

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.3.2004
COM(2004) 203 final

Proposal for a

COUNCIL DECISION

on the principles, priorities and conditions contained in the European Partnership with Albania

(presented by the Commission)

{SEC(2004) 374}

EXPLANATORY MEMORANDUM

The Thessaloniki European Council of 19 and 20 June 2003 reiterated its determination to fully and effectively support the European perspective of the Western Balkan countries and stated that "the Western Balkans countries will become an integral part of the EU, once they meet the established criteria". It endorsed the Council's Conclusions of 16 June 2003 on the Western Balkans including the annex "The Thessaloniki Agenda for the Western Balkans: moving towards European integration", which aims at further intensifying the relations between the European Union and the Western Balkans, building also on practices used in the enlargement process, inter alia through the introduction of European Partnerships. The Commission has been invited to submit the first set of European Partnerships to Council for approval with the next Annual Reports on the Stabilisation and Association process (SAp) due end of March 2004.

The European Partnership for Albania is based on the provisions of Council Regulation (EC) No. 533/2004. It identifies short- and medium term priorities for Albania's preparations for further integration with the European Union identified in the Commission's 2004 Annual Report and serves as a checklist against which to measure progress. The European Partnership for Albania reflects its current stage of preparation and is tailored to its needs. Albania is expected to respond to the European Partnership by preparing a plan with a timetable and details of how it intends to address the European Partnership's priorities. The progress in implementing the priorities will be monitored regularly by the Commission, notably in the SAp Annual Reports and through the structures set up under the SAp.

The European Partnership priorities should form the basis for programming of the financial resources making up Community assistance, which will continue to be the assistance provided for under existing financial instrument(s), in particular Council Regulation (EC) No 2666/2000 of 5 December 2000 (CARDS).

The proposed Council Decision has no financial implications.

In view of the above, the Commission invites the Council to adopt the attached decision.

Proposal for a

COUNCIL DECISION

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 533/2004 on the establishment of European Partnerships in the framework of the Stabilisation and Association process[1] and in particular to 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 "Thessaloniki Agenda for the Western Balkans: moving towards European integration" where the drawing-up of European Partnerships is mentioned as one of the means to intensify the Stabilisation and Association process.

(2) Council Regulation (EC) No 533/2004 sets out that the Council is to decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities and conditions to be contained in the European Partnerships, as well as any subsequent adjustments.

(3) Council Regulation (EC) No 533/2004 states that the follow up of the implementation of the European Partnerships will be ensured through the mechanisms established under the Stabilisation and Association process, notably the Annual Reports.

(4) The 2004 Commission's Annual Report presents an analysis of Albania's preparations for further integration into the European Union and identifies a number of priority areas for further work.

(5) In order to prepare for further integration into the European Union, Albania should develop a plan with a timetable and details in terms of measures Albania intends to take to this end.

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HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 1 of Council Regulation (EC) No 533/2004, the principles, priorities and conditions in the European Partnership for Albania are set out in the annex hereto, which forms an integral part of this Decision.

Article 2

The implementation of the European Partnership shall be examined through the mechanisms established under the Stabilisation and Association process.

Article 3

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

Done at Brussels, 2004

For the Council
The President

ANNEX

1. INTRODUCTION

The Thessaloniki Agenda identifies ways and means of intensifying the Stabilisation and Association process, inter alia through the introduction of European Partnerships.

Based on the Commission's Annual Report, the purpose of the European Partnership for Albania is to identify priorities for action in order to support efforts to move closer to the European Union within a coherent framework. The priorities are adapted to Albania's specific needs and stage of preparation and will be updated as necessary. The European Partnership also provides guidance for financial assistance to Albania.

It is expected that Albania will adopt a plan including a timetable and details in terms of how they intend to address the European partnership priorities. The plan should also indicate ways to pursue the Thessaloniki agenda, the priorities on fighting organised crime and corruption identified at the 2002 London Conference and at the Ministerial meeting held in Brussels on 28 November 2003 in the framework of the EU-Western Balkans Forum and the measures presented by each of the Western Balkan countries at the meeting of 5 November 2003 in Belgrade as a follow-up to the Ohrid Conference on integrated border management.

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 main priorities identified for Albania relate to its capacity to meet the criteria set by the Copenhagen European Council of 1993 and the conditions set for the Stabilisation and Association process, notably the conditions defined by the Council in its Conclusions of 29 April 1997 and 21-22 June 1999, the content of the final declaration of the Zagreb Summit of 24 November 2000 and the Thessaloniki agenda.

