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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 06.11.2007

COM(2007) 656

Proposal for a

COUNCIL DECISION

**on the principles, priorities and conditions contained in the European Partnership with
Albania and repealing Decision 2006/54/EC**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Thessaloniki European Council of 19 and 20 June 2003 endorsed the "Thessaloniki Agenda for the Western Balkans", which introduced the European Partnerships as a means of realising the European perspective of the Western Balkan countries.

On 30 January 2006 the Council adopted the revised European Partnership for Albania, based on the Commission's proposal presented on 9 November 2005. The partnerships contain short-term and medium-term priorities. The countries are expected to fulfil the short-term priorities in one to two years.

Therefore the Commission considers it appropriate to present a proposal for an updated European Partnership for Albania. This renewed European Partnership is based on the provisions of Council Regulation (EC) No 533/2004 of 22 March 2004 and takes into account the new developments as described in the 2007 Progress Report. It lists short- and medium-term priorities for the country's preparations for further integration with the European Union.

In order to respond to the European Partnership, the competent authorities in Albania should develop a plan with a timetable and specified measures Albania intends to take to this end. The Commission will monitor progress in implementing the priorities regularly.

The European Partnership priorities form the basis for programming the financial assistance of the Community, which will continue to be provided under relevant financial instruments, in particular Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing the Instrument for Pre-Accession Assistance (IPA).

The proposed Council Decision has no financial implications. In view of the above, the Commission invites the Council to adopt the attached proposal for a Council Decision.

Proposal for a

COUNCIL DECISION

on the principles, priorities and conditions contained in the European Partnership with Albania and repealing Decision 2006/54/EC

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 533/2004 of 22 March 2004 on the establishment of partnerships in the framework of the Stabilisation and Association Process¹, as amended, and in particular Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Thessaloniki European Council of 19 and 20 June 2003 endorsed the introduction of the European Partnerships as a means to materialise the European perspective of the Western Balkan countries.
- (2) Regulation (EC) No 533/2004 provides that the Council is to decide on the principles, priorities and conditions to be contained in the partnerships, as well as any subsequent adjustments. It states also that the follow-up to the European Partnerships will be ensured through the mechanisms established under the Stabilisation and Association Process, notably by the annual progress reports.
- (3) On 30 January 2006 the Council adopted the second European Partnership with Albania².
- (4) The Commission's Paper on enlargement strategy and main challenges 2006–2007 indicated that the partnerships would be updated at the end of 2007.
- (5) On 12 June 2006 the Council adopted Regulation (EC) No 1085/2006 establishing an Instrument for Pre-accession Assistance (IPA)³, which renews the framework for financial assistance to pre-accession countries.
- (6) It is therefore appropriate to adopt a revised European Partnership which updates the current partnership in order to identify renewed priorities for further work, on the basis

¹ OJ L 86, 24.3.2004, p. 1. Regulation as last amended by Regulation (EC) No 269/2006 (OJ L 47, 17.2.2006, p. 7).

² Council Decision 2006/54/EC of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with Albania and repealing Decision 2004/520/EC (OJ L 35, 7.2.2006, p. 32).

³ OJ L 210, 31.7.2006, p. 82.

of the findings of the 2007 Progress Report on Albania's preparations for further integration with the European Union.

- (7) In order to prepare for further integration with the European Union, the competent authorities in Albania should develop a plan with a timetable and specific measures to address the priorities of this European Partnership.
- (8) Decision 2006/54/EC should therefore be repealed,

HAS DECIDED AS FOLLOWS:

Article 1

The principles, priorities and conditions in the European Partnership with Albania are set out in the Annex.

Article 2

The implementation of the European Partnership shall be examined through the mechanisms established under the stabilisation and association process, notably the annual progress reports presented by the Commission.

Article 3

Decision 2006/54/EC shall be repealed.

Article 4

This Decision shall take effect on the third day following its publication in the *Official Journal* of the European Union.

