



ALBANIA'S REFORM AGENDA:

First Insights on Economic Reforms
Implementation

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EXECUTIVE SUMMARY

The EU Growth Plan for the Western Balkans (2024–2027), backed by the €6 billion Reform and Growth Facility (RGF) financial instrument, introduces a performance-based funding tied to reform milestones. Contingent on implementing their National Reform Agendas (NRAs)¹, Western Balkan countries will access parts of the EU Single Market before formal accession. Both developments constitute important steps in Enlargement process.

Albania swiftly adopted its NRA and governance structures, appointed a National Coordinator for the RGF and approved a more advanced legal framework by May 2025². However, key elements such as the RGF Monitoring Committee and the Information System for the Reform and Growth Facility are yet to be completed. The delayed real-time public tracking and transparency mechanisms limit public oversight and stakeholder engagement. The success of the Growth Plan depends on Albania's ability to convert this momentum into systemic, performance-driven reforms. While many NRA reforms focus on routine government functions, systemic structural reforms, such as for example in industrial policy, appear less prominently. This reflects a pragmatic, short-term focus aiming for results within the limited three-year RGF timeframe.

Nevertheless, the NRA's cross-cutting approach allows improvements in one area to reinforce progress in others, maximizing overall impact and alignment with EU accession objectives. Full effects of engaged reforms are expected to be felt by the end of 2026, though official monitoring is currently limited due to delays in public reporting.

¹ Albanian Reform Agenda was approved by the Decision of the Council of Ministers (CoM) 621 dated 10.10.2024.

² CoM Decision 252 dated 02.05.2025 "On the determination of functions, responsibilities, and relations between authorities and structures responsible for coordination and reporting, according to the provisions of the Facility Agreement, ratified by Law no. 19/2025".

I. BACKGROUND

The EU Growth Plan³ for the Western Balkans aims to accelerate the region's accession to the EU through concrete, legally-binding measures. By aligning key instruments—the Reform and Growth Facility (RGF), Western Balkans Investment Framework (WBIF), and IPA III—with broader EU strategies such as the European Green Deal and the Common Regional Market, the Plan pairs the EU's strategic commitment with tangible engagement and support to the region.

At the heart of the initiative is the €6 billion RGF (€2 billion in grants and €4 billion in loans), which promotes socio-economic convergence⁴ and early access to specific components of the EU Single Market. Using a performance-based “cash-for-reforms” model, EU funding is disbursed only upon achieving specific milestones set out in each country NRA. This results-oriented approach aims to deliver tangible benefits and incentives ahead of full EU membership.

Complementing IPA III, the RGF shifts the focus from institution-building to measurable reforms in rule of law, green transition, digitalization, and market integration, thus addressing enlargement fatigue and fostering momentum in the accession process.

Albania has committed to implementing 31 reforms across five areas: rule of law/fundamentals, business environment, human capital, energy and green transition, and digitalization. Albania's RGF allocation totals €922 million (€265 million in grants via WBIF and €675 million in loans through the state budget).

To enhance RGF transparency, CDI has launched the Reform and Growth Facility Scoreboard⁵, the region's first public tool to track progress, combining quantitative and qualitative data to monitor reform implementation in Albania.

³ https://enlargement.ec.europa.eu/document/download/8f5dbe63-e951-4180-9c32-298cae022d03_en?filename=COM_2023_691_New%20Growth%20Plan%20Western%20Balkans.pdf

⁴ New growth plan for the Western Balkans, page 1, “Currently, the level and speed of convergence between the Western Balkan partners and the EU is not satisfactory – either in terms of reform processes or of socio-economic convergence – and is holding back their progress on the EU track”

⁵ <https://cdinstitute.eu/reform-tracker/>

II. PURPOSE AND METHODOLOGY OF THIS PAPER

This paper provides an evidence-based overview of Albania's NRA, focusing on reforms with implementation deadline December 2024, concerning Business Environment and Private Sector Development. It spotlights reform initiatives led by the Ministry of Economy, Culture, and Innovation (MECI) and the Ministry of State for Entrepreneurship and Business Climate (MSEBC), directly impacting investment attraction, innovation, and enterprise competitiveness). Relevant measures under the Digital Transformation pillar are also addressed where they support business environment improvements.