3. PRIORITIES

The Commission's Annual Report assesses progress made and notes areas where the country needs to increase its efforts. The priorities listed in this European Partnerships 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 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 European Partnership indicates the main priority areas for Albania's preparations for further integration into the European Union, based on the analysis in the 2004 Annual Report. It should be recalled that where legislative approximation is concerned, incorporation of the *acquis* into legislation is not in itself sufficient; it will also be necessary to prepare to its full implementation.

3.1 SHORT- TERM

POLITICAL SITUATION

DEMOCRACY AND RULE OF LAW

- ***Focus on reforms and ensure proper functioning of democratic institutions –*** Ensure a political focus on the implementation of the reforms necessary for progress within the Stabilisation and Association Process. Improve the rules governing Parliamentary Committees and investigative Parliamentary Commissions. Fully adhere to the Constitution and respect and implement the decisions of the Constitutional Court. Encourage the development of civil society and its active participation in the decision-making process.

- ***Improve the functioning of the public administration*** – Ensure enforcement of the Civil Service Law and take steps towards its improvement. Take measures to prevent undue political interference in the functioning of the public administration. Produce clear guidelines as regards recruitment, transfer and dismissal for all civil servants, and implement them. Ensure that the Civil Service Commission fulfils its duties in accordance with the law. Strengthen the function of the Secretary General in the line Ministries, Council of Ministers and Assembly. Improve co-ordination between the line Ministries and the Ministry of European Integration. Strengthen the financial sustainability of the Training Institute for Public Administration (TIPA) and its training capacities. Prepare tailor-made training programmes for local administrations. Ensure that the planned review of existing Albanian territorial units as well as the establishment of new territorial divisions is carried out properly, with the involvement of all stakeholders.

- ***Prepare the next Parliamentary and local elections properly and in time -*** Implement in time the OSCE/ODIHR recommendations issued following the 2003 local elections.

- ***Strengthen the judicial system*** – Take measures to increase transparency and to improve management in the criminal and civil justice process. Foster the status of judges, and their independence and protection within the Constitution. Ensure that the right to initial and vocational training for judges and prosecutors is enshrined in the status of judges. Ensure efficient functioning of the "Serious Crimes Court". Guarantee that judges and prosecutors are selected and appointed through competitive examinations, in conformity with the Constitution and the law. Further guarantee that judges and prosecutors are promoted with adequate safeguards and through impartial procedures. Improve the functioning of inspectorates of both the High Council of Justice and the General Prosecution Office, and ensure that there is no impunity for judges and prosecutors; provide clear guidelines for the roles of separate inspectorates in the Ministry of Justice and High Council of Justice. Adopt adequate legislation on witness protection. Achieve a continuous increase in the execution rate of court sentences. Develop a sound medium/long term strategic plan for the School of Magistrates with the objective of enhancing both its operation and financial sustainability. Ensure a proper follow up (investigation and possible prosecution) to public allegations of criminal behaviour against specified persons.

- ***Improve the fight against corruption –*** Adopt the necessary legislation in order to harmonise the Albanian legal framework with European Conventions on Corruption

(in criminal and civil matters) ratified by Albania. Improve the existing legislation on bribery and implement it. Ensure enforcement of the Law on Declaration of Assets. Implement the 2003-2004 Anti-Corruption Action Plan, and ensure that the next 2004-2005 Plan includes realistic, precise and measurable anti-corruption measures. Strengthen the institutional capacity to investigate and prosecute corruption; ensure that the Specialised Unit attached to the Tirana Prosecution Office (dealing with financial crimes in general) also covers corruption cases. Reduce the list of officials covered by immunity, and grant immunity in strict compliance with international rules and practices.

HUMAN RIGHTS AND PROTECTION OF MINORITIES

- ***Improve the respect for human rights by law enforcement bodies*** **-** Ensure that police, judges, prosecutors and other law enforcement bodies are fully aware of their obligations in terms of human rights, and that they implement them in accordance with international conventions ratified by Albania, and in particular the European Convention on Human Rights (ECHR). Address cases of ill-treatment by law enforcement bodies through effective prosecution of perpetrators. Improve conditions of detainees and prisoners on remand in police stations and take steps towards meeting international requirements in this area.

