

# STEADY PROGRESS- CHALLENGES AHEAD



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European Commission granted to Albania the status of candidate country in June 2014 and the progress report of 2015 is the second one after this stage of its integration in EU. Neither after this report there is no green light for opening the accession negotiations. The European Commission addressed five key determinant priorities: 1- establishment of a professional and depoliticized administration; 2- enhance the impartiality of the judiciary; 3- strengthen the fight against organized crime; 4- strengthen the fight against corruption; 5- reinforce protection of human rights.

Mr. Danielsson- Directorate-General for Neighborhood and Enlargement Negotiations commented that Albania has maintained steady progress in addressing reform priorities throughout the reporting period. This determination is crucial to address outstanding challenges, which will allow Albania to make further steps ahead on its path towards the EU.<sup>1</sup> This means that steady progress didn't lead to make Albania ready for the opening of the accession negotiations. The progress report points out a lot of critics for public administration, fight against organized crime and corruption, human rights. President of European Union, Donald Tusk declared that the country should address significant challenges.

#### EU Enlargement Strategy:

A constructive cross-party political dialogue needs to be ensured for the sustainability of the EU reform process.

The progress reports are always "good PR materials" for political leaders and main institutions to make declarations, promises at last two weeks after the official publication of the report and emphasize their commitment to accomplish the EC recommendations,. These declarations mostly aim to attack the opposition rather than to use the report as a key document and give concrete reflections which will set path to the ongoing reforms. And this is always matter of culture on political discourse.

Commissioner Hahn presented the 2015 enlargement package including the strategy and the seven country reports. He stressed that "the refugee crisis reinforced the need for strategic cooperation with the enlargement countries" while enlargement is strengthening their stability. Progress report present positive evaluation for Albania regards regional cooperation and good neighborly relations. The report defines Albania as an active country in regional initiatives which plays as proactive role. EC: Albanian authorities are expected to pursue their efforts to tackle the increasing number of manifestly unfounded asylum applications lodged by its citizens to EU Member States and Schengen-associated countries. Albania has a long way to achieve macroeconomic stability, remove obstacles to growth and improve competitiveness. The report stresses that significant challenges remain, in particular the need to lower the public debt burden. Growth prospects have been improving, but they are still vulnerable to constrained bank lending. With a narrow export and production base, the competitiveness of Albania's economy is weak. The private sector is held back by significant shortcomings in the regulatory environment and the rule of law. The level of unemployment and informal employment remains high. Commissioner for European Neighbourhood Policy & Enlargement Negotiations Hahn stressed that flow of Albania refugees is an important issue which should have the necessary intention from the authorities. The country should improve the live conditions, economic situation and attract the foreign investors. In addition, he referred to the fact that both the enlargement countries and the EU Member States "have to do their homework" and for this they need to know precisely what their homework is.

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<sup>1</sup>[http://eeas.europa.eu/delegations/albania/press\\_corner/all\\_news/news/2015/16112015\\_en.htm](http://eeas.europa.eu/delegations/albania/press_corner/all_news/news/2015/16112015_en.htm)

# KEY FINDINGS

## Parliament

Functioning of the parliament has no significant progress from the last report in 2014. The parliament still needs to ensure constructive cross-party dialogue. Constructive dialogue in parliament and its technical bodies needs to be ensured. Coordination with the executive branch needs to be enhanced. Other oversight mechanisms, such as question and answer sessions, remain underused. Parliament continued to monitor the work of independent institutions and discussed their reports more promptly and thoroughly. However, appropriate follow-up to their findings needs to be ensured. Transparency and inclusiveness in the legislative process have improved. Parliamentary committees have generally been proactive in holding consultations with civil society and interest groups. A resolution on the role of civil society in the country's democratic development was adopted in December. Parliament's organisational structure and administrative and expert capacity need to be further improved, which requires the allocation of sufficient funds to recruit and train staff, especially in relation to research and analysis.

## ECONOMIC CRITERIA

Albania is moderately prepared in developing a functioning market economy. Some progress was made, in particular in improving macroeconomic stability. However, significant challenges remain. No significant progress has been made from the last report of 2014. Albania has still large account deficit, weak competitiveness, and high unemployment rates. As regards informal economy it is still the most important contributor to the labour market in Albania. Albania government started to implement its new strategy to fight the informality. Fight against informality consists on reforms for fiscal rectitude, increase foreign investments and further increase employment. This new reform against informality is one of the most criticized as regards its way of implementation and the level of penalties which seems more an action than a reform.