The paper is not a comprehensive reform review or monitoring report. Its purpose is to establish a clear baseline of essential information to support researchers, EU integration experts, public and private stakeholders, academia, and other interested actors engaged on this new EU financial instrument. It seeks to promote institutional transparency, foster public dialogue, and reinforce Albania's credibility in delivering performance-based reforms critical to EU integration.

The analysis draws on desk research of reform progress assessments against Albania's economic objectives and stakeholder consultations. It also includes the results of five targeted interviews conducted in July–August 2025 with MECI, MSEBC, business community representatives and letter exchange with the State Agency for Strategic Planning and Aid Coordination (SASPAC). Only officially published or institutionally provided information has been used.

III. NOVELTIES OF THE REFORM AND GROWTH FACILITY

Established in May 2024⁶, the Growth Plan targets the EU – WB6 development gap estimated by the OECD to take over 50 years to close at current growth rates⁷. It does it through four strategic components: deeper integration into the EU Single Market, stronger regional economic ties via the Common Regional Market, accelerated reforms, and increased financial support. Its aim is to deliver tangible EU membership benefits and fast-track accession progress.

⁶ Regulation (EU) 2024/1449, at: <https://eur-lex.europa.eu/eli/reg/2024/1449/oj/eng>

⁷ Western Balkans Competitiveness Outlook 2024: Regional Profile © OECD 2024

Some key aspects of this new Regulation include:

- Conditional, performance-based funding: Only countries with a “credible”⁸ Reform Agenda can access its support. Disbursements are contingent on measurable progress. The EU may suspend, reduce, or terminate⁹ funding if milestones are not met or core values violated (Premise 35; Article 4(1)).
- Inclusive consultation and partnerships: The Regulation mandates the government to engage with civil society and private sector stakeholders, ensuring reforms are contextually grounded and widely supported¹⁰.
- Accountability and results orientation: Linking funds to verified¹¹ outcomes foster ownership, transparency, and effective use of resources aligned with EU integration goals.

Albania is leveraging the RGF to:

- Access performance-based funding: up to €922 million, €64.5 million has been automatically pre-financed (€30 million in concessional loans for reforms, €34.5 million in grants/concessional loans for infrastructure). Further funding will be unlocked by continued reform delivery in digital transformation, green projects, SME competitiveness, and infrastructure.
- Boost the business environment and investment climate: the increased emphasis on transparency, regulatory simplification and anti-corruption aims to attract investment in ICT, manufacturing, energy, and tourism, while strengthening integration into regional and EU markets.
- Create fiscal space for underfunded reforms: With SMEs comprising over 90% of country's businesses, funding SME capacity-building, regulatory alignment and

⁸ Article 5 paragraph 1/a.

⁹ Specifically under the article 9 “Facility Agreement” it is made clear the right of the Commission “to reduce proportionately the support provided under the Facility and to recover any amount spent to achieve the objectives of the Facility, or to ask for early repayment of the loan, in cases of irregularities, fraud, corruption and conflicts of interest affecting the financial interests of the Union that have not been corrected by the beneficiary, or of a serious breach of an obligation provided for in the Facility Agreement”

¹⁰ premises 16 & 34 and article 4 paragraph 8

¹¹ Under article 12 paragraph 2 it is provided that “The Facility shall provide incentives for the implementation of the Reform Agenda of each beneficiary by setting payment conditions on the release of funds. Those payment conditions shall take the form of measurable qualitative or quantitative steps. Such steps shall reflect progress on specific socio-economic reforms and on the fundamentals of the enlargement process linked to the achievement of the objectives of the Facility consistent with the enlargement policy framework. The fulfilment of those payment conditions shall trigger full or partial release of funds, depending on the degree of their completion.

infrastructure support prepares the predominantly informal business sector for EU Single Market integration¹².