- ***Guarantee freedom of expression and media*** **–** Take measures to prevent the harassment and/or undue political interference with the press. Bring Albania's legislation on defamation into line with EU standards, and implement it. Adopt adequate legislation for the print media and improve the legislation available to the electronic media, taking into account EU standards. Take measures to ensure transparency regarding media ownership. Ensure the independence of the media regulatory body, namely the National Council on Radio and Television. Finalise the National Plan for Radio and Television Frequencies. Encourage investigative journalism, and take measures to support the independence and professionalism of journalists.

- ***Ensure respect of minority rights*** **–** Provide accurate data on the size of minorities in Albania. Improve the legal framework on minorities so that it meets the requirements of the Council of Europe Framework Convention on National Minorities, and ensure its implementation throughout the whole Albanian territory. Implement the National Strategy for the Roma.

REGIONAL AND INTERNATIONAL CO-OPERATION

- ***Strengthen regional co-operation*** **–** Comply with Stabilisation and Association Process (SAP) requirements and Thessaloniki commitments in terms of regional co-operation. Ensure implementation of all regional free trade agreements concluded in the framework of the 2001 Memorandum of Understanding for Trade Facilitation under the Stability Pact.

- ***Implement international obligations*** **–** Regularise Albania's position as regards compliance with its WTO commitments. Once the situation is regularised, ensure implementation of the revised schedule without further derogations. Guarantee respect of commitments undertaken by Albania in the framework of EC relations.

ECONOMIC SITUATION

FREE MARKET ECONOMY AND STRUCTURAL REFORMS

- ***Ensure sustained macro-economic stability -*** Maintain a stable macroeconomic framework in the context of the International Monetary Fund (IMF) programme. Demonstrate compliance with International Financial Institutions (IFIs) recommendations.

- ***Improve the business environment –*** Implement the Action Plan for the removal of administrative barriers to investment and for simplification of administrative procedures. Adopt improved commercial legislation. Establish clear rules and procedures regarding conditions for establishment, registration and operation of national and foreign companies, and ensure that they are compatible with SAA requirements. Ensure proper, non-discretionary, non-discriminatory implementation of business-related legislation, rules and procedures. Implement the European Charter for Small and Medium Enterprises, in particular the targets set for 2004. Ensure that the SME Agency is fully operational. Reform pre-paid tax system to make it less unfavourable for starting up companies. Continue preparation of national guarantee fund. Spread company registration possibilities throughout the country.

- ***Develop a stable and functioning land/real estate market -*** Adopt new legislation on the restitution/compensation of properties confiscated during the communist period. Ensure that this legislation provides a satisfactory answer to the vast majority of claims and take, in close co-operation with all relevant political actors and owner's associations, the necessary steps to ensure its implementation. In particular, provide all data necessary to determine the land available for restitution or compensation, identify clearly the outstanding restitution claims, and develop a credible financing plan ensuring coverage of possible compensation costs.

- ***Promote employment and social cohesion*** – Develop, with the involvement of all relevant actors, a strategy to promote employment and social cohesion, and start the strategy's implementation. Take measures to improve social protection systems and social standards, and to combat social exclusion and discrimination. Respect core labour standards and their effective enforcement.

MANAGEMENT OF PUBLIC FINANCES

- ***Improve public finance management –*** Improve budgeting procedures through realistic revenue estimates, better prioritisation of expenditure and strengthened links between policy objectives and budget planning. Develop a comprehensive socio-economic strategy, encompassing the current National Strategy for Social and Economic Development (NSSED) and the Medium Term Expenditure Framework (MTEF), to which all financial assistance could then be linked; in this context, ensure that SAP priorities are duly taken into account.

  Develop a comprehensive Public Internal Financial Control Strategy Paper, taking into account EC requirements.

  Enforce the Law on Internal Audit. Ensure the adequate functioning of the State Audit Institution (SAI), including follow-up of its findings and recommendations, as well as the prosecution of criminal cases.

EUROPEAN STANDARDS

INTERNAL MARKET AND TRADE

- ***Movement of goods –*** Make further progress in adopting European Standards. Adopt the draft decree on the organisation and functioning of the Accreditation Directorate, and ensure that the split of the function of accreditation from those of standardisation and certification takes place. Take measures to increase the awareness of economic operators in relation to these concepts, as well as to their importance in international trade.

  Improve phyto-sanitary and veterinary conditions in compliance with EC requirements, notably as regards those products which have a strong export potential.

