

The Process of Trade Policies, the Regulation of the Presence and the Interaction of Institutions

Dr. Engjëll Skreli; Dr. Anila Tanku

Trade policies imply government intervention aiming to improve the functioning of the market, by placing and making sure that certain standards are respected like the protection of health, the environment, the security of the public moral etc. In a stricter and simpler sense, trade policies are defined as foreign trade policies. In our treatment we will refer to the broader concept of trade policies.

From the above premise, the analysis of the process of creating, applying, monitoring and analyzing trade policies would consist of:

- The analysis of the existence of trade policy institutions: the current situation and the problems
- The analysis of the cycle of trade policies: phases and their implementation

The following analysis is a modest attempt that aims to focus on an evident problematic, with the pragmatic objective to begin an awareness debate for positive changes. Our aim is not to conduct a detailed analysis of the institutions that deal with trade policies. Such analysis is broader than the aim of this material, but is in our future plans.

1. The process of trade policies

Albania has made many qualitative steps towards the gradual liberalization of the trade policies since the beginning of the transition. As a result, the regime of export-import is entirely free, except the products that are considered dangerous. The export-import activity is conducted in full accordance with international rules and has the following characteristics:

- (i) There are no taxes or similar hindrances applied on export;
- (ii) The imports are subject to a simple tariff rate of 4 levels: 0%, 2%, 10% and 15%;
- (iii) Imports are subject to VAT and some products to excise tax;

Especially during the last years, Albania has been strongly engaged in:

- (i) The harmonization of the legislation with the international standards. To date, the technical rules for specific sectors are determined and approved, in full accordance with EU Directives.
- (ii) The EU membership. Albania is a member of the WTO, and is fulfilling the rules that stem from the membership

- (iii) The increase of the collaboration with international bodies, regional initiatives, where we point out the components of liberalization of trade in accordance to regional initiatives like the Stability Pact, SECI etc.
- (iv) Promotion of exports, the approval of the National Strategy for Export Promotion, and the beginning of its implementation.
- (v) The fulfillment of engagements in function of the negotiations of the SAA with the EU, especially on the supervision of the market: the legislation in the areas of competition and consumer protection.

2. The cycle of trade policies

2.1 The Institutions

The process of trade policies functions through a network of actors/institutions, whose presence naturally affects the performance of the system.

The Ministry of the Economy

This institution is treated separately because of the central role it must play in the process of trade policies.

An important part of the mission that this Ministry has is the support of sustainable economic development of the country through the improvement and the increase of collaboration with other countries and with international donor institutions.

The spectrum of trade policies is complete if it includes: the instruments, the information, the facilitation, the promotion, and trade finance. How does the Ministry of the Economy fare in this sense?

Function	Who Does It
Instruments of Trade Policies	The Secretariat of the WTO
Trade Information	The Information Sector/ The Agency for Business Promotion
Trade Facilitation	The Sector of Trade Facilitation
Promotion	The Agency of Business Promotion
Trade Finances	

Specific Objectives of the ministry are briefed as follows: (i) The designing of national trade policies, regional and sector-specific for the development of business and the promotion of investments through the promotion of free and fair competition, as well as the protection of health, safety and consumer interests, (ii) the studying of the current situation and the producing of business development policies, and export promotion, (iii) the improvement of the trade balance, through export promotion and the substitution of imports where there are comparable advantages, (iv) the application of the accession strategy, following the WTO membership.

The objectives of the Ministry are an expression of the fact that trade policies are more complex, including specific duties that are related to the well-administering through market monitoring.

Organization: The above mentioned functions are fulfilled from the following departments: The WTO Secretariat and economic integration (10 people), The Business Promotion Department (13 people) The Competition Department (6 people) The Consumer Protection Department (4 people) The Office of Anti-Dumping (3 people). Therefore there are 36 people that deal with trade policies out of a total staff of 189 in the Ministry.

Human Resources and their Capacities: The staff of the Ministry is relatively young and lacks the necessary experience in the field of international trade, which obviously affects the process of decision-making. The problems that occur come as a result of the following: (i) hiring the staff as a result of the changes in the structure, and the lack of motivation and the low level of competitiveness of the public sector with the non-public sector (ii) not knowing the business English, (iii) The level of training in the field of negotiations and recommendations in policy-making, is inadequate.

Information and its management: The management of information is divided into two components: infrastructure and applications. Although theoretically, the role of information has always been considered as a necessary prerogative for decision making, it is not invested enough for the improvement of the trade information section. Its main duty is to gather data on foreign trade (export/import) and to manipulate them in function of the achievement of the goals of the Ministry that pertain to decision making in the field of international trade. With the data gathered from Customs and INSTAT a bulletin is prepared: "Statistical data on foreign trade and their analysis" (for internal use only). This bulletin contains general information on the trade balance (deficit), the main partners of trade, and the structure of export-imports in products. The opportunities that this bulletin offers for analysis are limited due to high level of data aggregation and the insufficiently developed methodology.

The Internet is installed and offers access to all the structures, but actually it is not used as a contacting means with international sources. The training in the field of trade information therefore and the use of internet must be emphasized.

The Library: A specific library, furnished with contemporary literature on foreign trade does not exist. While the Secretariat of Relations with WTO has its own library, it is not used by the rest of the staff in the Ministry.

Issues identified

First, the Ministry of Economy *suffers the lack of a fully legal mandate, as requires a core institution which deals with elaborating trade policies and also the right framework to play this role.* In fact, there is an Order of the Prime Minister that approves the organisation structure (job description excluded), which obliges all institutions to notify the WTO Secretariat regarding changes/additional information on the legislative and regulatory framework.