- Accelerate EU integration: The RGF supports early integration into the Single Market, governance enhancement, and preparedness for post-2027 EU financial instruments.
- Potential additional funds through redistribution: Article 21(8) allows the Commission to redistribute funds reduced or cancelled from other WB countries, enabling best performers to finance further reforms¹³.

On the other hand, EU Progress Report¹⁴ underlines the institutional and administrative challenges that Albania faces. Central-level inter-agency coordination and project planning remains strained by tight reform deadlines and the extensive acquis transposition required under the accession negotiations. The large informal country SME base and the ambitious digital transformation goals require strengthened institutional frameworks and specialized capacities.

IV. ALBANIA REFORM AGENDA

Unlike isolated policy measures, the Albanian Reform Agenda is conceived as a transformative, cross-cutting and comprehensive framework. Reforms are designed to interact, so progress in one area reinforces progress in others, maximizing impact and aligning with EU accession priorities.

IV.1 Reforms for Growth: Competitiveness, Governance and Digitalization

The first policy pillar focuses on economic competitiveness and governance. It addresses the informal economy, tax revenue, investment climate, state aid, SOE governance, and SME exports. Flagship reforms include:

- A Medium-Term Revenue Strategy to improve tax collection;
- Enhanced land and cadaster services to ensure transparency, stimulate investment, and reduce corruption risks;

¹² Reform and Growth Facility for the Western Balkans - Reform Agenda of Albania, Annex III to the Commission Implementing Decision approving the Reform Agendas and the multiannual work program under the Reform and Growth Facility for the Western Balkans

¹³ Article 41 paragraph 6,7,8 of the Regulation

¹⁴ EU Progress Report 2024, page 90.

- Strengthened governance of state-owned enterprises (SOEs) and public-private partnerships;
- A modernized FDI framework and support for SME exports and value chains;
- Development of smart transport systems.

A good example of the RA's cross-cutting nature is the reform of cadaster services¹⁵. Being part of an integrated approach, its improvements are relayed in other areas, so maximizing the overall impact and alignment with the EU accession framework. Hence, beyond simplifying property registration, it aims to:

- strengthen legal certainty and justice sector reforms,
- reduce corruption opportunities,
- stimulate investment through clearer property rights, and
- improve urban planning and infrastructure.

The digital transformation agenda under another policy area of the Reform Agenda further strengthens governance and innovation. Supported by a €127 million allocation, related reforms focus on e-government, cybersecurity, 5G broadband infrastructure¹⁶, and digital identity systems. While not directly supporting businesses, these reforms aim to modernize state institutions, create transparency, and build the ecosystem in which innovative enterprises can thrive.

IV.2 Alignment with National Strategies

The RA is not a stand-alone framework, but it complements and aligns with several national strategies. It operationalizes reforms already outlined in the National Strategy for Development and Integration (NSDI)¹⁷, the Economic Reform Program (ERP)¹⁸ 2025–2027, and the Business and Investment Development Strategy (BIDS)¹⁹ 2021–2027.

These comprehensive and integrated features become visible when one notices that:

- The Medium-Term Revenue Strategy (MTRS) is a shared priority of both RA and of ERP.

¹⁵ "Ensuring transparency and efficiency of state cadaster services for investors and citizens and providing a clear land use policy"

¹⁶ A set of legal acts are adopted domestically to align with the EU Regulation on Digital Identity (eIDAS 2 Regulation 2024/1183), the EU NIS2 Directive 2022/255 and EU Gigabit Infrastructure Act

¹⁷ CoM Decision no. 88, date 22.02.2023 "On the Approval of the National Strategy for Development and European Integration 2022–2030"

¹⁸ CoM Decision no.46, date 22.01.2025 "On the Approval of the Economic Reform Program"

¹⁹ [Public consultation for the BIDS 2021-2027](#) has been recently closed.

- SME development, export promotion, and investment attraction are shared priorities between the RA and the BIDS.
- Both the RA and the BIDS place emphasis on Skills development and human capital policies²⁰.

