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COMMISSION STAFF WORKING DOCUMENT

Albania 2026 Report

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

2026 Communication on EU enlargement policy

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1. INTRODUCTION[1]

1.1. CONTEXT

During the reporting period, Albania opened the final remaining cluster of negotiations, met the interim benchmarks under cluster 1 - fundamentals and provisionally closed four chapters. Albania continued to implement the Stabilisation and Association Agreement, and meetings of the joint bodies under the agreement took place.

The Albanian authorities maintained their firm commitment to the strategic goal of EU integration as the country's key priority, with the aim of closing all chapters of negotiations by the end of 2027. Keeping up the momentum will require swift delivery on high quality EU-related reforms.

The largest civic mobilisation since Albania's democratic transition has been taking place in Tirana since May 2026 with daily protests which started in opposition to the planned development of a luxury tourism resort in the protected area of Pishë Poro – Narta. Building on the civic movement, student-led protests were organised in October 2026, during which violent incidents took place.

Albania has actively engaged and started delivering on the implementation of the new Growth Plan for the Western Balkans across the four pillars. Under the Reform and Growth Facility (RGF), a performance-based EU instrument supporting the EU accession process, the plan is in line with the country's reform agenda, which was adopted in late 2024. Up to over EUR 920 million in grants and loans is available to Albania under the RGF by the end of this period. Thus far the Commission concluded that Albania has completed 33 of the 66 steps due until December 2025. Albania also made significant progress on most other steps.

The Commission's 2026 rule of law report[2] covered Albania for the third time.

1.2. MAIN FINDINGS OF THE REPORT

CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION

Democracy

The legal and institutional framework regarding ***elections*** is generally adequate. However, several longstanding recommendations from the Organization for Security and Co-operation in Europe (OSCE) / Office for Democratic Institutions and Human Rights (ODIHR) and the Venice Commission remain unaddressed. A comprehensive electoral reform is urgently needed, in particular ahead of the 2027 municipal elections.

Daily protests have been taking place since May 2026. The protests were triggered by environmental concerns around construction works in the protected landscape of Pishë Poro – Narta and developed into a broader movement calling for transparency, accountability, anti-corruption efforts and good governance. This is the largest civic mobilisation in Albania since the country's democratic transition, with tens of thousands of participants joining the protest at its peak. Building on the civic movement, student-led protests took place in

[1] This report covers the period from 1 September 2025 to 1 September 2026. It is based on input from a variety of sources, including contributions from the government of Albania, EU Member States, European Parliament reports and information from various international and non-governmental organisations. It also includes the results of comparative assessments and indices produced by other stakeholders, in particular in the area of rule of law.

The report uses the following assessment scale to describe the state of play: early stage, some level of preparation, moderately prepared, good level of preparation and well advanced. To describe progress made during the reporting period, it uses the following scale: backsliding, no progress, limited progress, some progress, good progress and very good progress. Where appropriate, interim steps have also been used.

[2] SWD(2026) 928 final

October 2026, during which violent incidents occurred between protestors and the Albanian State Police. No dialogue has taken place so far. All sides should make genuine attempts to engage in constructive dialogue.

Parliament can exercise its powers, including control of the executive and involvement in the legislative process, in a partially effective way. The lack of genuine political dialogue and public consultation activities as well as clashes between the ruling majority and the opposition continued to limit its effectiveness. Parliament further failed to implement some Constitutional Court rulings. The adoption by consensus of amended rules of procedure was a positive development. However, the frequent tabling of legislative initiatives by the Council of Ministers, the systematic rejection of the opposition's requests to set up inquiry committees, and the politicisation of appointments to constitutional bodies or independent institutions all contributed to limiting Parliament's oversight of the government.

Albania's bodies in charge of ***EU integration*** are in place. However, expertise on EU processes, planning and interinstitutional coordination must increase to make the process more inclusive, reflect cross-party consensus and involve civil society. Communication efforts on EU integration by the government increased but are still too fragmented. The implementation of the rule of law, functioning of democratic institutions and the public administration reform roadmaps continued and will be monitored under Cluster 1's horizontal benchmark.

The ***government*** continued to show its commitment to EU integration. A substantial government reshuffle took place in February 2026, and further changes were announced in September 2026.

Civil society, including human rights defenders, operate in a partly enabling environment, despite continued negative narratives. Civil society organisations (CSOs) and human rights defenders working on gender and LGBTIQ+ rights were particularly targeted.

Public administration reform

Albania remains **moderately prepared** on public administration reform. **Some progress** was made, especially with the adoption of the amendments to the Law on the organisation and functioning of the State Administration. However, the government continued to adopt budget revisions through normative acts, without parliamentary scrutiny. Public consultations were not conducted efficiently on a regular basis or followed by appropriate follow-up actions.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ improve the quality of Regulatory Impact Assessments (RIAs) and the efficiency of public consultation processes and extend their use to implementing legislation, especially where implementing legislation addresses key substantive elements of the regulatory framework;

→ improve fiscal discipline as well as budgetary oversight by limiting the use of normative acts by the executive for budget revisions, and reinstituting regular budget revision processes;

→ adopt and implement a new legislative framework for the civil service, which includes revised rules on merit-based recruitment, promotion and dismissal in the civil service law at all levels, especially senior level, and begin automating the payroll system again; prepare the implementing legislation and start implementing the new legislative framework for the organisation and functioning of the state administration.

Chapter 23: Judiciary and fundamental rights

Albania is **between a moderate and a good level of preparation** in the area of judiciary and fundamental rights and has made **good progress** during the reporting period**.**

Functioning of the judiciary

Albania is **between a moderate and a good level of preparation** and has made **good progress** on the functioning of the judiciary. Albania continued to implement the 2016 justice reform. The vetting process for all judges and prosecutors was fully completed following the finalisation of the appeal phase, further strengthening independence accountability and integrity in the justice sector. Rules on the appointment of non-magistrate members to the High Judicial Council (HJC) and High Prosecutorial Council (HPC) were aligned with those applicable to magistrate members regarding asset and background verifications. The new Chief Special Prosecutor at the Special Prosecution's Office was appointed through a competitive and transparent process. Challenges remain in conducting timely and qualitative evaluations of magistrates.

The lack of human resources, including magistrates as well as legal and administrative support staff, continues to affect the quality of justice. Attempts by public officials or politicians to exert undue influence on the judicial system, including on SPAK, and personal attacks on magistrates continued during the reporting period. While the backlog of cases has been partly reduced, pressing issues on judicial efficiency, quality and integrity – including court infrastructure, security and the delayed establishment of an electronic case management system – remain to be addressed.

The Commission's recommendations from last year were partially implemented and some remain valid. In the coming year, Albania should in particular:

→ further strengthen accountability and reduce political interference on the judiciary and prosecution services, including by enhancing whistleblower protection within judicial structures, ensuring merit-based and transparent appointments, promotions, evaluations and inspections, in line with the high standards set by the vetting process, and filling magistrate-inspector vacancies at the High Justice Inspectorate;

→ improve the quality of justice, in particular by continuing to fill vacancies and ensuring enough administrative court staff at all levels of the judiciary, increasing the total number of magistrates and legal advisers towards the EU average, and finalising the revision of the initial and continuous training curricula and entrance examination for the School of Magistrates and improving the school's capacity to deliver judicial training;

→ improve judicial efficiency, including by adopting further measures to increase efficiency at all levels, and further reduce backlog, in line with the Roadmap for Judicial Efficiency, the principles of justice reform and European standards, ensuring the swift implementation of the integrated case management system and expanding the online notification system to all courts of general jurisdiction.

