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'I' ITEM NOTE

From:	Working Party on Enlargement and Countries Negotiating Accession to the EU
To:	Permanent Representatives Committee (Part 2)
No. prev. doc.:	ST 13824/24
Subject:	ENLARGEMENT - Accession Negotiations with Albania = Cluster 1: Fundamentals

1. With a view to preparing the next meeting of the Accession Conference with Albania, the Working Party on Enlargement and Countries Negotiating Accession to the EU (COELA) has reached agreement on a draft European Union Common Position on Cluster 1: Fundamentals (including the Functioning of democratic institutions, Public administration reform, chapters 23 - Judiciary and fundamental rights, 24 – Justice, freedom and security, Economic criteria, chapters 5 - Public procurement, 18 - Statistics, 32 - Financial control).
2. In this light, and in line with the internal arrangements for the negotiations with Albania (doc. 10380/1/2022 REV1), the Permanent Representatives' Committee is invited to approve the Common Position as set out in the Annex.
3. Following approval by the Permanent Representatives' Committee, the EU Common Position will be made available to Albania before the next meeting of the Accession Conference.

CONFERENCE ON ACCESSION

TO THE EUROPEAN UNION

- ALBANIA -

DRAFT

EUROPEAN UNION COMMON POSITION

This position of the European Union is based on its general position for the Accession conference with Albania (AD 5/22 CONF-ALB 2), and is subject to the negotiating principles endorsed therein, in particular:

- any view expressed by either Albania or the EU on a specific chapter of the negotiations will in no way prejudice the position which may be taken on other chapters;
- agreements reached in the course of negotiations on specific chapters, even partial ones, may not be considered as final until an overall agreement has been reached for all chapters;

as well as to the requirements set out in points 3, 5, 10, 14, 16, 31, 33, 36, 38, 39, 46, 47 and 48 of the Negotiating Framework.

The EU encourages Albania to continue the process of alignment with the EU *acquis* and its effective implementation and enforcement, and in general to develop already before accession, policies and instruments as close as possible to those of the EU.

The EU notes that Albania, in its position AD 19/24 CONF-ALB 4 accepts the EU *acquis* under Cluster 1 as in force on 2 October 2024 and that it will be ready to implement it by the date of its accession to the European Union.

1. Functioning of democratic institutions

The EU notes that Albania has laid down in its constitutional order the foundations of a **democratic state** and is pursuing the consolidation of its democratic institutions and that the legal and institutional framework allows for a democratic electoral process. The EU invites Albania to address several legal ambiguities and discrepancies highlighted by OSCE/ODIHR, as well as other joint recommendations of OSCE/ODIHR and the Venice Commission. The legislation on media in election campaigns, in particular on disinformation and online platforms needs to be further strengthened. On financing of political parties and election campaigns, the EU takes positive note that the revision of the legislative framework has provided for more transparency, but implementation needs to be consolidated.

The EU notes that the role of Albania's **assembly** has been consolidating over time. The EU encourages further efforts to increase transparency and accountability, integrity, and effectiveness, including with regard to interactions between the Parliament and NGOs/CSOs and with regard to its publications. The EU recalls that a functioning Parliament exercising an effective oversight and legislative role is a central pillar of the accession process. The EU recalls the need for Parliament to be able to make use of all mechanisms including inquiry committees to effectively oversee Government work. The EU underlines that constructive and inclusive political dialogue in the parliament is crucial and in the interest of Albanian citizens. The EU further notes that despite parliamentary activity continues to be negatively affected by political polarisation, Parliament succeeded in adopting with a large cross-party majority legislative amendments to strengthen its role in the EU integration process.

The EU underlines that overall, the legal, regulatory and institutional framework for **Civil Society Organisations** is in place, but improvements are needed to enable full implementation of the legal framework, in particular for the registration procedures. The EU notes that consultation processes need to be improved to become more inclusive, to increase their effectiveness and quality, and that additional efforts and resources are needed to ensure a sustainable and enabling environment for civil society.

2. Public administration reform

The EU notes that Albania is moderately prepared on the **strategic framework of its public administration reform**. The EU underlines the need for Albania to develop and adopt timely its new Public Administration Reform (PAR) and Public Financial Management (PFM) strategies to ensure continuity of the reforms. The overall consistency of the PAR Strategy with other strategic and policy-planning documents, as well as the financial sustainability of PAR-related reforms should be ensured. The EU underlines that the policy coordination system remains complex and should be simplified and that the coordination and political steering for implementing and monitoring the reforms should be enhanced.

The EU underlines that Albania is moderately prepared on its **policy development and coordination**. In the area of policy development, the legislation is partially aligned with EU standards. The EU underlines that Albania needs to upgrade its regulatory framework to improve medium-term policy planning, extend the use of regulatory impact assessment to all secondary legislation and reinforce the role of parliamentary oversight of government.

The EU notes Albania's **civil service** legislation is broadly aligned with the core principles of merit-based and transparent recruitment, promotion and dismissal. However, provisions on merit-based recruitment and promotion need to be consistently implemented at all levels in practice. The EU also notes Albania needs to reform its remuneration system to make it more transparent and fairer with clear criteria for salary supplements and increases. The EU underlines that Albania should also harmonise and implement the job classification system across the institutions.