Done at Brussels,

*For the Council
The President*

ANNEX: ALBANIA 2007 EUROPEAN PARTNERSHIP

1. INTRODUCTION

The European Council endorsed the introduction of the European Partnerships as a means to realise the European perspective of the Western Balkan countries. The proposed revised partnership updates the second one, on the basis of the findings of the 2007 Commission Progress Report on Albania. It identifies new and remaining priorities for action. The new priorities are adapted to the country's specific needs and stage of preparation and will be updated as necessary. Albania is expected to develop a plan including a timetable and specific measures intended to address the European Partnership priorities. The partnership also provides guidance for financial assistance to the country.

2. PRINCIPLES

The Stabilisation and Association Process remains the framework for the European course of the Western Balkan countries, all the way to their future accession. The priorities identified for Albania relate to its capacity to meet the criteria defined by the Copenhagen European Council of 1993 and the conditions set by the Stabilisation and Association Process, notably the conditions defined by the Council in its conclusions of 29 April 1997 and 21 and 22 June 1999, the final declaration of the Zagreb Summit of 24 November 2000 and the Thessaloniki Agenda.

3. PRIORITIES

The priorities listed in this European Partnership have been selected on the basis that it is realistic to expect that Albania can complete them or take them substantially forward over the next few years. A distinction is made between short-term priorities, which are expected to be accomplished within one to two years, and medium-term priorities, which are expected to be accomplished within three to four years. The priorities concern both legislation and its implementation.

In view of the need to set priorities, clearly there are other tasks for Albania to complete which may become priorities in any future partnership, also taking into account future progress made by Albania.

Among the short-term priorities, the key ones have been identified and grouped together at the beginning of the list. The order of these key priorities does not imply a ranking of their importance.

3.1. Short-term priorities

Key priorities

- Strengthen administrative capacity in preparation for implementing Stabilisation and Association Agreement (SAA) and Interim Agreement (IA) commitments.
- Promote constructive dialogue between political parties and with stakeholders on the implementation of reforms.

- Increase the independence and transparency of the justice system, including by fostering the constitutional protection of judges, appointing judges and prosecutors on the basis of competitive examinations, establishing merit-based performance evaluation for prosecutors and setting objective rules for allocation of cases to judges.
- Implement the 2007-2013 anti-corruption strategy and the recommendations made in the 2005 evaluation report by the Council of Europe Group of States Against Corruption and investigate and prosecute cases of corruption in the police and the judiciary with due vigour.
- Implement the recommendations made by the OSCE Office for Democratic Institutions and Human Rights on elections, in particular by improving voters' lists and amending the electoral code in line with the Venice Commission recommendations, in good time for the next parliamentary elections.
- Further strengthen public-sector governance by improving the quality and impartiality of public administration staff and strengthening the Department of Public Administration.
- Complete the unbundling of the state electricity company KESH, and privatise its distribution arm. Stabilise KESH's financial position by raising collection rates and bringing prices to cost-recovery levels and increase electricity generation and interconnection capacity.
- Achieve further tangible results in the fight against organised crime, in particular by making full use of intelligence-led policing and ensuring effective judicial follow-up.

Political criteria

Democracy and the rule of law

Government

- Adopt the national strategy for development and integration in time to inform the 2008/ 9 budget process, ensuring it reflects European integration commitments and is adequately costed, and begin to implement it.
- Make full and effective use of the integrated planning system to strengthen links between policy objectives and budget planning and execution.
- Improve government-wide coordination of EU integration work by means of wider and more consistent consultation of ministries, including stakeholders and EU experts on related legislation.
- Ensure the availability of appropriate equipment and trained staff for the Ministry of European Integration and for line ministries' EU integration offices.
- Ensure that improvement of the civil registry and address system is properly coordinated with the introduction of electronic identity cards and biometric passports.

Public administration

- Ensure enforcement of the Civil Service Law and related rules in the public administration.

- Ensure that recruitment, appointments, promotion, transfers and dismissals are conducted according to the established rules in order to build an accountable, efficient civil service, based on professional career development criteria.

Judicial system

- Finalise, adopt and implement the draft law on judicial reform and improve the infrastructure for the judicial sector.
- Improve coordination between prosecutors and police, in particular by means of the case management system.
- Ensure that the appropriate legislation and resources are in place for adequate witness protection.