Fight against corruption

Albania is **between a moderate and a good level of preparation** and has shown **good progress** overall. The 2024-2030 Anti-Corruption Strategy and its 2024-2026 action plan are being implemented. The Specialised Structure Against Organised Crime and Corruption (SPAK) has continued to demonstrate independence and deliver positive results in fighting high-level corruption, making tangible progress towards a solid track record in the fight against corruption. However, corruption remains a real challenge. Legislation to prevent corruption was further aligned with European standards, including on conflicts of interest and lobbying. Further alignment was achieved on whistleblower protection. Sector-based corruption risk assessments have been initiated and high-level asset declarations published. The actual impact of these and other preventive measures on corruption remains to be demonstrated, considering ongoing high-level corruption investigations.

The Commission's recommendations from last year were partially implemented and some remain valid. In the coming year, Albania should in particular:

→ further strengthen and consolidate the track record of investigation, prosecution and adjudication of corruption cases and secure more final convictions, in particular in high-profile cases. This includes the seizure and final confiscation of criminal assets resulting from corruption-related offences, as well as significantly increasing proactive referrals by relevant state institutions and law enforcement agencies to the Special Prosecution Office (SPO) and General Prosecution Office (GPO);

→ further consolidate the corruption prevention framework by: implementing and monitoring the newly adopted legislative measures; strengthening institutional capacity and engagement in implementing the anti-corruption strategy and legislation; expanding corruption risk assessments in vulnerable sectors, as well as central and local level integrity plans, and implementing their findings; enhancing asset declaration verification by all relevant bodies including the High Inspectorate of Declaration and Audit of Assets and Conflicts of interest (HIDAACI);

→ Strengthen measures to improve the accountability and integrity of the Albanian State Police and the Police Oversight Agency and ensure independence and stability of its leadership.

Fundamental rights

Albania's legal framework sets out a generally good basis for the protection of fundamental rights. Progress was made with the adoption of the new gender equality and alternative care laws, amendments to the Law on the prevention and protection from violence against women and domestic violence, the remaining pieces of implementing legislation to the Law on personal data protection. Amendments to the Law on protection from discrimination, were also adopted, although full alignment with the *acquis* is still expected. The pace of progress in advancing prison reform has not matched the ambition required and the conditions within correctional institutions continue to warrant careful attention. The enjoyment of the right to property and of the rights of persons belonging to minorities need to improve. An overall increase in implementation efforts is needed.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ further ensure effective implementation of the legal framework on the rights of persons belonging to minorities and further increase the capacity and resources of the State Committee on National Minorities and of local authorities;

→ further secure the right to property by concluding first-time land registrations and digitisation of ownership titles and cadastral maps; improving systematically the quality and accuracy of cadastral data; further enhancing integrity, transparency, and effectiveness in delivering cadastral services; accelerating judicial cases for determining land ownerships, and finalising the process of compensations for properties confiscated during the communist regime;

→ implement the recommendations of international monitoring bodies, including of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT); ensure effective implementation of the Law on personal data protection, of the Law on gender equality, including ensuring service delivery to all victims of violence, and of all action plans by ensuring adequate financial and human resources capacities including of the Information and Data Protection Commissioner's Office; ensure full alignment and effective implementation of the EU *acquis* on the rights of victims of crime and on procedural rights of suspects and accused persons; and make

decisive progress towards full deinstitutionalisation of children, including those with disabilities.

Freedom of expression and media freedom

Albania is **between having some and a moderate level of preparation** in the area of freedom of expression and made **some progress** during the reporting period, especially as regards aligning its legislative framework with the EU *acquis* and European standards. Albania provides insufficient legal guarantees on the freedom of expression while the enabling environment needs to improve for media to operate freely, independently and professionally. Albania exempted registered journalists from criminal provisions on defamation under certain conditions, though full decriminalisation of defamation is yet to be achieved. Media independence and pluralism continue to be affected by economic penetration of the media market by business groups with political links and the overlap of political, business and other interests, the lack of transparency of financing sources, a high concentration of media ownership, as well as intimidation and smear campaigns, strategic lawsuits against public participation (SLAPPs), and the precarious working conditions for journalists. Concerns continued to be voiced about political influence impacting appointments of both the media regulatory authority and the public broadcaster.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Albania should in particular:

→ adopt further reforms of the legal and regulatory framework through an inclusive and transparent process to: (i) fully implement measures to ensure transparency of media ownership, strengthen media plurality and editorial independence; (ii) strengthen transparency of media financing from private and state resources; (iii) strengthen the autonomy of the media regulator and the independence of the state broadcaster; (iv) fully repeal criminal provisions on insult and defamation; (v) align civil aspects of defamation with European standards; and (vi) further ensure fair and transparent allocation of state advertising and strengthen access to public information;

→ further ensure zero tolerance for intimidation, threats and smear campaigns, and provide effective protections against strategic lawsuits against public participation (SLAPP) and enforcement in cases of attacks against journalists, including judicial follow-up; further increase capacities for law enforcement bodies to handle cases of violence, including on the margins of protests, and other criminal cases involving journalists, notably by ensuring high human rights compliance in handling incidents involving journalists, through binding instructions, disciplinary, administrative and/or judicial procedures, data collection and capacity building measures;

→ improve Albanian journalists' working conditions, in particular by strengthening the protection of journalists' employment and social rights and ensuring that the Labour Code is applied consistently.

Chapter 24: Justice, freedom and security

Albania is **between a moderate and a good level of preparation in** this area and has made **good progress.** In particular, the asset recovery office has gradually become operational. Both the national early warning system on new psychoactive substances and the national drugs observatory increased their level of operationality, but challenges remain in terms of capacity and resources. Albania continued to implement its migration strategy, which is aligned with EU priorities, adopted a national contingency plan and established a temporary reception centre for unaccompanied minors. Albania also adopted a Schengen Action Plan.

The Commission's recommendations from last year were partially implemented and therefore remain mostly valid. In the coming year, Albania should in particular:

→ further develop the systematic use of financial investigations when dealing with serious and organised crime, including illicit trafficking, terrorism and money laundering;

→ ensure that the national drugs observatory and the national early warning system on the detection of new psychoactive substances become fully and sustainably operational, including through cooperation with the EU Drugs Agency; and adopt a comprehensive drugs strategy, containing both health and law enforcement/security aspects, and a related action plan;

→ further improve the asylum referral system and access to asylum procedures; improve the protection of unaccompanied minors by strengthening legal and policy safeguards and establishing permanent separate reception facilities for them in line with EU standards; continue to address the issue of unfounded asylum applications of Albanian nationals in Schengen and associated countries; and fully implement its roadmap to ensure visa policy alignment with the EU list of visa-required countries outside the EU.

Fight against serious and organised crime

Albania is **between a moderate and a good level of preparation and** has made **good progress**. The capacity and effectiveness of the prosecution system (both specialised and general, including at district level) to investigate criminal groups and its use of financial investigations continued to develop. The fight against money laundering and the seizure of assets linked to organised crime were strengthened. SPAK has also further consolidated cooperation with its international counterparts, in particular with EU Member States and EU agencies, to investigate high-risk criminal groups with initial tangible results. Albania reinforced its capacities and cooperation with Member States on cybercrime. Albania also adopted amendments to its Criminal Code, further aligning with the EU *acquis* on the criminalisation of money laundering, trafficking in human beings, online and offline child sexual abuse and exploitation, as well as drug trafficking and combating terrorism.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Albania should in particular:

→ establish a solid track record of investigations, prosecutions and final convictions in all fields of serious and organised crime, including drug trafficking, money laundering and terrorist financing through continued international cooperation, reinforced domestic inter-agency cooperation and methodologies to tackle complex criminal cases, and improved criminal and financial analysis capacity, while ensuring comprehensive alignment with the EU *acquis*;

→ improve the efficiency of the asset recovery and management system by strengthening operational cooperation of the asset recovery office notably with asset recovery offices in EU Member States, by improving the use of legal instruments to confiscate proceeds of crime and property derived from criminal activities, and by better managing frozen and confiscated property also for social reuse;

→ prioritise the reinforcement of the district prosecution offices by investing in human and technical resources; guaranteeing access to relevant databases and information systems and streamlining inter-agency cooperation to enable joint investigative task forces.

