.7
	3. Adequate structures should be established to ensure the law enforcement	5	9.6
Taxation & custom duties regulations	1. Simplifying and filling out the legal vacuum of these laws and regulations	8	14.8
	2. Tax incentives should be given to SME-s	5	9.6
	3. The procedures stipulated by the law should be more transparent	4	7.4
	4. The custom duties for vehicles should be revised	3	5.6
Employment legislation	1. High penalties for non followers of the law	4	7.4
	2. The law should ensure more the employee protection objective	3	5.6
Registration regulations	1. Simpler procedures	11	
	2. More guidelines	2	3.7
Law on companies	1. This law should be more realistic	4	7.4
Contribution regulations	1. More instructions and guidelines	3	5.6
Others	3. More information and transparency for all the legal acts	3	5.6
<b>B14 = YES</b>		<b>54</b>	<b>100.0</b>

Question B22

Are the changes in business legislation based in any medium-term program?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	9	19	34	1	63
Out of Tirana – Count:	2		4		6
<b>Total</b>	<b>11</b>	<b>19</b>	<b>38</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	14.3	30.2	54.0	1.6	100.0
Out of Tirana – Percentage:	33.3	0.0	66.7	0.0	100.0
<b>Total</b>	<b>15.9</b>	<b>27.5</b>	<b>55.1</b>	<b>1.4</b>	<b>100.0</b>

Question B23

Are these changes technically oriented?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	11	17	34	1	63
Out of Tirana – Count:		1	5		6
<b>Total</b>	<b>11</b>	<b>18</b>	<b>39</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	17.5	27.0	54.0	1.6	100.0
Out of Tirana – Percentage:	0.0	16.7	83.3	0.0	100.0
<b>Total</b>	<b>15.9</b>	<b>26.1</b>	<b>56.5</b>	<b>1.4</b>	<b>100.0</b>

### Questions B24-29

If changes are not technically oriented, based on your opinion and experience, which is the reason.

Possible reasons	Selected	
	Count	%
Political interests of the party in power	7	63.6
-Influence of international organizations	7	63.6
Economic interests of people in the government	6	54.5
Pressure by different business unions and associations	4	36.4
Incompetence of government administration	3	27.2
Pressure from extra-government groups	1	9.1
<b>At least one reason selected (B22=NO)</b>	<b>11</b>	<b>100.0</b>

### Question B30

Do the business follow the law easily?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	40	5	16	2	63
Out of Tirana – Count:	6				6
<b>Total</b>	<b>46</b>	<b>5</b>	<b>16</b>	<b>2</b>	<b>69</b>
Tirana –Percentage:	63.5	7.9	25.4	3.2	100.0
Out of Tirana – Percentage:	100.0	0.0	0.0	0.0	100.0
<b>Total</b>	<b>66.7</b>	<b>7.2</b>	<b>23.2</b>	<b>2.9</b>	<b>100.0</b>

### Question B31

If the business are not following the law (B31= NO), which might be the reasons ?

Most selected reasons	Count	%	% of B29=NO
1. Desires to have big profits in a short time period	32	30.2	69.6
2. Legislation not well known by the businesses	17	16.0	37.0
3. Unfair competition	10	9.4	21.7
4. Low managerial and culture level of the entrepreneurs	9	8.5	20.0
5. Corruption in tax and customs offices	7	6.6	15.2
6. Corruption on the civil servants in high levels of public administration	5	4.7	10.9
7. Weak control on law enforcement	5	4.7	10.9
8. Legal penalties are not implemented. Weak courts	4	3.8	8.9
9. Lack of sustainable and qualified fiscal administration	4	3.8	8.9
<b>Total number of reasons selected</b>	<b>106</b>	<b>100.0</b>	<b>100.0</b>

Question B32

How is the activity of business associations, NGO-s, etc. to the decision-makers and other governmental institutions? Evaluation in a scale of 1-5

1= Inactive, 2= Weak, 3= Moderate, 4= Good, 5. Very good.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
68	99	2.24	1	5	2

Distribution in number and percentage

Location	Inactive	Weak	Moderate	Good	Very Good	Blank	Totals
Tirana – Count:	10	28	23		1	1	63
Out of Tirana – Count:	1	4	1				6
<b>Total</b>	<b>11</b>	<b>32</b>	<b>24</b>		<b>1</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	15.9	44.4	36.5		1.6	1.6	100.0
Out of Tirana – Percentage:	16.7	66.7	16.7				100.0
<b>Total</b>	<b>15.9</b>	<b>46.4</b>	<b>34.8</b>		<b>1.4</b>	<b>1.4</b>	<b>100.0</b>

Question B33

Do you feel that opinions of entrepreneurs and business associations are taken into consideration in changes made in business legislation?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	18	20	22	3	63
Out of Tirana – Count:		1	5		6
<b>Total</b>	<b>18</b>	<b>21</b>	<b>27</b>	<b>3</b>	<b>69</b>
Tirana –Percentage:	28.6	31.7	34.9	4.8	100.0
Out of Tirana – Percentage:	0.0	16.7	83.3	0.0	100.0
<b>Total</b>	<b>26.1</b>	<b>30.4</b>	<b>39.1</b>	<b>4.3</b>	<b>100.0</b>

Question B34

How do you consider the changes of the government structures (merging ministries or splitting up) regarding the effect on business environment?

Evaluation in a scale of 1-5

1= Negative, 2= No effect, 3= Positive

Location	Negative	No effect	Positive	Blank	Total
Tirana – Count:	19	31	12	1	63
Out of Tirana – Count:	3	3			6
<b>Total</b>	<b>22</b>	<b>34</b>	<b>12</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	30.2	49.2	19.0	1.6	100.0
Out of Tirana – Percentage:	50.0	50.0	0.0	0.0	100.0
<b>Total</b>	<b>31.9</b>	<b>49.3</b>	<b>17.4</b>	<b>1.4</b>	<b>100.0</b>

### Question B35

In your opinion, is there any overlapping of competencies between different governmental institutions, regarding regulation of SME-s ?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	5	37	20	1	63
Out of Tirana – Count:		2	4		6
<b>Total</b>	<b>5</b>	<b>39</b>	<b>24</b>	<b>1</b>	<b>69</b>
Tirana –Percentage:	7.9	58.7	31.7	1.6	100.0
Out of Tirana – Percentage:	0.0	33.3	66.7	0.0	100.0
<b>Total</b>	<b>7.2</b>	<b>56.5</b>	<b>34.8</b>	<b>1.4</b>	<b>100.0</b>

### Question B36

Please specify in a short way overlapping of competencies between different governmental institutions, regarding regulation of SME-s.

1. Not well defined and unclear answers 8
2. Splitting or merging the ministries and departments within the ministries creates different overlapping of competencies and sometime certain legal vacuums 5
3. Sometime there exist duplication of the tax control authorities 5
4. There are not clear competencies for institutions and there are frequent changes of such competencies 4
5. There are institutions with similar objectives and activities 3
6. There exist an overlapping of competencies between the Ministry of Finance and the Municipality 3
7. Overlapping of competencies between the Ministry of Finance and the Custom Directorate 2
8. Not clear competencies in licensing between the Ministries and the Municipality 3
9. Different institutions to address the same problem 2
10. The Ministry of Finance has a total control on the Line Ministries which are related to the business
11. The Ministry of the Foreign Affairs, the Ministry of the Euro-Atlantic Integration, the Ministry of Tourism for the activities related to the business do have the same job
12. There are overlapping competencies between the Ministry of Finance with the departments for business development
13. Not clear responsibilities for the same departments in 3 different ministries: 1. Dept. of coordination in the MoECT 2. Priority projects Unit in the Council of Ministers 3. Dept. of Economy in the MoFA
14. There are overlapping competencies in the licensing authorities (Agriculture, Food sector, Territory regulatory committee in local and central level)
15. Ministry of Public Economy and Privatization is the only representative institution for the state property, other ministries do administer the property and the licensing procedures are followed by the MoPEP
16. In the tourism sector there are duplicated procedures to start a business in tourist villages.
17. Overlapping competencies in licensing procedures, as well as in the administrative relations of the Chambers of Commerce.



## Annex 4.2: STATE PROMOTION INSTITUTIONS

**NOTE:** All promotion institutions are located in Tirana

### Question A7

Where does your institution/ agency operate?

No.	Place of Operation	Number	Percentage
1.	Only in Tirana	0	0.0
2.	Only out of Tirana	0	0.0
3.	In Tirana and main cities	1	10.0
4.	In all districts	9	90.0
	<b>Total</b>	<b>10</b>	<b>100.0</b>

### Question A10

Are the business associations your major partners in the programs you are implementing to promote the SME development?

YES		NO		Total	
Number	%	Number	%	Number	%
8	80.0	2	20.0	10	100.0

### Questions A11-A20

What services provide your institution/ agency? Please select the main services?

Services (from 10 promotion institutions)	All services available		Main Services from total
	Number	%	
1. Workshop, seminars, conferences:	9	90.0	4*
2. Management training programs	8	80.0	3
3. Newsletters/ other publications:	8	80.0	3
4. Technical training program:	8	80.0	2
5. Trade Promotion (fairs, exhibitions, etc.):	7	70.0	5
6. General business consulting:	7	70.0	4
7. Technology identification:	4	40.0	0
8. Economic studies	3	40.0	2
9. Library/ information facilities:	3	40.0	1
10. Establish of joint-ventures/ partnerships	3	40.0	0

### Question B1

In your opinion, how important is a SME-s development strategy to the growth of the country and of your region? Evaluation in a scale of 1-5

1=Not important, 2=Little Important, 3=Moderate, 4=Important, 5. Very important.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
10	100.0	4.70	4	5	5

Distribution in number and percentage

Distribution	Not important	Little Important	Moderate	Important	Very Important	Blank	Totals
Number				3	7		10
Percentage				30.0	70.0		100.0

### Questions B2-B12

Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5.

1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult.

*Sorted by the average*

Steps/ Situations	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Unfair competition	10	100.0	4.7	2	5	5
Obtaining financial resources	10	100.0	4.6	4	5	5
Administrative bureaucracy	10	100.0	4.6	4	5	5
Business information	10	100.0	3.8	3	5	4
Taxes and contributions	10	100.0	3.7	3	4	4
Ensuring premises	10	100.0	3.7	2	5	4
Custom duties	10	100.0	3.6	3	4	4
Business initiative	10	100.0	3.5	3	4	4
Finding qualified staff	10	100.0	3.4	2	4	4
Business registration procedures	10	100.0	3.3	2	5	4
Geographic location	10	100.0	3.0	2	4	4
<b>B2-B12 mean</b>			<b>3.8</b>	<b>3.4</b>	<b>4.2</b>	<b>4.1</b>

### Questions B13

In your opinion is it necessary to make further legal improvements for the promotion of the business?

Location	NO	YES	Don't know	Blank	Total
Number	0	10	0	0	10
Percentage		100.0			100.0

Questions B15-20

If YES, in which of the following (please give short comments):

Laws to be improved	Selected	
	In number	In %
Taxation & custom duties regulations	8	80.0
Law on competition	8	80.0
Employment legislation	5	50.0
Law on companies	4	40.0
Contribution regulations	3	30.0
<b>At least one change must be done</b>	<b>10</b>	<b>100.0</b>

Questions B21-29

How do you consider the following factors to run a business in Albania? Evaluation in a scale of 1-5.

1=No problem at all, 2=Small problem, 3=Moderate problem, 4=Severe problem, 5=Very Severe

*Sorted by the average*

FACTORS	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Insufficient credit facilities	10	100.0	4.8	3	5	5
Lack of public order	10	100.0	4.8	4	5	5
Frequent laws & regulation changes	10	100.0	4.6	4	5	5
Frequent government changes	10	100.0	3.9	2	5	4
Complicated procedures of taxes, etc	10	100.0	3.7	2	5	4
Non transparency of laws & regulat.:	10	100.0	3.7	2	5	4
High level of the shadow economy	9	90.0	3.7	3	4	4
Continued intervention of the Government in the economy	10	100.0	3.6	2	5	4
Lack of qualified labor	10	100.0	3.5	2	4	4
<b>B21-B29 mean</b>	<b>10</b>	<b>100</b>	<b>4.0</b>	<b>3.3</b>	<b>4.4</b>	<b>4.2</b>

Questions B31-B37

What of the following areas of SME promotion you consider important?

Promotion areas	Number	Percentage
Market information	10	100.0
Financial Advise	10	100.0
Advice on starting the business	9	90.0
Legal assistance	9	90.0
Management assistance	8	80.0
Preparation of the business plan	8	80.0
Marketing:	8	80.0
<b>Total interviews</b>	<b>10</b>	<b>100.0</b>

Questions B39

In your opinion, how do you consider the professional level of the civil servants in contact with the business requirements? Evaluation in scale 1-5.

1= Very poor, 2= Poor, 3= Moderate, 4= Good, 5. Very good.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
10	100.0	2.3	1	3	3

Distribution in number and percentage

Distribution	Very Poor	Poor	Moderate	Good	Very good	Blank	Totals
Number	2	3	5				10
Percentage	20.0	30.0	50.0				100.0

Questions B40

How is the impact of frequent staff changes of public administration on the quality of services provided by civil servants? Evaluation in scale 1-3.

1= Positive, 2= Not Important, 3= Negative

Negative	100% (10 answers)
----------	-------------------

Questions B41

Are the changes in business legislation technically oriented?

Location	NO	YES	Don't know	Blank	Total
Number	4		6		10
Percentage	40.0		60.0		100.0

Questions B42-B47

If B41=NO (changes in business legislation are not technically oriented), then based on your opinion and experience, which is the reason?

	Number	Percentage
Influence of international organizations	4	100.0
Political interests of the party in power:	3	75.0
Pressure by different business unions and associations	3	75.0
Economic interests of people in the government	2	50.0
Pressure from extra-government groups	2	50.0
<b>Total of B41=NO</b>	<b>4</b>	<b>100.0</b>

Questions B48

Do you feel that opinions of entrepreneurs and business associations are taken into consideration in changes made in business legislation?

Location	NO	YES	Don't know	Blank	Total
Number	4	3	3		10
Percentage	40.0	30.0	30.0		100.0

Questions B49

How do you consider the changes of the government structures (merging ministries or splitting up) regarding the impact on business environment? Evaluation in scale 1-3.

1= Unnecessary, 2= Necessary, 3= Very important

COUNT	Count %	AVERAGE	MIN	MAX	MODE
10	100.0	1.8	1	2	2

Distribution in number and percentage

Distribution	Unnecessary	Necessary	Very important	Blank	Totals
Number	2	8			10
Percentage	20.0	80.0			100.0

Questions B50

In your opinion, is there any overlapping of competencies between different governmental institutions? If YES specify.

Location	NO	YES	Don't know	Blank	Total
Number	1	6	3		10
Percentage	10.0	60.0	30.0		100.0

Two from six answer YES, have specified overlapping of competencies between:

- Min. of Economic Corporation and Trade (MECT) and Min. of Finance
- MECT and Directory of Emergency Projects under Council of Ministers.