The EU notes that the current legal framework for the **organisation of central administrative bodies** does not provide a clear typology and criteria for the creation of subordinated bodies, nor does it clarify accountability lines between supervisory and subordinated bodies. The EU invites Albania to address that, as well as to strengthen the oversight of subordinated agencies by the respective ministries. The EU further underlines that Albania should improve the transparency of public institutions, including by strengthening access to public information for citizens.

The EU recalls that digitalisation is the path to a better public administration providing more efficient, effective and high-quality e-services with reduced administrative costs and burden for citizens and businesses. The EU takes note that Albania has undertaken an ambitious process of **digitalisation of public services** to currently reach about 95% of all public services. The EU invites Albania to guarantee equal treatment and accessibility to administrative services for all citizens and businesses. The EU further encourages Albania to continue efforts on simplification of administrative processes and services and to strengthen cyber security. The EU takes note of Albania's plans to revise its legislation on interoperability. With that in view, the EU recalls the need to also strengthen cross-border interoperability through a national interoperability framework that is fully aligned with the European Interoperability Framework as a basis for interoperable, human-centric, digital public services. The EU encourages Albania to monitor developments in the EU's digital acquis, in particular EU's legislation on electronic identification and trust services (eIDAS Regulation), which is currently being revised, in order to set up a national digital identity wallet.

The EU notes that Albania has in place a well-established framework for **public finance management**. The EU underlines the importance for Albania to further improve the medium-term budgetary framework and increase the institutional capacities for the monitoring of fiscal risks and enhance public investment management. The EU encourages Albania to establish a Fiscal Council in order to strengthen the credibility of fiscal policies in the country.

3. Chapter 23 - Judiciary and fundamental rights

The EU underlines that Albania's legislative and institutional framework has a high level of alignment with the EU *acquis* and relevant European standards in the **functioning of the judiciary**. The EU notes Albania's plan to further advance the 2016 **justice reform** by continuing to strengthen the independence of magistrates and of the judicial and prosecutorial systems, to consolidate the accountability and integrity at all levels, to ensure accessibility and quality of justice, and ensure efficient delivery of justice in compliance with the EU *acquis* and European standards.

The EU notes Albania's advancements in the **independence and impartiality** of the judicial and prosecutorial systems. The EU notes Albania's plans to continue to develop the capacity, independence and efficiency of the self-governing bodies of the judiciary and to consolidate progress through merit-based appointments and career advancement, enhancing transparency of promotions, rigorously upholding and applying thoroughly periodic integrity checks in the course of a magistrate's career. The EU also notes Albania's engagement to follow the high standards set by the vetting process and to ensuring that the rules of random allocation of cases are effectively applied in practice. The EU further positively notes Albania's plans to further strengthen the resilience of the justice institutions to instances of internal and external interference. The EU underlines the need for both the executive and the legislative of Albania to respect and fully implement, as a matter of priority, binding decisions of the Constitutional Court. The EU underlines the importance for Albania to ensure the highest integrity, transparency and merit-based standards in the appointment of the members of the self-regulatory bodies and of other key judicial and prosecutorial bodies.

The EU notes that Albania has a legal and institutional framework that ensures a robust regulation of **accountability**. The EU positively notes Albania's continued good implementation of the vetting process and its plan to orderly complete the vetting process within the constitutional deadlines, under the oversight of the International Monitoring Operation. The EU underlines Albania's need to continue the initiation of criminal procedures against judges and prosecutors accused of criminal conduct during the vetting process and the importance of applying the high standards set by the vetting process. The EU also notes that Albania plans to ensure that inspection services and the self-governing institutions, notably the High Justice Inspector, High Judicial and the High Prosecutorial Council, consistently enable a solid track record of accountability and integrity in the judicial system at all levels. Albania needs to ensure highest level of integrity and merit in the appointments of non-magistrate members of the High Judicial and the High Prosecutorial Council.

The EU notes Albania's good basis for **quality and efficiency** of the judicial system. The EU positively notes Albania's plan to ensure sufficient human and financial resources to enable the judiciary to function fully, efficiently and independently and to guarantee the right to access to justice. The EU positively underlines Albania's plan to strengthen the School of Magistrates, including the improvement of entry examination based on transparency and fair competition, to offer a higher-level education to the aspiring magistrates. The EU notes Albania's plan to improve the IT tools at the disposal of courts, and invites the timely establishment of an integrated case management system and steady filling of remaining judicial vacancies as a matter of urgency for efficiency of justice.