The RA's advantage lies in its operationalization of country priorities from broader strategies into actionable and time-bound reforms. Regardless of them being improvement of routine government functions or systemic structural reforms, RA anchors them all in a single framework. Furthermore, it links them to EU financial support not linked to real costs, and ensures that improvements in governance, competitiveness, and digitalization reinforce each other.

IV.2 Reforms or Measures?

Some reforms raise the question of whether they are genuine structural reforms or rather practical measures to address short-term problems, as illustrated below:

- Improving SOE governance and state aid monitoring is essential but remains a daily task of line ministries. A substantial and long-term reform would define Albania's overall state ownership policy and examine whether 76 SOEs²¹—many underperforming—should remain public²² or not – in sectors for example such as energy.
- Cadaster reforms improve transparency but do not fully address land fragmentation, which limits agricultural competitiveness.
- Industrial policies are underrepresented²³, despite being central to Chapter 20 of the EU Acquis. Missing elements include measures on energy costs, clean industry standards, innovation, technology substitution, and circular economy, all pressing challenges for businesses.

²⁰ All three BIDS pillars—investment attraction and business internationalization, SME development, and human capital—are reflected in RA policy reforms, including an export strategy, SME/startup support schemes, and a system to assess medium-term skills needs.

²¹ The 2nd largest number of SOEs in the WBs, but which contribute to the 2nd lowest share of employment in the region, according to Western Balkans Competitiveness Outlook 2024: ALBANIA, © OECD 2024.

²² Currently, no state ownership policy exists, outlining the rationale for ownership or overarching objectives of the state as a shareholder

²³ Interview date 10.07.2025 with Ms. Ami Çarçani - Director of the Directorate of Conception and Feasibility of Projects for Economic Development Issues (MECI); Interview date 08.07.2025 with Ms. Albana Laknori- Secretary General at the Chamber of Commerce and Industry of Tirana.

IV.3 State of Play: Governance Framework

The legal foundation of Albania's Reform Agenda is established through two key legislative instruments adopted on March 13, 2025. They are:

- Law No. 18/2025 on the "Ratification of the Loan Agreement between the Republic of Albania, as borrower, the Bank of Albania as the Borrower's Agent, and the European Union, represented by the European Commission as Lender, under the "Reform and Growth Facility for the Western Balkans."
- Law No. 19/2025 on the "Ratification of the Facility Agreement between the Republic of Albania, represented by its Council of Ministers, and the European Union, also represented by the Commission, outlining the specific arrangements for implementing the EU's financial and technical support to Albania within the framework of the Reform and Growth Facility".

On that legal basis and according to the provisions of the Facility Agreement, the Government has approved the functions, responsibilities and relations between authorities and structures responsible for coordination and reporting²⁴.

The main structures in charge of governance and implementation of the RGF Instrument in Albania, are the:

- National Coordinator for the Reform and Growth Facility (General Director of SASPAC), supported by a dedicated staff/unit;
- Strategic Planning Committee (SPC); and,
- RGF Monitoring Committee.²⁵

SASPAC is at the center of the created governance system²⁶. It is tasked with the coordination of RA reform implementation, the monitoring and centralized reporting of reforms to EU Commission. All the relevant Ministries and other institutions depicted for the implementation of reform steps should report to the National Coordinator twice per year, on a semi-annual basis²⁷, and pursuant to the detailed plan for the implementation and reporting on the RA 2024–2027²⁸

²⁴ CoM Decision no. 252 date 02.05.2025 "On the determination of functions, responsibilities, and relations between authorities and structures responsible for coordination and reporting, according to the provisions of the Facility Agreement, ratified by Law no. 19/2025"

²⁵ ["Delivering Reform Through Effective Governance", Policy Brief, May 2025, CDI](#)

²⁶ ["Delivering Reform Through Effective Governance", Policy Brief, May 2025, CDI](#)

²⁷ CoM Decision no.252, article 8, paragraph 4.