Questions B52

In your opinion which steps should be taken by the government in concrete terms, to promote the private sector?

1. Strengthening of the credit system 7 here
2. Stabilisation in the public order 7 here
3. Increasing the managerial qualification 4 here
4. Further liberalisation of the economy and its privatisation 2 here
5. Clear, applicable and accepted legal framework
6. The foreign investments should have some preferences by the law

7. The laws should be clear and not with contradictions with the previous laws
8. Approving a SME strategy
9. The consultants should participate more during the drafting process of the laws
10. Stopping the smuggling, verification of the custom bills and invoices through specialised authorities
11. The government should have policies which help the development of the private sector as well as simplification of the registration procedures for the businesses
12. The government is in the arbiter role
13. Reviewing the fiscal laws and decreasing custom tariffs
14. Reviewing the law on competition
15. Increase the sustainability of the legal framework
16. The custom duties for imported food should be very low
17. Adopt laws which support the private sector
18. Contribute in decreasing the tax evasion which creates the conditions for unfair competition

### Annex 4.3: BUSINESS ASSOCIATION

#### Question A2

Where does your headquarter locate?

No.	Place of location	Number	Percentage
1.	In Tirana	12	46.2
2.	Out of Tirana	14	53.8
	<b>Total</b>	<b>26</b>	<b>100.0</b>

#### Question A7

Where does your institution/ agency operate?

No.	Region of Operation	Number	Percentage
1.	Only in Tirana	2	7.7
2.	Only out of Tirana	14	53.8
3.	In Tirana and main cities	4	15.4
4.	In all districts	6	23.1
	<b>Total</b>	<b>26</b>	<b>100.0</b>

#### Question A8

Type of association/ institution?

No.	Type of association	Number	Percentage
1.	Membership:	26	100.0
2.	Non-membership:	0	0.0
	<b>Total</b>	<b>26</b>	<b>100.0</b>

#### Question A10

How much is the annual membership fee

COUNT	Count %	AVERAGE	MIN	MAX	MEDIAN
23	88.5	13,700	3,000	25,000	10,000

Question A11

Do the members pay other costs?

Location	NO	YES	Blank	Total
Tirana – Count:	6	5	1	12
Out of Tirana – Count:	5	8	1	14
<b>Total</b>	<b>11</b>	<b>13</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:	50.0	41.7	8.3	100.0
Out of Tirana – Percentage:	35.7	57.1	7.1	100.0
<b>Total</b>	<b>42.3</b>	<b>50.0</b>	<b>7.7</b>	<b>100.0</b>

Question A12

If A11=YES please specify which are other costs?

- |  |
|--|
| <ol style="list-style-type: none"><li>1. Certificate of origin for export, verbal note</li><li>2. Donations for separate activities</li><li>3. At the end of the year they pay 2% of the profits , they are called contributions</li><li>4. Participation in the fairs</li><li>5. For the service offered due to the tariffs</li><li>6. Services for business plans, assistance and visas</li><li>7. Specific services (training , visas, etc)</li><li>8. Tariffs for extra services realised by the Chamber of Commerce</li></ol> |
|--|

Question A13

What have been the major accomplishments of the organization?

No.	Major Accomplishments	In number	In %
1.	Positive impact on the government policies concerning agriculture	6	25.0
2.	International relations	5	20.8
3.	Special services and promotion for the membership	5	20.8
4.	Negotiations with the government	4	16.7
5.	Institutional cooperation with some ministries	4	16.7
	<b>Total of major accomplishments mentioned</b>	<b>24</b>	



Question A14

How members and clients have benefited? If possible, express the benefits in quantitative terms?

300
On visa issuing for all members, for information all other interested
All members 160
Intermediations about visits in international fairs and visas 35
Certificates of origin 30; Consulting and assistance 60
Over 1000 persons
Juridical Persons about 80 subjects and over 100 physical persons
40% e P.J and 10% e P.F
We have tried to provide every service possible to each of the members
All those asking for services
400
Many
37 members
15 members
25 members
40
All members of AMPA
Improvements on the law on taxation upon profit
Agreement and national and international protocols(for e g CONFIDI-ALBANIA)
Most of the members have profited in :
Visa issuing to go abroad on business purposes
Various information on trade as offer and supply, etc
The Orphanage of Korca, about 40 people with 200,000 lek

Question A15-26

Please specify the groups/sectors for your members

Sectors	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
State sector members	26	100.0	3	0	20	0
Private sector members	26	100.0	205	0	1338	0
<b>TOTAL number of members</b>	<b>26</b>	<b>100.0</b>	<b>208</b>	<b>0</b>	<b>1338</b>	<b>0</b>

Question A27-30

Size of association

Criterion of size	COUNT	Count in %	AVERAGE	MIN	MAX	MEDIAN
Number of total employees	19	73.1	15.3	1	100	5
Number of Managerial Staff:	18	69.2	4.0	1	11	3
Annual Budget (expenses):	18	69.2	4,862,400	30000	32,000,000	5,110,000
Total Annual Income	19	73.1	4,908,700	11500	32,000,000	5,830,000

Question A31-A36

Sources of income in percentage

Sources of Income	COUNT	Count in %	AVERAGE	MIN	MAX	MEDIAN
Membership fees	23	88.5	83.9	0	100	92
Fees for services	23	88.5	11.8	0	70	8
Earned income	23	88.5	1.5	0	30	0
Other grants	23	88.5	2.9	0	50	0

Question A37-A40

Does your organization have government liaison in the following directions?

Fields of relationship <i>(percentages are from total of 26 interviews)</i>	Count of YES		Count of MAIN	
	Number	%	Number	%
1. Representation on different meetings/events	22	84.6	4	15.4
2. Monitoring of legislation/ policies	18	69.2	5	19.2
3. Lobbying	7	26.9	0	0.0
4. Other miscellaneous	5	19.2	1	3.8

Question A41-A52

What services provide your association. Please select the main services

Services provided <i>(percentages are from total of 26 interviews)</i>	Count of YES		Count of MAIN	
	Number	%	Number	%
1. Trade Promotion (fairs, exhibitions, etc.)	24	92.3	8	30.8
2. General business counseling:	24	92.3	7	26.9
3. Library/ information facilities:	23	88.5	13	50.0
4. Workshop, seminars, conferences	21	80.8	8	30.8
5. Newsletters/ other publications	20	76.9	8	30.8
6. Technical training program	17	65.4	6	23.1
7. Management training programs	17	65.4	8	30.8
8. Brokering/ subcontracting exchange:	7	26.9	2	7.7
9. Technology identification	5	19.2	0	0.0
10. Other miscellaneous	5	19.2	1	3.8
11. Micro-finance	0	0.0	0	0.0

Question A53

How do you consider the relations of your business association with the local government? Evaluation in scale 1-5

1= Very bad, 2= Bad, 3= Normal, 4= Good, 5. Very good.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
24	92.3	3.4	2	5	3
Only in Tirana		3.1	3	4	3
Only out of Tirana		3.6	2	5	3

Distribution in number and percentage

Location	Very Bad	Bad	Normal	Good	Very Good	Blank	Total
Tirana – Count:			10	1		1	12
Out of Tirana – Count:		1	6	3	3	1	14
<b>Total</b>	<b>0</b>	<b>1</b>	<b>16</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:	0.0	0.0	83.3	8.3	0.0	8.3	100.0
Out of Tirana – Percentage:	0.0	7.1	42.9	21.4	21.4	7.1	100.0
<b>Total</b>	<b>0.0</b>	<b>3.8</b>	<b>61.5</b>	<b>15.4</b>	<b>11.5</b>	<b>7.7</b>	<b>100.0</b>

Question A54

How do you consider the relations of your business association with the Central Government? Evaluation in scale 1-5

1= Very bad, 2= Bad, 3= Normal, 4= Good, 5. Very good.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
24	92.3	3.3	2	5	3
Only in Tirana		3.2	3	4	3
Only out of Tirana		3.5	2	5	3

Distribution in number and percentage

Location	Very Bad	Bad	Normal	Good	Very Good	Blank	Total
Tirana – Count:			9	2		1	12
Out of Tirana – Count:		1	7	3	2	1	14
<b>Total</b>		<b>1</b>	<b>16</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:	0.0	0.0	75.0	16.7	0.00	8.3	100.0
Out of Tirana – Percentage:	0.0	7.1	50.0	21.4	14.3	7.1	100.0
<b>Total</b>	<b>0.0</b>	<b>3.9</b>	<b>61.5</b>	<b>19.2</b>	<b>7.7</b>	<b>7.7</b>	<b>100.0</b>

Question A55

Do the government institutions draw your opinion in case they are dealing with the SME-s problems?

Location	NO	YES	Blank	Total
Tirana – Count:	6	6		12
Out of Tirana – Count:	7	6	1	14
<b>Total</b>	<b>13</b>	<b>12</b>	<b>1</b>	<b>26</b>
Tirana –Percentage:	50.0	50.0	0.0	100.0
Out of Tirana – Percentage:	50.0	42.9	7.1	100.0
<b>Total</b>	<b>50.0</b>	<b>46.2</b>	<b>3.9</b>	<b>100.0</b>

Question A56-60

If A55=NO, this is because what of the followings?

No.	Major Accomplishments	In number	In %
1.	Lack of interest from the government	12	92.3
2.	Conflicts between business associations and government	5	38.5
3.	Corruption inside government institutions	2	15.4
4.	Lack of information by the members of the association	1	7.7
5.	Your indifference	0	0.0
	<b>Total of A55=NO</b>	<b>13</b>	<b>100.0</b>

Question A61

Please explain shortly, which are the main problems your members are facing in their business.

No.	Main problems	In number	In %
1.	Very poor credit resources	11	17.7
2.	Unfair competition, false products	8	12.9
3.	The lack of public order	7	11.3
4.	Free movement abroad on business purposes	7	11.3
5.	Very weak infrastructure	4	6.5
6.	Corruption in taxation and customs	4	6.5
7.	Heavy fiscal burden to small and initial business	4	6.5
8.	Problems of inner organization	4	6.5
9.	Specific problems of the sector	4	6.5
10.	Contraband	4	6.5
11.	The legislation design and improving amendments	3	4.8
12.	Unclearness in land ownership	2	3.2
	<b>Total of main problems mentioned</b>	<b>62</b>	<b>100.0</b>

Question B1

In your opinion, are the business associations active enough in the process of the SME-s development?

Location	NO	YES	Blank	Total
Tirana – Count:	1	10	1	12
Out of Tirana – Count:	6	7	1	14
<b>Total</b>	<b>7</b>	<b>17</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:	8.3	83.3	8.3	100.0
Out of Tirana – Percentage:	42.9	50.0	7.1	100.0
<b>Total</b>	<b>26.9</b>	<b>65.4</b>	<b>7.7</b>	<b>100.0</b>

Questions B2-B6

If the answer of B1 = NO, which might be the reason?

Possible reasons	Selected	
	Count	%
1. Lack of information for the barriers their members are facing	6	85.7
2. Low interest of government on business associations	6	85.7
3. Lack of qualified staff working in such associations	4	57.1
4. Lack of motivation of business association	4	57.1
5. Others	2	28.6
<b>Number of B1 = NO</b>	<b>7</b>	<b>100.0</b>

Questions B7-B17

Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5.

1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult.

*Sorted by the average*

Steps/ Situations	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Obtaining financial resources	24	92.3	4.9	4	5	5
Unfair competition	24	92.3	4.6	2	5	5
Administrative bureaucracy	24	92.3	4.5	3	5	5
Taxes and contributions	24	92.3	4.0	3	5	4
Custom duties	23	88.5	4.0	3	5	4
Business initiative	24	92.3	3.5	2	5	3
Business information	24	92.3	3.5	2	5	4
Geographic location	24	92.3	3.5	1	5	3
Finding qualified staff	24	92.3	3.5	2	5	3
Ensuring premises	23	88.5	3.4	1	5	3
Business registration procedures	24	92.3	3.3	2	5	3
<b>B7-B17 mean</b>	<b>24</b>	<b>92.3</b>	<b>3.9</b>	<b>3.4</b>	<b>4.7</b>	<b>4.0</b>

Question B18

In your opinion is it necessary to make further legal improvements for the promotion of the business?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:		11		1	12
Out of Tirana – Count:		12	1	1	14
<b>Total</b>		<b>23</b>	<b>1</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:		91.7	0.0	8.3	100.0
Out of Tirana – Percentage:		85.7	7.1	7.1	100.0
<b>Total</b>		<b>88.5</b>	<b>3.8</b>	<b>7.7</b>	<b>100.0</b>

Question B19-24

Where further legal improvements are necessary?

Laws to be improved	Selected	
	In number	In %
Taxation & custom duties regulations	19	82.6
Law on competition	13	56.5
Employment legislation	8	34.8
Contribution regulations	7	30.4
Law on companies	4	17.4
Others	2	8.7
<b>At least one change must be done (B18 = YES)</b>	<b>23</b>	<b>100.0</b>

Laws to be improved	Main improvements to be done	No.	%
Taxation & custom duties regulations	1. Decreasing the custom duties and the VAT	9	39.1
	2. Removing custom duties for the imported machinery	3	13.0
	3. Alleviation of the tax evasion	3	13.0
	4. Simplifying and precise the laws	3	13.0
Law on competition	1. Improving the enforcement of the law	5	21.7
	2. High penalties for not following the law.	2	8.7
	3. Strong control on the law enforcement	2	8.7
<b>B18 = YES</b>		<b>23</b>	<b>100.0</b>

Questions B25-33

How do you consider the following factors to run a business in Albania? Evaluation in a scale of 1-5.

1=No problem at all, 2=Small problem, 3=Moderate problem, 4=Severe problem, 5=Very Severe

*Sorted by the average*

FACTORS	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Insufficient credit facilities	24	92.3	4.8	4	5	5
Lack of public order	24	92.3	4.6	3	5	5
High level of the shadow economy	22	84.6	4.5	3	5	5
Frequent laws & regulation changes	24	92.3	4.0	2	5	5
Frequent government changes	24	92.3	3.9	2	5	5
Complicated procedures of taxes, etc	23	88.5	3.6	2	5	3
Non transparency of laws & regulat.:	24	92.3	3.5	1	5	5
Continued intervention of the Government in the economy	22	84.6	3.2	1	5	3
Lack of qualified labor	23	88.5	2.7	1	5	3
<b>B25-B33 mean</b>	<b>24</b>	<b>92.3</b>	<b>3.9</b>	<b>3.0</b>	<b>5.0</b>	<b>4.0</b>

Questions B34

Please specify Continued intervention of the Government in the economy.