Anti-corruption policy

- Harmonise the civil, commercial and administrative Codes with the Council of Europe Civil Law Convention on Corruption.
- Strengthen the institutional capacity to investigate and prosecute corruption.
- Implement legislation on preventing bribery with due regard for inter-institutional coordination.
- Strengthen mechanisms to enforce the Law on declaration of assets.
- Clarify rules related to the prevention of conflicts of interest in the exercise of public functions.
- Clarify rules related to the public access to information in line with international standards.
- Reduce the list of officials covered by immunity and grant immunity only where strictly appropriate.

Human rights and protection of minorities

Observance of international human rights law

- Ensure that all law enforcement bodies are aware of their human rights obligations and implement them rigorously in accordance with the code of ethics for the prisons system and with international conventions ratified by Albania, in particular the European Convention on Human Rights.

Civil and political rights

- Address cases of ill-treatment by law enforcement bodies by means of appropriate prosecution of perpetrators.
- Ensure that the relevant international conventions are observed in establishing and running new penitentiary facilities.
- Bring Albania's legislation on defamation into line with European standards and implement it.
- Expedite effective legislation to ensure transparency on media ownership.

- Fully implement current legislation on print media and journalists' independence, coordinate new legislation on freedom of expression and develop comprehensive electronic media legislation in line with European standards.

Social and economic rights

- Make further efforts to prevent domestic violence.
- Take further measures to address child labour.
- Develop community-based services and aid to dependent persons, including in the field of mental health.
- Further accelerate both the first registration of properties and the processing of restitution claims and ensure that mechanisms for compensation are sustainable and that these processes are properly coordinated with the property legalisation initiative.

Minority rights, cultural rights and protection of minorities

- Continue to implement commitments under the Council of Europe Framework Convention for the Protection of National Minorities, in particular as regards use of minority languages with the authorities, display of traditional local names and extending minority language education.
- Implement the national strategy for the Roma and ensure appropriate funding, as part of the government's strategy for combating poverty and social exclusion.
- Foster registration, including birth registration, of members of the Roma minority.
- Provide sound data on minorities in Albania.

Regional issues and international obligations

- Comply with the stabilisation and association process commitments in terms of regional cooperation and good neighbourly relations, including by promoting the transition from the Stability Pact to a more regionally owned cooperation framework and effective implementation of the Central European Free Trade Agreement (CEFTA).
- Conclude and implement agreements with neighbouring countries and ensure effective implementation, notably on cross border cooperation, the fight against organised crime, trafficking and smuggling, judicial cooperation, border management, readmission, the environment, transport and energy.

Economic criteria

- Continue implementing a stability-oriented fiscal policy which aims at fiscal consolidation and is conducive to low inflation and external sustainability.
- Continue with fiscal reform with the aim of strengthening revenue administration and improving debt management capacity.
- Pursue a monetary policy conducive to the objective of achieving and maintaining price stability to reduce and anchor inflation expectations.

- Complete the creation of a credit information bureau to help safeguard the rapidly growing credit portfolio of the banking system.
- Reduce the grey economy by effective and non-discriminatory enforcement of tax legislation and intensifying the fight against fiscal fraud.

European standards

Internal market

Free movement of goods

- Further increase awareness of economic operators in relation to the concepts of standards and certification and their importance in international trade.
- Adopt and start to implement the national market surveillance strategy for industrial products and food.
- Adopt new legislation on consumer protection compatible with the *acquis*. Strengthen the consumer protection department.

Movement of persons, services and right of establishment

- Ensure a clear distinction between the temporary and permanent provision of services and compatibility with Stabilisation and Association Agreement requirements.
- Strengthen the regulatory framework for banking and non-banking financial supervision and the capacity of the Financial Supervision Authority.

Free movement of capital

- Authorise acquisition of real estate by EU nationals within the limits provided for in the Schedule of Specific Commitments under the General Agreement on Trade in Services (GATS).

Customs and taxation

- Further align customs legislation and procedures with EU practices; in particular, ensure approximation of rules and procedures for transit, customs warehouses, customs valuation, physical controls and risk analysis to EU standards. Ensure that national tariff is timely updated on the basis of the most recent Combined Nomenclature.
- Fully implement the computerised system for customs declaration and customs data processing in all customs offices.
- Further approximate tax legislation with the EU *acquis*, notably in the field of excise duties, and commit to the principles of the Code of Conduct for business taxation, ensuring that new tax measures also comply with these principles.
- Reinforce the capacity of the tax administration, in particular in the fields of tax controls and audit, in order to increase compliance and reduce tax evasion.
- Complete the process of computerising tax offices.