In line with the Economic Reform Programme ERP recommendations and in order to support long-term growth, the commission states that in the coming year Albania should pay particular attention to sustaining fiscal consolidation and strengthening the budget management framework; tackle the high level of non-performing loans; improve the business environment by implementing regulatory reforms and adopting the new bankruptcy law.

## PUBLIC ADMINISTRATION

"Public administration reform is together with the rule of law and economic governance a cross-cutting issue of fundamental importance for success in political and economic reforms and building a basis for implementing EU rules and standards"-states EU Enlargement Strategy. In the framework of public administration reform in Albania there are defined six core areas: (1) strategic framework of public administration reform, (2) policy development and coordination, (3) public service and human resource management, (4) accountability, (5) service delivery and (6) public financial management. All these areas are equally important to have an efficient public administration free from corruptive practices that deliver service to citizens. Ms. Michela Matuella, the Head of Unit for Albania at the Directorate General for European Neighbourhood Policy and Enlargement Negotiations recalled that public administration reform is one of the key pillars of the EU accession process and noted good progress, but also key challenges before the reform can be fully implemented and Albanian citizens benefit from a modern public administration focusing on providing the best services.<sup>2</sup> The report 2015 states that Albania is moderately prepared with the reform of its public administration. Good progress has been made in areas falling under the key priority on public administration reform, especially with the adoption of a comprehensive reform strategy and a new Code of Administrative Procedures. However, further efforts are needed also in the areas outside the scope of this key priority, especially on improving policy development and coordination, and the capacity of administrative courts. The remuneration system of Department for Public Administration is based on job classification and is in principle transparent"- states the progress report of 2015, but efforts should be done on the relevance of job description and required disciplines of university degrees.

<sup>2</sup>[http://eeas.europa.eu/delegations/albania/press\\_corner/all\\_news/news/2015/20150715\\_\\_01\\_en.htm](http://eeas.europa.eu/delegations/albania/press_corner/all_news/news/2015/20150715__01_en.htm)

## CIVIL SOCIETY

Participation of civil society in the European integration process is a key factor in ensuring good-governance, enhancing political accountability and promoting deeper understanding of pre- accession reforms. The role and the importance to increase CSO's on monitoring process is emphasized in the last progress report of Albania 2015 under the political criteria: "Good progress has been made towards establishing an institutional framework for cooperation with and consultation of civil society. Now it is important that existing mechanisms are fully implemented in practice. Cooperation between state institutions and civil society organizations (CSOs) has improved." Legislative initiatives are undertaken last two years to improve the role of CSOs in policy-making process such as the Resolution "For Recognition and Strengthening the Role of Civil Society in the Process of Democratic Development of the Country" adopted from the parliament on December 24, 2014 and the law "On the establishment and functioning of the National Council for Civil Society". Contribution of CSO to Albania's EU accession process is emphasized in the "Road Map for Albanian government policy towards more enabling environment for civil society development" where "effective involvement of CSOs in the work of National Council for European Integration should be enabled". National Council for European Integration meetings continue to be oriented by the political debates rather than constructive professional debate on European integration process. Besides these legislative initiatives, inclusion of CSOs in policy-making process and EU integration reforms is still weak.

## GOVERNANCE

The government has maintained its focus on addressing the key priorities for the opening of accession negotiations, pursuing a set of reforms necessary to advance in the EU integration path. Some progress has been made at local government level with the start of implementation of the territorial administrative reform and the adoption of the decentralisation strategy. However, substantial efforts are needed to clarify the functions and responsibilities of the newly created local government units and to increase their financial and administrative capacity.

The progress report states that: "Albania has the legal framework and institutional structures in place to ensure a good policymaking system, but there are some weaknesses in implementation".

The progress report provides information for levels of alignment of legislation with European standards. There are a number of legal frameworks which are largely in line with European standards such as protection of human rights, freedom of expression, organization of the state of administration, law on access to information, law on the State Police, Law on Public Procurement, customs legislation, internal audit.