The EU notes that Albania's legislative and institutional framework on **anti-corruption** is partially aligned with the EU *acquis*. The EU notes positively some final convictions on corruption charges against high-ranking officials. The EU underlines nevertheless that corruption is prevalent in most areas of public and business life, including in all branches of central and local government and institutions and remains an area of serious concern. The EU further notes that anti-corruption measures have had overall a limited impact so far particularly in the sectors most at risk of corruption. The EU notes Albania's plans to further amend its legal and institutional framework on fight against corruption, to reduce its complexity and ensure its efficiency. The EU underlines that Albania needs to make decisive progress towards tackling impunity and the generalised and wide-spread nature of corruption, and positively notes Albania's plans to strengthen the institutional capacities and coordination of the corruption prevention institutions, consolidate the operational and human capacities of Special Prosecutor for Corruption and Organised Crime (SPAK) and SPAK courts and towards establishing a solid track-record in the systemic repression of corruption, notably at high level, including final confiscation of assets. The EU notes Albania's plan to strengthen the efficiency of the corruption prevention framework, including by addressing systematically and effectively the recommendations of Council of Europe's Group of States against Corruption (GRECO). The EU notes the importance for Albania to ensure that future legal changes to criminal legislation, including potential amnesties, are in line with EU *acquis* and European standards and are conducive to the country's plan to consistently reduce corruption.

The EU notes that Albania's legal and institutional framework is partially aligned with EU *acquis* and European standards on **fundamental rights** and underlines that implementation needs to be strengthened to guarantee the enjoyment of fundamental rights in practice, including strengthening the capacities of the independent fundamental rights institutions.

The EU notes that further efforts remain necessary to ensure the protection of personal data in Albania. The EU notes Albania's plan to align its legal framework on **protection of personal data** with the EU *acquis* and to enhance the institutional capacity of the Information and Data Protection Commissioner as well as of public and private controllers to ensure effective enforcement of the right, including public awareness measures. The EU underlines Albania's plan to effectively investigate breaches of data protection rights, including large-scale ones.

The EU notes that regarding **freedom of expression** Albania's legal and institutional framework is partially aligned with the EU *acquis* and relevant European standards and significant improvements remain necessary. The EU positively notes Albania's plan to enable a deep reform of the legal and regulatory framework, and putting in place the necessary implementing and enforcement measures with the aim to: strengthen transparency of media ownership, media plurality and editorial independence, strengthen transparency of media financing from private and state resources, and strengthen the autonomy of the media regulator and of the independence of the state broadcaster. The EU notes that the atmosphere of verbal and physical attacks, smear campaigns and strategic lawsuits against public participation (SLAPP) targeting journalists have not improved and remain to be addressed. The EU underlines the importance for Albania to fully repeal criminal provisions on insult and defamation and align civil aspects of defamation with European standards. The EU underlines that attentive follow up will be needed so that the formal measures and safeguards are effectively implemented and translate into tangible improvements in the safety as well as the working environment of journalists. Any change to the legal framework should be in line with European standards and recommendations, including the Venice Commission opinions, and be subject to inclusive consultations with media organisations and civil society.

Regarding **gender equality and non-discrimination** where Albania has achieved partial alignment with the EU *acquis*, the EU notes Albania's plans to fully align its legal framework on non-discrimination with the EU *acquis* and ensure its effective implementation, including enforcement by the Commissioner for Non-Discrimination, as well as including LGBTIQ. The EU also notes Albania's plans to ensure full alignment with the EU *acquis* on gender equality, including the Istanbul Convention, in particular to effectively tackle gender based violence, to increase institutional capacity including of equality bodies, and to enhance sustainability of shelters for victims of violence. The EU underlines the need to ensure the timely implementation of measures including alignment of legal provisions on non-discrimination, combat hate crime and hate speech and gender based violence, and ensure gender equality. The EU invites Albania to allocate adequate resources to increase institutional capacity and to ensure the sustainability of services for redress and assistance to victims. Albania undertakes to further foster the rights of people with disabilities.

The EU notes Albania's plan to uphold and enhance the protection of the **rights of the child** by expanding availability of community-based services with a view to reducing institutionalisation of children. The EU notes the importance for Albania to make decisive progress on completion of transition towards community-based care, including for children with disabilities. The EU underlines the need for a timely implementation of the reform to ensure respect for the principle of best interest of the child.