Competition

- Improve and approximate to the *acquis* the existing anti-trust legislation to reinforce competition control.
- Strengthen the administrative capacity of the competition authority and provide adequate staff and training.
- Adopt implementing legislation on state aid.
- Continue updating the inventory of state aid schemes.

Public procurement

- Enforce public procurement legislation and take steps to bring it fully up to EU standards, especially as regards utilities sector and remedies.
- Further strengthen the administrative capacity of the Public Procurement Agency, public procurement entities in line ministries and local government and courts dealing with public procurement.
- Ensure investigation and criminal prosecution of procurement-related offences.

Intellectual property law

- Prepare a national strategy and an action plan for further legislative developments and strengthening of intellectual property rights (IPR).
- Strengthen the administrative capacity for protection of IPR.
- Intensify enforcement against piracy and counterfeiting.
- Further increase awareness of IPR issues amongst the business community and law enforcement bodies, including the judiciary.
- Improve industrial property legislation.

Employment and social policies

- Improve social protection systems and combat social exclusion.
- Strengthen the state committee on equal opportunities and fully implement the gender equality act.
- Adopt measures to increase school enrolment rates at secondary level and among children in rural areas, in particular girls, and in vocational schools.
- Develop adequate administrative structures and capacity in the field of consumer and health protection.

Education and research

- Continue efforts to improve the governance of the education system, teacher training and education infrastructure.
- Implement the new law on higher education. Step up efforts to promote a better involvement in the Tempus programme.
- WTO issues

- Strengthen the administrative capacity of the WTO Relations and Economic Cooperation Department in the Ministry of Economic Affairs.

Sectoral policies

Industry and SMEs

- Accelerate progress on implementing the European Charter for Small and Medium-sized Enterprises.
- Further implement the action plans to remove administrative barriers to business and investment and to address the informal economy and ensure proper, non-discretionary, non-discriminatory implementation of business-related legislation, rules and procedures. Reduce obsolete and inefficient regulations through regulatory guillotine procedures.
- Increase policy research in innovation and competitiveness issues for small companies and implement support programmes.

Agriculture and fisheries

- Adopt a new law on food in line with EU *standards*, strengthen the food safety system and related control systems.
- Reinforce laboratory capacity in the food safety, and veterinary and phytosanitary domain.
- Improve food safety, phytosanitary and veterinary legislation, and start its implementation
- Improve the system of identification of bovines and registration of their movements, and start the implementation of a system of identification and registration of movements for pigs, sheep and goats.

Environment

- Strengthen administrative capacity and coordination at national and local level.
- Fully implement legislation on environmental impact assessment.
- Adopt a strategy further to approximate environmental legislation with the *acquis* and implement existing legislation properly, especially as regards enforcement.
- Continue to address the environmental hot spots at the Sharra solid waste landfill and the Patos-Marinez oil extraction area.
- Further develop and implement the national water and sanitation strategy and the rural strategy for water supply and sewerage and develop and start implementing a strategy for progressive approximation to the *acquis* in the area of water supply and sanitation.
- Implement international conventions to which Albania is party in the field of nature protection.

Transport policy

- Implement the national transport plan, including the planning and budgeting of transport asset maintenance, and adopt and implement the national transport strategy, including the strategy for the railway sector.

- Continue implementation of the memorandum of understanding on the development of the South East Europe (SEE) core regional transport network and strengthen cooperation with the South East Europe Transport Observatory.
- Take measures to improve road safety conditions, including approximation to the EU *acquis* on weights and dimensions, roadworthiness tests, technical roadside inspections, driving licences, tachographs and vehicle registration documents.
- Take measures to prevent illegal construction along new roads, in particular dangerous privately constructed access roads.
- Prepare railway network statement for open access to infrastructure use and adopt and implement a railway business plan.
- Implement Albania's commitments under the first transitional phase of the European Common Aviation Area Agreement, including the implementation of the relevant aviation legislation.
- Implement the action plan to address the deficiencies identified within the civil aviation authority as regards safety oversight of the country's airlines.
- Improve maritime safety conditions, particularly the detention rate of Albanian ships under the Paris Memorandum of Understanding.