Second, considering the prime role that the trade policy process should keep between all functions of this Ministry, it appears that dealing with trade issues is assigned to a limited staff. *But, how much attention is the Ministry of Economy really paying to this component?* One cannot certainly judge upon the number of staff members to come up with such definitions, but there is room for discussion while complementary implementing Agencies on this field still do not exist.

Third, the core institution of trade policies process suffers *the lack of an analytic dimension*. This is the reason we think that there are two possible and already experienced options in other countries that might be raised for discussion. First (i), the Ministry of Economy should also perform economic/commercial analyses in order to give recommendations to policy and decision makers both in executive and legislative terms. This would require a change/review of the vision and mission of this Ministry (as seen on annex). Second, the Ministry of Economy is supposed to be a symbol of protection for the trade policy process. It must focus its attention in it, assist on preparation of policies/strategies and elaboration of trade policy instruments, information, facilitation, promotion and finances. In order to assist the policy process, the Ministry should collaborate with public institutions and civil society by “*ordering*” products such as analyses and recommendations to help the decision making process. Which one sounds better?

Fourth, taking into consideration that the function of commercial finances on the Ministry of Economy framework is still “uncovered” a question might be raised: *is it time for such function to be part of Ministry’s framework?*

The existing Albanian market that offers services of credit and guaranty on trade/exports is rather undeveloped. Analysis performed while preparing the Strategy of Exports showed that one of the factors impeding the development of Albanian exports is the deficiency on policies and frameworks to credit and guaranty exports. Handicaps of this field are related to: (i) lack of long-term financing facilities, (ii) restricted credit and deposit instruments, (iii) lack of experience in credit and risk management.

As international experience shows, core institutions such as Ministries are usually supported by Agencies of export crediting, whose role is really important. They are mainly focused on guarantying exports but financing is also part of their mission. “Choosing models” is certainly not recommended. The system should be based on given circumstances of a country. Models are usually defined after: (i) analysis of needs for specific countries, their exports and banks, (ii) comprehension of the role, existence and the way these institutions work, (iii) efforts to “create” the model that suits best the country needs and conditions.

Fifth, there is a lack of training programs to help with staff capacity building. A training program should be developed in order to fulfil staff needs both in technical and managerial terms. *Training modules* should follow the new vision and the actual needs of the institutions. As already evidenced, possible fields in need for staff training would be: (i) respecting commitments regarding WTO membership, (ii) Development of Free Trade Area with the EU, (iii) finalisation, management, implementation and monitoring of FTA-s with region countries, (iv) Albanian legislation in respect of the EU standards, (v) strategies of attraction of foreign investments, (vi) export development and promotion.

Sixth, staff recruitment: As English has become the language of business and trade, it is necessary that the new staffs being recruited have in-depth knowledge of this language whereas existing staff should work on increasing its level of knowledge. Research papers and articles related to international trade issues as well as statistics on that purpose could all be found in English language. Same thing when it comes to information from the Internet. Briefly, today's staff should *have strong skills of written and spoken English*. *Training on this field aims at improving staff skills in communication, reporting and presentation*.

Seventh, computer practice, an effective instrument in analysis and research activity in the trade field, should be one of the training goals. The course should provide information regarding hardware and software applications, e-mail usage and access to Internet information.

Managers and Supervisors should also benefit from training programs. They need to be supported in developing skills related to planning, organizing, staff recruitment and its motivation, communication etc.

Eighth, attention should be paid to gathering, elaboration and publication of information in order to make sure that classification of trade information is based on future needs of the Ministry of Economy. Broadening the Ministry's vision would ensure maximum benefits from ICT. *A library fully dedicated to foreign Trade* should be established. The library would aim at gathering, preservation and staff access to books, periodicals, journals and other publications on trade, law, political sciences, industrial organisations etc, all related to the activity of the Ministry of Economy.

Other institutions

The last decade has been an intensive period of adopting legislation and building institutions that would create the basis of the free market economy and its "playing rules".

a. Several laws and government decisions have created the institutional and legal framework for the **private property rights** including the intellectual property rights¹. Based on these laws the institutions involved in the protection of intellectual property rights are courts, Trade Marks and Patent Department under the Prime Minister Office, Ministry of Education, Ministry of Culture and the Association for the protection of Copy Rights.

b. The creation of the conditions for **fair competition** is administered by several laws that regulate (i) natural monopolies, such as telecommunication, energy, water (ii) competition deforming phenomena such as monopolies, cartels, state subsidies and dumping. Several institutions have been established and are operating to guarantee fair competition: Telecommunication Regulatory Body, Energy Regulatory Body, Water regulatory Body, Frequencies Regulatory Body, Competition Department and Anti-Dumping Department at Ministry of Economy.

¹ See the Annex

c. Indispensable element of **market transparency** is the information on the markets and products. Transparency means information for the producers and consumers. The system of Chambers of Commerce and Industry, based on the law for Chambers of Commerce, should supply the members with services, including the information on the markets. The state aims also to provide information on the market, through establishing and making operational the Export Promotion Agency, Investment Promotion Agency and SME development Agency. Trade fairs are another tool that helps to disseminate information on the demand and supply conditions.

There exists also a framework that regulates the information for the consumers. This information system is supposed to be managed by the Department of Consumer Protection at the Ministry of Economy.

d. Another set of institution has been established regarding the **public health protection**, environment, and public moral and safety. A complex legal framework has been passed to regulate the above-mentioned activity. The Public Health Department at the Ministry of Health, Food Control Department and several other institutions linked with it, Ministry of Environment, Department of Consumer Protection and the Association for Consumer Protection, General Department of Standardization, other institution at local level etc., all these institutions function to guarantee public health, public safety and environment protection.

e. Institutional framework intended to **remove trade barriers** and other business barriers is represented by a number of state institutions such as Business Promotion Department at the Ministry of Economy, Albanian Committee for the Facilitation of Procedures and Promotion (AlbaPro), Investment Promotion Agency (to be established) as well as the General Department of Standardization. On the other hand, a growing role of business association's role is being observed. Chambers of Commerce and industry, sectoral associations (Albanian Agribusiness Council and Constructors Association), Foreign Investors Association (Foreign Investors Association in Albania, Association of Italian Entrepreneurs and the Union of Albanian Investors and Industrialists) have contributed a lot to reduce entry barriers.

