



**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**GOVERNMENT OF ALBANIA**

**AND**

**EUROPEAN BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

**IN RESPECT OF**

**COOPERATION IN SUPPORT OF THE INVESTMENT CLIMATE  
AND GOOD GOVERNANCE**

**24 FEBRUARY 2014**

**MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as the “**Memorandum**”) between the Government of Albania (hereinafter referred to as the “**Government**”) and the European Bank for Reconstruction and Development (hereinafter referred to as the “**EBRD**”), hereinafter separately referred to as a “**Party**” and jointly referred to as the “**Parties**”.

**WHEREAS** the EBRD has launched the Investment Climate and Good Governance Initiative (“**ICGGI**”) to reenergise economic transition in a number of its countries of operations, including Albania;

**WHEREAS** as part of the ICGGI, the EBRD has envisioned a range of instruments which seek to improve policy dialogue between the private sector and government with a view to enhancing investment climate, to strengthening the legal framework and mechanisms of dispute resolution and to reducing informality and enhancing transparency in the corporate and banking sectors;

**WHEREAS** the Government has established a National Economic Council with broad responsibilities for analysing and discussing policy reforms related to economic performance and foreign and domestic investment; and

**WHEREAS** the Government has pledged to work with international institutions to tackle problems of corruption, informality in the economy and weaknesses in the business climate;

**WHEREAS** the EBRD and the Government signed a Letter of Intent on 20 November 2013 to explore together opportunities to cooperate in improving the investment climate and promoting good governance in Albania, in line with EBRD’s purposes and functions and the Government’s stated reform priorities.

The Parties have come to the following understanding:

## **I. PURPOSE**

This Memorandum aims to provide a framework for cooperation between the EBRD and the Government in support of the National Economic Council (“**NEC**”) and in line with the objectives of the ICGGI with the aim of improving the development of the private sector, strengthening the business and investment climate and promoting good governance.

## **II. COOPERATION**

### **1. Role of the Government**

The Government, within its competence and in accordance with the legislation of Albania, intends to:

- identify areas in which action by the Government and assistance by the EBRD may result in a significant improvement of the development of the private sector and of the business and investment climate in Albania;
- promote the activities envisioned under this Memorandum, including but not limited to the work of a dedicated Investment Council to support the NEC and the NEC

Secretariat (as set out in Annex 1 of this Memorandum), implement the measures suggested by the business community and decided at the Investment Council's meetings, and lead efforts to strengthen the rule of law, prevent corruption, reinforce mechanisms of dispute resolution, enhance transparency and address the issue of informality in the economy;

- work closely with the EBRD and other stakeholders on joint analysis and definition of possible ways to improve legislation, practices and other relevant areas aimed at fostering investment, both foreign and domestic, into the economy of Albania;
- take the necessary measures to identify and open up opportunities to attract foreign investment and galvanize domestic investments towards sectors with potential for developing and contributing to the economic development.

## **2. Role of the EBRD**

The EBRD in accordance with its Strategy for Albania, as may be updated from time to time by its Board of Directors, with its ICGGI and with its other internal rules and procedures, intends to support, where relevant, the Government's implementation of its anti-corruption strategy as well as its efforts aimed at increasing investment and at improving the development of the private sector and of the business climate in general in Albania. In particular, the EBRD intends to:

- support the Government in its efforts to establish an Investment Council reporting to and providing support for the NEC and its Secretariat, including seeking funding from donors to be made available through the EBRD to the Government for financing the Secretariat of the Investment Council, participating actively in the work of the Investment Council, and supporting and overseeing the functioning of the Secretariat;
- further enhance its efforts to strengthen the rule of law and the functioning of the judiciary through institution building and judicial training;
- investigate best practice and provide advice and recommendations on ways to improve the functioning of the Albanian business registry (National Registration Centre) as one of the basic elements in the efforts of reducing levels of informality in the economy;
- mobilise technical assistance to assist the Government in designing and implementing an effective consumer credit bureau, building on existing institutions and strengthening their capacity to cover individuals and non-financial institutions data such as utilities;
- work closely with the Government in defining other areas where the EBRD can apply its experience and expertise to support the Government's efforts to stimulate the development of the private sector and of the business climate in general in Albania, for example by promoting good corporate governance and transparency in the corporate and banking sectors, working closely with the banking community, business associations and the Bank of Albania;
- establish a monitoring framework, in close cooperation with civil society and other relevant institutions, to track implementation and measure results from the interventions related to the ICGGI.

## **III. FINAL PROVISIONS**

This Memorandum reflects the views and intentions of the Parties to co-operate on a non-exclusive basis, expressed in good faith but without the creation of any legal obligation or incurrance of any liability on the part of any of them. Nor shall any third party obtain any legal benefit from this Memorandum.

It is understood and agreed that nothing in this Memorandum shall constitute, or be construed as, an offer, promise or undertaking by either Party to finance all or part of any activity or project identified in or pursuant to this Memorandum.

Nothing in this Memorandum will limit the right of, or prevent the Parties from entering into memoranda or arrangements with other parties with respect to any activity, project or area of co-operation covered by this Memorandum.

Nothing in this Memorandum will constitute nor be construed as a waiver, renunciation or other modification of any of the privileges, immunities and exemptions granted to the EBRD under the Agreement Establishing the European Bank for Reconstruction and Development, international conventions or any applicable laws.

Any dispute arising out of, or in connection with, the interpretation or application of any provision of this Memorandum of Understanding will be settled amicably through consultations.

This Memorandum of Understanding shall become effective on the date it is signed by both Parties. It may be amended by mutual written consent of the Parties. The Memorandum shall remain valid for a period of five years, after which time it may be reviewed and extended by mutual consent of the Parties. The activities envisioned in this Memorandum shall be phased in over time, starting with the establishment of an Investment Council. A periodic review of the implementation of the actions foreseen under this Memorandum shall be undertaken annually. Either Party may terminate this Memorandum of Understanding at any time by giving the other Party written notice to this effect no later than one month prior to the termination date.

Signed in London, on 24 February 2014 in two originals in the English language and two originals in the Albanian language. Should there be any discrepancy between the two language versions, the English version shall prevail.

**For the Government:**

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Name: HE Edi Rama

Title: Prime Minister

**For European Bank for Reconstruction and Development:**

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Name: Suma Chakrabarti

Title: President