ECONOMIC CRITERIA

The existence of a functioning market economy

Albania has **a good level of preparation** in developing a functioning market economy and made **some progress** in this area. The economy maintained strong growth momentum in 2025 thanks to robust domestic demand and tourism. Sustained growth in tourism helped bring down the current account deficit to a historic low in 2025. Inflation remained below the

central bank's target amid the continued appreciation of the lek. The fiscal deficit widened but stayed below target, and the public debt ratio continued to decline. Despite recent increases, government revenue as a share of GDP remains low, while spending on public investment is repeatedly under-executed. The labour market situation continued to improve, but structural problems, such as emigration, persist. The banking sector remained sound, while lending to the private sector increased. The business environment remains affected by a weak rule of law, limited access to finance for small- and medium-sized enterprises, and shortcomings in the oversight and governance of state-owned enterprises.

The Commission's recommendations from last year were partly addressed and remain largely valid. In the coming year, Albania should in particular:

→ advance the implementation of the Medium-Term Revenue Strategy, finalise the fiscal cadastre and accelerate the adoption of the property tax law;

→ strengthen fiscal risk management and transparency, including regarding risks arising from state-owned enterprises, public-private partnerships, population ageing and climate change;

→ ensure the effective functioning of the National Single Project Pipeline, including the integration of public-private partnerships, and reinforce project appraisal and prioritisation to ensure effective implementation of public investment projects.

The capacity to cope with competitive pressure and market forces within the EU

Albania has **between some and a moderate level of preparation** to cope with competitive pressure and market forces within the EU and made **some progress** in this area. Despite efforts to reduce barriers in accessing education for children with disabilities and those from disadvantaged backgrounds, the education system still faces numerous challenges. Skills gaps persist, and the youth NEET rate (those not in education, employment or training) remains a concern. Transport and digital infrastructure improved, but infrastructure gaps persist. Albania continues to benefit from strong tourism growth, but industry and agriculture remain low-productivity sectors that have been contracting. Manufacturing exports fell for the third consecutive year, reflecting weak external demand, lek appreciation and businesses' limited pricing power.

The Commission's recommendations from last year were partially implemented and therefore remain mostly valid. In the coming year, Albania should in particular:

→ expand and improve the dual VET system to increase the number of graduates and better align skills with labour market needs, while improving the quality of the broader education system;

→ implement the plan to increase public research and development (R&D) expenditure towards the 2030 target of 1% of GDP and strengthen links between businesses and research institutions to develop a more dynamic innovation ecosystem;

→ accelerate the implementation of transport and energy infrastructure projects.

Chapter 5: Public procurement

Albania has **between a moderate and a good level of preparation** in public procurement. **Some progress** was made during the reporting period, especially through the adoption of the law on concessions and public private partnerships (PPPs) aligning the legal framework in this area with the EU *acquis*.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ continue efforts to improve competitive procurement procedures and ensure integrity of the procurement function;

→ complete outstanding alignment gaps in the legislative framework with the EU *acquis* in the areas of public procurement and defence and security procurement;

→ ensure compliance with the EU *acquis* and the Stabilisation and Association Agreement (SAA) on intergovernmental agreements and lex specialis concluded with non-EU countries on public procurement.

Chapter 18: Statistics

Albania is **moderately prepared** in the area of statistics. **Some progress** was made in improving the compilation of macroeconomic statistics in line with the European System of National and Regional Accounts (ESA 2010).

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Albania should in particular:

→ continue increasing the production and dissemination of timely and high-quality data in accordance with the EU *acquis* in statistics especially in the areas covered by the closing benchmarks;

→ conduct the agricultural census in line with the relevant EU *acquis;*

→ ensure adequate staffing at the Institute for Statistics (INSTAT) as well as progress on supporting IT systems and data security.

Chapter 32: Financial control

Albania is **moderately prepared** in the area of financial control. **Some progress** was made by re-establishing the subcommittee on Public Audit as a mechanism for parliamentary scrutiny over external audit matters.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ enhance the delegation of financial and management responsibilities, notably by entrusting routine administrative approvals to lower levels, clarifying accountability lines and ensuring that no subordinate unit is accountable to more than one superior unit, upgrade irregularity and fraud management;

→ ensure parliamentary scrutiny through the subcommittee on Public Audit, which has to systematically and effectively conduct hearings, issue recommendations for follow-up and monitor their implementation, with the aim of increasing their level of implementation;

→ fully align with the PIF Directive, strengthen controls and consolidate capacities to protect the EU's financial interests, ensure appropriate reporting of irregularities and continue implementing both the anti-fraud strategy and action plans agreed with the European Commission to follow up investigations.

CLUSTER 2: INTERNAL MARKET

Chapter 1: Free movement of goods

Albania has **between some and a moderate level of preparation o**n free movement of goods. **No progress** on alignment with the EU *acquis* was achieved in the reporting period.

The Commission's recommendations from last year were not fully implemented and remain valid. In the coming year, Albania should in particular:

→ complete the alignment of its legislation with the relevant EU *acquis* on quality

infrastructure, i.e. accreditation, conformity assessment and market surveillance;

→ significantly strengthen the enforcement capacity of the market surveillance inspectorate;

→ finalise and adopt an Action Plan to comply with Articles 34-36 of the Treaty on the Functioning of the European Union **(**TFEU), fully covering the non-harmonised area, with a timeframe for screening all legislation and practices, introducing mutual recognition clauses, and repealing or amending legislation and practices as necessary.

Chapter 2: Freedom of movement for workers

Albania is **moderately prepared** on freedom of movement for workers. **Some progress** was achieved by negotiating and concluding further bilateral agreements on social security coordination with EU Member States and further advancing the preparations to connect Albania's employment services system to the European network of employment services (EURES).

The Commission's recommendations from last year were partially implemented and therefore remain mostly valid. In the coming year, Albania should in particular:

→ continue alignment of national legislation with the EU *acquis* on free movement of workers, including access for EU citizens to the labour market and equal treatment of EU workers; continue the enforcement of the Law on foreigners as per the 2024-2030 National Migration Strategy and start the preparation of its new action plan;

→ continue developing the employment service's IT system, allowing its connection to EURES upon accession; work to ensure technical and organisational preparedness, administrative and financial capacities and resources as well as development of IT infrastructure, systems and relevant databases for full participation in the Electronic Exchange of Social Security Information (EESSI) system and the European Health Insurance Card scheme.

→ conclude additional bilateral agreements on social security coordination with EU Member States.

Chapter 3: Right of establishment and freedom to provide services

Albania is **moderately prepared** in the area of the right of establishment and freedom to provide services. **Some progress** was achieved in the reporting period especially by adopting the Law on freedom of establishment and the provision of services.

The Commission's recommendations from last year were partially implemented and therefore remain mostly valid. In the coming year, Albania should in particular:

→ continue efforts to align secondary legislation related to the Law on freedom of establishment and provision of services, as well as sectoral legislation with the EU *acquis* and ensure appropriate institutional coordination and implementation capacity;

→ continue efforts to align its legislation in the area of mutual recognition of professional qualifications with the EU *acquis*, as well as training programmes for regulated professions, and ensure appropriate institutional capacities.

Chapter 4: Free movement of capital

Albania has a **good level of preparation** on free movement of capital. **Good progress** was made in aligning with the EU *acquis* through the adoption of the Law on anti-money laundering and laws on payment services. Albania continued its action against money laundering, in particular with the implementation of the 2024-2030 National Strategy on the Fight against Money Laundering and Terrorist Financing.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Albania should in particular:

→ amend the legislation to align with the EU *acquis* and to fulfil Albania's obligations under the SAA, ensuring equal treatment for EU and Albanian citizens in land acquisition;

→ continue to implement adopted legislation in the area of payments and continue to enable the regulatory framework and infrastructure for implementing the clone of the TARGET instant payment system;

→ continue to implement the 2024-2030 Anti-Money Laundering and Terrorism Financing Strategy and National Risk Assessment Action Plan 2024-2027.