Regarding the **right to property**, the EU notes that Albania adopted implementing legislation on the Law on cadastre and the Law on the finalisation of transitional ownership processes, but significant implementation challenges remain. In particular, according to the Roadmap for the Rule of law chapters, an efficient and transparent property registration and integrated management system, which shall offer clear and secure property titles in Albania, will be in place to ensure the right to property by a fully digitalised service in practice by 2030. In this context, Albania has set two interim goals for 2026 and 2028, respectively. The first goal pertains to the digitalisation of the cadastral maps, while the second one concerns the completion of the first registration. In this respect, the EU also emphasizes that Albania must ensure the publication of the cadastral maps, in line with the digitalisation process, which so far remains limited. It stresses the importance for Albania to also ensure that, once the individual cadastral maps are published and the interested party submits the required documents for the registration of its property, the State Cadastre Agency, as defined in its legal framework in place, proceeds within the established 45 days deadline with the issuance of the final property certificate or informs the interested party that the said property is also claimed by third parties (be it state or private), so that the interested party can resort to justice. Moreover, the EU calls for the State Cadastre Agency to put in place robust anticorruption measures through an Anticorruption Integrity Plan (AIP), reflecting stakeholder's feedback with the view to improve transparency, efficiency and accountability in service delivery from 2025 on, as is foreseen in the Roadmap for the Rule of Law Chapters. It also underlines that receiving periodic and thorough clarifications regarding the implementation of the AIP remains crucial. The EU stresses that the 'Agency for the Treatment of Property' should also function in full transparency. It calls for the establishment of a realistic timeframe for the execution of potential compensations to be completed by 2026, as foreseen in the Rule of Law Roadmap. In this respect, the EU calls on the Albanian authorities to also deal with the issue of falsified documents, as described in the Council Conclusions on Enlargement of December 2023. Furthermore, the EU reiterates that a revision of the investment laws in line with EU best practices remains a matter of utmost priority to be addressed by 2026, as foreseen in the Reform Agenda of the Growth Plan. In particular, it calls on the Albanian authorities to ensure that expropriations in the name of "public interest" are accompanied with fair compensations to the rightful owners. It also emphasizes that a clear process of classification of the properties (arable land or land for construction) would help prevent misclassifications or any acts of abuse. The EU notes Albania's plan to ensure effective judicial protection and to ensure consistent implementation of court judgements, notably the judgements of the European Court of Human Rights, in the area.

The EU notes Albania's plans to protect and promote the rights of persons belonging to **minorities**, in line with its international obligations and European and international standards, amongst others by ensuring effective implementation of the legislative framework. It continues to urge Albania to adopt the remaining implementing bylaws regarding self-identification and other related rights and the use of languages of national minorities in their contacts with administrative bodies and public authorities by the end of 2024, as foreseen in the Rule of Law Roadmap. It stresses that the swift adoption and implementation of these bylaws in the entire territory should be in line with European and international standards, with the involvement of all relevant stakeholders, in accordance with the Council Conclusions on Enlargement of December 2023. During the adoption of the aforementioned bylaws, the EU calls on the Albanian authorities to ensure that the right to free self-identification is upheld both in law and in practice in accordance with European and international standards. The EU also notes the need to enhance the institutional capacity of the State Committee on National Minorities and local authorities. Regarding the Roma and Egyptian minority, the EU notes Albania's plans to meet the Poznan Declaration commitments in the area of education, employment, housing and health and to strengthen National Roma Contact Point. The EU invites Albania to allocate adequate national resources for the implementation of the policy measures and reinforce coordination in the area. It further notes that Albania has provisions in place enabling persons belonging to minorities to preserve and develop their cultural heritage and to foster knowledge of their history.

The EU underlines that Albania needs to ensure full alignment of its legislative framework with the EU *acquis* upon accession to ensure full enjoyment of **EU citizenship rights**.

4. Chapter 24 - Justice, freedom and security

The EU notes that Albania has a legal and institutional framework in place to **fight against organised crime**, although amendments to this framework need to be adopted in order to fully align with the *EU acquis* which includes legislation regarding the criminalisation of money laundering as well as regarding asset recovery and confiscation. The EU underlines that Albania's law enforcement cooperation with EU Member States, CEPOL, Europol and Eurojust, as well as a very active involvement in EMPACT, are yielding positive results. The EU notes these efforts should be further strengthened. The EU also underlines that further efforts are needed to consolidate the track record of investigations, prosecutions, final convictions and seizure and confiscation of assets related to organised crime and money laundering, and proactive and effective international cooperation. The EU notes that Albania should provide the institutions fighting against organised crime with adequate resources. The EU also notes Albania's plan to ensure that criminal proceedings are systematically accompanied by financial investigations from the start and to develop a capacity to tackle complex financial investigations. The EU further notes Albania's commitment to increase assets seizure and confiscation, to freeze assets related to criminal activities and promote their social re-use.

The EU notes that Albania has been delisted from the Financial Action Task Force (FATF) list of jurisdictions under increased monitoring after the suspension of the planned fiscal amnesty and voluntary tax compliance programme. The EU notes the importance for Albania to ensure that future legal changes to criminal law, including potential amnesties and voluntary tax compliance programmes, are consistent with the country's plans and advance the fight against organised crime and are in alignment with the relevant *EU acquis* and international standards, such as those set by Moneyval and the FATF.

The EU invites Albania to adopt all necessary legislation and implementing measures in the area of **cybercrime**, and accede to the second additional protocol to the Budapest Convention to effectively fight cybercrime. The EU notes that Albania should develop a solid track record with regard to the prevention and repression of cybercrime, notably through the establishment of a more effective law enforcement response focusing on the detection, traceability and prosecution of cyber criminals.

The EU notes Albania's plan to criminalise all forms of **child sexual abuse**, and invites Albania to place particular attention on protection and prevention (including prevention of re-victimisation) of child sexual abuse online and offline.

The EU notes that large numbers of firearms are available in Albania and invites Albania to reduce the illegal possession and **trafficking in firearms**. The EU underlines that Albania needs to align its actions with the goals of the Regional Roadmap to better control small arms and light weapons (SALW) in the Western Balkans. The EU also notes Albania's plan to increase its efforts on awareness raising, outreach and education on the dangers and risks related to the misuse, illicit possession, and trafficking of firearms/SALW, as well as reduction of illicit firearms through legalisation, voluntary surrender and deactivation.