²⁸ CoM Decision no.252, article 4, paragraph 2.

The National Coordinator is also responsible for the official country reports to be submitted to the EU Commission. In addition, the National Coordinator, in cooperation with the European Commission, is responsible for drafting and implementing a comprehensive communication and visibility plan²⁹

The work of the National Coordinator is oversighted by the Strategic Planning Committee (SPC). The National Coordinator shall submit information to the Strategic Planning Committee at least twice a year, reporting on the progress of the implementation of the RGF, with particular emphasis on the progress of RGF investments³⁰.

The RGF Instrument should be monitored by a Monitoring Committee to be co-established and co-chaired by the National Coordinator and EU Commission. The Monitoring Committee composition should reflect the principle of inclusive governance by including also representatives of civil society and the business community.

The governance and monitoring structures for the RGF are largely in place, though final steps are needed to ensure full implementation and efficiency³¹. Key roles and responsibilities were only defined in May 2025, and the National Central Support Office, originally planned for July 2025, is now expected to be fully operational by September 2025. More time and human resources are required to strengthen coordination and monitoring among stakeholders.

The recently established Monitoring Committee is expected to enable and boost civil society and community representatives to review RGF progress. The Communication Plan has also been adopted.

The first official report of the National Reform Agenda was submitted to the EU on July 15, 2025 (though it hasn't been published yet). Institutions are currently preparing a detailed implementation and reporting plan for the measures implemented until December 2025. Similar procedures will follow for 2026 and 2027. Monitoring and reporting will be further improved once the REGFIS platform - which will manage all relevant data and documentation - becomes operational.

²⁹ CoM Decision no.252, article 11.

³⁰ CoM Decision no.252, article 8 paragraph 2.

³¹ Reply letter from SASPAC no.939/1 date 07.08.2025 to CDI "Request for Information"

In July 2025, the Ministry of Finance approved the guidelines establishing internal control and audit mechanisms that ensure sound use of RGF funds. These guidelines are needed for the Declaration of Assurance, a key requirement for payment requests under agreements with the EU, OLAF, and EPPO.

IV.4 MECI and MSEBC-led reforms

This section examines reforms led by the Ministry of Economy, Culture and Innovation (MECI) and the Ministry of State for Entrepreneurship and Business Climate (MSEBC). While some early steps were achieved by the end of 2024, most milestones will unfold gradually from mid-2025, reaching their peak by late 2026. The information presented in the Table "Progress of reform implementation" is indicative, as no official RA progress report has been made publicly available by the responsible authorities.

Table: Progress of reform implementation

REFORM	PROGRESS & EVIDENCE	STATUS
State Aid (MECI) Increasing investment attractiveness and transparency, in accordance with EU practices, improving governance of state-owned companies and State Aid.	The indicator for this reform is the degree of transparency in the appointments of new SOE board members and the degree of operational independence of the State Aid Authority. By December 2024, new board members of state-owned enterprises (SOEs) were expected to be appointed through transparent, merit-based procedures. From our verification ³² , MECI initiated the process under the existing regulations ³³ and adopted new rules (CoM Decision no. 363/2024) alongside Ministerial Order no. 1107/2024 on vacancy procedures for members of Supervisory Councils of State Joint Stock Companies under MECI ownership. However, implementation across other line ministries remains incomplete and largely unreported ³⁴ .	Partially completed
Private Sector Development (MECI) Improving the investment attraction framework and in particular the FDI framework and business environment through deregulation and modernization of business services.	This reform is discussed in detail in Section V of this paper.	Ongoing reform
Private Sector Development (MSEBC) Improve the investment attractiveness framework and in particular the FDI framework and business environment by deregulation and modernization of business services. The relevant step: <i>Adopt legal amendments to facilitate administrative procedures for businesses.</i>	Minister of State on Entrepreneurship and Business Climate has published the Business Services Deregulation Analysis Report . This document provides for a list of de-regulatory acts approved by 6 Ministries including key results (reduction of documents and shortening of deadlines) for each of them	Completed but this is an ongoing reform