Issues identified on the institutional set up

In the current system of trade policies there are institutions that are simply missing. The lack of these institutions does not seem to be just negligence. One explicative assumption would be the predominance of the strictly "budget" dimension over the development dimension of current policies. However, the reasons are much more complex than simply "lack of budget". Following the reader can find some of the missing institutions we think are needed.

Firstly, in the foreign trade oriented network of actors is currently missing an institution for export promotion.

In the Export promotion Strategy, now approved by the Government, there is the frame for the establishment of Export Promotion Agency. This Agency will require its own legal framework, whose creation and implementation seems not to be that easy.

Secondly, in the network of actors involved in trade policy process an important institution, commercial attaché, is missing. How can we implement an efficient foreign trade policy – especially regarding promotion (information) and facilitation (reduction of barriers) – without having a relevant governmental position out of Albania?

Thirdly, in Albanian courts, there are no sections specialized in Commercial & Business Law, including the cases that deal with intellectual property rights and contractual rights.

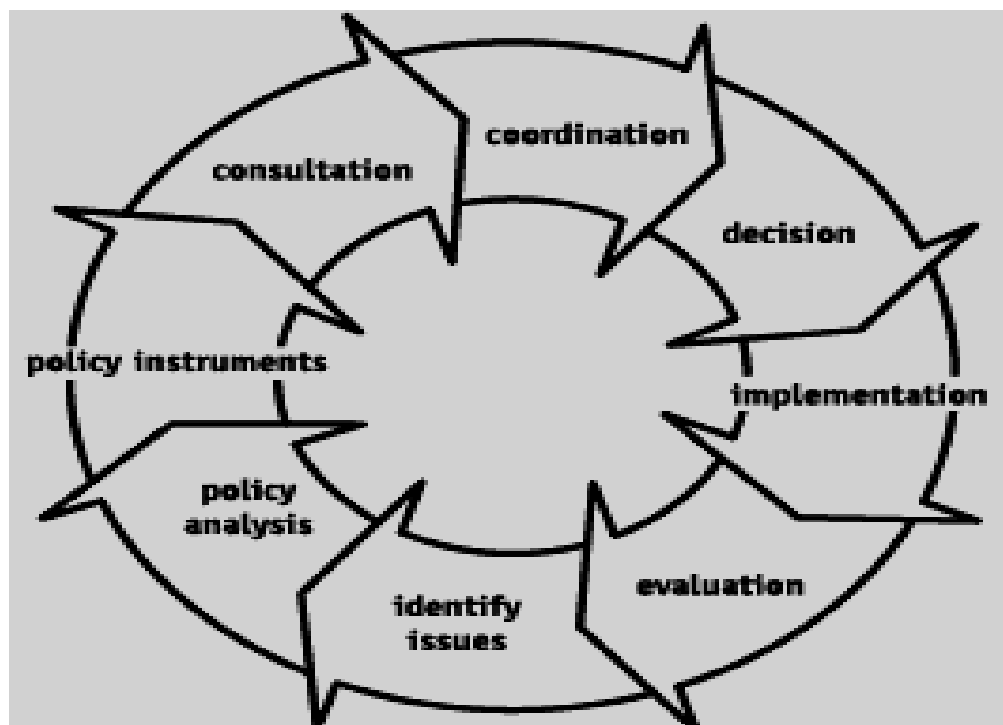
Regulating this issue by law seems to be complicated. Since the judging of commercial cases would require changes in procedures, for example, shorter time for settling a case, regulation by law of specialized units for commercial law would require the preparation of a commercial Code.

Fourthly, an export control institution is missing.

The experience of other countries shows that the institution that covers trade should also coordinate the export control process. Best practices in this case suggest that this process is regulated by a specific law for export control and other relevant by-laws related with it. This law gives the control mandate to the institutions that issues the licenses, which in most of the cases is the Ministry that covers Foreign Trade. Also the experience suggests that for reviewing and issuing a license an inter-ministerial committee/group should be established. In Albania, we are missing a specific and adequate institution that would actually carry out this activity. The idea is for an inter-ministerial Agency that would be composed by representatives of Ministry of Economy, (in the role of the leader), Ministry of Foreign Affairs, Ministry of Defense, Ministry of Health, Ministry of Environment, Ministry of Public Order, etc.

2.2. Trade policy cycle functioning

The development of trade policy is a dynamic and ongoing process consisting of several key components. It can be described within a cycle as the following model:



This model can be used to understand and structure the policy development at each stage. It also allows for making necessary changes and improvements. Policy making is ambiguous and not a single, uniform, transferable process. As such, the policy cycle should not be read as a staged and ordered process, but an active one.

We have made some efforts to analyze the way this cycle is functioning in case of Albania, with the aim of starting a discussion for possible improvements.

1. Problem identification.

As regard to this stage, it is important to consider two questions: whose problem is this? Should the government be included in this issue?