Chapter 6: Company law

Albania has a **good level of preparation** on company law. **Good progress** was made with the adoption of legislation aiming at aligning the legal framework with the EU *acquis* in the area of corporate law accounting, transparency and audit. The Law on entrepreneurs and commercial companies, the related package on European economic interest groupings, on the European cooperative society and on the statute of European company, were also adopted aiming at full alignment with EU company law *acquis*.

The Commission's recommendations from last year were largely implemented. In the coming year, Albania should in particular:

→ implement the adopted legislation in the area of audit, accounting and transparency and strengthen the capacities of the competent authorities;

→ implement the Action Plan for full alignment with and implementation of the Corporate Sustainability Due Diligence Directive.

Chapter 7: Intellectual property law

Albania has a **good level of preparation** on intellectual property rights (IPR). **Good progress** was made in the reporting period, in particular by adopting the amended law on copyrights, aligning with the EU *acquis* on industrial designs; and geographical indications; and strengthening the IPR institutional set-up.

The Commission's recommendations from last year were mostly implemented. In the coming year, Albania should in particular:

→ start implementing the new legislation on copyright, industrial designs, geographical indications and the enforcement of IPR;

→ continue to improve the functioning of collective management organisations, especially in terms of enforcement, collection of royalties and payments to rights holders;

→ further strengthen the enforcement of all aspects of the IPR system, through monitoring, budgeting, increased awareness, strengthened institutional capacity and training.

Chapter 8: Competition policy

Albania is **between having some and a moderate level of preparation** on competition policy. There was **limited progress** during the reporting period, particularly on legislative alignment with the EU *acquis*.

The Commission's recommendations from last year were implemented only to a limited extent and remain valid. In the coming year, Albania should in particular:

→ ensure the operational independence of the Authority of State Aid control (SAC) and ensure adequate administrative capacity for its secretariat;

→ further align the legislative framework in the areas of State aid, mergers and anti-trust with the EU *acquis*;

→ step up efforts to raise awareness of State aid rules among the judiciary, line ministries,

as well as regional and local authorities, to ensure that the SAC is notified in advance of aid measures and to strengthen the enforcement of competition and State aid rules.

Chapter 9: Financial services

Albania has **a good level of preparation** on financial services. **Some progress** was made in aligning the legislative framework, mainly through technical work on full alignment with the Capital Requirements Regulation and the Capital Requirements Directive.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Albania should in particular:

→ continue working towards fully aligning Albania's banking regulation with the amended versions of the Capital Requirements Directive and Regulation (CRD/R), the Bank Recovery and Resolution Directive (BRRD), and the Deposit Guarantee Schemes Directive (DGSD) and ensure that all entities are appropriately regulated and supervised, including the National Development Bank;

→ advance steps for alignment with the EU *acquis* on insurance and occupational pensions, including the Solvency II Directive;

→ continue efforts to fully align with the EU *acquis* on capital markets, including securities markets, investment funds, investment services and financial market infrastructures.

Chapter 28: Consumer and health protection

Albania is **between an early stage of preparation and having some level of preparation** in the area of consumer and health protection. Due to the adoption of a legal package to align with several pieces of EU consumer *acquis*, there was **some progress**, however, significant progress is needed on alignment, on both consumer protection and on public health.

The Commission's recommendations from last year were not fully implemented and therefore remain valid. In the coming year, Albania should in particular:

→ adopt the new law on consumer protection to align Albania's consumer law with many elements of the EU *acquis* on consumer protection;

→ continue working on alignment with the EU *acquis* on medicinal products for human and veterinary use, medical devices and tobacco control;

→ increase the financial and human resources in the health sector, specifically in primary healthcare and all-hazard health emergency preparedness, and guarantee equal access to quality health services for vulnerable groups, in particular people with disabilities, women and girls.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

Chapter 10: Digital transformation and media

Albania has **a good level of preparation** in the field of digital transformation and media and made **good progress** during the reporting period. The Law on cybersecurity enabled further alignment with the EU Directive on measures for a high common level of cybersecurity across the EU (NIS 2 Directive). The implementing legislation for the Law on cybersecurity is complete. The new Cybersecurity Strategy 2025-2030 and its action plan for 2025-2027 have been adopted.

Some of the Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Albania should in particular:

→ adopt the decision to extend the roll-out of the 112 emergency number to the whole

country;

→ finalise the implementing legislation for the Law on electronic communications;

→ prioritise investment in basic and advanced digital skills, increase the number of ICT professionals and support SMEs in adopting advanced digital technologies as per the Digital Economy and Society Index.

Chapter 16: Taxation

Albania is **moderately prepared** in the area of taxation. **Some progress** was made in the reporting period, mainly through the implementation of tax administration reforms under the medium-term revenue strategy (MTRS) and the conclusion of the review of tax exemptions.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ implement the medium-term revenue strategy by addressing tax exemptions, continue tax administration reforms, further improve the use of third-party data and further improve voluntary tax compliance and risk assessment instead of promoting the Fiscal Peace Agreement, which must meet FATF standards;

→ advance the alignment of VAT and excise duties and direct tax legislation with the EU *acquis* as well as revise tax legislation concerning imported plastic as a good/raw material, to ensure alignment with SAA commitments;

→ continue preparations towards achieving interconnection and interoperability with the common EU IT systems for excise duties and VAT and information exchange mechanisms for taxation, as well as ensure alignment with the DAC directives.

Chapter 17: Economic and monetary policy

Albania has **a good level of preparation** in the area of economic and monetary policy and has made **good progress**. Albania adopted a new Law on Bank of Albania to align with the EU *acquis*.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should, in particular:

→ ensure continuity of the Supervisory Board meetings during the transitory period of appointing new members;

→ implement the Fiscal Council Law to set up an independent fiscal institution; and operationalise budget legislation and practices in line with the requirements of the EU *acquis*.

Chapter 19: Social policy and employment

Albania is **moderately prepared** in the area of social policy and employment and made **limited progress** during the reporting period, which included the national rollout of the Youth Guarantee. More work is needed on alignment with the EU labour law and occupational health and safety *acquis*, including the area of non-discrimination and equality, including gender equality.

The Commission's recommendations from last year remain mostly valid. In the coming year, Albania should:

→ continue the alignment of legislation with the EU *acquis* in the area of labour law and occupational safety and health; increase human and budgetary resources of the State health and social services inspectorates and improve their technical capacities to respond effectively to labour right violations and workplace health and safety risks; increase measures to prevent accidents in the workplace; increase and strengthen

cross-sectoral coordination;

→ further increase budget allocation for the provision of social services through the Social Fund, including their monitoring, and strengthen the capacity of local governments to ensure funding of social services, including long-term care; develop a coordinated social service referral system to be consistently implemented at local level;

→ strengthen bipartite and tripartite social dialogue and ensure the effective consultation and participation of social partners in policy-making processes, among others via ensuring the effective functioning of the National Labour Council.

Chapter 20: Enterprise and industrial policy

Albania has **a good level of preparation** in the area of enterprise and industrial policy. **Good progress** was made**,** especially through the amendments to the Business Investment Development Strategy and the adoption of the Late Payments Directive.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ continue the implementation of the Business Investment Development Strategy, notably by ascertaining the needed funding for planned action and report regularly on its implementation;

→ continue improving the business environment by combating the informal economy and providing fair competition between domestic and foreign operators;

→ accelerate efforts to draft and adopt an investment law that would address current challenges faced by investors, while repealing the Law on strategic investors.