³² Interview date 10.07.2025 with Ms. Ami Çarçani, Director of the Directorate of Conception and Feasibility of Projects for Economic Development Issues (MECI); Interview date 02.07.2025 with Ms. Eralda Shtylla- Department of Business Policies Development-(MECI)

³³ CoM Decision no. 70, dated 3.10.2018 "On Supervisory Councils of State Joint Stock Companies"

³⁴ According to the Interview date 10.07.2025 with Ms. Ami Çarçani- Director of the Directorate of Conception and Feasibility of Projects for Economic Development Issues (MECI);

<p>Innovative Entrepreneurship Strategy (MSEBC) Improving the enabling environment for innovative businesses and their exploitation of the potential of the green and digital agenda, including respective financial support opportunities. The expected deliveries until December 2024 were: i) The adoption of the Innovative Entrepreneurship Strategy; and ii) Adoption of the green and digital agenda for innovative entrepreneurship and R&D, as part of the strategy.</p>	<p>The draft of the National Strategy for the Development of Innovative Entrepreneurship 2024 – 2030, and the Action Plan for its implementation - both available for public consultation - are formulated as a mid-term policy document spanning over 6 years³⁵. The goal is for Albanian entrepreneurs to have access to the necessary capital to develop their projects and to be supported by a network of public services and assistance programs.</p> <p>The strategy is supported by three main pillars: the Entrepreneurial Innovative Ecosystem; Strategic Sectors (S3); and Inclusive Development. The strategy has been approved with the CoM Decision no. 860 date 26.12.2024 “On the Approval of the National Strategy for the Development of Innovative Entrepreneurship 2024 – 2030, and its Action Plan”³⁶.</p>	<p>Completed</p>
<p>Digitalization Pillar (MSEBC) Preparation and implementation of a grant scheme with a focus on SMEs and/or startups, where 30% of the grant is earmarked for SMEs and/or startups, aiming at green and/or digital solutions.</p>	<p>On December 2nd, 2024, MSEBC has announced in its official website the “Call for Support of Startup Companies and Startup Facilitators Through Grants and Support Measures 2025”, along with the grant documents³⁷. In addition, State Aid Commission, with decision no. 122, dated 27. 11.2024 “Grants For Start Ups and Start Up Facilitators for the Year 2025” authorized the state aid grant scheme based on State Budget 2025 provisions³⁸. The above measures followed an earlier CoM Decision no. 61, dated 7.2.2024 “On the Approval of the Requirements and Criteria that Startups and Startup Facilitators Must Fulfill, the Procedures and Deadlines, as Well as the Rules for the Composition of The Evaluation and Appeal Commission, The Criteria, The Selection Procedure and the Reward of Their Members”³⁹.</p> <p>Due to the lack of published data and official reports, it was not possible to verify whether the above-mentioned support measures have been effectively delivered to SMEs and/or startups, particularly those targeting green and/or digital solutions.</p>	<p>Ongoing reform</p> <p>N/A</p>

³⁵ <https://konsultimipublik.gov.al/Konsultime/Detaje/716>

³⁶ <https://www.qbz.gov.al/eli/vendim/2024/12/26/860/36a0c99f-3dd0-46b1-994d-15de4232f5d5;q=strategjia%20kombetare%20e%20zhvillimit%20te%20siper marrjes%20inovative>

³⁷ <https://www.sipermarrja.gov.al/newsroom/thirrja-per-mbeshtetjen-e-kompanive-startup-dhe-lehtesuesit-e-start-up-eve-nepermjet-granteve-dhe-masave-mbeshtetese-2025/>; and <https://www.sipermarrja.gov.al/dokumentet-e-aplikimit-2025/>

³⁸ <https://www.qbz.gov.al/share/rYMytWj3SXGLMdyb3Hxxug>

³⁹ https://www.qbz.gov.al/share/uqz5KRbFR6aAH7o_qXh_AA

V. CASE STUDY: UNFOLDING THE REFORM INTO PRACTICE - ADOPTION OF THE UNIFIED INVESTMENT LAW

The adoption of a unified investment law, together with key implementing bylaws aligned with EU best practices, is the reform under the Improving the Business Climate pillar. Although prioritized in the RA with a deadline for adoption by December 2026, this reform is not unexpected for the business community, development partners, or foreign and domestic investors, as discussions on a new foreign investment law have been ongoing since 2018. This section provides the background on the reform, outlines its steps and milestones, and illustrates how it is being translated into practice by the responsible institutions under the RA.