Energy

- Approve and implement the revised national energy strategy.
- Meet the requirements of the Energy Community Treaty in the area of gas and electricity.

Information society and media

- Ensure that electronic communications legislation is in line with the *acquis* and is enforced and take measures to achieve a competitive market for electronic communications networks and services.
- Strengthen the expertise and capacity of the Telecommunications Regulatory Entity.
- Align Albanian legislation with the European Convention on Transfrontier Television and the Television without Frontiers directive.
- Strengthen the administrative capacity of the National Council on Radio and Television and adopt the strategy for development of the radio and television sector and an updated national analogue and digital frequency plan for radio and television.

Financial control

- Review the public internal and financial control policy paper and action plan and clearly define the internal audit function, separate from other control and inspection functions. Develop an appropriate inspection service to combat fraud.
- Ensure that the Internal Audit Law and the draft organic Budget Law are in line with internationally recognised standards.
- Strengthen the independence of the Supreme Audit Institute.

Statistics

- Strengthen the capacity of the Statistical Office.

Justice, freedom and security

Visa, border control, asylum and migration

- Issue travel documents in accordance with international standards and establish a centralised IT network for administration of visas.
- Adopt amendments to the Law on foreigners to bring visa legislation closer to EU standards.
- Implement the integrated border management strategy and action plan, paying particular attention to cooperation at the border between customs and the border police.
- Ensure that border management at all border crossing points, in particular at the ports of Durrës and Vlora complies with EU standards.
- Implement the EC/Albania readmission agreement and negotiate readmission agreements with the countries of origin of transiting migrants.
- Focus sufficient administrative and financial capacity on implementing legislation on asylum and migration and the related national strategies and action plans.

Money laundering

- Take the necessary measures to enforce anti-money laundering legislation better in terms of prevention, convictions, confiscations, seizures and freezing assets.

- Enhance the capacity of the financial intelligence unit, the prosecutor's offices and the police Economic Crimes Unit by ensuring appropriate financial and IT resources and improving working-level cooperation.
- Bring the Law on the prevention of money laundering into line with the *acquis* and with the Financial Action Task Force's and Council of Europe's Moneyval recommendations.
- Strengthen the capacity of the agency for the administration of seized and confiscated assets.
- Further improve cooperation with the authorities of other countries.
- Ensure proper enforcement of reporting obligations and examine transaction reporting thresholds.
- Take more effective measures to reduce use of cash in the economy.

Drugs

- Implement the national anti-drug strategy, the related action plan and the mini-Dublin Group recommendations.
- Improve the training, equipment and continuity of management of police officers involved in the fight against drugs and take further steps to ensure better coordination, both domestically and with partners in other countries, in the fight against drugs.
- Identify and prosecute those responsible for corruption related to the drugs trade at all levels in the public administration.
- Ensure greater transparency in seizure figures and take measures to dispose properly of drugs seized in old cases.
- Implement a balanced overall strategy to address drug demand, including prevention, treatment and rehabilitation of drug addicts.

Police

- Ensure full implementation of the provisions on ranks in the new State Police Law.
- Improve the management capacity of the Albanian state police.
- Strengthen the police internal affairs unit and ensure proper prosecution of police officers for criminal offences.
- Establish and put into operation a consolidated manual of procedures for all criminal police officers.
- Implement the strategy on community policing.

Fighting organised crime and terrorism

- Take further measures to enhance cooperation between the various state bodies involved in the fight against organised crime and terrorism and, in particular, between the judicial authorities and the police.

- Take further measures to establish coherent and coordinated intelligence gathering and processing systems.
- Enhance use of special investigative means, interception of telecommunications and use of intelligence information.
- Urgently put in place practical measures to guarantee witness protection.
- Strengthen domestic and international cooperation on preventing trafficking in human beings and the staffing of the police anti-trafficking unit.
- Take measures to provide counter-terrorist analysts and investigators with better equipment and training.