The main sources of policy-making demand in the case of Albania are: (i) when national, sectoral and regional strategies are designed, analysis are accomplished and recommendations are made, including those of “institutional intervention” type; a respective draft document is prepared in compliance with this (for example, SME strategy, export strategy); (ii) legislation review and regulatory framework due to its alignment with international standards (competition law, consumer protection law); (iii) the time requires improvements in the existing legislation due to changes occurring in view of the overall development (law on Chambers of Commerce); (iv) an agreement is signed and for its implementation laws and by-laws are designed and approved (WTO, FTA); (v) the voice of business: who is calling the problem? Is this a phenomena or just the interest of a small group? Does it cope with the program and priorities of government? All these have to do with the questions: “how much and how are these taken into account?” Let us recall here the example of wine industry in the FTA case. Which would be the answers of the above-mentioned questions for this case?

2. Policy analysis and identification of alternatives

Once the issue is brought for discussion at a policy-making level, the next step should be the estimation of potential options. Often, there are different ways in dealing with the same problem; hence it requires the discussion of their implementation feasibility. Several considerations on selecting and implementing policy tools are included here. This means that it should be seriously considered the approach of developing those policy options that match two criteria: the “good policy” and the inferred process of their implementation. There is always a tension between the creation of conditions that make possible the development of good policy option and the capacity to search and analyze different options. This requires thinking of different processes of policy developing and the selection of options. It is important to think of what is feasible and then of what is desirable. In Albania, we can distinguish two cases. The first is the case when strategic documents are prepared, such as the National Strategy of Export Promotion, Mid-term strategy of SME-s, Strategy of Tourism Development, which are examples of preliminary studies of current situation and potential options. It is important to stress that all these studies have been assisted by foreign experts (GTZ, UNDP, etc). The second is the case of preparing different legal acts, for which in the best case, working groups ad hoc are

created and the respective analysis does not match the requirements of a pure analysis based on reliable data and tested results. It is worth to mention here the workshop organized by Ministry of Economy about the analysis of options of different institutions in the development of private sector.

3. Choosing the policy tools

One of the basic aspects of policy-making deals ultimately with choosing the tools aiming to achieve the stated objectives of government. It is important to identify some of them, because only by this way the governments may choose the proper ones to achieve the objectives. Choosing cautiously policy tools is an integral part of policy analysis and implementation. Often policies are implemented through several tools that are combined. It is important to explore different approaches and to counsel the policy-makers on the benefits and challenges of different tools' combination. Actually, it is difficult to judge which the best tool is. The selection of tools often results as a combination of politics and rule of law. In fact it seems to be that there is a direct relationship between the objective and the pre-selected tools. For example, for the objective "export promotion" only tariff reduction from the importing countries is often thought, while this tool can/should be combined with others such as training and subsidy programs.

4. Consultation

Consultation is an integral part of the process of policy-making and should be a normal part of the operations in government departments. In fact, the consultation process is inherently wide. It should be understood as (i) consultation within the government; (ii) consultation with scientific experts of the area; (iii) consultation with the "affected" parties from the interventions of legal and regulatory framework, such as the business community or the consumers.

It is already tested by the world practice the fact that problem solving and fulfilling of social demands are completely depending from the common sense, coordination, negotiation and tolerance between the social partners and other factors of a democratic society. In this context a special significance is attributed to the partnership relations and the common sense established between the state and the entrepreneurship community as well as the warranty of independence of each participating stakeholder. In our case, we have positive examples: (i) consultation tables with the private sector in view of the National Strategy of Economic and Social Development; (ii) the round-table organized in view of Export Promotion Strategy preparation.

Business Advising Council is the institution that aims the facilitation of dialogue between the government and business in the area of designing and implementing the economic legislation. It is assumed to create multiple values such as: (i) increasing the quality of economic legislation, which means a better enforcement of law; (ii) narrowing the subjective gap between the laws and by-law acts, which means reducing corruption; (iii) promoting the transparency of legislation; (iv) assisting the growth of business institutions.

Business Advising Council

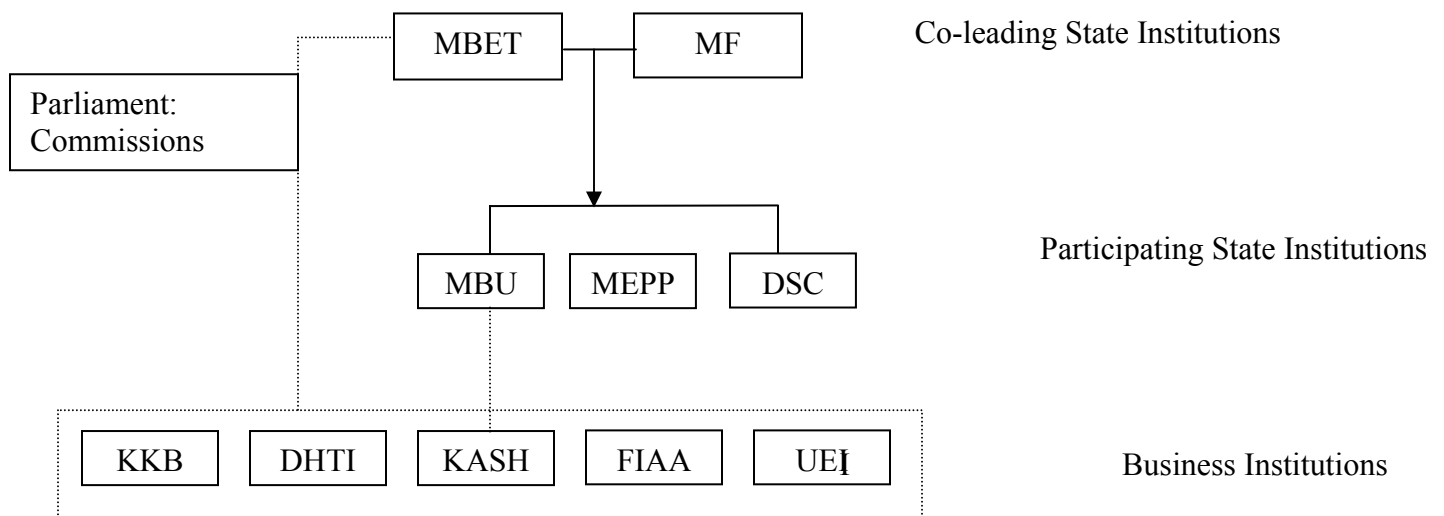
Business Advising Council is established and functions nearby the Ministry of Economy based on Prime Minister Order no. 137, date 11.05.2000 “For the establishment of Advising Council for the problems of Business Development”.