V.I Background

Albania's legal framework for foreign direct investment (FDI) is based on Law no. 7764 of 1993, which guarantees equal treatment, non-discrimination, and permits 100% foreign ownership in most sectors⁴⁰. It protects investors from expropriation, except in cases of public interest. 2010 amendments strengthened protections in legal disputes and for investments over €10 million, while changes in 2017–2018 extended safeguards to strategic investors under Law no. 55/2015 "On Strategic Investments" reinforcing Albania's intent to attract large-scale foreign capital⁴¹.

In 2019, a draft "Investment Law" aimed to unify and modernize the framework by replacing the 1993 and 2015 laws⁴², was launched for public consultation, but the initiative stalled. Since then, the government has focused on periodically amending the Strategic Investment Law rather than pursuing a comprehensive reform.

⁴⁰ According to the law 100% property ownership from foreigners is allowed in almost all the sectors with some exclusions: (i) International passengers air transport (limited to 49% of ownership for investors outside the European Common Aviation Area); (ii) Transmission of electricity (which should be 100% owned by the state); (iii) Broadcasting (no entity can have more than 40% of the shares of a television company); (iv) Foreign nationals are not allowed to own more than 49% of the capital of an Albanian-flagged vessel or of commercial companies engaged in commercial fishing

⁴¹ Law no.46/2017 and Law no.100/2018

⁴² This initiative, supported by the International Finance Corporation (IFC), followed the government's 2016 investment policy guide and involved several stakeholder consultations led by the Albania Investment Council and the Ministry of Finance and Economy - <https://www.investment.com.al/on-draft-unified-investment-law-consultation-with-business-stakeholders/>

V.II Towards a Unified Investment Law

The adoption of the unified investment law and its by-laws under the RA by end-2026, is expected to be a game changer for investor rights and obligations. It will introduce a coherent dispute resolution mechanism - absent or fragmented under Law no. 7764 - and establish clear rules for investment screening, a growing EU concern addressed through Regulation (EU) 2019/452⁴³.

The reform is planned in two phases: (i) Scoping phase, review and assessment of the current legal framework and institutional context and facilitation of administrative procedures related to investments (Dec 2024); and (ii) analysis of legal gaps against the EU acquis (June 2025). We could not find any published official information on these steps, though a working group with donor support is reportedly being set up to lead the drafting phase.

V.III Parallel Reform Tracks- Recent Developments

On 3 July 2025, the Albanian Assembly amended Law no. 7764 "On Foreign Investments"⁴⁴ introducing, for the first time, a mandatory screening mechanism for foreign direct investments (FDIs). This move continues is part of Albania's tasks, particularly for closing Chapter 30 – External Relations – by harmonizing with Regulation (EU) 2019/452 "For Establishing a Framework for the Screening of Foreign Direct Investments into the Union".

This amendment was not foreseen in the RA's planned steps for adopting a new consolidated law on foreign investments but emerged as a parallel development in the context of EU acquis alignment. The amendment enables the government to review FDIs that affect critical infrastructure, technologies, supply chains, or media freedom. However, it leaves key elements—such as concerned sectors, criteria, and institutional setup—undefined, pending further regulation by the Council of Ministers with no set timeline.

The measure represents a significant step toward national security and alignment with EU, but raises concerns over transparency, as it was adopted without meaningful consultation and outside the roadmap for a new consolidated investment law expected by end-2026. Until now, Albania relied on fragmented, ad hoc reviews; the amendment signals a shift to more structured governance. Its impact will depend on the design and implementation of the forthcoming implementing rules.