In other areas, Albania need to make efforts to upgrade the preparations for implementing the acquis and amend relevant legislation and harmonization with relevant administrative and budget provisions such as in financial control, public procurement, statistics, protection of whistleblowers, in the area of interceptions and surveillance, area of interceptions and surveillance, time limits for investigations, and admissibility of evidence to enhance the efficiency of investigations on organized crime cases, law on copyright, Environment and energy statistics, consumer protection, law on drugs and pharmaceutical services, education and science.

## Judiciary and fundamental rights

Albania has some level of preparation for implementing the acquis and the European standards in judiciary and fundamental rights area. Some progress has been achieved. Judiciary and fundamental rights are the most pressing issues in Albania since last year. Key priorities defined from the EC mostly rely on the chapters 23 and 24 of the progress reports. Enlargement strategy emphasizes that the adoption of the judicial reform package is now needed as well as further progress with a view to establishing a solid track record of pro-active investigations, prosecutions and final convictions at all levels in the fight against corruption and organised crime. Adopting legislation on the exclusion of criminal offenders from parliament would enhance citizens' trust in their political representatives and public institutions.

Albania is preparing to change its constitution in December as part of an ambitious effort to reform the judicial system, widely considered as the most corrupt field in the country. A new anticorruption strategy and action plan were adopted. Corruption remains widespread in many areas and continues to be a very serious cause of concern. Functioning of the judiciary is one of the most criticized issues of the EC report. Juridical system has high degree of politicization and poor inter-institutional cooperation, lack of transparent and efficient inspection on disciplinary system for judges, insufficient financial and human resources of the court system as well as lack of rational organization of the administrative staff of the court system.

Referring to the last progress report in 2014, juridical system in Albania has made no progress as regards its main emerging serious problems. The process of juridical reform in Albania is assisted by representatives from justice missions of the European Union, the United States and the Council of Europe. The political leaders and the parliamentary commissions declare their commitment to complete the whole reform but there is still lack of common understanding among members of parliamentary commissions to faster the process. Adoption of the reform is needed as quickly as possible and this is still a challenge for Albania to implement a successful reform of judiciary system which will establish a functional justice system and a system without corrupted prosecutors and judges. The new law "on decriminalization" is the challenge of political parties in Albania which will permanently ban people who have been convicted of serious offences, including murder, rape and genocide, from appointment or election to state institutions. MPs, local politicians, government officials, civil servants and members of the military and police forces will be subject to criminal background inspection.

Beside the governments' will to act decisively in the prevention and fight against corruption and strengthening of the legislative framework stated in the report of the last year, level of track record of investigation, prosecution and conviction in corruption cases remains limited. Albania has some progress on fight against corruptions and it still need to reinforce its administrative capacities, improve inter-institutional cooperation, increase adequate allocations from the state budget and monitor the implementation of the cross-sectoral strategy (2015-20) and action plan (2015-17) against corruption.

## FOUNDAMENTAL RIGHTS

As regards fundamental rights the report point out a set of statements mostly concerning weak capacity of the institutions to protect and enforce the human rights and further efforts are needed for implementation of relevant legislation and strategies. EC recommends' that should improve institutional mechanisms to ensure child protection, the protection of victims of domestic violence, and gender equality, enhance efforts to bring existing legislation on juvenile justice in line with international standards, step up efforts to establish a solid antidiscrimination case law, and boost efforts to find a sustainable long-term housing solution for vulnerable groups.

## JUSTICE, FREEDOM AND SECURITY

While the previous report on chapter 24 states as critical issue the migration flow of Albanian citizens, negative phenomenon of unfounded asylum applications, and prioritize investigations of facilitators of irregular migration still is one of the recommendations of the EC also in the new report for 2015. Recommendations changes in regards policy development to prevent radicalization. Previous report recommends Albania to step up its capacity to prevent radicalization, including developing adequate measures to address the phenomenon of foreign fighters altered to the new recommendations: "Albania needs to develop an effective policy to prevent radicalisation, through law enforcement measures and socioeconomic actions aimed at strengthening social inclusion, particularly among young people, and to enhance efforts to identify, prevent and disrupt the flow of foreign terrorist fighters traveling to conflict areas."