Its object of activity is ensuring and developing continuous dialogue between the Government and the Business Community for the designing and enforcing law and by-law acts such as: the strategies and programs of business development, fiscal and customs policies, privatization, public procurement, investment and business promotion.

The Ministry of Economy informs the Business Advising Council for all the draft legal acts prepared by the ministries and other government institutions and organizes its discussion tables. The conclusions and suggestions of the meetings of Business Advising Council are submitted to the Council of Ministers and to the respective institutions.

Business Advising Council is composed by experts in ministries, state institutions and representatives of the main business organizations such as: Union of Chambers of Commerce, Agro-business Council, Union of Industrialists and Investors, the Association of Italian Entrepreneurs, the Association of Foreign Investors.

The achievements in this direction: (i) now there is an institutionalized dialogue government-business; (ii) a higher awareness of parties (government and business) about their role in this dialogue; (iii) a higher quality of dialogue: the business community has passed from the phase of grievance about the legal and regulatory framework, into the phase of doing concrete proposals; (iv) there are concrete cases when the proposals of business are taken into consideration: Tax Appeal Commission.



ME	Ministry of Economy
MF	Ministry of Finance
MBU	Ministry of Agriculture and Food
MEPP	Ministry of Public Economy and Privatization
DSC	Directorate of Standards and Quality
KKB	Keshilli Konsultativ i Biznesit
DHTI	Dhomat e Tregtise dhe Industrise
KASH	Business Advising Council
FIAA	Foreign Investor's Association of Albania
UII	Union of Investors and Industrialist

Tax Appeal Commission

Tax Appeal Commission is an independent entity by the Ministry of Finance and independent in decision-making. It has all the necessary authority to examine tax appeal including the right to make investigations and compulsory pre-defined tax recalculations. It is composed of 7 members which are proposed by: 3 members from the Minister of Finance, 2 members from the Chambers of Commerce and Industry and the representing business organizations, 1 member from the Association of Economists, 1 member from the Minister of Justice, and all the members are approved by the Minister of Finance. They have a mandate not less than 2 years, with the right of reassignment.

5. Coordination

The complexity of the process for the designing and approval of trade policies is generated also by its high need as related to the coordination of activities of actors operating in this process as well as the division of tasks between them. The legal regulation of interaction between the institutions involved in the process of designing, implementing, monitoring and analyzing the trade policies seems to be based on many orders of Prime Minister. Several working groups and discussion forums are established and operating. From this, it can be noticed that the regulation of interaction between the institutions involved in the process of trade policies is made on an ad-hoc basis.

In addition, nearby the Prime Minister are established coordination units in a governmental level and between the Government and the Parliament, whose functioning assists the process.

The case of FTA-s presented in the scheme below is a practical example of the good coordination in both levels: between the state institutions by themselves and between the state institutions and the business community.

6. Approval and Implementation

The Council of Ministers and the Parliament are the main decision-makers, whose decisions have an official impact through the acts in the form of a law or of a Decision of the Council of Ministers. Since the Council of Ministers is responsible for the development and coordination of government policies, its decision is the axis of policy cycle. After government or parliament approval, the decisions are referred to implementing agencies (the simplified procedure of legal acts approval is presented in the scheme at annex).

6. Monitoring and evaluation

The policies are not static. Due to the changing environment, an examination of policies is imposed in order to ensure that they are in compliance with the new realities. Also, the policies should be examined in order to ensure that they are efficient. The evaluation is a formal process to test the efficiency of programs through the measure of their impact. Evaluation is the moment of truth for all the policies. Though it is often considered as a pure technical activity, it is not simply that.

Problems related to coordination

The lack of law regulation of interconnection between trade policy institutions can be noticed not only through the system itself but also through the co-ordination level of institution, where also sub-systems co-exist inside the whole system.

First, through the actual process of drafting and implementation of trade policies, it is noticed unclearness towards the function each institution should fulfil. In a more general understanding, it can be admitted that today, there is a lack of giving a clear mandate from government (COMD or parliament) directed toward state entities as ministry, etc. As a result there is every time a need of preparing a whole set of orders to settle working groups functioning in *Ad Hoc* basis and constant emergency.

We can underline here:

- Custom Tariffs Legislation, where the process of creation and implementation of custom tariffs is considered mainly as fiscal procedure and as likely to be initiated and coordinated by the ministry of Finance.
- Coordination of the process of Trade and Transport Facilitation in SEE (TTFSEE) by the Ministry of Finance.

Second, institutions responsible for controlling monopoly phenomena like the Regulator Entity of Telecommunications; Energy Regulator Entity; Frequency Regulator Entity; Hydro Regulatory Entity and institutions guaranteeing an impartially competition process like: the Directory of Competition- all actions of these entities and institutions are not coordinated to each other. The law frame that constitutes the actions of these institutions and the mechanisms of control and balance coordination are actually missing. On the

other hand, such mechanisms of check and balance do not exist even between Regulatory Entities of ministry of Economy.

Third, in the Albanian market we are experiencing a number of problems related to Consumer Rights, health damage, unequal conditions in contracts with state representatives, abusive promotions, customer disinformation related to product' contain, etc; in fact there are a lot of institutions that protect consumer rights but these institutions are not coordinating as a supervisory body.