No.	Main interventions	In number	In %
1.	Often changes of the legislation destabilize the business activities and disorient long term objectives	4	22.2
2.	Intervention of the government in the economy sometime is against the principles of the free market economy (for instance the law which prohibits the import of tires for recuperation, the law for trading petroleum)	4	22.2
3.	Aid management for economic development, etc	2	11.1
4.	Low tariffs for wheat, flour, and food	2	11.1
5.	The ministries should not appoint the secretary of the Chambers of Commerce in order to increase their independence.	2	11.1
6.	Government intervention in approving decisions and other orders which have deviations from the laws. (ex. custom code)	1	5.5
7.	The land ownership is still not solved	1	5.5
	<b>Total of main interventions mentioned</b>	<b>18</b>	<b>100.0</b>

Questions B35-42

On the bases of your experience of the feedback of your members, what kind of assistance does SME-s need actually?

Almost all interviewees have answered that SME-s need assistance on

1. Advice on starting the business
2. Legal assistance
3. Management assistance
4. Market information
5. Preparation of the business plan
6. Financial Advise:
7. Marketing
8. Others

Question B43

In your opinion, how do you consider the professional level of the civil servants in contact with the business requirements? Evaluation in scale 1-5

1= Very poor, 2= Poor, 3= Moderate, 4= Good, 5. Very good.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
24	92.3	2.8	1	4	4
Only in Tirana		2.9	1	4	4
Only out of Tirana		2.7	1	4	3

Distribution in number and percentage

Location	Very poor	Poor	Moderate	Good	Very Good	Blank	Total
Tirana – Count:	1	3	3	4		1	12
Out of Tirana – Count:	2	3	4	4		1	14
<b>Total</b>	<b>3</b>	<b>6</b>	<b>7</b>	<b>8</b>		<b>2</b>	<b>26</b>
Tirana –Percentage:	8.3	25.0	25.0	33.3	0.0	8.3	100.0
Out of Tirana – Percentage:	14.3	21.4	28.6	28.6	0.0	7.1	100.0
<b>Total</b>	<b>11.5</b>	<b>23.1</b>	<b>26.9</b>	<b>30.8</b>	<b>0.0</b>	<b>7.7</b>	<b>100.0</b>



Question B44

How is the impact of frequent staff changes of public administration on the quality of services provided by civil servants? Evaluation in scale 1-5

1= Positive, 2= Not Important, 3= Negative.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
24	92.3	2.8	1	4	4
Only in Tirana		2.9	1	4	4
Only out of Tirana		2.8	1	4	4

Distribution in number and percentage

Location	Positive	Not Important	Negative	Blank	Total
Tirana – Count:		1	10	1	12
Out of Tirana – Count:		2	11	1	14
<b>Total</b>		<b>3</b>	<b>21</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:		8.3	83.3	8.3	100.0
Out of Tirana – Percentage:		14.3	78.6	7.1	100.0
<b>Total</b>		<b>11.5</b>	<b>80.8</b>	<b>7.7</b>	<b>100.0</b>

Question B45

Are the changes in business legislation technically oriented?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	6	4	1	1	12
Out of Tirana – Count:	5	2	6	1	14
<b>Total</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>2</b>	<b>26</b>
Tirana –Percentage:	50.0	33.3	8.3	8.3	100.0
Out of Tirana – Percentage:	35.7	14.3	42.9	7.1	100.0
<b>Total</b>	<b>42.3</b>	<b>23.1</b>	<b>26.9</b>	<b>7.7</b>	<b>100.0</b>

Questions B46-51

If B45=NO (changes in business legislation are not technically oriented), then based on your opinion and experience, which is the reason? :

	Number	Percentage
Economic interests of people in the government:	8	72.7
Political interests of the party in power	7	63.6
Pressure from extra-government groups	5	75.0
Influence of international organizations	4	36.4
Pressure by different business unions and associations	2	18.2
<b>Total of B45=NO</b>	<b>11</b>	<b>100.0</b>

Question B52

In your opinion which steps should be taken by the government in concrete terms, to promote the private sector:

- |  |                |
|--|----------------|
| 1. The land disputes should be finalised   | <b>2</b>       |
| 2. Improving partnerships with the business associations   | <b>2</b>       |
| 3. Decrease custom tariffs and other taxes (VAT and profit tax) to give incentives to the businesses   | <b>4 times</b> |
| 4. Strengthening the short term and long term credits through out the country  | <b>9</b>       |
| 5. Credit facilities for SME-s   | <b>7</b>       |
| 6. Improving the infrastructure trough new investments   | <b>7</b>       |
| 7. Removing visa procedures for the businessmen  | <b>5</b>       |
| 8. Strengthening the public order and increasing the investments safety  | <b>10</b>      |
| 9. Speeding up the registration of the real estate   | <b>2</b>       |
| 10. Improvement of the fiscal legislation  | <b>2</b>       |
| 11. Legal package for the promotion of the SME-s   | <b>2</b>       |
| 12. Co-operation, assistance, projects for the business associations   |                |
| 13. Improving the performance of the courts in the implementation of the law   |                |
| 14. Weakening the government intervention to the private sector  |                |
| 15. Protect the private business from the unfair competition   |                |
| 16. Protection of the domestic production, protectionism through imposing custom duties higher than for the domestic production  |                |
| 17. Increase the motivation of the civil servants to perform their tasks   |                |
| 18. Assistance for the new businesses  |                |
| 19. Improvement of the law for the chambers of commerce, SME promotion through a special law   |                |
| 20. Creation incentives for investments  |                |
| 21. For investments in the production and construction sector the government should create special incentives through lower custom duties and taxes for such investments |                |
| 22. The government should consider the private sector as a counterpart   |                |
| 23. Custom duties should create incentives for the new technologies  |                |
| 24. Combating corruption in the public administration and in the custom and tax offices  |                |
| 25. Strengthening the role of the Chambers of Commerce through the law implementation  |                |
| 26. Co-ordination of the credit facilities for the small businesses  |                |
| 27. Liberal policy in favour of the small businesses   |                |
| 28. Speed up the privatisation process for the remaining state owned enterprises   |                |
| 29. Give incentives to the foreign investments   |                |
| 30. Establish a good dialogue between the decision-making institutions, implementation institutions and the representatives of the private sector                        |                |
| 31. Considering the opinion of the private businesses in the legislation   |                |
| 32. Give the necessary importance to the BOBSH in realising the national and regional projects   |                |

## Annex 4.4: CONSULTANTS

### Question A7

Where does your institution/ agency operate?

No.	Place of Operation	Number	Percentage
1.	Only in Tirana	4	18.2
2.	Only out of Tirana	8	36.4
3.	In Tirana and main cities	4	18.2
4.	In all districts	6	27.3
	<b>Total</b>	<b>22</b>	<b>100.0</b>

### Question A8

In case you are operating only in Tirana or in a few cities, do you have any plan to start soon operating in other cities?

Location	NO	YES	Don't know	Blank	Total
Number	6	8	3	5	22
Percentage	27.3%	36.4%	13.6%	22.7%	100.0%

### Question A9

If A8 = NO (there is not any plan to start soon operating in other cities), please specify your main reasons.

	Number	Percentage
Lack of financial and human resources	6	42.9
It is still soon for starting	1	
It is restricted by the organization's mission which covers only the middle part of Albania	1	
There is difficult to operate	1	
The actual status of operation is too wide	1	
Most of the clients are concentrated in Tirana and Elbasan	1	
Answers without any interest	3	21.4
<b>Total of B41=NO</b>	<b>14</b>	<b>100.0</b>

### Question A10

Number of employees (managerial included)

COUNT	Count %	AVERAGE	MIN	MAX	MEDIAN
20	90.9	12	2	60	5.5

Questions A11-A19

What services your company provides and which are the main ones?

Services (Percentages from 22 consultant companies/ inst.)	All services available		Main Services from total
	Number	%	
1. Tax and legal services	18	81.8	7
2. Training	17	77.3	10
3. Feasibility studies	15	68.2	8
4. Business evaluation	14	63.6	10
5. Investment & technology consulting	14	63.6	7
6. Business information:	14	63.6	8
11. Auditing and accounting:	13	59.1	4
12. Company restructuring:	13	59.1	7

Question 20

How many clients do you have from the business community?

COUNT	Count %	AVERAGE	MIN	MAX	MEDIAN
18	81.8	148	10	850	105

Questions 21-23

Questions	NO		YES		Total answers	
	No.	%	No.	%	No.	%
Are your clients regular or not?	7	35.0	13	65.0	20	100.0
Do you change your services' tariffs more than once a year	14	70.0	6	30.0	20	100.0
Are the tariffs market-determined or there is any legal stipulation?	7	33.3	14	66.7	21	100.0

Question B1

In your opinion is there any comparative advantage to start a business in Albania compared to Countries in Western Europe?

Location	NO	YES	Don't know	Blank	Total
Number	9	11	1	1	22
Percentage	40.9%	50.0%	4.5%	4.5%	100.0

Question B2

In your opinion is there any comparative advantage to start a business in Albania compared to Countries in Central and Eastern Europe?

Location	NO	YES	Don't know	Blank	Total
Number	6	15		1	22
Percentage	27.3	68.2	0.0	4.5	100.0

### Question B3

If B1 or B2 is YES, please specify.

Advantages	Number	Percentage
Cheaper labor	6	30.0
Satisfactory resources	5	25.0
The demand higher than the existing supply	4	20.0
There are half finished assets at a lower price	2	10.0
Sustainable business and business culture	1	5.0
Favorable geographical position	1	5.0
Low competition level	1	5.0
<b>Total number of advantages mentioned</b>	<b>20</b>	<b>100.0</b>

### Questions B4-B14

Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5.

1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult.

*Sorted by the average*

Steps/ Situations	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Unfair competition	20	90.9	4.6	4	5	5
Obtaining financial resources	22	100.0	4.6	4	5	5
Administrative bureaucracy	22	100.0	4.4	3	5	4
Business information	22	100.0	3.9	3	5	4
Custom duties	21	95.5	3.6	3	4	4
Taxes and contributions	22	100.0	3.6	3	5	3
Business registration procedures	22	100.0	3.4	1	5	4
Finding qualified staff	22	100.0	3.4	2	5	3
Ensuring premises	22	100.0	3.2	2	5	4
Business initiative	21	95.5	2.9	2	4	3
Geographic location	22	100.0	2.6	1	5	3
<b>B4-B14 mean</b>	<b>22</b>	<b>100.0</b>	<b>3.7</b>	<b>3.1</b>	<b>4.2</b>	<b>4.0</b>

### Questions B15

In your opinion is it necessary to make further legal improvements for the promotion of the business?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:		12	1		13
Out of Tirana – Count:		9			9
<b>Total</b>		<b>21</b>	<b>1</b>		<b>22</b>
Tirana –Percentage:		92.3	7.7		100.0
Out of Tirana – Percentage:		100.0	0.0		100.0
<b>Total</b>		<b>95.5</b>	<b>4.5</b>		<b>100.0</b>

Question B16-21

Where further legal improvements are necessary?

Laws to be improved	Selected	
	In number	In %
-Taxation & custom duties regulations	18	85.7
Law on competition	12	57.1
Employment legislation	11	52.4
Contribution regulations	7	33.3
Law on companies	6	28.6
Others	1	4.8
<b>At least one change must be done (B15 = YES)</b>	<b>21</b>	<b>100.0</b>

Laws to be improved	Main improvements to be done	No.	%
Taxation & custom duties regulations	1. Remove the custom duties on imported machinery for production	4	19.0
		4	19.0
	2. Simplification and precise of the laws	3	14.3
	3. Decreasing of taxes and custom duties	2	9.5
Law on competition	4. Promotion of the domestic production		
	1. To create chances for a fair competition	5	23.8
	2. Enforce the other laws	3	14.3
Employment legislation	3. Establish necessary organs to control the law enforcement	2	9.5
	1. Law enforcement and decreasing the shadow labour market	6	28.8
Contribution regulations	2. The law is in favour more to the employees	1	4.8
	1. The contributions should decrease	6	28.8
Law on companies	1. The law seems to be with some confusions and not practical	2	9.5
<b>B15 = YES</b>		<b>21</b>	<b>100.0</b>

Questions B22-30

How do you consider the following factors to run a business in Albania? Evaluation in a scale of 1-5.

1=No problem at all, 2=Small problem, 3=Moderate problem, 4=Severe problem, 5=Very Severe

*Sorted by the average*

FACTORS	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Insufficient credit facilities	22	100.0	4.7	3	5	5
Lack of public order	22	100.0	4.7	3	5	5
Frequent laws & regulation changes	22	100.0	4.2	2	5	5
High level of the shadow economy	22	100.0	4.2	2	5	5
Frequent government changes	22	100.0	3.8	2	5	3
Non transparency of laws & regulat.:	22	100.0	3.8	1	5	5
Lack of qualified labor	22	100.0	3.2	1	5	4
Complicated procedures of taxes, etc	22	100.0	3.1	1	5	3
Continued intervention of the Government in the economy	22	100.0	2.9	1	5	3
<b>B22-B30 mean</b>	<b>22</b>	<b>100.0</b>	<b>3.9</b>	<b>3.0</b>	<b>4.7</b>	<b>3.4</b>

Questions B31

Please specify continued intervention of the Government in the economy

1. The government is still unable to ensure the public the order in the country, it is product of an unfair political game which is more conducted by short term economic interests than by long term objectives
2. The fiscal system (frequent changes of the laws and not in favor of the businesses)
3. Implementation of the laws is not correct. Arbitrarily of the tax and customs organs
4. In general there is a small intervention, mainly by often changes of the fiscal laws
5. Although everything is liberalized and the legal framework already exists, the implementation is poor.
6. The government is still not able to play the regulatory role in economy
7. The government should ensure the implementation of the laws regardless the laws quality
8. The most difficult problem is the lack of the public order
9. The government should intervene through regulatory mechanisms 4 times
10. We are for a strong intervention of the government in the economy, but only in the right direction helping the domestic firms and not creating facilities for the imports as it is currently happening.
11. Unfair competition
12. Complicated legal procedures
13. There exist bureaucratic administrative intervention
14. Personal interests of the people in government often are reflected in unnecessary changes of the laws which have an impact to the businesses
15. The government should inform the businesses for the programs it has with other donors, which does effect these businesses. For instance, flour producers are right when proposing that if there are grants to be given in Albania these grants should come for wheat, not for flour, because the domestic firms will be destroyed.
16. It is a surprising event the grant of the Greek government to bring eggs and peaches in Albania. This grant has a very bad impact to the eggs and peaches producers in Albania. The government should help the businesses to find new markets for their production and not to narrow even the existing market. Under the grant schemes for the food the businesses could go bankrupt and could totally be destroyed as long as their production quality is far from the EU standards for exports.

Questions B32-B39

Based on your experience, what kind of assistance does SME-s need actually?

Promotion areas	Number	Percentage
Market information	21	95.5
Preparation of the business plan	21	95.5
Financial Advise	21	95.5
Management assistance	21	95.5
Advice on starting the business	18	85.7
Marketing	17	80.9
Legal assistance	16	76.2
<b>Total interviews</b>	<b>22</b>	<b>100.0</b>

Questions B40

Do you think that the existing consulting institutions/companies fulfill all the needs the SME-s has for assistance?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	8		5		13
Out of Tirana – Count:	7	1	1		9
<b>Total</b>	<b>15</b>	<b>1</b>	<b>6</b>		<b>22</b>
Tirana –Percentage:	61.5	0.0	38.5		100.0
Out of Tirana – Percentage:	77.8	11.1	11.1		100.0
<b>Total</b>	<b>68.2</b>	<b>4.5</b>	<b>27.3</b>		<b>100.0</b>



Questions B41

If B41 = NO, please specify what should be improved?