- ***Customs –*** Stabilise and improve all aspects of the administrative capacity of the Albanian customs administration. In particular ensure the stability of the staffing and manage human resources in strict compliance with the relevant legislation. Strengthen the customs departments involved in the implementation of trade agreements, in particular the department responsible for the origin of goods. Strengthen administrative co-operation in the customs sector. Ensure that rules and procedures regarding transit, valuation, customs warehouses, risk assessment and selectivity, and auditing (internal and external) are implemented in accordance with EC standards and, where relevant, international conventions. Ensure that the customs administration performs its revenue collection obligation in compliance with the law. Take concrete measures to improve the fight against smuggling and trafficking. Implement the ASYCUDA system in Tirana's Customs House and Durres port. Ensure the non-discriminatory application of customs legislation, rules and procedures throughout the whole country.

- ***Taxation -*** Start reviewing the present tax legislation and administrative procedures, and ensure effective and non-discriminatory enforcement of tax legislation. Intensify the fight against fiscal fraud. Proceed with the ongoing reform of the tax administration, including the development/extension of an integrated computerised system. Settle all outstanding claims regarding tax exoneration for EC financed projects and establish an efficient system to ensure actual tax exemption for EC financed projects in accordance with the 1992 Framework Agreement.

- ***Competition and State aids –*** Adopt the implementing rules necessary for the implementation of the new Competition Law and start implementing it. Prepare for the establishment of an independent competition authority, including through the strengthening of administrative capacity. Promote competition policy by fostering liberalisation, improving public procurement practices, ensuring a pro-competitive approach to privatisation. Adopt the necessary legal framework for State aids and promote transparency and basic enforcement of the State aid principles.

- ***Public procurement –*** Enforce current public procurement legislation and take steps in order to approximate this legislation to EC standards. Avoid derogations to the principle of open tender, and ensure strict implementation of tendering procedures. Strengthen the Public Procurement Agency as well as public procurement entities in line ministries. Take measures to guarantee adequate treatment of complaints.

- ***Intellectual Property Rights (IPR) –*** Adopt new legislation on industrial property. Accede to the International Convention for the Protection of New Varieties of Plants. Adopt the necessary legislation and strengthen administrative capacity in order to

improve copyright protection. Take steps to further increase the awareness of economic operators, law enforcement bodies and the judiciary in relation to intellectual, commercial and property rights. Take measures to improve IPR enforcement.

SECTORAL POLICIES

- ***Environment –*** Start addressing toxic hotspots in Durres and Vlora, and the issue of radioactive waste in Tirana and Fier. Ensure enforcement of legislation on environmental impact assessment and eco-taxes. Improve co-ordination between the Ministry of Environment and other administrations dealing with environmental issues. Accelerate implementation of the National Strategy of Water Supply and Sanitation, and the Rural Strategy of Water Supply and Sewerage.

- ***Energy –***Implement the 2003-2005 Action Plan and start implementing the Albanian Energy Strategy. Implement the commitments undertaken in the framework of the 2003 Athens Memorandum of Understanding on the Regional Energy Market in SEE.

- ***Telecommunications*** – Ensure that the electronic communications sector is liberalised effectively including the strengthening of regulatory bodies and the adoption of suitable laws and policies for the sector.

CO-OPERATION IN JUSTICE AND HOME AFFAIRS

- ***Border management*** – As a follow-up to the Ohrid regional conference on border security and management in May 2003, implement the measures that have been adopted by the Government and presented at the meeting of JHA ministers within the EU-Western Balkans (WB) Forum in November 2003. Develop an Integrated Border Management Strategy (IBM) in compliance with EC requirements. Strengthen law enforcement bodies responsible for border management, and upgrade management standards. Establish an adequate risk-analysis system, in order to improve border management at border-crossing points and "green" and "blue" borders. Increase co-operation with neighbouring countries, as well as collaboration between national law enforcement bodies involved in border management, at the border and in connection with subsequent control activities. Improve equipment and skills of Albanian law enforcement bodies in order to ensure the identification of forged/false travel documents.

- ***Migration and asylum policies -*** Adopt and start implementing the National Strategy for Migration. Ensure that the necessary procedures to sign and ratify the EC/Albania Readmission Agreement are completed as soon as possible in 2004.