## CONCLUSIONS

Policy and legislation development is not yet sufficiently inclusive and evidence-based. The report states that Albania still suffers from lack of implementation of its legislative framework. Albania has not yet reached some progress (numerical value 0.9) and has some level of preparation (numerical value 2.33). Besides some progress reached in most of the areas of the report, no progress has been made on important areas or issues such as science and research, education and culture, metrology, market surveillance freedom of movement for workers common market organization (specifically on drafting and approving standards for the marketing of agricultural products food safety rules, phytosanitary policy, fisheries prevention of torture and ill-treatment (specifically on setting up a specialized medical institute to treat mentally ill detainees). Albania is moderately prepared on 16 to 33 chapters and some level of preparation on 9 chapters. Meanwhile it has made some progress for most of the chapters.

The European Commission concluded that Albania made steady progress. It has adopted key legislation and comprehensive reform strategies. Besides the legislative framework and strategies, Albania has to implement reforms in key priority areas, mainly by finalizing the comprehensive reform of the judicial system. Following this steady progress, Albania need to have concrete progress and substantial results in the area of rule of law, including progress with a view to establishing a solid track record of pro-active investigations, prosecutions and final convictions at all levels in the fight against corruption and organized crime; protection of fundamental rights, including property rights needs to be strengthened.

KEY PRIORITIES	Progress from report 2014	Progress from report 2015
Administrative reform	Some progress	Good progress
Fight against corruption	Some progress	Some progress
Fight against organized crime	Some progress	Some progress
Judiciary system	Some progress	Some progress
Fundamental rights	Some progress	Some progress

*Comparative overview on level of progress between 2014 and 2015 reports on five priorities determined from European commission as keys to open the accession negotiations.*

The only evidenced progress between both reports is seen for administrative reform, from "some" to "good progress". The other four priorities continue to make some progress, which means that Albania is moving very slowly to meet the EU standards.

**Level of preparedness and progress for each of the European standards chapters**

Preparedness		Progress	
Assessment	Chapter	Assessment	Chapter
Early stage of preparation (1)	<ul style="list-style-type: none"> <li>2. Freedom of movement for workers</li> <li>11. Agriculture and rural development</li> <li>13. Fisheries</li> <li>24. Justice, freedom and security</li> <li>25. Science and research</li> <li>27. Environment</li> <li>28. Consumer and health protection</li> </ul>	No progress (0)	<ul style="list-style-type: none"> <li>2. Freedom of movement for workers</li> <li>13. Fisheries</li> <li>25. Science and research</li> <li>26. Education and culture</li> </ul>
	Some level of preparation (2)	<ul style="list-style-type: none"> <li>5. Public procurement</li> <li>7. Intellectual property law</li> <li>12. Food safety, veterinary and phytosanitary policy</li> <li>14. Transport policy</li> <li>18. Statistics</li> <li>19. Social policy and employment</li> <li>21. Trans-European networks</li> </ul>	Some progress (1)

	<p><b>23. Judiciary and fundamental rights</b></p> <p><b>33. Financial and budgetary provisions</b></p>		<p>20. Enterprise and industrial policy</p> <p>21. Trans-European networks</p> <p>22. Regional policy and coordination of structural instruments</p> <p>23. Judiciary and fundamental rights</p> <p>24. Justice, freedom and security</p> <p>27. Environment</p> <p>28. Consumer and health protection</p> <p>29. Customs union</p> <p>30. External relations</p> <p>31. Foreign, security and defence policy</p> <p>32. Financial control</p> <p>33. Financial and budgetary provisions</p>
<p><b>Moderately prepared (3)</b></p>	<p>1. Free movement of goods</p> <p>3. Right of establishment and freedom to provide services</p> <p>4. Free movement of capital</p> <p>6. Company law</p> <p>8. Competition policy</p> <p>9. Financial services</p> <p>10. Information society and media</p> <p>15. Energy</p> <p>16. Taxation</p> <p>17. Economic and monetary policy</p> <p>20. Enterprise and industrial policy</p> <p>22. Regional policy and coordination of structural instruments</p> <p>26. Education and culture</p> <p>29. Customs union</p> <p>30. External relations</p> <p>32. Financial control</p>	<p><b>Good progress (2)</b></p>	<p>Public administration reform</p> <p>3. Right of establishment and freedom to provide services</p>
<p><b>Good level of preparation (4)</b></p> <p><b>High level of preparedness (5)</b></p>	<p>31. Foreign, security and defence policy</p> <p><b>N/A</b></p>	<p><b>Substantial progress (3)</b></p>	<p><b>N/A</b></p>