Protection of personal data

- Align the current law on personal data protection with the *acquis*, and the Council of Europe Convention on the protection of personal data.
- Establish an independent data protection supervisory authority with sufficient powers over the public and private sectors and sufficient financial and human resources.

3.2. Medium-term priorities

Political criteria

Democracy and the rule of law

Governance

- Ensure effective implementation and monitoring of the national strategy for development and integration.

Public administration

- Ensure that the sectors of the administration responsible for implementation of the SAA provisions and those involved in implementation of the EC financial assistance are adequately trained and equipped to carry out their duties.
- Introduce results-oriented management and training for civil servants.
- Design and implement a civil service salary structure which allows both proper budgetary planning and a motivating career structure.
- Ensure the sustainability of reforms in the public administration.

Judicial system

- Ensure prosecution of serious crimes, especially organised crime, with particular attention to cross-border cooperation mechanisms.
- Enforce legislation on witness protection.
- Ensure continued and appropriate training of judges and prosecutors, including on human rights, ethics and commercial and corporate matters and SAA-related issues.
- Ensure the financial sustainability of the magistrates' school.
- Review the role and qualifications of judicial administrators and progressively incorporate them into the civil service, ensuring pay parity with ministry staff.

Anti-corruption policy

- Implement the European Conventions on Corruption in Criminal and Civil Matters ratified by Albania and the relevant UN conventions.
- Achieve significant results in the fight against corruption, at all levels and in all fields, by enforcing adequate legislation.

Human rights and protection of minorities

Observance of international human rights law

- Ensure that detainees and prisoners on remand are treated in accordance with international standards.
- Guarantee that human dignity and personal safety are respected in detention centres, prisons and mental institutions, in accordance with international conventions.

Civil and political rights

- Improve the juvenile justice system.
- Ensure compliance with the Council of Europe Convention for the Prevention of Torture and Inhuman and Degrading Treatment or Punishment.
- Adopt comprehensive anti-discrimination legislation, and ensure appropriate institutional support for victims including by existing institutions in charge of human rights.
- Enforce legislation on restitution/compensation of properties confiscated during the communist period.
- Complete the process of land registration.
- Ensure that transfers of property are carried out in accordance with the law and ensure the proper functioning of all bodies involved in the process (notaries, property register, etc.).
- Enforce legislation on printed and electronic media, taking into account European standards.

- Ensure that TV frequency is allocated in a fair and non-discriminatory manner, in accordance with the national plan, and that requirements are fully respected by broadcasters, Improve the neutrality of the public service broadcaster.
- Encourage the active participation of NGOs and other civil society organisations in the government decision-making process and the continued improvement of the quality of journalism.

Regional issues and international obligations

- Further promote regional dialogue, stability, good neighbourliness and cooperation.
- Bring the agreement concluded with the USA regarding the conditions of surrender of people to the International Criminal Court into line with the EU guiding principles adopted by the European Council in September 2002.

Economic criteria

- Reduce the tax wedge on wages and improve incentive structures and flexibility in the labour market to increase the participation and employment rates, while securing tax resources by broadening the tax base and improving compliance, at a measured and prudent pace to ensure sustainable public finances.
- Improve the education system with the aim of increasing the supply of sought-after skills, fostering employment and long-term economic growth.
- Upgrade the country's infrastructure, in particular in energy and transport, in order to strengthen the competitiveness of the economy at large.
- Speed up the privatisation of publicly owned enterprises to strengthen corporate governance and reduce quasi-fiscal losses.
- Improve the business environment to increase greenfield foreign direct investment.
- Establish effective procedures for detecting, dealing with and following up cases of (suspected) fraud and other irregularities affecting national and international funds.

European standards

Internal market

Free movement of goods

- Ensure administrative capacity to implement SAA and IA requirements in this area.
- Make further progress on adopting European standards and speed up efforts to become a full member of the European standardisation organisations.
- Make progress on transposing new and global approach and old approach directives.
- Fully establish a market surveillance system.
- Ensure improved functioning of the bodies responsible for standardisation, accreditation and certification and of those responsible for metrology and calibration, taking into account EC best practices.

- Ensure Albania's membership of the European Cooperation for Accreditation organisation.