The EU notes that Albania is a country of origin, transit and destination of **trafficking in human beings** and needs to strengthen its anti-trafficking measures with a focus on the significant impact on women and girls. The EU underlines Albania's plan to enhance the early identification and victim protection through a victim-centred approach that should be better and more consistently integrated in investigations and prosecutions. The EU underlines that Albania needs to develop a solid track record of proactive investigations, prosecution and final convictions in this area.

The EU notes that Albania's law enforcement authorities have a good level of **cooperation in the field of drugs** with their counterparts in EU Member States. The EU invites Albania to adopt an overarching strategic framework in the area of drugs. The EU underlines that beyond the adoption of a formal framework, it will be crucial that Albania demonstrates an overarching strategic approach to fight effectively and consistently the cultivation, production and trafficking of drugs. The EU further notes Albania's plan to strengthen and operationalise its institutional framework, in particular by establishing a National Drugs Observatory and an operational national early warning system on the information exchange about new psychoactive substances. The EU underlines Albania's need to develop a solid track record of drug seizures and destruction, and of confiscation of the corresponding assets.

The EU notes that Albania has a strategic, legal and institutional framework to **fight against terrorism**, which requires amendments in order to be fully aligned with the EU *acquis*. The EU notes Albania's plan to provide adequate resources, enhance inter-agency and international cooperation, and strengthen the case management and referral mechanisms. The EU notes the efforts made in the Prevention and Countering of Violent Extremism (CVE), in particular with the consolidation of the CVE Centre. Praising the efforts made, radicalisation in prison and dissemination of terrorist content online continue to require attention. The EU notes that regional cooperation and the exchange of sensitive information with Europol and the Member States is satisfactory. The EU underlines that further work is needed to address terrorism financing and money laundering in particular by improving the effectiveness of terrorism financing investigations. The EU also notes that Albania is in the process of amending its legislation regulating the use of Passenger Name Record (PNR) for enhancing the capability to combat terrorism and serious criminal offences having a link to air travel.

The EU notes that Albania commits to **protecting critical infrastructure** through revising its legal framework on critical entities resilience, improving capacities for the detection of critical infrastructure and designing criteria for their management, including risk analysis. Albania should ensure the secure deployment of 5G networks along with the comprehensive implementation of the EU 5G Cybersecurity toolbox.

The EU notes that Albania has the basic principles of **judicial cooperation in criminal, civil and commercial matters** enshrined in its legislation, but that further alignment with the EU *acquis* is needed. The EU notes Albania's plan to ratify the remaining relevant international conventions in the field of judicial cooperation, notably the Hague Convention on Choice of Court Agreements (2005). The EU also invites Albania to step up its administrative capacity to meet EU requirements on judicial cooperation in criminal, civil and commercial matters.

The EU notes that on **migration** Albania needs to update its comprehensive National Strategy for Migration and its related action plan and to keep implementing the EU Action Plan on Western Balkans presented by the Commission in December 2022. The EU underlines that Albania also needs to develop adopt, implement, test and adequately fund the contingency plan in case of a substantial number of arrivals of migrants and asylum seekers. The EU also notes Albania's plan to adopt the necessary amendments in the field of legal migration to align with certain provisions on family reunification, with the single permit, and with the recent changes on the EU blue card. The EU invites Albania to adopt amendments in the field of irregular migration amongst others to align with the Employer's Sanctions Directive¹. The EU welcomes the reinstatement of investigative powers within the Border and Migration Police Department. The EU notes that the Department staffing, and capacity needs to be increased. The EU underlines that Albania's cooperation with Member States and Frontex on readmission and return operations is very good. The EU invites Albania to ensure adequate reception capacities and apply return procedures in compliance with the law on foreigners and in line with the EU *acquis*.

The EU notes the cooperation with the European Union Agency for Asylum on strengthening the national **asylum** and reception system. The EU invites Albania to make a quality implementation of the recent law on asylum and develop the necessary additional administrative capacities, while ensuring further alignment with the *acquis*. The EU also invites Albania to make systematic referrals to the asylum procedure. The EU also notes Albania's plan to handle asylum seekers through direct government's support and services. The EU notes that the issue of numerous Albanian citizens lodging unfounded asylum requests in EU Member States still requires continuous and sustained efforts.

¹ Directive 2009/52/EC

The EU notes that Albania's **visa policy** is not yet fully aligned with the EU's. The EU recalls that temporary lifting of visa requirements is not in line with the EU *acquis*. The EU notes Albania has outlined a plan to align its visa policy with the EU and invites Albania to follow-up on this in a timely manner. The EU also notes that Albania's information systems will require additional technical adaptations to comply with the Visa Information System (VIS).

The EU takes note of the good and continued operational cooperation with Frontex on border surveillance via the Joint Operation deployed since 2019, regarding **Schengen and External Borders**. The EU recalls that part of the Schengen *acquis* will only apply in Albania following a Council decision to lift controls on persons at internal borders taken on the basis of the applicable Schengen evaluation of Albania's readiness, taking into account a Commission report confirming that Albania continues to fulfil the commitments undertaken in the accession negotiations that are relevant for the Schengen *acquis*. The EU notes Albania's plan to address the high turnover of officers at the border.