⁴³ REGULATION (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union

⁴⁴ The amendment (Law 56/2025) is now published in the [Official Gazette no. 124 date 11.07.2025](#).

VI. FINAL REMARKS AND KEY RECOMMENDATIONS

Albania has demonstrated strong political will by swiftly adopting the NRA and appointing a National Coordinator. While governance and monitoring frameworks are largely in place, communication and internal governance infrastructure must become operational as soon as possible.

The cross-sectoral nature of reforms brings up coordination challenges and mandate overlaps, as seen in state-owned enterprise governance-related measures. Reporting formats and resource allocation are still being consolidated, and the mechanisms for tracking progress are not yet functional, limiting transparency and oversight.

Private sector engagement has been weak. Businesses were only marginally involved in drafting and prioritizing reforms under the NRA, despite a public consultation process⁴⁵. Actions aimed at improving the business climate have not yet produced meaningful impact. Nonetheless, the business community has expressed interest in contributing during the public consultation phases, which is essential for aligning with EU Single Market standards.

Albania's credibility on the path to EU integration is improving, but sustained progress - particularly in market competitiveness and business development - will be the true test. To ensure effective and lasting implementation of the next steps in the National Reform Agenda (RA), current policy provisions should be translated into concrete actions, some of which are articulated below:

- **Inter-institutional Coordination and Accountability:** Clearly define roles and responsibilities across line ministries and agencies to minimize duplication and ensure accountability. Timely coordination is critical given RA milestones and EU reporting deadlines. Delays in inter-institutional coordination or unclear responsibilities risk undermining reform credibility and funding.
- **Systematic stakeholder consultation and engagement:** Government and business stakeholders should engage in systematic consultations for upcoming reforms, which will intensify through 2026. A clear and systematic public consultation program should be prepared in advance by the responsible institutions. The Ministries responsible can prepare and notify a calendar of consultations to their stakeholders, engaging them in the two phases: (i) *ex-ante* consultations with stakeholders to anticipate potential implementation challenges of reforms and

⁴⁵ <https://konsultimipublik.gov.al/Konsultime/Detaje/744>

measures and (ii) *ex-post*, periodically informing them the status of the reforms, what has been implemented and what not. Platforms such as Investment Council⁴⁶ and National Economic Council⁴⁷ can facilitate these consultations, ensuring broad stakeholder inclusion. Interviews with business representatives⁴⁸ underlined how the above phases, the quality and inclusiveness of consultations, directly affect the credibility of laws and regulations under the RA, and the legitimacy of the reforms.

- **Public Awareness and Engagement:** Launch information campaigns to build citizen understanding and support for reforms. Regular consultations with civil society and local communities will enhance its legitimacy. The implementation of RA communication plan should start as soon as possible. In addition to the above, responsible institutions should develop sectoral communication plans which clearly outline the objectives, benefits, and expected impacts of reforms within each sector, tailored to the concerns and interests of different audiences. Proactive and consistent communication—both during the planning phase and throughout implementation—enhances the legitimacy and success of reform efforts.
- **Transparency and Monitoring:** Accelerate the deployment of REGFIS - the digital platform managed by the National Agency for Information Society - to track all monitoring, reporting, and auditing data. Publishing accessible qualitative and quantitative information is essential for transparency and public trust. Alternatively, the REGFIS platform can be tailored to generate directly reports for stakeholders.
- **Inclusive Oversight:** The recently established RGF Monitoring Committee shall insure an active and informed participation of civic actors and of the private sector. Their involvement will enhance transparency, credibility and legitimacy of reform implementation.

⁴⁶ [Albania Investment Council](#)

⁴⁷ National Economic Council

⁴⁸ Interview date 08.07.2025 with Ms. Albana Laknori- Secretary General at the Chamber of Commerce and Industry of Tirana; Interview date 03.07.2025 with Ms. Marinela Jazoj – Executive Direction of FIAA.

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