  Formally adopt the National Action Plan on Asylum. Address the remaining gaps in Albania's asylum-related legislation. Implement, especially in border areas, the "pre-screening" system to classify persons in irregular situations within the Albanian territory. Respect the non-refoulement principle. Ensure that the processing of asylum claims is carried out in accordance with the law, and that time limits are respected.

- ***Police –*** Fully implement the law on police ranks. Develop and start implementing a transparent system of discipline and promotion. Improve police investigative skills.

Establish a consolidated manual of procedures for all the Criminal Police Officers. Establish clear rules in order to ensure adequate collaboration between various police units and the prosecutor's office. Strengthen community policing. Ensure prosecution of police officers involved in corruption and other criminal activities.

- ***Organised crime, trafficking, drugs, money laundering and terrorism*** – Implement the action-oriented measures against organised crime that have been adopted by the Government and presented at the EU-WB JHA Ministerial meeting of November 2003. Ensure that Albanian legislation clearly defines the concept of "organised crime", consistent with EU legislation and generally accepted international standards. Adopt and implement legislation on stolen goods taking into account international standards and covering also goods stolen abroad. Ensure collaboration and information exchange between law enforcement bodies, state ministries and legislators involved in fighting organised crime. Within the limits of the law and in full respect of international standards, extend the use of Special Investigative Means to all organised crime-related areas. Implement the Anti-Trafficking Strategy adopted in 2003. Take the necessary steps to prepare for the conclusion of an agreement with Europol.

  Enforce existing drugs-related legislation. Ensure sustained efforts in the fight against the cultivation and trafficking of cannabis. Prepare a National Strategy on Drugs in compliance with the EU Drugs Strategy and Action Plan.

  Strengthen the capacity of institutions responsible for fighting money laundering; ensure adequate collaboration between these institutions, establish efficient working procedures and develop an appropriate case management system. Enforce existing money laundering legislation.

  Increase international co-operation and implement relevant international conventions on terrorism. Improve co-operation and exchange of information between police and intelligence services within the State and with other States. Prevent the financing and preparation of acts of terrorism.

3.2 MEDIUM TERM PRIORITIES

POLITICAL SITUATION

DEMOCRACY AND RULE OF LAW

- ***Further improve the functioning of the public administration*** – Ensure that the sectors of the administration responsible for the implementation of SAA provisions, as well as those involved in the implementation of EC financial assistance, are adequately trained and equipped to carry out their duties. Ensure that civil service legislation and related procedures, including in terms of career development, are improved in line with the requirements of a modern public administration, and that they are strictly implemented to support the development of a well-prepared, professional, transparent and stable administration. Ensure that local administrations are in the position to implement decentralised policies.

- ***Carry out the next Parliamentary and local elections in accordance with international standards.***

- ***Further strengthen the judicial system*** - Ensure prosecution of serious crimes, especially organised crime, with particular attention to cross-border co-operation mechanisms. Substantially reduce the current backlog and ensure the timely execution of court sentences. Ensure broad publication of court decisions. Ensure continued and adequate training of judges and prosecutors, including in human rights, ethics and commercial matters and SAA-related issues. Enforce legislation on witness protection. Further strengthen the independence of the Judiciary by effectively transferring the inspection of the judicial activities of judges from the Ministry of Justice to the High Council of Justice.

- ***Further improve the fight against corruption*** – Implement European Conventions on Corruption (in criminal and civil matters) ratified by Albania, as well as GRECO recommendations. Achieve significant results in the fight against corruption, at all levels and in all fields, through enforcement of adequate legislation.

HUMAN RIGHTS AND PROTECTION OF MINORITIES

- ***Ensure the respect of human rights by law enforcement bodies*** **–** Ensure that detainees and prisoners on remand are treated in accordance with international standards. Guarantee that human dignity and personal safety is respected in detention centres, prisons and mental institutions, in accordance with international conventions. Establish an adequate juvenile justice system. Ensure compliance with the CoE Convention for the Prevention of Torture and Inhuman and Degrading Treatment or Punishment.

- ***Ensure freedom of expression and media*** **–** Enforce new legislation for printed and electronic media taking into account EU standards. Ensure that TV frequency allocation is carried out in a fair and non-discriminatory manner, in accordance with the National Plan, and that requirements are fully respected by broadcasters. Complete the transition of the Albanian RTV from a state television company to a neutral public service broadcaster. Encourage continued improvement of the quality of journalism.