Chapter 25: Science and research

Albania is **between a moderate and a good level of preparation** in the area of science and research. **Good progress** was made to align with the EU *acquis* and continue strengthening the innovation eco-system. Albania needs to increase investment in research, science and technology as well as further facilitate collaboration between the public and private sector on research and innovation.

The Commission's recommendations from last year were largely implemented but remain partially valid. In the coming year, Albania should in particular:

→ continue to increase investment in research, in line with its own commitments and the new European Research Area priorities, with a view to reaching 1% of GDP by 2030;

→ strengthen the capacity of strategic public and private stakeholders, with a view to ensuring effective participation in EU framework programmes as well as implementation of key national strategies, including the Smart Specialisation Strategy;

→ enhance efforts to produce reliable statistics and data on innovation, science and technology. Additional efforts are also needed to improve Albania's classification in the European Innovation Scoreboard.

Chapter 26: Education and culture

Albania has a **good level of preparation** in the field of education and culture. **Good progress** was made, in particular by setting up the National Agency for Educational Services, a public legal entity providing educational services, ensuring quality and transparency, and providing technical and professional support as well as recommendations on educational policies. Albania needs to further strengthen the quality and inclusiveness of education on all levels.

The Commission's recommendations from last year were implemented. In the coming year,

Albania should in particular:

→ further increase public spending on education to further modernise, increase quality and inclusiveness of education and educational facilities, from pre-school to university education;

→ continue improving professional development to enhance capacities of teachers and trainers, with a focus on (i) pedagogical skills to implement the skills-based inclusive approach and (ii) digitalisation from pre-primary to university levels, including VET education; further optimise the VET system to be more attractive, flexible and responsive to evolving labour market needs.

Chapter 29: Customs union

Albania has a **good level of preparation** in the area of the customs union. **Good progress** was made through legal amendments to align with parts of the EU *acquis* (dual use, precursors), the approval of the IT strategy, including the development and modernisation of key IT systems according to the EU customs requirements, the development of the Common Communications Network/Common Systems Interface (CNN/CSI), and preparations for the development of a new computerised transit system (NCTS) and a new Automated Export System (AES).

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Albania should in particular:

→ adopt and implement the legal provisions on the common transit procedure and continue the implementation of NCTS Phase 6 and of the AES, as well as continue preparations for achieving the interconnection and interoperability of its national customs IT systems with the EU digital customs environment in aligment with EU requirements and standards;

→ put in place the new organisational structure of the Customs Service to strenghten administrative capacity and resilience against corruption in line with the Business Strategy; continue to tackle the smuggling of illicit goods, including tobacco products, corruption and imports of counterfeit products, including by strengthening administrative capacity and improving cooperation between involved authorities, as well as with the European Anti-Fraud Office (OLAF);

→ adopt the amendments of the Albanian Customs Code and related implementing legislation, providing the basis to implement the national customs IT systems to ensure interoperability with the EU digital customs environment and continue alignment to take account of the progressive application of the new Union Customs Code.

CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

Chapter 14: Transport policy

Albania is **moderately prepared** in the area of transport policy, with **some progress** achieved in the reporting period. Albania set up a road traffic monitoring centre as part of the implementation of the intelligent transport systems (ITS) and aligned its legislation with the relevant *acquis*. Albania became a full member of the Mediterranean Memorandum of Understanding on Port State Control relating to the inspection of ships.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ adopt the new National Transport Strategy, and its accompanying Action Plan, and continue implementing the newly adopted 2026-2030 Road Safety Strategy, in line with the EU *acquis* and the Transport Community's road safety action plan;

→ finalise the reform of the Albanian Road Authority (ARA) to make the Road Asset Management System operational, formalise the inter-institutional Service Level Agreement (SLA), between ARA and the Ministry of Infrastructure and Energy, including the definition of the key performance indicators and establishing dedicated multi-year funding commitments to operate and ensure the maintenance of roads and bridges;

→ implement legislation on railway sector reform, in line with the Transport Community Rail Action Plan and take the necessary steps to secure an operator to operate the reconstructed the railway line Tirana–Durres–Rinas, including the provision of rolling stock.

Chapter 15: Energy

Albania has **a good level of preparation** in the area of energy. It made **good progress**, in particular on the internal electricity energy market and on the renewable energy and energy efficiency *acquis*. A power sector law aligning with the EU's electricity integration package (EIP) and the Energy Community *acquis* was adopted.

The Commission's recommendations from last year were largely implemented, with some remaining valid. In the coming year, Albania should in particular:

→ continue the implementation of the updated 2021-2030 national energy and climate plan (NECP) in line with the 2030 Energy Community targets and recommendations;

→ strengthen the capacity of the Energy Efficiency Agency, continue adopting and implementing secondary legislation, including establishing the energy efficiency obligation scheme, in line with country's obligations under the Energy Efficiency Directive and strengthen the institutional and technical capacity for the effective implementation and enforcement of energy-labelling regulations aligned with the EU *acquis*;

→ fully implement the electricity integration package (EIP) and start the verification process with the Commission.

Chapter 21: Trans-European networks

Albania has a **good level of preparation** in trans-European networks (TENs). **Good progress** was made, particularly on developing transport and energy networks and legislative alignment.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ continue the implementation of the trans-European transport networks (TEN-T) five-year rolling workplan of the Transport Community Treaty and continue developing the core energy networks in line with the national strategies and infrastructure investment prioritisation, under the single project pipeline;

→ continue to strengthen administrative capacities to ensure that the adopted legal framework with the EU *acquis* and the regulations on TEN-T and TEN-E are effectively implemented and enforced;

→ maintain focus on investment to complete the projects on the Western Balkans – Eastern Mediterranean European Transport Corridor.

Chapter 27: Environment and climate change

Albania has **some level of preparation** in this area and made **limited progress** over the reporting period. Environmental governance and enforcement deficiencies linked to nature protection – including the 2024 amendments to the Law on protected areas, and the extension of the Law on strategic investments – have led to deterioration on nature protection and contributed to the protests that started in May 2026. Secondary legislation on

integrated waste management and on extended producer responsibility was adopted in late 2025. Work on water quality implementing legislation is ongoing. On climate change, Albania amended its Law on Climate change and adopted secondary legislation aligning with EU *acquis* on monitoring, reporting, verification and accreditation (MRVA) of greenhouse gas emission for the purpose of EU Emissions Trading System (EU ETS). The country adopted its national adaptation plan and an updated national energy and climate plan (NECP) for the period 2021-2030 and submitted its new nationally determined contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) secretariat. However, further efforts are needed on implementation and enforcement of the environment and climate *acquis*.

The Commission's recommendations from last year were partially implemented and therefore remain valid. In the coming year, Albania should in particular:

→ achieve alignment, implementation and enforcement of the directives on environmental impact assessment (EIA) and strategic environmental assessment (SEA); prepare financing plans for priority environmental investments; ensure that all infrastructure and tourism investment complies with the EU environment and climate *acquis,* as well as with national and international obligations related to nature and water protection and ensure public participation;

→ take immediate measures to fight environmental crime and achieve alignment with the directives on environmental crime and environmental liability, and strengthen policy implementation and law enforcement for nature and biodiversity protection, especially in protected areas and for timber trafficking;

→ ensure implementation of MRVA *acquis* for the purpose of aligning with the full scope of the EU ETS; speed up legislative alignment with the EU climate *acquis*, and prepare and adopt roadmaps for its implementation upon accession.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

Chapter 11: Agriculture and rural development

Albania is **between having some and a moderate level of preparation** in agriculture and rural development. **Some progress** was made in the reporting period, in particular with the establishment of the legal and institutional framework for the Farm Sustainability Data Network (FSDN) and the Land Parcel Identification System (LPIS). Further efforts are needed to swiftly roll out the necessary administrative structures and reinforce technical and human resource capacity.