Regarding the **counterfeiting of the euro**, the EU notes Albania's plan to pursue further exchanges of information with the European Commission, Europol and the European Central Bank, according to respective cooperation agreements on the protection of the euro currency against counterfeiting.

5. Economic criteria

The EU notes that Albania is on track to becoming a **functioning market economy**. The EU notes that Albania is advancing in its capacity to cope with competitive pressure and market forces within the Union. The EU underlines the continued broad domestic consensus on the fundamentals of economic policy including a limited role of the state in the economy and a political commitment to market liberalisation. The EU notes that despite some progress on this over the recent years, weak legal security, a high level of informal economic activity, a low level of financial sector development and difficulties with the registration of land titles continue to limit the effective functioning of the market economy, which is reflected in slow convergence and growth below potential. The EU invites Albania to systematically and thoroughly address both the EU's policy recommendations set out in the successive enlargement packages and the jointly agreed policy guidance in the context of the Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans as well as of forthcoming commitments under the Growth Plan, which should help Albania meet the economic criteria. Despite significant gaps remaining in comparison with regional and European levels, the EU underlines that Albania's energy and transport infrastructure, the digitalisation of the economy and education outcomes have greatly improved. The EU also notes that investment into all areas of physical infrastructure needs to continue on a high level, complemented by improved public investment management and governance reforms. The EU invites Albania to improve its competitiveness, currently hindered by a lack of entrepreneurial and technological know-how, unmet investment needs in human development, and persistently low spending on R&D through higher quality and levels of education outcomes, and incentives to invest into research. The EU also invites Albania to increase coverage and adequacy of social protection and health insurance to reduce the share of population at risk of poverty to enable an inclusive and socially balanced economic development.

6. Chapter 5 - Public procurement

The EU notes Albania's high level of alignment with the EU *acquis* in the area of **classic and utilities sectors**. The EU invites Albania to review the thresholds for supplies and services contracts to align the minimum periods applied in procurement procedures, as well as deadlines for submission of appeals, with the EU Public Procurement Directives. The EU also notes that in the area of concessions, Albania is partially aligned with the EU *acquis*. The EU invites Albania to align further to address inter alia issues such as unsolicited proposals, operating risk, legislative scope. The EU underlines Albania's high level of alignment with the EU *acquis* in the field of **defence procurement**.

The EU notes Albania's moderate preparation in terms of **implementation and enforcement capacity** in public procurement. The EU underlines that the public procurement system should put further emphasis on transparency, integrity and competition in procurement operations in addition to efficiency. The EU invites Albania to strengthen support to contracting authorities through the Public Procurement Agency to further improve the functioning of the public procurement system.

The EU underlines Albania's high level of alignment with the **Remedies** Directive. The EU notes that Albania's implementation of comprehensive e-appeals and e-complaints management system for electronic submission and management of cases has ensured a high level of transparency and improved timely processing of complaints. The EU invites Albania to improve the capacity of the Public Procurement Commission to deal with a high number of complaints.

7. Chapter 18 - Statistics

The EU notes that Albania's **statistical infrastructure** is partially in line with the EU *acquis*. The EU invites Albania to allocate adequate resources to the statistics sector in order to achieve full alignment with the EU *acquis*.

The EU notes that Albania has implemented the main **EU classification** with varying degrees of compliance with the *acquis*. The EU invites Albania to ensure the further necessary work on statistical registers to ensure full compliance with the EU *acquis*.

The EU underlines Albania's partial alignment with the EU *acquis* on **sectoral statistics**. The EU invites Albania to make further progress in all statistical areas in order to reach full alignment.

8. Chapter 32 - Financial control

The EU notes that Albania is partially aligned with the EU *acquis* on **public financial internal control** and that Albania's legislative framework is broadly aligned with EU standards. The EU underlines that the internal control system is only partially effective and managerial accountability remains limited in practice. The EU invites Albania to improve the implementation of effective internal control and reinforce the monitoring by the Central Harmonisation Unit.

The EU invites Albania to increase the impact of internal and external **audit functions** to fully comply with EU professional standards and principles.

The EU invites Albania to fully align its national legislation with the EU directive on the fight against fraud to the **EU's financial interests** by means of criminal law.

The EU invites Albania to establish formally and reinforce cooperation between the national competent authorities on the **protection of the euro against counterfeiting**.

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In view of the present state of Albania's preparations, the EU notes that on the understanding that Albania has to continue to make progress in the alignment with and implementation of the EU *acquis* and relevant European standards covered by Cluster 1, the following *interim benchmarks* would need to be met before the next steps in the negotiation process of the cluster can be taken:

- on a horizontal level for cluster 1 Albania ensures a close and permanent monitoring of the sustained implementation of the roadmaps on rule of law, public administration reform and functioning of democratic institutions through a robust and multi-disciplinary mechanism, paying particular attention to the adequacy of human and financial resources, institutional capacity, the respect of set deadlines, and an active dialogue with civil society.