1. The consulting companies should increase their quality and they should have more access to the existing information network.
2. The consultants should more present and close to the needs of the private businesses.
3. The government and donors should support the consultants more.
4. The regional business agencies are left aside, and if not supported in the future they will be eliminated.
5. The MoECT should consider the consultants as partners not competitors.
6. Institutionalization of the consulting companies
7. Lack of financial sources
8. There are not consulting companies in all the country
9. Lack of qualifies specialists
10. There should be more consulting companies in the country
11. Financial support for RDA and further qualification of their staff
12. Besides our full commitment , there should be improved the legal assistance, information about the markets and the credit system, because it is impossible to have good consultants without good performance of all these elements
13. Because of the lack of credits the services provide by the consultants does not continue
14. It is a necessity the establishment of a guarantee fund for the existing banks in Albania, which will help in credit reimbursement.
15. The consultants' activities should cover all the territory.
16. Market research in national and local level
17. Albanian entrepreneurs are not used to take advantages of specialized consulting services. This reality comes mainly from traditional, economic and cultural reasons.
18. The number of consulting companies operating in the legal field should be increased.
19. The consultants are more concentrated in Tirana and in some districts they are nonexistent.
20. The entrepreneurs still are not aware of the advantages of the consulting services
21. There are only a few consulting companies and the entrepreneurs still are not aware of the advantages of the consulting services. Also, the number of such firms is very law in out of capital cities.
22. Not all the consulting companies have the necessary information and staff to provide a specialized service.
23. Banks and SME-s should use more the consulting companies during their negotiations.

Questions B42

Are the changes in business legislation technically oriented?

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	7	3	3		13
Out of Tirana – Count:	8	1			9
<b>Total</b>	<b>15</b>	<b>4</b>	<b>3</b>		<b>22</b>
Tirana –Percentage:	53.8	23.1	23.1		100.0
Out of Tirana – Percentage:	88.9	11.1	0.0		100.0
<b>Total</b>	<b>68.2</b>	<b>18.2</b>	<b>13.6</b>		<b>100.0</b>

### Questions B43

If B42=NO (changes in business legislation are not technically oriented), then based on your opinion and experience, which is the reason?

	Number	Percentage
Economic interests of people in the government	13	86.7
Political interests of the party in power:	13	86.7
Influence of international organizations	7	46.7
Pressure by different business unions and associations	4	26.7
Pressure from extra-government groups	0	0
<b>Total of B42=NO</b>	<b>15</b>	<b>100.0</b>

### Questions B49

How do you consider the changes of the government structures (merging ministries or splitting up) regarding the impact on business environment? Evaluation in scale 1-3.

1= Negative, 2= No effect, 3= Positive

COUNT	Count %	AVERAGE	MIN	MAX	MODE
22	100.0	1.4	1	3	1

Distribution in number and percentage

Distribution	Negative	No effect	Positive	Blank	Totals
Tirana – Count:	10	2	1		13
Out of Tirana – Count:	4	5			9
<b>Total</b>	<b>14</b>	<b>7</b>	<b>1</b>		<b>22</b>
Tirana –Percentage:	76.9	15.4	7.7		
Out of Tirana – Percentage:	44.4	55.6	0.0		
<b>Total</b>	<b>63.6</b>	<b>31.8</b>	<b>4.5</b>		<b>100.0</b>

Questions B50

In your opinion, is there any overlapping of competencies between different governmental institutions? If YES specify.

Location	NO	YES	Don't know	Blank	Total
Tirana – Count:	1	11	1		13
Out of Tirana – Count:	1	3	5		9
<b>Total</b>	<b>2</b>	<b>14</b>	<b>6</b>		<b>22</b>
Tirana –Percentage:	7.7	84.6	7.7		100.0
Out of Tirana – Percentage:	11.1	33.3	55.6		100.0
<b>Total</b>	<b>9.1</b>	<b>63.6</b>	<b>27.3</b>		<b>100.0</b>

1. In the compensation and restitution problems
2. In the privatization process of the State Owned enterprises
3. Duplication institutions and procedures
4. The procedures for starting a business are spreader out not allowing the interested people where they start and where they end.
5. There are overlapping competence between the MoPEP, MoECT and AEDA
6. There are overlapping competence between the MoPEP, MoECT and AEDA and merging the structures to a Ministry of Finance and Economy would make a more flexible organizational structure.
7. Splitting up and merging the ministries increase the bureaucracy and duplicate the divisions and sectors.
8. There is missing the coordination
9. It is not right to leave out of attention the existing consulting firms by the state while attempting to establish new ones.
10. The existence of three different ministries directly related to the economic development has a negative impact.
11. There are many institutions with the same competencies sometime against the constitution.
12. The tax system sometimes is used to collect other contributions as well as.
13. There is overlapping competencies between the Ministry of Economy, the Ministry of Finance and the ministry for the project coordination.
14. There is overlapping competencies between the institutions in central level and those operating locally.

## Annex 4.5: DONORS

### Question A7

Where does your institution/ agency operate?

No.	Place of Operation	Number	Percentage
1.	Only in Tirana	3	25.0
2.	Only out of Tirana		
3.	In Tirana and main cities	5	41.7
4.	In all districts	4	33.3
	<b>Total</b>	<b>12</b>	<b>100.0</b>

### Question A8

In case you are operating only in Tirana or in a few cities, do you have any plan to start soon operating in other cities?

Location	NO	YES	Don't know	Blank	Total
Number	2	2	1	7	12
Percentage	16.7	16.7	8.3	58.3	100.0

### Question A10

Do you have any special department or arrangement for SME-s in your institution/organization?

Location	NO	YES	Blank	Total
Number	5	6	1	12
Percentage	41.7	50.0	8.3	100.0

### Question A11

Do you have any project for providing credit lines for SME-s in private sector?

Location	NO	YES	Blank	Total
Number	5	7		12
Percentage	41.7	58.3		100.0

Question A17

Please specify the most difficulties you have faced in implementation of the credit lines projects?

Difficulties	Number	Percentage
Week banking system, low performance	5	71.4
Political instability	4	5.7
Public order situation	3	4.2
Inadequate Infrastructure	1	
Reciprocal assurance and understanding	1	
The interest rate and collateral not attractive	1	
Low level of services provided by the established SME Foundation	1	
<b>Total of A11= YES</b>	<b>7</b>	<b>100.0</b>

Question A18

Do you think that your institution's supporting programs for the private sector has been successful in Albania? If YES, explain in a concrete way:

Location	NO	YES	Blank	Total
Number		9	3	12
Percentage		75.0	25.0	100.0

DONORS	PROGRAMS FOR PRIVATE SECTOR
"The project for education development in Albania", Soros Foundation	The project aims in helping the small business with credits to be repaid by school services. It is expected to have 95% repayment rate until the end 1999. This has resulted in a good cooperation of the business with the school
EBRD	We have satisfactory disbursement for Durres Industrial Port
EU Phare Commission Services Delegation in Tirana	A regional business agencies network was established (7 regions, 37 districts) Policy guidelines for SME development were prepared 22 new SME were financially supported A credit department was established in the Saving Bank
GTZ Coordinator	1996-1999-from FEFAD bank (1800 Client)for SME has credit
GTZ-SME Project	32 credits disbursed in a short period, successful business started and supported, support of RDA network, training all over the country
UNDP	Establishment of operational structures to support the acv. Of private sector and in particular SME, Business Center for providing training, technical expertise, information, market surveys etc.
USAID	Under USAID projects there have been projects of technical and managerial assistance for the small businesses as well as for medium ann large businesses.
World Bank	WB programs have been focusing mainly toward restructuring and preparing the privatization of state owned enterprises
World Bank	The Micro-Credit Program was implemented successfully through ADF

Question A21

Do you think that your credit lines are attractive enough for SME-s in Albania?

Location	NO	YES	Blank	Total
Number	3	6	3	12
Percentage	25.0	50.0	25.0	100.0

Question A23

What assistance or services other of financing, has your institution/organization ever provided to the small businesses?

Services	Number	Percentage
Training for the businessmen and business managers	8	66.7
TA to different institutions	7	58.3
Advising and consulting	3	25.0
Business plans, loan applications	2	16.7
Market survey	2	16.7
Procurement	1	8.3
<b>Total of number of interviews</b>	<b>12</b>	<b>100.0</b>

Question A24

Does your institution/ organization have a long term and sustainable strategy in financing and supporting the private sector in Albania?

Location	NO	YES	Blank	Total
Number	4	8		12
Percentage	33.3	66.7		100.0

Question A25

Do you have regular cooperation with the Albanian government for your private sector's supporting programs?

Location	NO	YES	Blank	Total
Number		11	1	12
Percentage		91.7	8.3	100.0

Question A26

Which are the directions this cooperation should be established/improved?

1. Round table meetings to be organized regularly in order to avoid duplications among organizations and to reach synergy or errors
2. Local Government
3. Media
4. Judiciary
5. Through close collaboration and assistance for strategy development, and policy making at governmental level
6. Legal framework, financial services, T. assistance, guarantees, training, etc
7. Strengthening the SME development Sector in the Ministry of Economic Cooperation and Trade
8. The GOA local point for SME-development should be improved/strengthened
9. The establishment of a GoA local point for SME Development and Promotion

Question A27

Do you have regular donors' coordinate meeting to discuss different programs?

Location	NO	YES	Blank	Total
Number	3	9		12
Percentage	25.0	75.0		100.0

Question A28

Do you thing that they should established/ improved?

Location	NO	YES	Blank	Total
Number	2	10		12
Percentage	16.7	83.3		100.0

Question A29

If A28=YES, explain shortly which are the directions this cooperation should be established/improved?

1. Regularly round table meetings-at least quarterly
2. Coordination of activities
3. Giving Information
4. Finding cooperation fields
5. Coordination and evaluation of the projects
6. Donors should consider the opinion of Albanian counterparts
7. The donors meetings should be more realistic and detailed
8. To address the set of bottle necks that affect this sector
9. Establishment of SME development priorities to support by the donors
10. Clear strategy and actions plan from GOA, donors should undertake to support clear parts of this strategy
11. Regular coordination meetings
12. Monitoring of implementation of several programs related to SME development

Question B1

In your opinion is there any comparative advantage to start a business in Albania compared to Countries in Western Europe?

Location	NO	YES	Don't know	Blank	Total
Number	6	3	2	1	22
Percentage	50.0	33.3	8.3	8.3	100.0

Question B2

In your opinion is there any comparative advantage to start a business in Albania compared to Countries in Central and Eastern Europe?

Location	NO	YES	Don't know	Blank	Total
Number	6	4	1	1	22
Percentage	50.0	33.3	8.3	8.3	100.0

Question B3

If B1 or B2 is YES, please specify.

Advantages	Number	Percentage
Young and relatively cheap labor force	3	33.3
Cheap labor market	2	22.2
Albania offers a lot possibilities especially in tourism	2	22.2
Albanian resources	1	11.1
Geographic location	1	11.1
<b>Total number of advantages mentioned</b>	<b>9</b>	<b>100.0</b>

Question B4

In your opinion, how important is a SME-s development strategy to the growth of the country and of your region? Evaluation in a scale of 1-5

1=Not important, 2=Little Important, 3=Moderate, 4=Important, 5. Very important.

COUNT	Count %	AVERAGE	MIN	MAX	MODE
12	100.0	4.2	3	5	4

Distribution in number and percentage

Distribution	Not important	Little Important	Moderate	Important	Very important	Blank	Totals
Number			2	6	4		10
Percentage			16.7	50.0	33.3		100.0



Questions B5-11

Based on your opinion and knowledge, what should be improved to promote SME development in Albania?

What to be improved	Selected		Comments
	Number		
Infrastructure	9	75.0	1. To facilitate the process 2. Immediate 3. Fundamental 4. Immediate task
Public order	9	75.0	1. Important 2. The most important 3. 1 <sup>st</sup> priority 4. The most important
Credit policy	7	58.3	1. More liberal system 2. Fundamental 3. More flexible
Legislation	5	41.7	1. Specific laws for SMEs 2. Fundamental 3. Fair equal transparent implementation of existing laws
Information and other services	5	41.7	1. Centralised & organised 2. Important
Taxation & custom duties regulations	4	33.3	1. Fundamental 2. Implementation of legislation
<b>Total number of interviews</b>	<b>12</b>	<b>100.0</b>	

Question B12

Based on your experience in what directions your institutions foresees to give finances

1. In the future probably small credit lines or micro-credit
2. Democracy building
3. WB priorities are established by general policies of development and restructuring of state sector
4. Technical Assistance
5. In each direction underlined in point 26
6. The American Enterprise Fund has allocated credits and it will allocate credits in the future for the small and medium size businesses
7. TA support for SME development, directly to the entrepreneurs
8. Mainly starts-ups, manufacturing and then services
9. Supporting private initiatives
10. Co-financing of new investment projects
11. All the sectors

Question B13

Do you think any new institution is necessary to facilitate SME development?

Location	NO	YES	Blank	Total
Number	4	4	4	12
Percentage	33.3	33.3	33.3	100.0

Question B14

If any B13=YES, please specify in a short way

1. Agency or foundation through bottom up approach
2. SME Foundation
3. This must come only after institutions from one side and of needs of SME-s to start-up, receive and grow
4. A monitoring and co-ordination institution (not public)

## Annex 4.6: BANKS

### Question A7

Where does your institution/ agency operate?

No.	Place of Operation	Number	Percentage
1.	Only in Tirana	6	50.0
2.	Only out of Tirana		
3.	In Tirana and main cities	4	33.3
4.	In all districts	2	16.7
	<b>Total</b>	<b>12</b>	<b>100.0</b>

### Question A8

In case you are operating only in Tirana or in a few cities, do you have any plan to start soon operating in other cities?

Location	NO	YES	Blank	Total
Number	1	9	2	12
Percentage	8.3	75.0	16.7	100.0

### Question A10-11

Size of bank/ institution:

	COUNT	Count %	AVERAGE	MIN	MAX	MEDIAN
Number of total employees	11	91.7	387.9	12	1985	43
Number of Managerial Staff	9	75.0	16.9	2	60	5

### Question A12

How long, in average, does it take to process a loan application (in months)?

	COUNT	Count %	AVERAGE	MIN	MAX	MEDIAN
Months	8	66.7	1.5	1	3	1

### Question A13

Has it changed over the past 3 years?

	Number	%
No, it has not changed	6	50.0
Yes, it has increased		0.0
Yes, it has decreased	2	16.7
Blank	4	33.3
<b>Total interviews</b>	<b>12</b>	<b>100.0</b>

Question A16

Have you a clearly defined policy for lending to small private firms, especially new firms?