The Commission's recommendations from last year were partially implemented. In the coming year, Albania should in particular:

→ ensure that the preconditions for the entrustment of budget implementation tasks under the instrument for pre-accession assistance for rural development (IPARD) III programme are met in line with the principles of sound financial management;

→ make progress in establishing the various elements of the integrated administration and control system (IACS), ensuring the administrative and technical capacity for these activities;

→ speed up legislative alignment with the EU *acquis*, in particular on common market organisation, quality policy and farm sustainability data network (FSDN), and strengthen capacity to implement the legislation.

Chapter 12: Food safety, veterinary and phytosanitary policy

Albania is **between having some and a moderate level of preparation** on food safety,

veterinary and phytosanitary policy. **Some progress** was made over the reporting period concerning alignment of legislation with the EU *acquis*, notably with the adoption of the Law on Official Controls. Further efforts are needed on the implementation and enforcement of legislation and reinforcing the necessary technical and administrative capacities.

The Commission's recommendations from last year were partially implemented. In the coming year, Albania should in particular:

→ work towards full alignment and, where alignment was reached, implementation, of national legislation with the EU *acquis*, specifically on official controls, animal health, plant health and animal welfare;

→ complete the categorisation of the food business operators and adopt a national plan for the upgrade of establishments producing food, feed and animal byproducts to meet EU structural standards;

→ strengthen its capacity to design and implement effective surveillance and ensure preparedness and eradication of relevant animal diseases.

Chapter 13: Fisheries and aquaculture

Albania has **a good level of preparation** in fisheries and aquaculture. **Some progress** was made, especially through the alignment of legislation with the EU *acquis* with the adoption of the laws on market policy, aquaculture and data collection, and further alignment of the legislation in several other fisheries-related areas.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Albania should in particular:

→ further strengthen the administrative capacity needed for inspection and control capacities, and for data collection and scientific advice, in line with the EU's common fisheries policy and the GFCM and other international agreements;

→ implement the regional action plan for small-scale fisheries;

→ adopt measures to support the fishery sector in line with EU State aid rules.

Chapter 22: Regional policy and coordination of structural instruments

Albania is **moderately prepared** in the area of regional policy and coordination of structural instruments. **Some progress** was made during the reporting period, especially through further alignment with EU legislation and improvements to the public investment framework.

The Commission's recommendations from last year were partially implemented and therefore remain mostly valid. In the coming year, Albania should in particular:

→ prepare for the effective inter-institutional cooperation needed to implement the EU *acquis* and strengthen preparations and capacities for the future cohesion policy. This includes preparing a roadmap for administrative capacity building for the Cohesion Policy ecosystem using tested approaches and enhancing coordination, as well as ensuring inter-institutional cooperation in implementing activities;

→ accelerate implementation of programmes under indirect management by the beneficiary country and territorial cooperation programmes with Member States and neighbouring non-Member States and ensure an efficient system for the protection of EU's financial interests, including the prevention of conflicts of interest and protection for whistleblowers;

→ prepare and start implementing a credible action plan to address the identified gaps in the implementation of territorial cooperation programmes in Albania.

Chapter 33: Financial and budgetary provisions

Albania has **some level of preparation o**n financial and budgetary provisions. **Some progress** was made on alignment with the EU *acquis* in the underlying policy fields that affect the functioning of the EU funding system.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Albania should in particular:

→ enhance efforts to align its legislation with EU rules on VAT and customs duties and continue action to tackle tax evasion and informality;

→ accelerate preparations to increase administrative capacity and coordination mechanisms among key stakeholders in the own-resources system.

CLUSTER 6: EXTERNAL RELATIONS

Chapter 30: External relations

Albania has a **good level of preparation** in external relations. **Good progress** was made during the reporting period, in particular by aligning the legislation on foreign direct investment screening and on the dual use goods with the EU *acquis* and implementing the Central European Free Trade Agreement (CEFTA) protocols.

The Commission's recommendations from last year were mostly implemented. In the coming year, Albania should in particular:

→ implement the Action Plan to align international agreements with the EU *acquis*;

→ align with the regulation on the screening of foreign investments adopted in 2026, and ensure institutional capacity is available for its proper implementation, and continue regular updates of the domestic legislation, in line with the EU Regulation on dual-use goods;

→ set up the legal framework covering international cooperation and development policy and humanitarian aid, in line with EU policies and principles.

Chapter 31: Foreign, security and defence policy

Albania has a **good level of preparation** in the field of foreign, security and defence policy. The country continued to make **good progress,** maintaining its full alignment with the common foreign and security policy (CFSP), including statements by the High Representative on behalf of the EU and Council decisions on restrictive measures.

In April 2026, the second session of the EU-Albania security and defence dialogue was held in Brussels in the framework of the security and defence partnership. Albania also continued its engagement in EU crisis management missions and operations under the common security and defence policy (CSDP).

The Commission's recommendations from last year were implemented. In the coming year, Albania should in particular:

→ continue to maintain its full alignment with the EU common foreign and security policy, further strengthen its capacity to enforce restrictive measures;

→ consider further increasing its participation in EU crisis management missions and operations;

→ implement the National Strategy against foreign interference and disinformation;

1.3. STATE OF PLAY OF ACCESSION NEGOTIATIONS

Clusters	Chapters/areas	Date cluster opened/chapter closed
1. Fundamentals Cluster opened on 15 October 2024 *All chapters open*	23 – Judiciary and fundamental rights 24 – Justice, freedom, security 5 – Public procurement 18 – Statistics 32 – Financial control …Economic criteria …Functioning of democratic institutions …Public administration reform (PAR)	
2. Internal Market Cluster opened on 14 April 2025 *All chapters open*	1-Free movement of goods 2-Freedom of movement for workers 3-Right of establishment and freedom to establish services 4-Free movement of capital 6-Company law 7-Intellectual property rights 8-Competition 9-Financial services 28-Consumer and health protection	
3. Competitiveness and inclusive growth Cluster opened on 22 May 2025 *All chapters open, chapters 20, 25 and 26 provisionally closed*	10-Digital transformation and media 16-Taxation 17-Economic and monetary policy 19-Social policy and employment 20-Enterprise and industrial policy 25-Science and research 26-Education and culture 29-Customs union	 Provisionally closed in October 2026 Provisionally closed in July 2026. Provisionally closed in July 2026.
4. Green Agenda and sustainable connectivity Cluster opened on 16 September 2025 *All chapters open*	14- Transport policy 15- Energy 21-Trans-European Networks 27-Environment and climate change	
5.Resources, agriculture and cohesion Cluster opened on 15 September 2025	11- Agriculture and rural development 12- Food safety, veterinary and phytosanitary policy 13- Fisheries and aquaculture	

All chapters open	22- Regional policy and coordination of structural instruments 33- Financial and budgetary provisions	
6. External relations Cluster opened on 17 December 2024 *All chapters open, chapter 30 provisionally closed*	30-External relations 31- Foreign, security & defence policy	Provisionally closed in July 2026

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2. CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