REGIONAL AND INTERNATIONAL CO-OPERATION

- ***Strengthen regional co-operation*** **–** Conclude and implement a set of agreements with neighbouring countries in the fields of organised crime, border management and readmission. Implement the Memorandum of Understanding of the South East Europe (SEE) Core Regional Transport Network. Continue the implementation of the commitments undertaken in the framework of the 2003 Athens Memorandum of Understanding on the Regional Energy Market and make progress regarding the establishment of this market. Ensure adequate regional co-operation on environmental issues.

- ***Implement international obligations*** **–** Fully Implement international agreements and conventions ratified by Albania, in particular conventions in the fields of Justice and Home Affairs, human and minority rights, and trade.

ECONOMIC SITUATION

FREE MARKET ECONOMY AND STRUCTURAL REFORMS

- ***Complete the privatisation process*** **–** in particular by privatising INSIG (financial sector), Albtelecom (telecommunications sector), Servcom, Albpetrol, Armo and KESH (energy sector).

- ***Further improve business environment*** **-** Enforce improved commercial legislation. Ensure that judges are well trained on commercial and corporate legislation. Achieve significant results in terms of fighting fraud and corruption. Put in place a strategy to combat informal economy in order to guarantee, amongst other things, fair competition between companies.

- ***Achieve a functioning land/real estate market*** **-** Enforce legislation on restitution/compensation of properties confiscated during the communist period. Complete land mapping and the process of land registration. Ensure that transfers of property are carried out in accordance with the law, and take measures aimed at the proper functioning of all bodies involved in the process (notaries, property register, etc). Ensure that provisions in relation to land classification and the use of land are respected. Develop and adopt legislation for the taxation of land and real estate.

MANAGEMENT OF PUBLIC FINANCES

- ***Further improve public finance management*** **–** Implement the Public Internal Financial Control Strategy. Further strengthen external audit and ensure that both, financial control management and internal audit, function properly. Establish effective procedures for the detection, treatment and follow-up of cases of (suspected) fraud and other irregularities affecting national and international funds.

EUROPEAN STANDARDS

INTERNAL MARKET AND TRAD

- ***Movement of goods*** **–** Ensure administrative capacity to implement SAA requirements in this area. Make further progress in adopting European Standards. Establish a market surveillance system. Ensure improved functioning, taking into account EC practices, of the bodies responsible for standardisation, accreditation and certification, as well as those responsible for metrology and calibration.

  Achieve substantial improvement in terms of food safety and phyto-sanitary and veterinary conditions, in compliance with EC requirements.

- ***Customs*** **–** Ensure administrative capacity to implement SAA requirements. Ensure substantial alignment of customs legislation and procedures, and their implementation, to EC legislation and procedures. Guarantee proper implementation of rules of origin. Continue to ensure stability of staffing within the customs administration and to improve efficiency in its management. Increase results in the fight against fraud, smuggling and trafficking, and reduce significantly those cases involving customs officials engaging in illegal activities. Complete the implementation of ASYCUDA throughout the whole country and continue computerisation efforts.

- ***Taxation*** – Continue strengthening the tax administration. Ensure full and efficient implementation of the VAT system. Improve communication with taxpayers, and simplify tax structure and procedures, including refund procedures. Provide all

taxpayers with a unique identification number for fiscal purposes. Continue to strengthen tax collection and control and develop an audit strategy.

- ***Competition and State aids*** – In line with SAA requirements, establish an independent competition authority. Enforce competition legislation, and prepare for the establishment of an operationally independent State aids structure. Strengthen structures responsible for State aids and ensure progress towards both the completion of a comprehensive State aid inventory and the production of GDP data at NUTS II level.

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

- ***Intellectual Property Rights (IPR)*** – Properly implement international conventions ratified in the field of intellectual, commercial and industrial property rights. Ensure a high degree of protection for IPR, and achieve results in the fight against piracy and counterfeiting. Guarantee sufficient administrative capacity in order to comply with SAA requirements in this area.

SECTORAL POLICIES

- ***Environment*** – Continue efforts to address toxic hotspots. Reduce the levels of dust and air pollution in urban areas. Reduce pollution produced by the Balsh refinery, including the discharge into the Gjanica River, and take measures to tackle water pollution in general. Continue to implement regional and international commitments in this area. Strengthen environmental monitoring and ensure sufficiently dissuasive sanctions against polluters. Ensure implementation of the National Strategy of Water Supply and Sanitation, and the Rural Strategy of Water Supply and Sewerage. Develop and start implementing a strategy for progressive alignment to the acquis in this area.