Fourth, there is a lack of coordination between the government, business and consumers, which was noticed during the negotiation process of FTA's. It is true that the consultation process is more difficult with the customer than it's with business representative, but it must be found a way of solution to the problem.

Fifth, protection of intellectual property right, including the industrial and commercial property right is causing a real problem. Settlement procedures at the Court are not sure and most of cases take a lot of time and cost.

Some countries already recognize the *ex-officio* role of some institutions (customs and tariffs policy, etc), which protect the intellectual property right. Mandating these institutions with the *ex-officio* role should have as a condition the coordination of whole set of institutions in the protection of intellectual property rights.

Sixth: business associations should be more concerned as analytical capacity can ameliorate law framework, which is related to the problems that business people encounter. It is very important the finding futures interests and their protection with professionalism and scientific arguments toward such social partners, especially the government authorities.

From informal interviews organised with representatives of some associations we noticed that:

- i) There is a lack of real analytic capacities, necessary to develop the business and make it a more active in the discussion of reviewing and improving trade policies.
- ii) It happens that the business representatives are not called at the beginning of discussions and information is given to them a very short period to view and discuss these materials efficiently.

Problems related to Implementation

First, some specialised implementing agencies of government policies are missing, such as:

- Agency of Business Promotion (SME),
- Export Promotion Agency (Export Strategy),
- Foreign Investment Promotion Agency.

Second, there are cases where there is a lack of implementing programmes within institutions and time schedules like the Agreement to WTO, which is accompanied with

by-laws (Council of Ministry Acts), guidelines, etc. and coordinated by the Economy Ministry. This brings to the point where the main content of Albanian Agreement to WTO remains relatively unknown.

Problems related to Monitoring and Evaluation

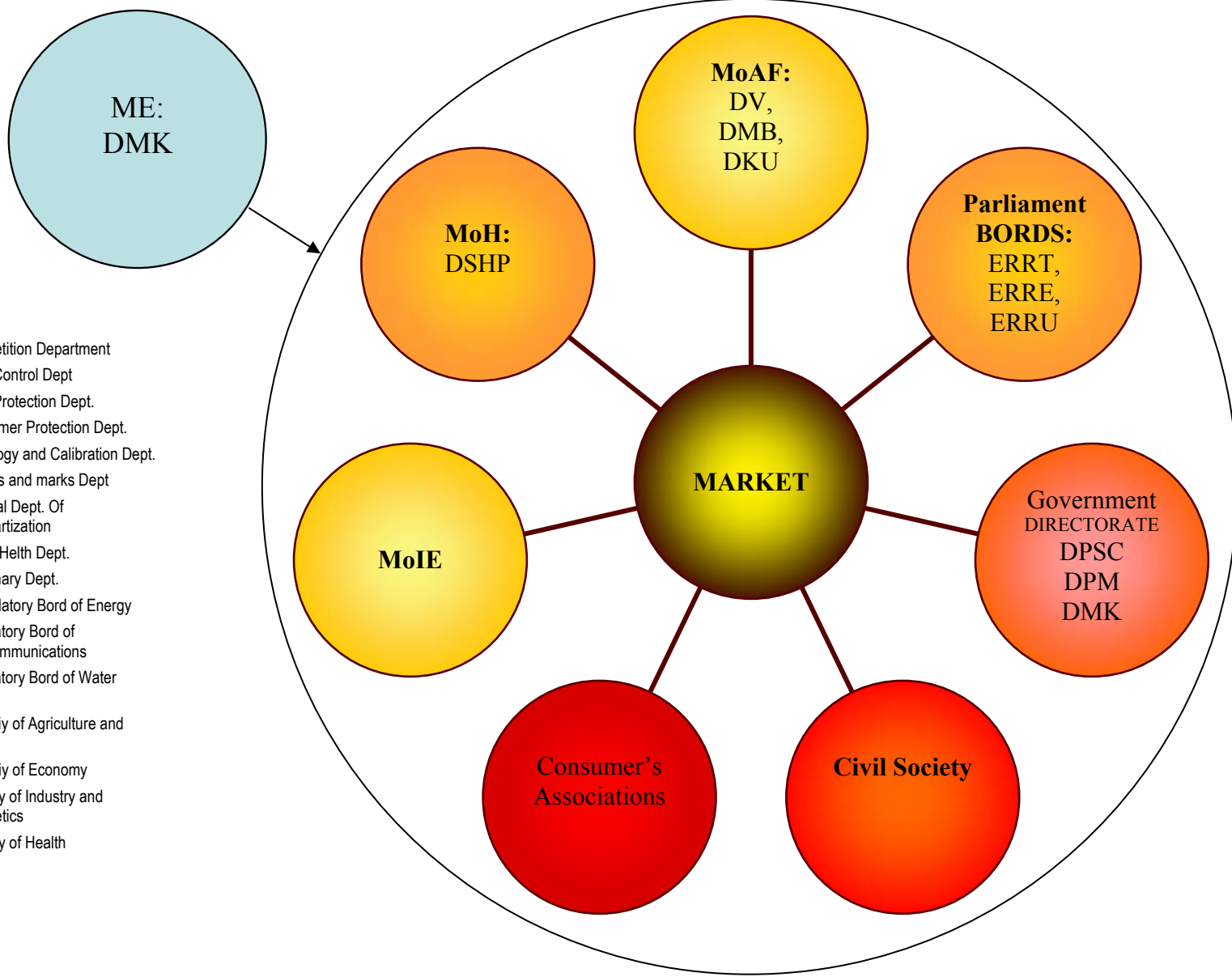
It seems that institutions that monitor and evaluate Trade policies are missing. Some examples:

- i) Trade policies in the framework of the WTO agreement, would ask for a monitoring and evaluation program, developed step by step as the process goes through.
- ii) As mentioned before, during the FTA's negotiation in the region there are remarkable progresses in improving the coordination of this FTA's between countries. What can be done in order that similar agreements can also include an implementation and monitoring process?
- iii) In the Agreement Matrix of Association and Stabilization Process, trade policies are very important components.