2.1. FUNCTIONING OF DEMOCRATIC INSTITUTIONS AND PUBLIC ADMINISTRATION REFORM

2.1.1 Democracy

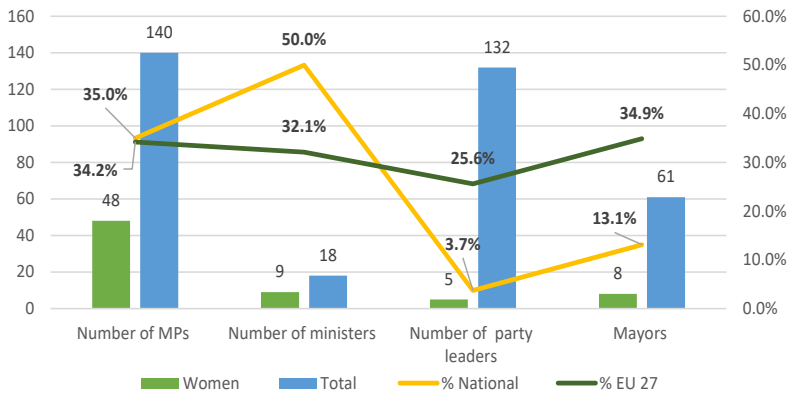
The functioning of democratic institutions in Albania is partially challenged, among others due to a deeply polarised political environment, limited parliamentary oversight over the executive, the urgent need for comprehensive electoral reform, Parliament's persistent failure to implement some Constitutional Court rulings and the lack of meaningful public consultations. Daily protests have been taking place in Tirana since May 2026. This is the largest civic mobilisation since Albania's democratic transition, with tens of thousands of participants joining the protest at its peak. The protests started around environmental concerns linked to construction works in the protected landscape of Pishë Poro Narta and called for more transparency in the authorisation of large-scale projects, including consultation with the local population. They developed into a broader movement of dissatisfaction with the government and the main opposition party, calling for increased transparency, accountability, anti-corruption and good governance as well as pointing to the cost of living and a lack of investment in areas such as education and healthcare. In September 2026, an initiative aiming to improve the process of public consultation and access to information was launched by the government. Building on the civic movement, student-led protests took place in October 2026 during which violent incidents occurred between protestors and the Albanian State Police, with destruction of public and private property by protestors followed by allegations of excessive violence by the police against protestors and journalists. No dialogue has taken place so far. All sides should make genuine attempts to engage in constructive dialogue. The Constitutional Court continued to be effective in upholding institutional checks and balances, delivering rulings on prominent cases affecting the functioning of the institutions at central and local level.

Elections

During the reporting period, mayoral by-elections took place on 9 November 2025 in the municipalities of Berat, Cërrik, Mat, Tepelena, and Vlora. The participation rate ranged from 12.54% to 39.23%. These elections were held in the second half of the current mayoral mandate. Of the five mayors, four men and one woman were elected.

The OSCE/ODIHR Final Election Observation Report confirmed the preliminary findings, indicating that the May

Graph 1 : Albania - Women in political life



Source: National- Local Self-Government Support Agency, CEC,PoM EU-27- European Institute for gender equality

2025 general elections were competitive and professionally conducted but took place in a highly polarised environment and contestants did not enjoy a level playing field. It also found that the legal framework provides an adequate basis for conducting democratic elections, but several shortcomings and ambiguities undermine legal clarity and create uncertainty in implementation. The report provides recommendations to address these shortcomings.

An *ad hoc* parliamentary Committee tasked with drafting an electoral reform held its first working session in February 2026. This committee ensures equal representation of the ruling party and the main opposition party but does not include any of the other opposition parties, which is regrettable. The *ad hoc* Committee is due to issue a law on political party financing after consultations with relevant stakeholders and the Venice Commission. Albania needs to ensure alignment with all relevant EU *acquis* in this area, including Regulation (EU) 2024/900 on the transparency and targeting of political advertising, and taking into account European and international democratic standards.

Parliament

During the reporting period, political polarisation, verbal confrontations and the lack of political dialogue between the ruling party and the main opposition party continued to affect Parliament's work. Instances of alleged violence led the Parliament's Ethics Secretariat to suspend six members of the opposition, following a request by the ruling majority. The disciplinary measures were eventually annulled by the administrative court. The ruling majority continued to resist and delay the implementation of some Constitutional Court rulings. Despite tensions over proposals on the new Rules of Procedure, a consensus between the two main parties was reached in May 2026. The *ad hoc* joint Parliamentary Committee on Administrative and Territorial Reform concluded its mandate in July 2026 without reaching bipartisan consensus on the reform submitted for public consultation. The reform was adopted in October 2026 based on the ruling majority's proposal.

Parliament's **oversight** of the executive remained weak. No meaningful debate was held on the new government programme in September 2025. Appearances by members of the Council of Ministers for question time were irregular. Most legislative initiatives were tabled by the Council of Ministers. When tabled by the Parliament, they were in large part submitted by the ruling party. This diminished Parliament's ownership of the legislative process and limited cross-party dialogue. Opposition requests to establish inquiry committees were systematically rejected without debate. Following a lengthy delay, Parliament voted against SPAK's request to **lift the immunity** of a Member of Parliament, despite repeated requests by the opposition to convene the Council for Regulation, Mandates and Immunity. This raises concerns regarding checks and balances and the principle of equality before the law.

Parliament made appointments to independent institutions, but the politicisation of these appointments remains a serious issue. The Ombudsperson was elected by ruling majority votes only, breaking an established tradition of cross-party consensus. The same process applied to the appointment of a new Commissioner for Protection against Discrimination.

The legal framework for **public consultation processes** is in place but does not consistently result in timely and transparent follow-up. The recently established tools for public consultation are operational but have limited impact on policymaking. Draft laws tabled often at short notice by ruling majority MPs affected the quality and transparency of the legislative process, often bypassing adequate public consultations.

Women remain under-represented in Parliament, holding 48 of the 140 seats.

EU integration

Albania's EU integration **coordination structures** continued their work during the reporting period. Additional financial and human resources are required to face the increased workload linked to accession negotiations, especially for the EU integration units in line ministries and agencies.

The National Plan for **European Integration** 2025-2027 is in place. Work is ongoing for the adoption of a new plan.

In September 2025, the standing Parliamentary Committee on European Affairs was merged into a new Committee on European and Foreign Affairs. This Committee is no longer chaired by the opposition, which limits cross-party dialogue and its ability to play an active role in the EU accession. In the reporting period, the Parliamentary Committee for Europe and Foreign Affairs reviewed 20 draft laws and 14 amendments to existing legislation to align legislation with EU *acquis*. The National Council of European Integration has reduced its activities. Three meetings were held on fulfilling EU accession obligations, but which was only attended by one of the co-chairs.

The government has made efforts to communicate more regularly on EU integration, contributing to increased transparency and public involvement in the EU accession process. However, these efforts are fragmented, dominated by a silo culture between ministries and a lack of communication experts to carry out an effective communication strategy.

Governance

A substantial **government** reshuffle involving seven ministers took place in February 2026, following a three-month political and institutional deadlock. This was initiated by the SPAK court's November 2025 decision to suspend the Deputy Prime Minister, as part of an investigation into alleged violations of equality of participation in public tenders.

During the reporting period, both the ruling majority and the main opposition party employed rhetoric discrediting the judiciary or individual members thereof. This raises concerns about the separation of powers.

While predominantly focusing on EU-related reforms in its legislative and policy planning, the government occasionally engaged in legislative activities not in line with the EU *acquis* and European standards, including the adoption of an amendment to the law on touristic ports (see Chapter 5). The transparency of government decision-making on EU-related reforms did not improve, not did the sufficient allocation of financial and human resources to ensure their sustainability.

On **local self-government/decentralisation,** the ongoing territorial and administrative reform, coupled with a tendency towards recentralisation, created uncertainty for local self-governments. The lack of political commitment and institutional capacity limited the implementation of the Crosscutting Strategy on Decentralisation and Local Governance 2023–2030. No annual monitoring reports have been published since 2023. The majority of local government revenues continues to come from central government transfers. Capacity development at the local level is expected to increase through the newly established Academy for Local Governance. Multi-level governance has been moderately reinforced thanks to a new *ad hoc* Advisory Committees within the Consultative Council. Integrity plans were adopted in 44 of the 61 municipalities. Consultation with and accountability to the public at local level remain limited.

Civil society

Civil society, including human rights defenders, operates in a partly enabling environment, but has faced continued negative narratives, including online smear campaigns, particularly targeting those working on women's rights, gender and LGBTIQ+ rights.