Chapter 23 - Judiciary and fundamental rights

Albania further implements its comprehensive justice reform, delivering improvements in impartiality, independence, accountability, professionalism, quality and efficiency of the judicial system. In particular, Albania will meet this benchmark once it has:

- Continued good implementation of justice reform, to be consolidated in line with the relevant EU *acquis* and European standards, including by strengthening further the capacity, effectiveness and independence, including the principles of integrity, merit and transparency, of the self-governing bodies of the judiciary, notably High Judicial Council and High Prosecutorial Council, including in the appointment of their members;
- Strengthened independence and accountability by orderly completion of the vetting process, under the oversight of the International Monitoring Operation and sustained accountability and integrity in the judicial system at all levels post-vetting by the well-capacitated High Justice Inspector and High Judicial Council and High Prosecutorial Council, including by thorough evaluations, systematic and effective verification of asset-declarations consistently with the high standards set by vetting, consistent application of merit-based appointment and promotions and ensured systemic resilience of the judicial system to attempts of undue internal and external influence;

- Improved the quality of the judiciary, including by significant reduction of evaluation backlog by reaching two thirds of the annual planning projections based on objective criteria with qualitative and quantitative elements, significantly advancing timely publication of reasoned decisions, enhancing the quality of initial and continuous training, strengthening the School of Magistrates, notably by ensuring the integrity and quality of the teaching staff, and by improving capacity, and the admission examination;
- Enhanced gradually the efficiency and performance of Courts and prosecution offices and promoted quality justice services, including shorter disposition times, reduction of the backlog of cases, filling about half of the judicial vacancies and increase of support staff, making sufficient investments in judicial budget to adequately cover judicial needs, including infrastructure, towards EU average, promotion of alternative dispute resolution and establishment of a well-functioning integrated case management system.

Albania makes significant further progress tackling and preventing corruption. In particular, Albania will meet this interim benchmark once it has:

- Enhanced operational capacities and consolidated financial and human resources of the specialised anti-corruption bodies and ordinary judicial institutions to fight corruption;
- Made tangible progress at all levels towards a solid track record of investigations, prosecutions, and convictions in corruption cases, in particular final convictions at high level, including seizure and confiscation of assets;
- Strengthened efficiency of the corruption prevention framework, including by making significant progress in implementing GRECO recommendations, ensuring effective verification of asset declarations and consistently concluding administrative investigations with relevant sanctions and referral to prosecution;

Albania further strengthens the protection of fundamental rights in practice. In particular, Albania will meet this interim benchmark once it has:

- Adopted and started implementing the data protection reform in line with the EU *acquis*, including implementation of systematic response and effective safeguards to protect privacy and personal data;
- Enhanced freedom of expression, including media freedom, inter alia through a reformed legislative and regulatory framework in line with European standards, best practices and recommendations and concrete measures to enhance safety of journalists;
- Strengthened institutional capacities, including of equality bodies, ensured legislative alignment with the EU *acquis* on non-discrimination, gender equality and combating gender based violence, and provided effective mechanisms for redress and assistance to victims ensured in majority from the state budget;
- Reinforced the child protection system, with the best interest of the child as the guiding principle, including as regards children deprived of parental care or with disabilities, notably completion of transition towards community based care;
- Has made decisive progress towards establishing an efficient and transparent property registration and integrated management system, which offers clear and secure property titles and towards a fully digitalised service in practice at the latest according to the relevant commitments of Albania as undertaken in the Rule of Law Roadmap. Has made decisive progress towards ensuring that all cadastral data, including ownership titles and cadastral maps, are digitalised and carefully updated to systematically remove overlapping or inaccurate data and complaints are efficiently handled, and towards the completion of the first registration of properties at the latest according to the relevant commitments of Albania as undertaken in the Rule of Law Roadmap. Reduced court case backlog on property cases and effective enforcement of court rulings;
- Adopted the bylaws related to free self-identification and the use of languages of persons belonging to minorities as foreseen in the Rule of Law Roadmap, and in line with European standards and strengthened the implementation capacity, including of the Committee on National Minorities and its resources;
- Strengthened alignment of its legislative framework with the EU *acquis* on citizenship rights.

Chapter 24 - Justice, freedom and security

Albania makes tangible progress in the fight against organised crime. In particular, Albania will meet this interim benchmark once it has:

- Further aligned with the EU *acquis* on the fight against organised crime, including on the criminalisation of money laundering, as well as asset recovery and confiscation;
- Made tangible progress towards a solid track record of investigations, prosecutions, and final convictions in all fields of serious and organised crime (including trafficking in human beings and child sexual abuse, cybercrime, trafficking of weapons, drugs trafficking), money laundering and terrorist financing;
- Demonstrated a credible and consistent practice of launching parallel financial investigations when dealing with organised crime and money laundering.
- Made tangible progress towards a solid track record in seizure and final confiscation of assets, with a fully operational asset recovery office responsible for identifying and tracing criminal assets, as foreseen by national legislation;
- Made substantial progress in dismantling networks of trafficking in human beings, with a focus on the significant impact on women and girls.