The question is: should we consider only negotiating subgroups coordinated by the State Ministry of Integration to ensure the right coordination and an implementation without problems of this Agreement? The business community is a good monitoring component of trade policies. But how are its requests taken in consideration? Don't you think it could have been better to create some accession methods by using Internet, so that they can help in monitoring this process?

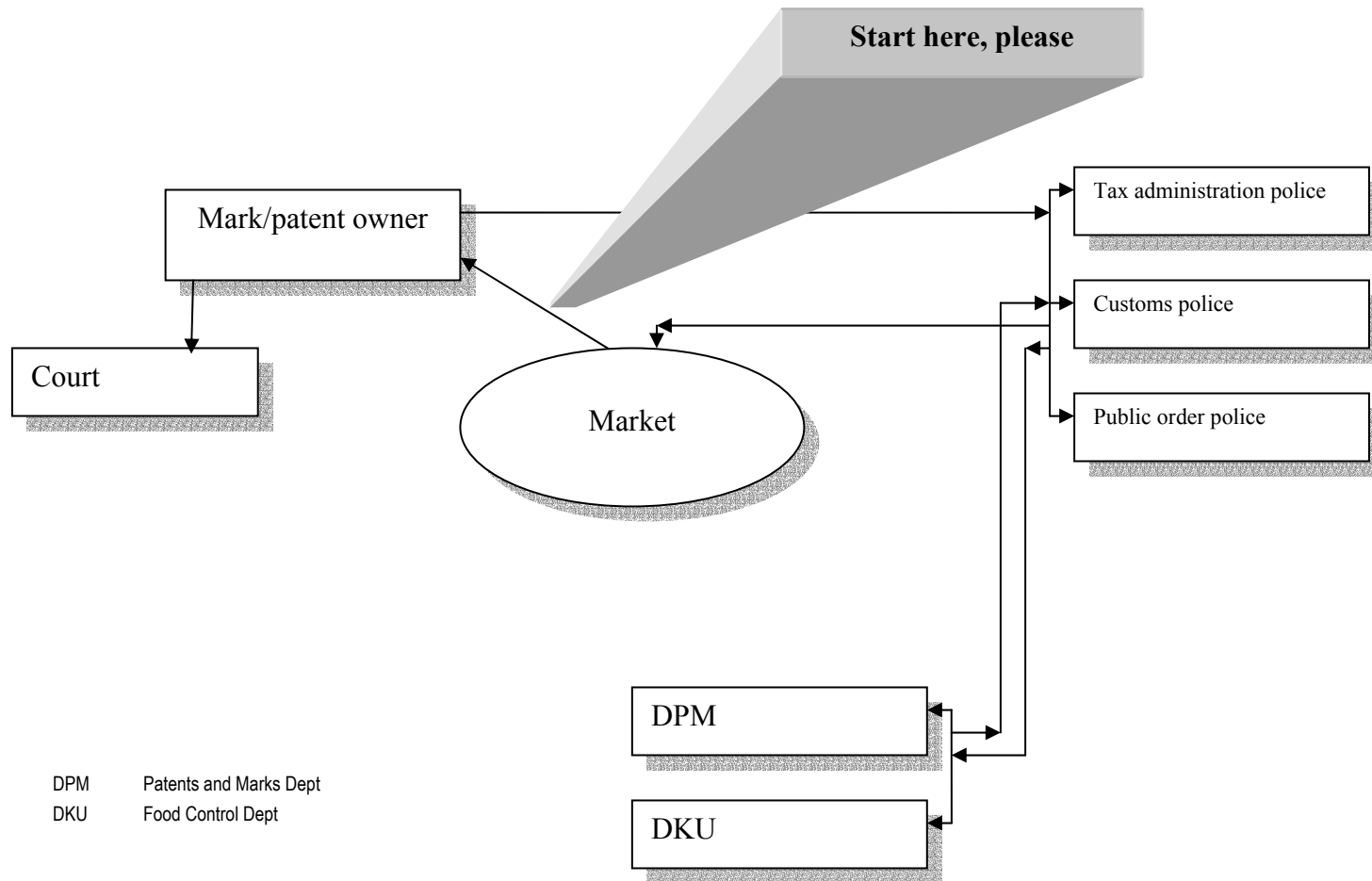
ANEX
ANALITIC DIMENSION FOR THE MINISTRY OF ECONOMY

<ul style="list-style-type: none"> • New vision <p><i>Decision support processes includes effective research, legal and economic studies, qualitative and quantitative modeling and analysis techniques that are designed and implemented by a qualified , capable staff, that is carefully selected and properly trained. Such process will contribute to sound trade policies and international trade agreements that are based on sound economic principles, thus enhancing LT economic growth</i></p>	<ul style="list-style-type: none"> • Riviewed and complete Mision <p>The Department dealing with Trade policy is to be the pioneer provider in support of prudent decision making. It strives to provide “objective analysis for constractive decision making”</p>
<p>C. Clear objectives Main purposes of Trade Department are:</p> <ul style="list-style-type: none"> • To institutionalize information gathering, data processing and analysis into trade policy processes • To enhance governmental and private-sector organizations understanding of decision support methodologies and basic requirements for sound legal and economic analysis. • To generate and accurate high quality trade-related research and analysis. 	<p>D. Outputs to be offered:</p> <ul style="list-style-type: none"> • <i>Basic reports:</i> Simple detailed descriptions of situations and events that are of interest to trade policy annalists and policy makers. • <i>Investigations, research and Analysis:</i> Investigation and research can employ econometric techniques and state of art economic models, or can be simple descriptive analysis of issues and their legal and economic implications. • It will provide technical know how for policy makers and negotiators such as analysis of alternative outcomes of negotiations, evaluate offers, estimate effects of changes in trade policies, analyze the effect of tariff and quota reductions on consumers and businesses, etc. • Implement policy analyses: converting ideas for new or improved trade policy into practice.