Movement of persons, services and right of establishment

- Approve legislation on employment of foreigners and take measures to coordinate social security services.
- Ensure that the legislation on the right of establishment is implemented fairly and impartially.

Free movement of capital

- Make progress towards fulfilling Albania's SAA commitments on full liberalisation of the movement of capital, including ensuring the same treatment to EU and Albanian nationals regarding portfolio investments and financial loans and credits with maturity of shorter than one year.

Customs and taxation

- Ensure continued approximation of Albanian customs and taxation legislation to the EU *acquis* and further increase administrative capacity to implement customs and tax legislation and to fight corruption, cross-border crime and fiscal evasion.
- Improve transparency and the exchange of information with EU Member States in order to facilitate enforcement of measures to prevent avoidance or evasion of taxes.

Competition

- Further improve the enforcement record in the areas of anti-trust and state aid control.
- Complete alignment of state aid schemes with EU competition rules, as stated in the interim agreement.

Public procurement

- Ensure the compatibility of Albania's legal framework with the EU *acquis*.
- Achieve fully operational public procurement structures, ensuring operation of public procurement procedures in strict compliance with the law and with SAA requirements.

Intellectual property law

- Fully implement international conventions ratified in the field of intellectual, commercial and industrial property rights.
- Implement intellectual property rights legislation properly and achieve improved results in the fight against piracy and counterfeiting.
- Guarantee sufficient administrative capacity to comply with SAA requirements in this area.

Employment and social policies

- Facilitate women's inclusion in the labour market and their participation in the decision-making process.
- Integrate employment and vocational training strategies into social, educational, tax, enterprise and regional policies. Address implementation of international commitments in health in particular the international health regulations
- Progress with alignment of quality standards for transfusion of blood and blood components with EU legislation.
- Start implementing the National Health System Strategy 2007 to 2013.

Education and Research

- Continue efforts to improve the quality of education and to create a modern vocational education and training system, promote regional cooperation in the field of higher education.

Sectoral policies

Industry and SMEs

- Enforce improved commercial legislation.
- Ensure that the strategy to combat the informal economy keeps pace with developments in the sector.
- Further develop specialised business support structures (e.g. incubators and clusters) and examine the feasibility of a business/ technology park.
- Start designing and applying an integrated research policy and further develop measures to boost innovation and competitiveness in small companies.
- Introduce disclosure and financial reporting standards in line with EU standards and ensure effective enforcement.
- Continue implementing the European Charter for Small Enterprises.

Agriculture and fisheries

- Develop strategies for land use, the land market, rural development, diversification of farm activities and enhancing agricultural competitiveness.
- Achieve substantial improvements in terms of food safety and phytosanitary and veterinary conditions, in compliance with EC requirements.
- Assess the compliance of agri-food establishments with EU requirements, prepare a programme for their upgrading and start its implementation.
- Start action with a view to ensuring efficient control of domestic plant production, in particular for products with specific EU requirements, and set up analytical capacity in the phytosanitary sector.
- Take measures to ensure that Albanian fisheries policy moves closer to EU standards, in particular in the areas of resource management, inspection and control and in market and structural policies.

Environment

- Establish a full inventory of hot spots and continue efforts to address hot spots already identified.
- Reduce pollution produced by the Balsh refinery, including discharges into the River Gjanica, and take measures to tackle water pollution in general.
- Strengthen environmental monitoring and ensure sufficiently dissuasive sanctions against polluters.
- Continue to implement regional and international environmental commitments.

Transport policy

- Continue implementation of the Albanian transport master plan
- Complete the necessary institutional reforms to improve transport asset management, prioritisation of investments, policy-making and involvement of the private sector.
- Make substantial progress on rehabilitation of the ports of Durrës and Vlora and consolidate port operations there.
- Achieve improved results in terms of road safety (including the implementation of the digital tachograph) and take additional steps towards further approximation to the *acquis* on market access (occupation) and social rules.
- Continue implementation of the Memorandum of Understanding on the development of of the south-east Europe (SEE) core regional transport network, and cooperation with the SEE transport observatory.
- Create conditions for competition in the rail transport sector, including the establishment of regulatory and safety bodies.
- Implement commitments taken on under the second transitional phase of the European Common Aviation Area Agreement.