Location	NO	YES	Blank	Total
Number	5	6	1	12
Percentage	41.7	50.0	8.3	100.0

Question A17

Do you provide services other than loans for businesses? If YES specify.

Location	NO	YES	Blank	Total
Number		8	4	12
Percentage		66.7	33.3	100.0

1. Bank deposits	7
2. Exchange services	6
3. Transfers	5
4. Issuance of guaranties	2
5. Credit cards.	2
6. Consulting	
7. Letter credit	2
8. Brokers for treasury bonds	
9. Services for bank clients	
10. Treasury	
11. Loans for housing	

Questions B1-B2

What is your definition on SME, in terms of number of employees?

	COUNT	Count %	AVERAGE	MIN	MAX	MEDIA N
Total number of employees	5	41.7	32	15	50	30
Assets value in USD	5	41.7	174,000	5,000	500,000	60,000

Questions B3-B9

The factors listed below usually are considered as the main obstacles for the clients to get a loan. In your opinion, what kind of problem are these factors for a client? Evaluation in scale 1-5.

1=No problem at all, 2=Small problem, 3=Moderate, 4=Severe problem, 5.Very severe.

*Sorted by the average*

Obstacles	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Collateral requirements	10	83.3	4.2	3	5	4
Having an adequate business plan:	10	83.3	4.1	1	5	5
The need to have a track record :	10	83.3	3.6	1	5	4
The cost of the loan (interest rate):	10	83.3	3.2	1	5	4
Complicated application procedures	9	75.0	2.6	1	5	1
Close relations with the bank Managers	8	66.7	2.4	1	3	3
Long decision making procedures for credit approval	10	83.3	2.3	1	5	1
<b>B3-B9 mean</b>	<b>10</b>	<b>83.3</b>	<b>3.2</b>	<b>2.0</b>	<b>4.2</b>	

Questions B10-B18

For giving investment loans to SME, please evaluate the importance of the following criteria for your bank. Evaluation in scale 1-5.

1= Not important, 2= Little Important, 3=Moderate, 4= Important, 5. Very important.

*Sorted by the average*

Importance of criterion	COUNT	Count in %	AVERAGE	MIN	MAX	MODE
Level of risk	11	91.7	4.8	4	5	5
Good track record	11	91.7	4.7	4	5	5
Quality of management	11	91.7	4.6	4	5	5
Expected profitability	11	91.7	4.4	4	5	4
Balance sheet & financial statements	11	91.7	4.4	3	5	4
Availability of collateral	10	83.3	4.3	3	5	4
Feasibility study	11	91.7	4.3	3	5	5
Use of own capital	11	91.7	4.1	3	5	4
<b>B10-B18 mean</b>	<b>11</b>	<b>91.7</b>	<b>4.4</b>	<b>4.0</b>	<b>4.9</b>	<b>4.6</b>

Questions B19-B26

- On the bases of your experience, what kind of assistance does SME-s need actually?

<b>Assistance to SME-s</b>	<b>Number</b>	<b>Percentage</b>
Financial Advise	11	91.7
Legal assistance	10	83.3
Marketing	10	83.3
Management assistance	9	75.0
Preparation of the business plan	9	75.0
Advice on starting the business	8	66.7
Market information	8	66.7
<b>Total of number of interviews</b>	<b>12</b>	<b>100.0</b>

## Annex 4.7: COMBINED TABLES

**NOTE:** Number of questions is corresponding to Promotion Institutions questionnaire

### Question A2

Where is your headquarter located?

No.	Groups of Institutions	In Tirana		Out of Tirana		Total number
		Number	%	Number	%	
1.	Business Associations	12	46.2	14	53.8	26
2.	Banks	12	100.0		0.0	12
3.	Consultants	13	59.1	9	40.9	22
4.	Donors	12	100.0		0.0	12
5.	State Promotion	10	100.0		0.0	10
6.	State Regulation	63	91.3	6	8.7	69
	<b>TOTALS</b>	<b>122</b>	<b>80.8</b>	<b>29</b>	<b>19.2</b>	<b>151</b>

### Question A7

Where does your institution/ agency operate?

No.	Groups of Institutions	Only in Tirana		Only out of Tirana		In Tirana and main cities		In all districts		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations	2	7.7	14	53.8	4	15.4	6	23.1	26
2.	Banks	6	50.0		0.0	4	33.3	2	16.7	12
3.	Consultants	4	18.2	8	36.4	4	18.2	6	27.3	22
4.	Donors	3	25.0		0.0	5	41.7	4	33.3	12
5.	State Promotion		0.0		0.0	1	10.0	9	90.0	10
6.	State Regulation	13	18.8	6	8.7	3	4.3	47	68.1	69
	<b>TOTALS</b>	<b>28</b>	<b>18.5</b>	<b>28</b>	<b>18.5</b>	<b>21</b>	<b>13.9</b>	<b>74</b>	<b>49.0</b>	<b>151</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.*

### Questions B2-B12

Based on your information and experience, assess the following steps/ situations for starting and running a business in Albania? Evaluation in scale 1-5.

1=Very easy, 2=Easy, 3=Moderate, 4=Difficult, 5. Very difficult.

*Sorted by the average*

Steps/ Situations	COUNT	AVERAGE	MIN	MAX	MODE
Obtaining financial resources	123	4.7	3	5	5
Unfair competition	122	4.6	1	5	5
Administrative bureaucracy	123	4.3	3	5	4
Business information	123	3.8	1	5	4
Custom duties	120	3.7	1	5	4
Taxes and contributions	122	3.6	2	5	4
Finding qualified staff	124	3.5	1	5	3
Ensuring premises	122	3.5	1	5	4
Business registration procedures	124	3.3	1	5	3
Business initiative	122	3.2	1	5	3
Geographic location	123	2.9	1	5	3
<b>B2-B12 mean</b>	<b>123</b>	<b>3.7</b>	<b>2.7</b>	<b>4.7</b>	<b>3.8</b>

*NOTE: The "AVERAGE" column has almost the same values on each group of institutions.  
This question was not available for Donors and Bank Institutions*

### Questions B13

In your opinion is it necessary to make further legal improvements for the promotion of the business?

No.	Groups of Institutions	NO		YES		Don't know		Blank		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations			23	88.5	1	3.8	2	7.7	26
2.	Banks									
3.	Consultants			21	95.5	1	4.5			22
4.	Donors									
5.	State Promotion			10	100.0					10
6.	State Regulation	6	8.7	54	78.3	7	10.1	2	2.9	69
	<b>TOTALS</b>	<b>6</b>	<b>4.7</b>	<b>108</b>	<b>85.0</b>	<b>9</b>	<b>7.1</b>	<b>4</b>	<b>3.1</b>	<b>127</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.  
This question was not available for Donors and Bank Institutions*



Questions B15-20

If B13=YES, in which of the following (please give short comments):

Laws to be improved	Selected	
	In number	In %
Taxation & custom duties regulations	85	78.7
Law on competition	75	69.4
Employment legislation	47	43.5
Contribution regulations	32	29.6
Law on companies	30	27.8
<b>At least one change must be done (B13=YES)</b>	<b>108</b>	<b>100.0</b>

*NOTE: This question was not available for Donors and Bank Institutions*

Questions B21-29

How do you consider the following factors to run a business in Albania? Evaluation in a scale of 1-5.

1=No problem at all, 2=Small problem, 3=Moderate problem, 4=Severe problem, 5=Very Severe

*Sorted by the average*

FACTORS	COUNT	AVERAGE	MIN	MAX	MODE
Insufficient credit facilities	56	4.8	3	5	5
Lack of public order	56	4.7	3	5	5
High level of the shadow economy	53	4.2	2	5	5
Frequent laws & regulation changes	56	4.2	2	5	5
Frequent government changes	56	3.9	2	5	4
Non transparency of laws & regulat.:	56	3.7	1	5	4
Complicated procedures of taxes, etc	55	3.4	1	5	3
Continued intervention of the Government in the economy	54	3.1	1	5	3
Lack of qualified labor	55	3.1	1	5	4
<b>B21-B29 mean</b>	<b>56</b>	<b>3.9</b>	<b>3.0</b>	<b>5.0</b>	<b>3.8</b>

*NOTE: This question was not available for Donors, Banks and State Regulation institutions*

Questions B31-B37

What of the following areas of SME promotion you consider important?

Promotion areas	Number	Percentage
Financial Advise	65	92.3
Market information	61	87.1
Management assistance	60	85.7
Preparation of the business plan	59	84.3
Advice on starting the business	58	82.9
Marketing	57	81.4
Legal assistance	57	81.4
<b>Interviewees for this question</b>	<b>70</b>	<b>100.0</b>

*NOTE: This question was not available for Donors and State Regulation institutions*

Questions B41

Are the changes in business legislation technically oriented?

No.	Groups of Institutions	NO		YES		Don't know		Blank		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations	11	42.3	6	23.1	7	26.9	2	7.7	26
2.	Banks									
3.	Consultants	15	68.2	4	18.2	3	13.6			22
4.	Donors									
5.	State Promotion	4	40.0			6	60.0			10
6.	State Regulation	11	15.9	18	26.1	39	56.5	1	1.4	69
	<b>TOTALS</b>	<b>41</b>	<b>32.3</b>	<b>28</b>	<b>22.0</b>	<b>55</b>	<b>43.3</b>	<b>3</b>	<b>2.4</b>	<b>127</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.  
This question was not available for Donors and Bank Institutions*

Questions B42-B47

If B41=NO (changes in business legislation are not technically oriented), then based on your opinion and experience, which is the reason?

	Number	Percentage
Economic interests of people in the government	40	97.6
Political interests of the party in power:	32	78.0
Influence of international organizations	23	56.1
Pressure by different business unions and associations	12	29.3
Pressure from extra-government groups	8	19.5
<b>Total of B41=NO</b>	<b>41</b>	<b>100.0</b>

*NOTE: This question was not available for Donors and Bank Institutions*

Questions B49

How do you consider the changes of the government structures (merging ministries or splitting up) regarding the impact on business environment? Evaluation in scale 1-3.

1= Unnecessary, 2= Necessary, 3= Very important

No.	Groups of Institutions	Unnecessary		Necessary		Very important		Blank		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations									
2.	Banks									
3.	Consultants	14	63.6	7	31.8	1	4.5			22
4.	Donors		0.0		0.0		0.0			
5.	State Promotion	2	20.0	8	80.0		0.0			10
6.	State Regulation	22	31.9	34	49.3	12	17.4	1	1.4	69
	<b>TOTALS</b>	<b>38</b>	<b>37.6</b>	<b>49</b>	<b>48.5</b>	<b>13</b>	<b>12.9</b>	<b>1</b>	<b>9.9</b>	<b>101</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.  
This question was not available for Donors, Banks and Business Associations*

Questions B50

In your opinion, is there any overlapping of competencies between different governmental institutions? If YES specify.

No.	Groups of Institutions	NO		YES		Don't know		Blank		Total number
		No.	%	No.	%	No.	%	No.	%	
1.	Business Associations									
2.	Banks									
3.	Consultants	2	9.1	14	<b>63.6</b>	6	27.3			<b>22</b>
4.	Donors									
5.	State Promotion	1	<b>10.0</b>	6	60.0	3	30.0			<b>10</b>
6.	State Regulation	5	7.2	39	56.5	24	<b>34.8</b>	1	1.4	<b>69</b>
	<b>TOTALS</b>	<b>8</b>	<b>7.9</b>	<b>59</b>	<b>58.4</b>	<b>33</b>	<b>32.7</b>	<b>1</b>	<b>9.9</b>	<b>101</b>

*NOTE: Percentages are by rows. Maximums by columns are highlighted.  
This question was not available for Donors, Banks and Business Associations*

### Annex 5: GENERAL INFORMATION ABOUT THE FINANCIAL INSTITUTIONS IN ALBANIA

	Name of the Bank	Year of Establishment	Legal Status	Credit Line Fund (000 )	Max. Credit amount per client (000)	Terms of credit		
						Collateral requirement	Annual interest rate	Grace Period
1.	National Commercial Bank	1995	Public	Variable	2,000 USD	100%	35% for C in leks 13% for C in USD	Up to one year
2.	Savings Bank	1992	Public	Quarterly 200,000 lek	70 EUR 172,000 lek	100-120%	41-43% (Lek)	Max 6 months
3.	Italian-Albanian Bank	1998	Joint Venture	Variable	Variable	150-200 %	9.5% USD 14.5% in It. Lira	6 months
4.	Dardania Bank	1993	Private	Not available	-	-	-	-
5.	Islamic Bank	1992	Private	Not available	-	-	-	-
6.	Tirana Bank	1997	Private	Variable	500USD 78,000 Lek 120GRD	Negotiable on 150% of Real Property	10% in USD 33% in Lek	Negotiable
7.	National Bank of Greece	1996	Private	Variable	120 DEM 10,000 Lek	150% of credit	12% DEM 34% Lek	Up to 6 months
8.	International Commercial Bank	1997	Private	Confidential information	200 USD	150%	10% in USD 29% in Lek	-
9.	Alpha Credit Bank	1998	Private	Confidential information	-	-	-	-
10.	American Bank of Albania	1998	Private	Confidential information	-	-	Libor +5-6%	-
11.	FEFAD Bank	1999	Private	120 DEM 10,000 Lek	7,000DEM 1,100 USD	150% of Credit	12% in DEM 34-36% in Lek	Up to 6 months
12.	First Investment Bank	1999	Private					
13.	Albanian Development Fund	1993	Foundation	Grand from donors	2 USD 500 Lek	House, cattle solidarity	18-24 % for credits in lek	1-2 months
14.	International Finance Co-operation	-	Project Management Unit	Unlimited	Up to 1,000 USD	Negotiable	Libor + 3-5%	1-3 Years
15.	Albanian American Enterprise Fund	1996	Enterprise Fund	20,000 USD	250 up to 1,500 USD	Minimum 100% of credit	Not less than 15%	6 Months
16.	Albanian Reconstruction Equity Fund	1999	Equity Fund	14,500 USD	1,400 USD	Negotiable	-	-