- DK Competition Department
- DKU Food Control Dept
- DMB Plant Protection Dept.
- DMK Consumer Protection Dept.
- DMK Metrology and Calibration Dept.
- DPM Patents and marks Dept
- DPSC General Dept. Of Standartization
- DSHP Public Health Dept.
- DV Veterinary Dept.
- ERRE Regullatory Bord of Energy
- ERRT Regullatory Bord of Telecommunications
- ERRU Regullatory Bord of Water Supply
- MoAF Ministry of Agriculture and Food
- ME Ministry of Economy
- MIE Mnistry of Industry and Energetics
- MoH Ministry of Health

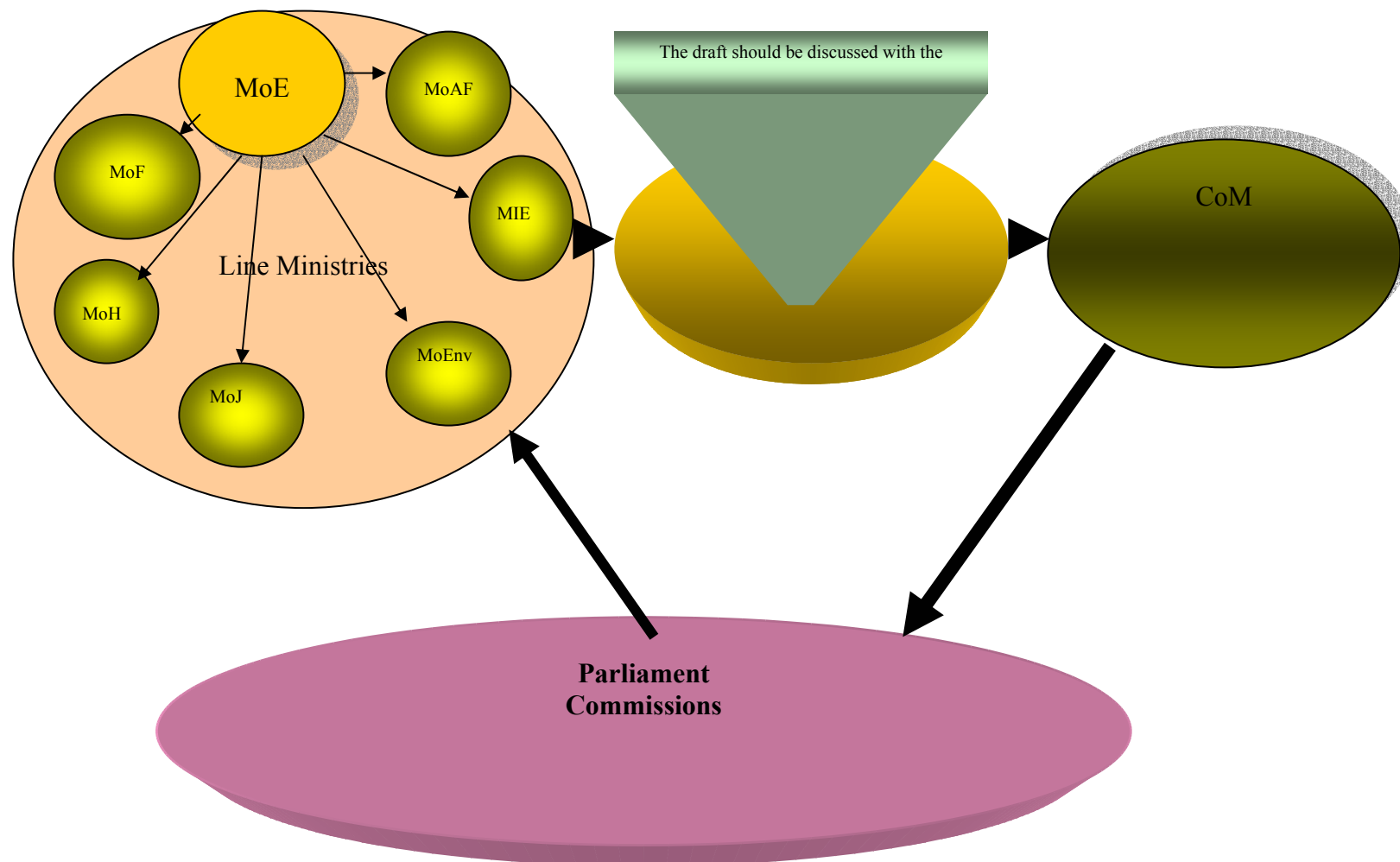
Anex Intellectual property rights



APPROVAL PROCESS OF TRADE POLICIES IN ALBANIA

Steps to be undertaken before the act approval:

1. The designing of the draft is provided in the annual action plan of the Ministry
2. The relevant Department within the Ministry drafts the act, In the case the act is very important a working group is set up.
3. Discussion of the draft with the Business Advisory Council
4. Circulating of the draft within other Line Ministries, including Ministry of Justice
5. After reflecting the LM remarks, the act went to the CoM for approval
6. Approval by the CoM
7. In the case of a law: discussion with the Parliamentary Commissions
8. Approval by the Parliament



Anex Trade Policy System

