

2018 Commission report on Albania

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PURPOSE: to present a Commission staff working document on the Albania 2018 report in the context of EU enlargement.

BACKGROUND: the Stabilisation and Association Agreement between Albania and the EU came into force in April 2009. Albania presented its application for membership of the European Union on 28 April 2009. The European Council of June 2014 endorsed the decision of the General Affairs Council granting Albania candidate status. In November 2016, in view of the **progress in meeting the key priorities the Commission** recommended opening accession negotiations with Albania subject to credible and tangible progress in the implementation of the justice reform, in particular the re-evaluation of judges and prosecutors (vetting). In the reporting period, Albania has implemented smoothly its obligations under the Stabilisation and Association Agreement (SAA).

CONTENT: Albania continued to align its legislation to EU requirements in a number of areas, enhancing its ability to take on the obligations of membership. The country is moderately prepared in many areas, such as in financial control, education and culture, or has some level of preparation, including in the areas of public procurement and statistics. Albania will need to continue its efforts as regards the overall preparations for adopting and implementing the EU *acquis*. It should continue work on the development of transport and energy networks. Enhancing transparency and accountability, in particular ensuring the effective, efficient and transparent functioning of the public procurement system and public finance management, remains essential. Albania has continued to fully align with all EU common foreign and security policy positions and declarations.

IPA II: under the Instrument for Pre-accession Assistance II (2014-2020), Albania benefits from pre-accession assistance with a total indicative allocation of **EUR 649.4 million**.

A summary of the main chapters of the report is as follows:

Political and economic dialogue: strong polarisation persisted in the political establishment, particularly in the first half of 2017, when parliamentary activities were affected by a prolonged boycott by the opposition. This also delayed the appointment of the judicial vetting institutions. An agreement between the two main ruling and opposition parties in May allowed parliamentary work to resume ahead of the electoral recess. More recently, a number of bipartisan initiatives have been taken, including the wide cross-party consensus on the vote of principle to the law for the vetting of the police, the establishment of investigative committees, as well as continued dialogue in the ad hoc committee on electoral reform. Additional efforts are needed to better involve civil society organisations as part of an inclusive policy dialogue.

As regards the **economic criteria**, Albania has made some progress and is moderately prepared in developing a functioning market economy. The public debt-to-GDP ratio and the current account deficit have been reduced. Economic growth increased further and unemployment decreased but is still high. Reforms crucial to improving the business environment progressed but require further efforts, including the reduction of the informal economy. The new bankruptcy law entered into force and should strengthen the insolvency regime. However, business-relevant regulations remained cumbersome and shortcomings in the rule of law continued to hamper businesses and deter investments. The quality of education needs to be raised at all levels, not least to better equip people with skills that the labour market needs.

Judicial system: Albania's judicial system has some level of preparation. The implementation of comprehensive and thorough justice reform has continued, resulting in good progress overall. The re-evaluation of all judges and prosecutors (vetting process) has started and is delivering first tangible results.

Corruption and organised crime: Albania maintains some level of preparation in the fight against corruption. Good progress was made, notably with the adoption of amendments to the criminal procedure code. A chain of specialised anti-corruption bodies, including a special prosecutor's office, is being established. Corruption remains prevalent in many areas and continues to be a serious problem. Albania has some level of preparation in the fight against **organised crime**. Overall there was some progress in the reporting period, notably in the fight against cannabis cultivation. Albania needs to build on operational results in this area, intensifying confiscation of assets belonging to criminal gangs and pursuing the destruction of all existing cannabis stockpiles. Albania participated successfully in international police cooperation, intensifying its interactions particularly with EU Member States. At domestic level, effective police-prosecution cooperation remains to be improved. As regards the track record, there has been little progress in dismantling organised criminal groups. More efforts are needed to tackle money laundering, criminal assets and unjustified wealth.

Fundamental rights and freedom of expression: Albania has ratified most international human rights conventions and has developed its legal framework in line with European standards. Enforcement and monitoring of human rights protection mechanisms remain to be strengthened. As regards the freedom of expression, Albania has some level of preparation/is moderately prepared. There has been some progress in strengthening the independence of the regulatory authority and public broadcaster but transparency of state advertising in the media remains to be enhanced. Institutional mechanisms to protect the rights of the child and to tackle gender-based violence remain weak. Important steps were made to improve the legal framework for the respect for and protection of minorities but relevant secondary legislation needs to be developed. Living conditions for Roma and Egyptians need to be improved.