Albania enhances its efforts in the co-operation in the field of drugs. In particular, Albania will meet this interim benchmark once it has:

- Established a functioning and sufficiently resourced National Early Warning System and a National Drugs Observatory, and aligned its legislation with the EU *acquis* on drugs and drug precursors;
- Made tangible progress towards a solid track record of drugs seizures, destruction and confiscation of corresponding assets, while ensuring there is strong enforcement of infringements against the legal cultivation of cannabis.

Albania delivers substantial concrete results in the fields of legal and irregular migration, and asylum, and on issues related to the Schengen *acquis* and external borders, in line with the EU Action Plan on the Western Balkans. In particular, Albania will meet this interim benchmark once it has:

- Ensured sufficient and sustained border management capacities and adequate staffing to manage mixed migration flows, including sufficient reception capacities, efficient means to conduct returns, plans to manage increased arrivals, in line with the existing migration strategies in place, as well as increased alignment in visa policy based on a concrete plan;
- Made substantial progress in fighting migrant smuggling;
- Ensured there is a functioning asylum procedure according to EU *acquis* and European standards, with the state offering the necessary services to asylum seekers.

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In view of the present state of Albania's preparations, and subject to Albania meeting the interim benchmarks on the rule of law chapters, the EU notes that, on the understanding that Albania has to continue to make progress in the alignment with and implementation of the EU *acquis* covered by the following chapters, and without prejudice to any additional conditions established in the further benchmarks defined for Cluster 1, these may only be provisionally closed once it is agreed by the EU that the following benchmarks are met:

Chapter 5 - Public procurement

- Albania fully aligns its national legal framework with the EU *acquis* with regard to all areas of public procurement, including its legislation on concessions and public-private partnerships, and international agreements exempting certain procurement from public procurement rules, in conformity with the EC Treaty, EU procurement legislation and other relevant provisions of the EU *acquis*;
- Albania puts in place adequate administrative and institutional capacity at all levels and takes appropriate measures to ensure the proper implementation and enforcement of national legislation in this area in good time before accession;
- Albania demonstrates a solid track record of a fair and transparent public procurement system, which provides value for money, competition and strong safeguards against corruption.

Chapter - 18 Statistics

- Albania submits key macroeconomics data (national accounts and GFS /EDP) in accordance with the methodology of the European System of National and Regional Accounts (ESA) 2010, as well as the ESA 2010 transmission programme, EDP notification requirements and other relevant requirements together with the required detailed description of the methodology used and that Eurostat will have already verified the data and the descriptions presented and will have already confirmed appropriate alignment with the EU rules as regards timeliness, completeness, coherence, transparency, and accuracy;
- Albania adopts a roadmap for: (i) closing any remaining gaps in all ESA 2010 tables, (ii) the transmission of any remaining tables from the ESA 2010 Transmission Programme, (iii), closing any remaining gaps in information to be provided alongside the EDP tables, and (iv) implementation of any remaining methodological issues. Eurostat confirms the relevance of the roadmap.

Chapter 32 - Financial control

- Albania puts in place adequate administrative and institutional capacity at all levels and takes appropriate measures to ensure the proper implementation and enforcement of national public internal financial control legislation;
- The State Audit Institution (SAI) of Albania complies with the standards of the International Organisation of Supreme Audit Institutions (INTOSAI);
- Albania ensures a comprehensive legal basis to safeguard the confidentiality of OLAF investigation and sufficient operational capacity for its national anti-fraud coordination service. Albania implements an efficient National Anti-Fraud Strategy for the protection of the EU's financial interests. Albania implements effective coordination of anti-fraud activities and a solid track record on cooperation with the Commission, OLAF and the European Public Prosecutor's Office (EPPO), on reported irregularities and investigation cases involving EU funds so they can fully discharge their duty;
- Albania implements the 1929 Geneva International Convention for the suppression of counterfeiting currency, aligns its legislation with the EU *acquis* on authentication of euro coins and the handling of euro coins unfit for circulation and on authentication of euro banknotes.

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Monitoring of progress in the alignment with and implementation of the EU *acquis* and relevant European standards will continue throughout the negotiations. The EU underlines that it will devote particular attention to monitoring all specific issues mentioned above with a view to ensuring Albania's administrative capacity, its capacity to complete legal alignment in all sectors under this cluster, as well as further progress in implementation and enforcement. Particular consideration needs to be given to the links between the present cluster and other negotiation clusters. A final assessment of the conformity of Albania's legislation with the EU *acquis* and relevant European standards as well as of its implementation capacity can only be made at a later stage of the negotiations. In addition to all the information the EU may require for the negotiations in this cluster and which is to be provided to the Conference, the EU invites Albania to provide regularly detailed written information to the Stabilisation and Association Council on progress in the implementation of the EU *acquis*.

In view of all the above considerations, the Conference will have to return to this cluster at an appropriate moment.

Furthermore, the EU recalls that there may be new EU *acquis* between 2 October 2024 and the conclusion of the negotiations.