- Achieve significant results in improving maritime safety conditions, including port state control facilities and performance of the register of shipping pursuant to the Paris memorandum of understanding.

Energy

- Continue to ensure proper implementation of action plans in relation to the electricity and gas sector and make further progress with implementation of the Albanian energy strategy.
- Ensure timely implementation of the various projects aimed at improving the infrastructure for electricity production, transmission and distribution.
- Continue to implement regional and international commitments in the energy field with a view to establishing a competitive regional energy market.
- Improve implementation of the Energy Efficiency Law.

Information society and media

- Further transpose and implement the EU framework for electronic communications.
- Continue the process of alignment with the European Convention on Transfrontier Television and the Television without Frontiers directive.

Financial control

- Develop and implement the principles of decentralised managerial accountability and functionally independent internal audit, in accordance with international standards and EU best practice.
- Develop procedures and administrative capacity to ensure effective protection of the EU's financial interests.
- Ensure that the Law on external audit complies with the guidelines of the Organisation of Supreme Audit Institutions.
- Further strengthen capacity for external audit, financial control management and internal audit.

Statistics

- Improve agricultural statistics and macro-economic statistics, develop social statistics, including education and health statistics, and make progress towards implementing all European classifications, including the classification of statistical regions.

Justice, freedom and security

Visa, border control, asylum and migration

- Ensure that all Albanian travel documents fully comply with international standards.
- Implement all international commitments undertaken by Albania in the area of border management.
- Enforce asylum-related legislation and establish a fully-fledged asylum system, in compliance with international standards, including reception of asylum seekers.

- Implement Albania's national strategy on migration and national action plan on asylum.
- Ensure that Albania is in a position to meet the SAA requirements regarding EU citizens working and/or residing in Albania.
- Progressively conclude, ratify and implement all the main international conventions in the field of migration.

Money laundering

- Step up the fight against economic and financial crime, including money-laundering and counterfeiting of currencies.
- Achieve tangible results in the fight against money-laundering, both within and outside the financial sector.

Drugs

- Ensure substantially improved results in the fight against drug trafficking, especially as regards synthetic drugs, heroin and cocaine.

Police

- Continue to bring police services up to European standards, most notably by means of adequate training and equipment.
- Achieve significant results in the fight against crime and in fighting corruption and other criminal behaviour within police ranks.

Fighting organised crime and terrorism

- Further increase international cooperation in the fight against organised crime and terrorism.
- Make major progress on the rate, number and quality of prosecutions in relation to offences connected with organised crime and trafficking and also in terms of seizure of the proceeds of crime.
- Fully incorporate into domestic legislation and implement the international conventions and protocols on prevention of terrorism to which Albania is party.

Protection of personal data

- Ensure the efficient monitoring and enforcement of national personal data protection legislation.

4. PROGRAMMING

Community assistance under the stabilisation and association process to the Western Balkan countries will be provided under the existing financial instruments, in particular by Council Regulation (EC) No 1085/2006 (IPA), and for programmes adopted before 2007, Council Regulation No 2666/2000 of 5 December 2000 (CARDS regulation)⁴.The financing

⁴ OJ L306,7 12 2000,p1.Regulation as last amended by Regulation(EC)No 2112/2005 (OJ L344,27 12 2005 p23)

agreements serve as legal basis for the implementation of the concrete programmes. Accordingly, this Decision will have no financial implications.

Albania can also have access to funding from multi-country and horizontal programmes.

5. CONDITIONALITY

Assistance to the Western Balkan countries is conditional on progress on satisfying the Copenhagen criteria and on meeting the specific priorities of this European Partnership. Failure to respect these conditions could lead the Council to take appropriate measures on the basis of Article 21 of Council Regulation (EC) No 1085/2006 or, in the case of pre-2007 programmes, on the basis of Article 5 of Regulation (EC) No 2666/2000. The assistance is also subject to the conditions defined by the Council in its conclusions of 29 April 1997, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms. Specific conditions are also included in individual annual programmes. The financing decisions will be followed by a financing agreement signed with Albania.

6. MONITORING

Implementation of the European Partnership will be examined by the mechanisms established under the Stabilisation and Association Process, notably the annual reports presented by the Commission.