- ***Public Health*** – Strengthen surveillance and notification systems for communicable diseases. Facilitate closer co-operation with the public health networks.

- ***Transport*** - Implement the transport Master Plan. Continue efforts to complete the East-West and North-South corridors. Make substantial progress on the rehabilitation of Tirana Airport and the ports of Durres and Vlora, including in ensuring improved security and border management. Complete the privatisation of Durres port. Achieve improved results in terms of road safety, and take additional steps for further improvement. Implement the Memorandum of Understanding of the South East Europe (SEE) Core Regional Transport Network.

- ***Energy*** – Continue to ensure the proper implementation of Action Plans in relation to the electricity sector, and further progress with the implementation of the Albanian Energy Strategy. Ensure timely implementation of the various projects aimed at the improvement of infrastructure for electricity production, transmission and distribution. Continue to implement regional and international commitments in this area in view of establishing a competitive regional energy market.

- ***Telecommunications*** **–** Transpose and implement the new EU framework for electronic communications.

CO-OPERATION IN JUSTICE AND HOME AFFAIRS

- ***Border management -*** Implement the Integrated Border Management (IBM) Strategy and all international commitments undertaken by Albania in the area of border management. Implement risk analysis in relation to border management efficiently. Continue to strengthen border management capacities; in particular, ensure that border management at Tirana International Airport, and at Durres and Vlora ports, complies with international standards. Ensure improved security features of new Albanian travel documents. Achieve significant results in the de-mining process.

- ***Migration and asylum policies -*** Implement Albania's National Strategy on Migration. Ensure that Albania is in the position to meet SAA requirements regarding EC citizens working and/or residing in Albania. Ensure the enforcement of all readmission agreements that Albania has concluded; attempt to conclude readmission agreements with all countries of the region and with the countries of origin of migrants transiting through Albania. Progressively conclude, ratify and implement all of the main international conventions in the field of migration.

  Implement the Albanian National Action Plan on Asylum. Enforce asylum-related legislation and establish a fully-fledged asylum system, in compliance with international standards.

- ***Police*** **–** Continue to strengthen all police forces, most notably through adequate training and equipment. Ensure functioning of a proper case management system, so that there is a well documented process of tracking cases from initial report to conclusion. Achieve significant results in the fight against criminality, and in reducing corruption and other criminal behaviour within police ranks.

- ***Organised crime, trafficking, drugs, money laundering and terrorism*** – Further increase international co-operation. Achieve significant results in the rate, number and quality of prosecutions in relation to offences connected with organised crime and trafficking, as well as in terms of the seizure of proceedings from crime.

  Implement the National Strategy on Drugs. Ensure substantially improved results as regards the fight against drugs trafficking, especially hard drugs such as heroine and cocaine.

  Reinforce the fight against economic and financial crime (including money-laundering and counterfeiting of currencies). Establish an inter-ministerial agency for the purpose of seizing proceedings from crime. Achieve tangible results in the fight against money laundering, both within and outside the financial sector.

4. PROGRAMMING

Community assistance under the Stabilisation and Association process to the Western Balkan countries will be provided by the relevant financial instruments, and in particular by Council

Regulation (EC) No 2666/2000[2]; accordingly, this Decision will have no financial implications. In addition Albania will have access to funding from multi-country and horizontal programmes. The Commission is working with the European Investment Bank and the International Financial Institutions, in particular the European Bank for Reconstruction and Development and the World Bank, with a view to facilitate the co-financing of projects relating to the Stabilisation and Association process.

5. CONDITIONALITY

Community assistance under the Stabilisation and Association process to the Western Balkan countries is conditional on further progress in satisfying the Copenhagen political criteria and in particular progress in meeting the specific priorities of this European Partnership. Failure to respect these general conditions could lead the Council to take appropriate measures on the suspension of financial assistance on the basis of Article 5 of Council Regulation (EC) No 2666/2000.

Community assistance shall also be subject to the conditions defined by the Council in its Conclusions of 29 April 1997 and 21-22 June 1999, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms.

6. MONITORING

The follow up of the European Partnership is ensured through the mechanisms established under the Stabilisation and Association process, notably the Annual Report on the Stabilisation and Association process.

[2] OJ L 306, 7.12.2000