### Annex 5: GENERAL INFORMATION ABOUT THE FINANCIAL INSTITUTIONS IN ALBANIA

	Name of the Bank	Year of Establishment	Legal Status	Credit Line Fund (000 )	Max. Credit amount per client (000)	Terms of credit		
						Collateral requirement	Annual interest rate	Grace Period
1.	National Commercial Bank	1995	Public	Variable	2,000 USD	100%	35% for C in leks 13% for C in USD	Up to one year
2.	Savings Bank	1992	Public	Quarterly 200,000 lek	70 EUR 172,000 lek	100-120%	41-43% (Lek)	Max 6 months
3.	Italian-Albanian Bank	1998	Joint Venture	Variable	Variable	150-200 %	9.5% USD 14.5% in It. Lira	6 months
4.	Dardania Bank	1993	Private	Not available	-	-	-	-
5.	Islamic Bank	1992	Private	Not available	-	-	-	-
6.	Tirana Bank	1997	Private	Variable	500USD 78,000 Lek 120GRD	Negotiable on 150% of Real Property	10% in USD 33% in Lek	Negotiable
7.	National Bank of Greece	1996	Private	Variable	120 DEM 10,000 Lek	150% of credit	12% DEM 34% Lek	Up to 6 months
8.	International Commercial Bank	1997	Private	Confidential information	200 USD	150%	10% in USD 29% in Lek	-
9.	Alpha Credit Bank	1998	Private	Confidential information	-	-	-	-
10.	American Bank of Albania	1998	Private	Confidential information	-	-	Libor +5-6%	-
11.	FEFAD Bank	1999	Private	120 DEM 10,000 Lek	7,000DEM 1,100 USD	150% of Credit	12% in DEM 34-36% in Lek	Up to 6 months
12.	First Investment Bank	1999	Private					
13.	Albanian Development Fund	1993	Foundation	Grand from donors	2 USD 500 Lek	House, cattle solidarity	18-24 % for credits in lek	1-2 months
14.	International Finance Co-operation	-	Project Management Unit	Unlimited	Up to 1,000 USD	Negotiable	Libor + 3-5%	1-3 Years
15.	Albanian American Enterprise Fund	1996	Enterprise Fund	20,000 USD	250 up to 1,500 USD	Minimum 100% of credit	Not less than 15%	.6 Months
16.	Albanian Reconstruction Equity Fund	1999	Equity Fund	14,500 USD	1,400 USD	Negotiable	-	-

## **Annex 6: FOREIGN FINANCIAL SUPPORT ON PRIVATE ENTERPRISE DEVELOPMENT**

*In 000 USD*

	DONOR /PROJECT	Grants, Loans, Soft loans	Aid type	Year of Commitment (starting from.)	Total Budget	Total disbursement	Intermediary Institution
	USA, USAID						
1.	SME Development	G	TA	1995	5,050	5,050	Albanian American Enterprise Fund
2.	TA to enterprises	G	TA	1992	655	655	
3.	Enterprise Fund	G	D	1995	22,600	21,600	
4.	Commercial Law	G	TA	1992	2,565	2,440	
	WORLD BANK						
1.	Private Industry Recovery	SL	D	1998	10,250	2,020	Tirana Bank (4,100 USD)
2.	Rural and Urban Micro Credit Programmes	SL	D	1993	24,548	11,415	FEFAD (4,100 USD) and ADF
	EIB						
1.	Credit Lines for Private Enterprise Investment	CL	D	1995	5,521	2,807	Italian Albanian Bank
	EBRD						
1.	Durres Industrial Park	G	D	1998	167	115	Tirana Bank & and Italian Albanian Bank
2.	SME Recovery Credit Line	CL	D	1998	4,000	-	
	ISLAMIC DEVELOPMENT BANK						
1.	Rural and Urban Micro-credit Programmes	SL	D	1996	6,155	1,063	
	EC Phare						
1.	Support for Private Sector Development	G	TA	1992	5,103	5,067	
2.	Credit Lines for SME	G	D	1993	4,750	2,000	
3.	Rural and Urban Micro-Credit Programmes	G	D	1994	3,000	3,000	
4.	Durres Industrial Park	G	D	1995	1,213	29	
5.	Southern Cost Tourism Study	G	TA	1996	1,103	-	
	UNDP						
1.	Computer Aided Design Centre	G	TA	1994	317	317	
2.	Promoting Foreign Investments in Albania	G	TA	1994	413	390	
3.	Private Sector Development and Job Opportunities in Albania	G	TA	1996	477	400	
4.	Enterprise Restr. & Development of Competitive Conditions	G	TA	1998	983	-	
	IFAD						
1.	Rural and Urban Micro-Credit Programmes	SL	D	1994	13,110	6,985	

	DONOR /PROJECT	Grants, Loans, Soft loans	Aid type	Year of Commitment (starting from.)	Total Budget	Total disbursement	Intermediary Institution
	ITALY						
1.	Constitutional support to SME	G	TA	1998	1,138	-	
2.	TA for SME	G	TA	1993	569	-	
3.	Credit Line to SME	SL	D	1993	2,846	-	
4.	Commodity Aid	SL	CA	1998	9,108	-	
	AUSTRIA						
1.	Regional Tourism Master-plan	G	TA	1995	208	208	
	GERMANY						
1.	Credit lines	SL	D	1995	17,620	11,789	FEFAD(7 000 DEM)
2.	Commodity Aid	SL	CA	1993	3,746	3,746	National Commercial Bank
3.	Promotion of SME's creation	G	TA	1993	5,377	2,970	National Commercial Bank
4.	Support to Private Initiatives in Rural Areas	G	TA	1999	545	-	
5.	Promotion of SME-s	SL	D	1993	6,042	2,098	
	JAPAN						
1.	Private Industry Recovery	G	D	1997	455	226	
2.	Micro credit	G	D	1998	400	190	ADF
	GREECE						
1.	Private Sector Support	SL	D	1998	17,012	-	Tirana Bank ( 5 million GDR)
	<b>TOTAL</b>				<b>177,241</b>	<b>86,725</b>	

**Legend:**

TA: Technical Assistance

SL: Soft Loans

CL: Commercial Loans

D: Development

CA: Commodity Aid

G: Grant

L: Loan

## Annex 7: GENERAL INFORMATION ON INSTITUTIONS INVOLVED IN SME-DEVELOPMENT

Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
Consultants	ADS	Konsulence financiare, menaxheriale, marketing, ligjore	Rruga Vaso Pasha, Nr.7, Tirane	Tel: 51010, 51020	Sh.P.K	Tirane	1996	
State Promotion	AEDA	Promovim i investimeve te huaja dhe tregetise, konsulenca juridike, ekonomike, studime tregetare, publikime, reklame etj.	Bulevardi "Zhan D'ark", prane ekspozites "Shqiperia Sot", Tirane	Tel: 48439,30133 Fax: 28439	Sh.A.	Ne te gjithe Shqiperine	1998	Dep. i Promovimit Dep. i Informacionit
State Regulation	Agjencia e Prokurimit Publik	Kordinimi dhe ngritja e sistemit te prokurimit publik ne Shqiperi	Blv. Deshmoret e Kombit, Tirane	Tel:32652 Fax:30434	Institucion shteteror	Ne te gjithe Shqiperine	1995	
State Regulation	Agjencia Kombetare e Energjise	Hartimi i politikave dhe strategjive te energjise	Bulevardi Zhan D'ark, Tirane	Tel:28475 Fax:74988	Institucion shteteror	Tirane	1993	Sektori i konsumit te energjise ne banesa Sektori i politikave energjitike
State Regulation	Agjencia Kombetare e mjedisit	Institucion pergjegjes per hartimin e strategjive te mjedisit, dhenia e lejeve mjedisore per aktivitete private	Bulevardi Zhan D'ark, Tirane	Tel: 64903	Institucion shteteror	Ne te gjithe Shqiperine	1992	Drejtoria e Mbrojtjes se Natyres Drejtoria e Cilesise se Ajrit, Ujit dhe menaxhimit te mbetjeve
State Promotion	Agjencia Rajonale e Zhvillimit SME	Mbeshtetja e biznesit ne rajon	Rruga Brigada e 8, Nr11 Tirane	Tel/Fax:35704	Fondacion	Tirane, Durres, Kavaje	1992	Marketing, Training Center
State Regulation	AKP	Implementimi i procesit te privatizimit	Blv. Deshmoret e Kombit, Tirane	Tel: 57457,57458, 35119 Fax: 27933	Institucion shteteror	Ne te gjithe Shqiperine	1991	Sektori i Privatizimit te SME Sektori Juridik
Banks	Alpha Credit Bank, Tirana Branch	Aktivitet bankar i te gjitha llojeve	Blv. Deshmoret e Kombit, Nr.47 Tirane	Tel:33359	Institucion financiar	Tirane, Durres, Fier	1998	
Banks	American Bank of Albania	Aktivitet bankar i te gjitha llojeve	NOLI BC, Tirane		Sh.A	Tirane	1998	
Consultants	Avokat Elbasan	Konsulence juridike	Elbasan	Tel: 05452498	Sh.P.K	Elbasan, Tirane	1991	
Banks	Banka Arabe Shqiptare Islamike	Aktivitet bankar i te gjitha llojeve	Tirane	Tel: 28460,23873 Fax: 28460, 28387	Sh.A	Tirane	1994	
Banks	Banka e Kursimeve	Aktivitet bankar i te gjitha llojeve	Rruga Deshmoret e shkurtit, Nr.6, Tirane	Tel:24540 Fax:30013	Sh.A.	Ne te gjithe Shqiperine	1991	
Banks	Banka e Pare e Investimeve	Te gjitha aktiviteteteve bankare	Blv. Deshmoret e Kombit, Nr.64, Tirane	Tel:56423,4 Fax:56422	Institucion Financiar	Tirane	1999	
Banks	Banka e Shqiperise	Hartimi dhe miratimi i politikës monetare, regjimit te kembimit, licensimi i bankave, administrimi i rezervës valutore	Sheshi Skenderbej, Tirane	Tel: 22152,22153	Person juridik publik	Tirane, Shkoder, Elbasan, Korce, Gjirokaster, Lushnje	1982	
Banks	Banka Italo Shqiptare	Aktivitet bankar i te gjitha llojeve		Tel: 33965	Sh.P.K	Tirane, Durres	1993	
Banks	Banka Kombetare e Greqise	Aktivitet bankar i te gjitha llojeve	Blvd. Deshmoret e Kombit, Nr.72, Tirane	Tel: 33621 Fax: 33613	Sh.A	Tirane	1996	



Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
State Regulation	Bashkia Elbasan	Drejtimi i puneve publike ne qytetin e Elbasanit	Bashkia e qytetit, Elbasan		Institucion shteteror	Elbasan		
State Regulation	Bashkia Fier	Drejtimi i puneve publike ne qytetin e Elbasanit	Bashkia e qytetit, Fier		Institucion shteteror	Fier		
State Regulation	Bashkia Kukes	Drejtimi i puneve publike ne qytetin e Kukesit	Bashkia e qytetit, Kukes		Institucion shteteror	Kukes		
State Regulation	Bashkia Sarande	Drejtimi i puneve publike ne qytetin e Kukesit	Bashkia e qytetit, Sarande		Institucion shteteror	Sarande		
State Regulation	Bashkia Tirane	Administrimi i qytetit te Tiranes, drejtimi i puneve publike, urbanistikes, zhvillimit ekonomik, kultura, aresimi etj	Blvd. Deshmoret e Kombit, Tirane	Tel:27526	Institucion shteteror	Tirane		Drejtoria e Zhvillimit Ekonomik
State Regulation	Bashkia Tirane	Administrimi i qytetit te Tiranes, drejtimi i puneve publike, urbanistikes, zhvillimit ekonomik, kultura, aresimi etj	Blvd. Deshmoret e Kombit, Tirane		Institucion shteteror	Tirane		Drejtoria e Zhvillimit Ekonomik
Business Association	Bashkimi i organizatave te biznesit shqiptar	Te perfaqesoje dhe te mbroje te drejtat dhe interesat e anetareve te saj ne baze te ligjeve, marreveshjeve e konventave te njohura nga Shteti Shqiptar Te lehtesoje e te ndihmoje punen e bizneseve shqiptare	Hotel Dajti, Tirane	Tel: 75510/11	OJQ	Ne te gjithë Shqiperine	1998	
Business Association	Bashkimi komb. i dhomave te treg. dhe ind.	Koordinimi ndermjet dhomave, perfaqesimi i biznesit ne nivel kombetar, shkembim informacioni, lidhje me organizma homologe	Bashkimi Kombetar i Dhomave te Tregëtise dhe Industrise, Rruga e Kavajes, Nr.6, Tirane	Tel/Fax:22934	Person juridik i te drejtes shteterore	Ne te gjithë Shqiperine	1995	
Consultants	CESS	Studime ne fushen ekonomike dhe sociale	Rruga Mihal Duri, P.60, Shk.1, Ap.8, Tirane	Tel: 25316	OJQ	Tirane	1997	
Donors	DANIDA	Ndihma dhe mbeshtetja per zhvillimin e vendit		Tel:+4533920000	Agjenci shteterore	Tirana, Diber, Shkoder dhe Elbasan	1994	
Banks	Dardania Bank	Aktivitet bankar sherbimi dhe kreditimi	VEVE Center, Tirane	Tel: 25051,,,4 Fax:42566	Institucion financiar	Tirane	1994	
State Regulation	Dega tatimeve Tirane	Ndjekja e zbatimit te ligjeve per tatimet nga ana e subjekteve private dhe shteterore	Dega e Tatimeve, Rruga Sami Frasheri, Tirane		Institucion shtetror	Tirane	1992	
Consultants	Deloitte & Touche	Konsulence, auditim dhe vleresim i biznesit shqiptar	Veve Centre, 310, Tirane	Tel:33883 Fax:33882	Sh.P.K	Ne te gjithë Shqiperine	1997	
Business Association	Dhoma e tregëtise dhe industrise Durres	Mbeshtet interesat e pergjithshme per zhvillimin e bizneseve ne rrethin Durres	Dh.I.T.Durres		Person juridik i te drejtes shteterore	Durres, Shijak, Manez, Sukth	1995	
Business Association	Dhoma e tregëtise dhe industrise Malesi e Madhe	I sherben nxitjes se tregëtise dhe Industrise ne Rreth	Dh.I.T, Malesi e Madhe	Tel:0382025807	Person juridik i te drejtes shteterore	Malesi e Madhe	1994	

Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
Business Association	Dhoma e tregëtisë e Industrisë Berat	Perfaqësimi, ndërmjetësimi dhe mbrojtja e interesave ekonomike të tregëtarëve, prodhuesve të ndërtimit etj. si dhe nxitja e zhvillimit të biznesit në rreth.	Dhoma e Tregëtisë dhe Industrisë, Ndertesa e K.Rrethi, Kati 2, Berat	Tel:06232249	Person juridik i të drejtës shtetërore	Berat	1995	
Business Association	Dhoma e tregëtisë e Industrisë Elbasan	Zhvillimi dhe mbështetja e biznesit në Shqipëri	Dhoma e Tregëtisë dhe Industrisë, Elbasan	Tel:05452477	Person juridik i të drejtës shtetërore	Elbasan	1995	
Business Association	Dhoma e tregëtisë e Industrisë Gjirokaster	Perfaqësimi, ndërmjetësimi dhe mbrojtja e interesave ekonomike të tregëtarëve, prodhuesve të ndërtimit etj. si dhe nxitja e zhvillimit të biznesit në rreth.	Dhoma e Tregëtisë dhe Industrisë, Gjirokaster	Tel:07263707	Person juridik i të drejtës shtetërore	Gjirokaster	1987	
Business Association	Dhoma e tregëtisë e Industrisë Korçë	Perfaqësimi, ndërmjetësimi dhe mbrojtja e interesave ekonomike të tregëtarëve, prodhuesve të ndërtimit etj. si dhe nxitja e zhvillimit të biznesit në rreth.	Dh.I.T, Blloku Demokracia, P2/16, Korçë		Person juridik i të drejtës shtetërore	Korçë	1995	
Business Association	Dhoma e tregëtisë e Industrisë Kucovë	Nxitja e tregëtisë dhe industrisë në rajon, mbrojtja e interesave ekonomike të tregëtarëve e sipërmarrjeve të ndryshme duke bashkërenduar veprimtarinë e saj me pushtetin lokal	Dhoma e Tregëtisë dhe Industrisë, Lagjja "L. Prifti, Rruga Naftetari, Kucovë	Tel/Fax: 06272695	Person juridik i të drejtës shtetërore	Kucovë	1995	
Business Association	Dhoma e tregëtisë e Industrisë Rreshen	Zhvillimi dhe mbështetja e biznesit në Shqipëri	Dhoma e Industrisë dhe Tregëtisë Mirdite	Tel:566	Person Juridik i të drejtës publike	Rreshen, Rubik, Kurbnesh, Repe	1995	
Business Association	Dhoma e tregëtisë e Industrisë Shkodër	Nxitja e tregëtisë dhe industrisë në rajon, mbrojtja e interesave ekonomike të tregëtarëve e sipërmarrjeve të ndryshme duke bashkërenduar veprimtarinë e saj me pushtetin lokal	L. Vasil Shanto, Rr. Kinemaja Verore, Nr.1 Shkodër	Tel: 02242460 Tel/Fax: 02243656	Person Juridik i të drejtës publike	Shkodër	1992	
Business Association	Dhoma e tregëtisë e Industrisë Tiranë	Perfaqësimi, ndërmjetësimi dhe mbrojtja e interesave ekonomike të tregëtarëve, prodhuesve të ndërtimit etj. si dhe nxitja e zhvillimit të biznesit në rreth.	Dhoma e Industrisë dhe Tregëtisë, Rruga e Kavajës, nr.6, Tiranë	Tel:30283 Fax:27997	Person Juridik i të drejtës publike	Tiranë	1995	
Business Association	Dhoma e tregëtisë e Industrisë Vlorë	Mbrojtja e interesave të tregëtisë dhe industrisë për zhvillimin ekonomik të qytetit dhe me gjere	Dh.I.T, Hotel Sasani, Vlorë	Tel/Fax: 06322111	Person Juridik i të drejtës publike	Vlorë	1995	
Business Association	Dhoma e Tregëtisë dhe Industrisë, Fier	Mbështetja e zhvillimit të biznesit	Lagjja Apolonia, Rr.Rauf Nallbani, Fier	Tel/Fax:06423209	Person Juridik i të drejtës publike	Fier	1995	
Business Association	Dhoma e Tregëtisë dhe Industrisë,	Mbështetje e perfaqësimit të interesave të anëtarëve, orientimi për tregje, informacion	Keshilli i Rrethit, Krujë	Tel:05323741	Subjekt i të drejtës	Krujë	1994	

Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
	Kruje	etj.			publike			
State Regulation	Drejtoria e Informacionit Agroushqimor	Shperndarja e informacionit ne te gjitha nivelet e punesimit ne sektorin agroushqimor				Ne te gjitha Shqiperine	1970	
State Regulation	Drejtoria e Invertigimit INSIG	Ushtrimi i aktivitetit te sigurimeve e risigurimeve	Rruga e Dibres, Tirane	Tel:34170/68/69/112	Sh.A	Ne te gjitha Shqiperine	1991	
State Regulation	Drejtoria e Pergj. e Doganave	Rregullimi ligjor i levizjes se mallrave ne Shqiperi(nepermjet eksport importit)	Drejtoria e Pergjithshme e Doganave, Tirane		Institucion Shteteror	Ne te gjitha rrethet ku ka pika doganore	1985	
State Regulation	Drejtoria e Pergj. e Doganave	Hartimi de zbatimimi i ligjeve qe rregullojne eksport importin	Drejtoria e Pergjithshme e Doganave, Tirane	Tel:43922	Institucion Shteteror	Ne te gjitha rrethet ku ka pika doganore	1985	
State Regulation	Drejtoria e Pergj. e AlbTurizmit	Hartimi i politikave per nxitjen e Turizmit	Bulevardi Zhan D'ark, Nr.2, Tirane	Tel/Fax: 51051	Institucion Shteteror	Tirane, Durres, Sarande, Elbasan, Pogradec, Kukes	1958	Drejtoria e Kordinimit te Investimeve
State Regulation	Drejtoria e Pergj. e Tatimeve	Administrimi i tatimeve dhe taksave ne R.Sh.	Rruga "Mustafa Lleshi" Tirane	Tel: 74158	Institucion shteteror	Ne te gjitha Shqiperine	1991	
State Regulation	Drejtoria e statistikes MPPT	Drejtimi, menaxhimi i ceshtjeve qe lidhen me punet publike dhe transportet	Blvd Deshmoret e Kombit Tirane	Tel:30019	Institucion shteteror	Ne te gjitha Shqiperine	1997	Drejtoria e Statistikes dhe informacionit
Donors	EBRD	Supporting economic development of the country	Rruga Deshmoret e Shkurtit, Vila 50, Tirane		Institucion Financiar	Ne te gjitha Shqiperine	1993	
Donors	EIB	Supporting economic development of the country	Rruga Deshmoret e Shkurtit, Vila 50, Tirane		Institucion Financiar	Ne te gjitha Shqiperine	1996	
State Regulation	Enti rregullator i energjise elektrike	Rregullimi i marredhenive midis prodhuesve te energjise elektrike, konsumatoreve, qeverise e publikut	ERE, Tirane		Institucion shteteror jobuxhetor	Ne te gjitha Shqiperine	1995	
State Regulation	Enti rregullator i sektorit te furnizimit me uje	Vendosja e nje kuadri rregullator te sistemit te ujesjellsave dhe kanalizimeve			Institucion shteteror	Ne te gjitha Shqiperine	1998	
Donors	EU Phare Comission Services Delegation in Tirana	Development support for the CEE Countries	EU PHARE, Comission Services Delegation in Tirana		Institucion shteteror	Ne te gjitha Shqiperine	1992	
State Regulation	Fakulteti i ekonomise	Aresimimi i brezit te ri te ekonomisteve	Rruga e Elbasanit, Nr.7, Tirane	Tel:24772	Institucion shteteror	Tirane	1958	Departamenti i menaxhimit
Banks	FEFAD bank	Sherbime dhe aktivitet bankar, feasibility studies	Rruga Sami Frasheri, Tirane	Tel:33496 Fax:33481	Sh.A	Tirane, Elbasan, Kruje, Durres, Fier, Kavaje	1995	
Donors	Fond. Soros, "Projekti per zhvillimin e arsimit	Mbeshtetja per zhvillimin e arsimit ne Shqiperi			OJQ	Shkoder, Kukes, Tropoje, Peshkopi, Mirdite, Tirane,	1994	

Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtirirja gjeografike	Viti i krijimit	Dept. kryesore
	ne Shqiperi",					Durres, Kavaje, Elbasan, Korce, Vlore, Gjirokaster, Srande		
Consultants	Fondacioni i Biznesit te vogel	Mbeshtetja e SME-ve gjate fillimit te veprimtarise, rritjes dhe mbijeteses se tyre.			OJQ	Ne te gjithë Shqiperine	1999	
Consultants	Fondacioni"Agjensi a Rajonale e Zhvillimit"(SME) Elbasan	Bashkeudheqese per permiresimin e klimes se biznesit dhe zhvillimit ekonomik ne rajonin qendror te Shqiperise	Lagjja Hekurudha, Prane P.107/4, Elbasan	Tel/Fax:52857	OJQ	Elbasan, Gramsh Peqin, Cerrik	1993	
Consultants	Fondacioni"Agjensi a Rajonale e Zhvillimit"(SME) Gjirokaster	Mbeshtetja e SME-ve gjate fillimit te veprimtarise, rritjes dhe mbijeteses se tyre.	Keshilli i rrethit, Kati II Gjirokaster	Tel:7263813	OJQ	Gjirokaster,Sarande, Delvine Tepelene, Permet	1992	
Consultants	Fondacioni"Agjensi a Rajonale e Zhvillimit"(SME) Korce	Zhvillimi i SME-ve , zhvillimi i rajonit ne bashkepunim me qeverine qendrore, lokale, shoqata dhe donatore te ndryshem	Biloku Demokracia Korce	Tel/Fax:o8242626	OJQ	Korce, Kolonje, Bëvöll, Pogradec, Librazhd	1998	
Consultants	Fondacioni"Agjensi a Rajonale e Zhvillimit"(SME) Kruje	Mbeshtetja e SME-ve gjate fillimit te veprimtarise, rritjes dhe mbijeteses se tyre.	Ish Banka e shtetit, Kruje		OJQ	Kruje, Fushe-Kruje, Lac		
Consultants	Fondacioni"Agjensi a Rajonale e Zhvillimit"(SME) Shkoder	Mbeshtetja e SME-ve gjate fillimit te veprimtarise, rritjes dhe mbijeteses se tyre.	Qendra e evidences ekonomike, Kati II, Shkoder	Tel/Fax:02242327	OJQ	Shkoder, Koplik, Puke, Kukes, Krume, B.Curri, Lezhe	1993	
Consultants	Fondacioni"Agjensi a Rajonale e Zhvillimit"(SME) Vlore	Mbeshtetja e SME-ve gjate fillimit te veprimtarise, rritjes dhe mbijeteses se tyre.	Keshilli i rrethit, Kati III Vlore	Tel/Fax:06322769	OJQ	Vlore, Delvine, Sarande	1992	
State Regulation	Gjykata e Fierit	Te zgjidhe konfliktet civile e penale, te rregjistroje shoqerite tregetare	Gjykata Rrethit, Fier		Institucion shteteror	Fier		
State Regulation	Gjykata e rrethit Elbasan	Te zgjidhe konfliktet civile e penale, te rregjistroje shoqerite tregetare	Gjykata e Rrethit, Elbasan		Institucion shteteror	Elbasan		
State Regulation	Gjykata e rrethit Tirane	Te zgjidhe konfliktet civile e penale, te rregjistroje shoqerite tregetare	Bulevardi Zhan D'ark, Tirane	Tel:28912 Tel:28909	Institucion shteteror	Tirane		
Donors	GTZ Coordinator	German-Albanian Technical Cooperation	Rruga Themistokli Germenji, Vila 9, Tirane	Tel:50032 Fax:517-92	Institucion shteteror	Tirane, Durres,Fier	1992	
Donors	GTZ-SME Project	Asistence teknike e gjithanshme per SME-te. Asistence e pjesshme financiare.	Rruga Themistokli Germenji, Vila 9, Tirane	Tel:50032 Fax:517-92	Institucion shteteror	Tirana dhe 7 rajonet ku ka agjenci rajonale te biznesit	1994	
Consultants	HDPC	Promovimi i zhvillimit njerezor nepermjet realizimit te aktiviteteve ne fusha te	Rruga pjeter Bogdani, Nr.5, Tirane	Tel:30818	OJQ	Ne te gjithë Shqiperine	1999	

Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
		ndryshme						
Consultants	IEKA	Auditim, konsulence per bizneset	Bulevardi Zhan D'ark, Tirane		Institucion Publik	Ne te gjithë Shqiperine	1995	
Consultants	Instituti Ekonomi-Finance-Biznes	Studime, konsulence dhe asistim ne fushen e ekonomi-finance-biznesit			OJQ	Ne te gjithë Shqiperine	1997	
State Regulation	Instituti i Statistikes	Grumbullim, perpunim dhe publikim i te dhenave statistikore	Rruga Leke Dukagjini, Nr.5, Tirane	Tel:33358	Institucion shteteror	Ne te gjithë Shqiperine	1993	
Consultants	Instituti i Studimeve Bashkohore	Studime dhe projekte te politikave alternative publike	Rruga Vaso Pasha, Nr.7 Tirane	Tel:34868, 47146	Fondacion	Ne te gjithë Shqiperine	1995	
Banks	International Commercial Bank	Sherbime dhe aktivitet bankar	Rruga Ded Gjoluli, Nr.3, Tirane	Tel:37567/68/69 Fax:37570	Sh.A	Tirane	1997	
Donors	Italian Embassy-cooperation office-Local technical unit Tirana	Mbeshtetja dhe nxitja e zhvillimit ne Shqiperi ne fusha te ndryshme	Ambasada Italiane, Tirane	Tel:40881/2/3 Fax:40884	Institucion shteteror	Ne te gjithë Shqiperine	1992	
State Regulation	Keshilli i Ministrave	Neni 100 i Kushtetutes	Blvd. Deshmoret e Kombit Tirane		Institucion Shteteror	Ne te gjithë Shqiperine	1912	
State Regulation	Keshilli i Ministrave	Neni 100 i Kushtetutes	Blvd. Deshmoret e Kombit Tirane	Tel:33566 Tel:62005	Institucion Shteteror	Ne te gjithë Shqiperine	1912	
State Regulation	Keshilli i Ministrave, Sektori i Tekn. Dhe Informacionit	Planifikimi dhe zbatim i teknologjise se informacionit ne KM dhe administraten publike	Blvd. Deshmoret e Kombit Tirane	Tel:04228270	Institucion shteteror	Ne te gjithë Shqiperine	1997	Sektori i teknologjise dhe informacionit
State Regulation	Klik-Ekspo-Klik	Organizim panairesh, ekspozitash tregetare etj.	Pallati i Kongreseve, Tirane	Tel:64675,36380	Sh.P.K	Ne te gjithë Shqiperine	1997	
State Regulation	Komiteti i Zhvill. teTurizmit	Hartimi i politikave per nxitjen e Turizmit	Bulevardi Zhan D'ark, Nr.2, Tirane	Tel: 58320, 58323, Fax: 58322	Institucion Shteteror	Ne te gjithë Shqiperine	1998	Drejtoria e Kordinimit te Investimeve
Consultants	KPMG	Auditim, konsulence per bizneset	Rruga Vaso Pasho, 2/3 Tirane		Sh.P.K	Tirane, Rrethe	1996	
State Promotion	MBET	Administrimi i te drejtes per kordinimin e zhvillimit te aktiviteve ne fushen bashkepunimit ekonomik e tregetar	Bulevardi Zhan D'ark, Tirane		Institucion shteteror	Ne te gjithë Shqiperine	1997	Drejtoria e zhvillimit te politikave ekonomike Drejtoria e zhvillimit dhe promovimit te SME-ve
State Regulation	MBET	Institucion pergjegjes per bashkepunimin ekonomik dhe tregetar perpara K.M.	Bulevardi Zhan D'ark, Tirane	Tel: 28656 Fax: 64658	Institucion shteteror	Ne te gjithë Shqiperine	1998	Dep. i Politikave Tregetare Dep. I analizave ekonomike e tregetare
State Regulation	MBET	Kordinim Projektsh dhe Financimesh per Investime publike, mbeshtetje e biznesit, hartim politikash tregetare	Bulevardi Zhan D'ark, Tirane	Tel: 28656 Fax: 64658	Institucion shteteror	Ne te gjithë Shqiperine	1998	Drejtoria e Konkurences dhe Politikave Tregetare
State Regulation	MBET	Monitorimi, Kordinimi i ndihmes se huaj si dhe politikat e zhvillimit ekonomik tregetar	Bulevardi Zhan D'ark, Tirane	Tel: 64642,	Institucion shteteror	Ne te gjithë Shqiperine	1998	Drejtoria e Konkurences dhe

Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
State Regulation	MBET	Kordinimi i marredhenieve me sekretariatit e OBT ne Gjeneve	Bulevardi Zhan D'ark, Tirane	Tel/Fax: 62581	Institucion shteteror	Ne te gjithe Shqiperine	1998	Politikave Tregetare Drejtoria e Politikave Tregetare Drejtoria e Analizave Ekonomike dhe Tregetare
State Regulation	MBET	Institucion pergjegjes per bashkepunimin ekonomik dhe tregetar perpara K.M.	Bulevardi Zhan D'ark, Tirane	Tel: 64642, 64608 Fax: 64658	Institucion shteteror	Ne te gjithe Shqiperine	1998	Drejtoria e Politikave Tregetare Drejtoria e Analizave Ekonomike dhe Tregetare Drejtoria e zhvillimit te SME
State Promotion	MEPP	Hartimi i politikave te industrise dhe te privatizimit te sektoreve me rendesi strategjike	Blvd. Deshmoret e Kombit Tirane	Tel:25695 Fax: 34052	Institucion shteteror	Ne te gjithe Shqiperine	1997	Departamenti i politikave te privatizimit, Departamentet e Linjes, Drejtoria e Negociatave dhe Projekteve
State Regulation	MEPP	Pergatitja e procedurave te privatizimit	Blvd. Deshmoret e Kombit Tirane	Tel:25154	Institucion shteteror	Ne te gjithe Shqiperine	1997	Drejtoria e privatizimit te ndermarrjeve te vogla dhe te mesme
State Regulation	MEPP	Pergatitja dhe kryerja e procedurave te privatizimit te sektoreve strategjike	Blvd. Deshmoret e Kombit Tirane	Tel/Fax:25154	Institucion shteteror	Ne te gjithe Shqiperine	1997	Drejtoria e Privatizimit te SME-ve
State Regulation	MEPP	Pergatitja e procedurave te privatizimit	Blvd. Deshmoret e Kombit Tirane	Tel:27878	Institucion shteteror	Ne te gjithe Shqiperine	1997	Drejtoria e programim zhvillimit, sektori i mbikqyrjes se SME-ve, Drejtoria e privatizimit te SME-ve
State Regulation	MEPP	Kalimi i pronesise publike ne private sipas programit qeveritarsi dhe parametrat ekonomike	Blvd. Deshmoret e Kombit Tirane	Tel:24641	Institucion shteteror	Ne te gjithe Shqiperine	1997	Drejtoria Juridike
State Regulation	MEPP	Ndjekja e ecurise se ndermarrjeve shtetore ne sektorin e industrise	Blvd. Deshmoret e Kombit Tirane		Institucion shteteror	Ne te gjithe Shqiperine	1997	
State Promotion	Ministria e Bujqesise dhe Ushqimit	Harton politiken dhe strategjine e zhvillimit ne fushen e bujqesise dhe pergjigjet per zbatimin e saj	Sheshi Skenderbej, Tirane	Tel/Fax: 27920	Institucion shteteror	Ne te gjithe Shqiperine	1990	Drejtoria e zhvillimit te politikave ekonomike
State Regulation	Ministria e Bujqesise dhe Ushqimit	Harton politiken dhe strategjine e zhvillimit ne fushen e bujqesise dhe pergjigjet per zbatimin e saj	Blvd. Deshmoret e Kombit Tirane	Tel:22682 Fax:25872	Institucion shteteror	Ne te gjithe Shqiperine	1992	
State Regulation	Ministria e Bujqesise dhe Ushqimit	Harton politiken dhe strategjine e zhvillimit ne fushen e bujqesise dhe pergjigjet per zbatimin e saj	Blvd. Deshmoret e Kombit Tirane	Tel:23269/30851	Institucion shteteror	Ne te gjithe Shqiperine	1992	
State Regulation	Ministria e Drejtesise	Organizimi dhe funksionimi i gjykatave, rishikon dhe persos legjislacionin,	Blvd. Deshmoret e Kombit	Tel/Fax: 22845	Institucion shteteror	Ne te gjithe Shqiperine	1990	

Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
		kontrollon dhe drejton administraten gjyqesore, burgjet etj.	Tirane					
State Regulation	Ministria e Drejtësisë	Organizimi dhe funksionimi i gjykatave, rishikon dhe persos legjislacionin, kontrollon dhe drejton administraten gjyqesore, burgjet etj.	Bldv. Deshmoret e Kombit Tirane	Tel:26001/684	Institucion shteteror	Ne te gjithë Shqiperine	1990	
State Regulation	Ministria e Financave	Ndjekja e realizimi i te ardhurave e shpenzimeve te institucioneve buxhetore	Ministria e Financave, Bldv. Deshmoret e Kombit, Tirane	Tel:25115	Institucion shteteror	Ne te gjithë Shqiperine	1993	Deget e Thesarit ne Rrethe
State Regulation	Ministria e Financave	Hartimi i politikave financiare dhe fiskale, mbikqyrja e institucioneve bankare e financiare me kapital shteteror, etj	Ministria e Financave, Bldv. Deshmoret e Kombit, Tirane	Tel:35062	Institucion shteteror	Ne te gjithë Shqiperine	1995	Departamenti i Mbikqyrjes Departamenti i politikave financiare, etj.
State Regulation	Ministria e Financave	Hartimi i buxhetit te shtetit, hartimi i politikave fiskale, ndjekja e zbatimit te tyre	Ministria e Financave, Bldv. Deshmoret e Kombit, Tirane	Tel:28373 26111/761	Institucion shteteror	Ne te gjithë Shqiperine	1995	Departamenti i Mbikqyrjes Departamenti i politikave financiare, etj.
State Regulation	Ministria e Financave	Ndjekja e realizimi i te ardhurave e shpenzimeve te institucioneve buxhetore	Ministria e Financave, Bldv. Deshmoret e Kombit, Tirane	Tel:26111/793	Institucion shteteror	Ne te gjithë Shqiperine	1993	Drejtoria e Tatim Taksa Drejtoria e Pergjithshme e doganave
State Regulation	Ministria e Financave	Financimet e huaja administrimi i borxhit te jashtem dhe te brendshem	Ministria e Financave, Bldv. Deshmoret e Kombit, Tirane	Tel: 29200	Institucion shteteror	Ne te gjithë Shqiperine	1994	
State Regulation	Ministria e Financave	Ndjekja e realizimi i te ardhurave e shpenzimeve te institucioneve buxhetore	Ministria e Financave, Bldv. Deshmoret e Kombit, Tirane	Tel/Fax: 28373	Institucion shteteror	Ne te gjithë Shqiperine	1993	
State Promotion	Ministria e Punes dhe Ceshtjeve Sociale	Zhvillimi i politikave te punesimit dhe te mbrojtjes sociale	Rruga e Kavajes, Nr.53 Tirane	Tel/Fax: 27942	Institucion shteteror	Ne te gjithë Shqiperine	1992	Departamenti i punesimit
State Regulation	Ministria e Punes dhe Ceshtjeve sociale	Zhvillimi i politikave te punesimit dhe te mbrojtjes sociale	Rruga e Kavajes, Nr.53 Tirane	Tel:25051	Institucion shteteror	Ne te gjithë Shqiperine	1992	Departamenti i punesimit
State Regulation	Ministria e Puneve publike dhe Transportit	Administrimi dhe zhvillimi i aktiviteve ne fushen e ndertim-komunales, strehimit, urbanistikës dhe transporteve	Bldv. Deshmoret e Kombit Tirane	Tel:26159	Institucion shteteror	Ne te gjithë Shqiperine	1945	Departamenti i Kordinim zhvillimit
State Regulation	Ministria e Puneve publike dhe Transportit	Drejtimi dhe kontrolli i transportit automobilistik, hekurudhor , detar etj.	Bldv. Deshmoret e Kombit Tirane	Tel:22898	Institucion shteteror	Ne te gjithë Shqiperine	1945	Drejtoria e privatizimit dhe licencave
State Regulation	Ministria e Puneve publike dhe Transportit	Drejtimi dhe kontrolli i transportit automobilistik, hekurudhor , detar etj.	Bldv. Deshmoret e Kombit Tirane	Tel: 26212	Institucion shteteror	Ne te gjithë Shqiperine	1944	Drejtoria e privatizimit dhe licencave
State Regulation	Ministria e Puneve publike dhe Transportit	Drejtimi dhe kontrolli i transportit automobilistik, hekurudhor , detar etj.	Bldv. Deshmoret e Kombit Tirane		Institucion shteteror	Ne te gjithë Shqiperine	1944	Drejtoria juridike Drejtoria e dhenies se licencave
State Regulation	Ministria e Puneve publike dhe	Drejtimi dhe Studimi i problemeve te puneve publike dhe transportit	Bldv. Deshmoret e Kombit		Institucion shteteror	Ne te gjithë Shqiperine	1944	Drejtoria juridike Drejtoria e dhenies se

Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
	Transportit		Tirane					licencave
State Regulation	Ministria e Puneve publike dhe Transportit	Organizimi dhe zhvillimi i politikave dhe strategjive ne punet publike dhe transporte	Bld. Deshmoret e Kombit Tirane	Fax:28307	Institucion shteteror	Ne te gjithe Shqiperine	1913	
Consultants	Qendra e biznesit (UNDP Program) Berat	Mbeshtetje gjate fillimit te veprimtarise, rritja dhe zhvillimi i ndermarrjeve te vogla dhe te mesme ne rajon, ne bashkepunim me administraten lokale dhe qendrore	Qendra e Biznesit, Berat	Tel:6234364	OJQ	Berat	1996	
Consultants	Qendra e biznesit (UNDP Program) Fier	Mbeshtetje gjate fillimit te veprimtarise, rritja dhe zhvillimi i ndermarrjeve te vogla dhe te mesme ne rajon, ne bashkepunim me administraten lokale dhe qendrore	Qendra e Biznesit, Fier	Tel:06424537	OJQ	Fier	1996	
State Promotion	Qendra Komb.e Panaireve	Organizimi i panaireve kombetare dhe nderkombetare	Qendra Kombetare e Panaireve, Tirane		Person Juridik Shteteror, jo buxhetor	Ne te gjithe Shqiperine	1998	
Consultants	Qendra Shqiptare per Kerkime Ekonomike	Veprimtari kerkimore dhe publicistike		Tel:04229069	OJQ	Ne te gjithe Shqiperine	1993	
Business Association	Shoqata e fermerëve pularrites te Shqiperise	Mbrojtja, inkurajimi dhe stimulimi i prodhimit te vezeve dhe rritjes se pulave per mish	Rruga Mihal Duri, Nr.35, Tirane	Tel/Fax: 39684	OJQ	Ne te gjithe Shqiperine	1995	
Business Association	Shoqata e investitoreve dhe punonjesve greke, Korce	Studimi, mbrojtja, ngritja ne nivel me te larte te interesave ekonomike, dhenja e ndihmave materiale dhe shkencore	Prefektura, Korce		OJQ	Korce, Erseke, Bilisht	1999	
Business Association	Shoqata e peshkataveve profesioniste te Shqiperise	Mbrojtja e interesave te anetareve, lidhja, kordinimi, hapësira dhe perspektiva ne te ardhmen	Rruga Mihal Duri, Nr.35, Tirane	Tel/Fax: 39684	OJQ	Shkoder, Lezhe, Lushnje Elbasan, Durres, Vlore Tirane	1997	
Business Association	Shoqata shqiptare e Biznesmeneve te Hortikultures	HABA synon ne kryerjen me efektivitet dhe profesionalizem te zhvillimit te bizneseve te prodhimit, perpunimit dhe tregetit te fruta perimeve			OJQ	Shkoder, Lezhe, F.Kruje, Durres, Tirane, Kavaje Lushnje, Fier, Elbasan Korce, Sarande	1997	
Business Association	Shoqata shqiptare e mekanikes dhe mjeteve bujqesore	Rritja e efektivitetit dhe profesionalizmit, mbrojtja e interesave te anetareve, lidhje koordinim, diversifikim dhe prespektiva per te ardhmen	Rruga Mihal Duri, Nr.35, Tirane	Tel/Fax: 39684	OJQ	Shkoder, Lezhe, F.Kruje, Durres, Tirane, Kavaje Lushnje, Fier, Elbasan Korce, Sarande	1998	
Business Association	Shoqata shqiptare e perpunuesve te	Mbrojtja e interesave ne industrine e mishit . punon per permiresimin e aktivitetit ne	Rruga Mihal Duri, Nr.35, Tirane	Tel/Fax: 39684	OJQ	Ne te gjithe Shqiperine	1997	



Tipi	Institucioni	Misioni	Adresa	Tel/Fax	Pronesia	Shtrirja gjeografike	Viti i krijimit	Dept. kryesore
	mishit (AMPA)	ketë lloj industrie në të ardhmen						
Business Association	Shoqata shqiptare e vajit ushqimor	Zhvillimi profesional dhe mbështetja e biznesit në fushën e kultivimit të ullirit, bimeve vajore si dhe prodhimit dhe marketimit të vajit ushqimor	Rruga Mihal Duri, Nr.35, Tiranë	Tel/Fax: 39684	OJQ	Në të gjithë Shqipërinë	1997	
Consultants	Shoqëria "Expo-Prima" Sh.P.K	Projektim, Ekspozim, ndërtim panairësh dhe ekspozitash brenda dhe jashtë vendit	Rruga Shyqyri Ishmi, Nr.73 Tiranë	Tel:29047 Fax: 27490	Sh.P.K	Tiranë	1996	
Donors	UNDP	Mbështetja e qeverisë shqiptare në mobilizimin e kapaciteteve të brendshme dhe nxitja e zhvillimit të sektorit privat	Rruga Deshmoret e Shkurtit, Vila 35, Tiranë	Tel:33122	Donator	Tiranë, Fier, Berat, Elbasan, Gjirokaster, Lezhë, Gramsh etj	1991	
Business Association	Unioni i prodhuesve të miellit të Shqipërisë	Mbrojtja, inkurajimi dhe stimulimi i prodhimit të miellit në vend	Rruga Mihal Duri, Nr.35, Tiranë	Tel:39684	OJQ	Në të gjithë Shqipërinë	1997	
Donors	USAID	Asistencë në zhvillimin e shoqërisë demokratike shqiptare	Qendra Nderkombetare e Kultures, Tiranë	Tel:47404/3	State Agency /Donator	Në të gjithë Shqipërinë		
Donors	World Bank	Asistenca dhe nxitja e zhvillimit ekonomik	Rruga Deshmoret e Shkurtit, Vila 34, Tiranë		Donator	Në të gjithë Shqipërinë	1993	