The absence of dedicated safeguards against intimidation, including strategic lawsuits against public participation (SLAPPs), has contributed to a challenging environment for civil society and the protection mechanism must be strengthened. The government's strategic framework for civil society support expired in 2023, with no indications on the development of a new plan. Structured consultations with civil society, especially in the context of EU accession, must be reinforced to ensure meaningful engagement. While consultation exercises were carried out with CSOs on the Law on donations and sponsorship, concerns

remain on its potential impact on the enabling environment for civil society including excessive administrative burdens. Additionally, tax incentives remain limited, and public funding levels are insufficient. Progress has been made in the implementation of VAT exemption, addressing a long-standing concern raised by civil society. A new volunteering law improves the legal framework but is still largely regulatory rather than supportive.

2.1.2. Public administration reform

Strategic framework for public administration reform

The strategic framework for public administration is in place.

Implementation of the Strategy on Public Administration Reform 2025–2030 is progressing steadily. However, the 2026 implementation report shows that challenges remain in the pillars for green administration and services.

The implementation of the crosscutting Strategy on Decentralisation and Local Governance 2023–2030 remains limited due to the lack of reliable data or monitoring reports since 2023. The consistent delays in the preparation of the reports undermines the ability of the administration to undertake corrective measures to overcome any implementation challenges.

Greater consistency between policy planning and budgeting is needed, as the financial sustainability of key reforms is heavily dependent on external funding.

Policy development and coordination

The **legal basis** and the institutional set-up for policymaking are in place, yet there is still room for improvement.

Half of the draft laws proposed by the government in 2025 continued to originate outside the Government Analytical Programme, thereby reducing the effectiveness of legislative planning and undermining the predictability of the legislative process. The Strategic Planning Committee continued to meet regularly and steered the policymaking process. No progress was made on the use of the Integrated Planning System, mainly due to its complexity and the non-functioning supporting IT systems.

The use of regulatory impact assessments (RIAs) for evidence-based policymaking and legislative development continued but needs to further increase. In 2025, 40 out of the 47 RIAs reported by the government were reviewed satisfactorily by the PMO quality control unit, while 43 out of 57 RIAs were considered of sufficient quality in the period from January to August 2026.

However, the RIAs still lack substantial analysis, proposals for alternatives, analysis if impact on affected groups, and cost-benefit assessments. Implementing legislation remains largely exempt from the application of RIAs, but in early 2026, a pilot project was launched to extend RIA requirements to six sub-legal acts. Implementation remains to be assessed.

In 2025, 45 of 47 adopted legal acts were subject to public consultation, while implementing legislation was rarely subject to public consultation. More action is needed to ensure meaningful public consultations, strengthen quality control and guarantee proper follow-up. Stakeholder participation in public consultations, particularly from civil society, should further increase. The government did not systematically follow-up on public consultations, which limited their effectiveness.

Public financial management

The public financial management (PFM) and revenue strategies are in place, and implementation is regularly reported on, indicating satisfactory implementation rates. The legal basis for PFM is mostly in place with a comprehensive organic budget law.

The provisions of the organic budget law are largely followed. However, the practice of

conducting budget revisions exclusively through a high number of normative acts by the executive has continued, weakening fiscal sustainability, budgetary oversight and transparency. More decisive action is needed to return to regular budget review processes through parliament, including the effective involvement of the public. The independent fiscal oversight body, the Fiscal Council, remains to be set up.

Budgetary reforms advanced, notably with the introduction of climate change budgeting elements and continued implementation of gender responsive budgeting (GRB), where the formal introduction of GRB through the newly adopted Gender Equality Law was also an important benchmark.

The link between strategic priorities and budget programmes improved but should be further strengthened. The national single project pipeline procedures were amended to improve their application and the quality of project feasibility assessments. In December 2025, the revised Law on public-private partnership (PPP) and concessions was adopted, envisaging a clearer inclusion of these projects in the overall investment pipeline. Fiscal risk monitoring has been further strengthened, as evidenced by the first publications of more comprehensive fiscal risk statement covering 2023 and 2024, covering a broader range of risks such as climate and natural disasters and deepening analysis of other fiscal risks.

Nevertheless, continued efforts are needed to improve fiscal risk reporting and analysis for state-owned enterprises and PPPs. Budget commitment compliance should be further strengthened to ensure a structural stabilisation of payment arrears. A new debt strategy was adopted, pursuing the targets of reducing public debt/GDP, extending debt maturities and lowering exchange risk exposure.

Budget transparency is mostly satisfactory with key budget documents regularly published. But further improvement is needed on clear arrangements for consistent collection, consolidation and publication of financial statements from all government-controlled entities, including on extra-budgetary entities, while enhancing coordination between the line ministries and the Institute of Statistics (INSTAT) in this regard.

Public services and human resources management

Public services and human resources management still require improvement.

The amendments to the Law on the civil servant are yet to be adopted. A substantial part of civil service will be regulated through implementing legislation.

The current rules on merit-based recruitment, promotion and dismissal are applied inconsistently. Most civil servants are still recruited through a group or pool recruitment process. Implementation of the 2025 recruitment plan reached 55%. A total of 69% of advertised vacancies were filled, down from 81% in 2024 and below the PAR Strategy target of 100%.

Overall, the gender distribution is 57.8% female and 42.2% male. Women account for 55.% of middle-level managerial positions and 54.% of senior-level managerial positions Three senior positions are still vacant despite the availability of a pool of candidates from the top management- corps group. Opening vacancies for managerial positions to external candidates should remain an exception.

There were eight dismissals from the civil service from January to August 2026, compared with nine dismissals in 2025 and14 in 2024. Regarding the execution of final court decisions on unlawful dismissals, 13 final court decisions were executed in 2025. The enforcement rate of final court decisions on dismissals and reinstatements went down slightly to 85.8%, from 86.6% in 2024.

Timely government enforcement of such decisions remains inadequate. The current Human Resources Management Information System (HRMIS) is still unable to cover the entire public sector and remains unsuitable as an automated payroll system. Efforts to redesign the

HRMIS accordingly are required. 78 out of 177 institutions have an integrity plan, while at the local level, 44 out of 61 municipalities have an integrity plan. The quality and implementation of integrity plans vary.

The Albanian School of Public Administration continued to provide online training programmes for professional development.

Accountability of administration

The accountability of the administration needs to be further improved.

The revised law on the organisation and functioning of the state administration aiming to reduce the high number (29) of authorities/agencies subordinated directly under the Prime Minister's Office and bring them under dedicated ministries for increased supervision and accountability and, improve delegation of decision-making power at director level was adopted. Implementation of the revised legal framework for ensuring managerial accountability remains to be assessed.

Further effort is needed to strengthen the right of citizens to good administration. In 2025, only 17% of the recommendations issued by the People's Advocate (PA) were fully implemented and 56% were implemented partially. The implementation rate requires significant improvement. Cooperation between Parliament and the PA should be enhanced and the relevant institutions should be held accountable.

On transparency and **access to information**, the Commissioner for the right to information reported a steady number of complaints received in 2025 (861), often resolved after his intervention. Public entities still need to improve compliance with transparency requirements and be more responsive to requests for access to information.

Administrative justice continues to face significant challenges due to the growing backlog (increased to 24 530 cases in 2025) and excessive duration of proceedings at the Appeal Court.

Service delivery to citizens and businesses

Service delivery to citizens and businesses is broadly in place, with room for further improvement.

The implementation of the 2022-2026 Digital Agenda continued to progress, and the offer of online services was further expanded by the government. As of May 2026, the e-Albania portal complies with the Web Content Accessibility Guidelines. However, outstanding accessibility issues for groups in vulnerable situations, including people with disabilities, persist and need to be addressed.

In 2025, the pillar on service delivery remains one of the poorer performers in terms of implementing reforms foreseen in the Action Plan of the PAR Strategy. No progress was made on reducing administrative burden.

2.2. RULE OF LAW AND FUNDAMENTAL RIGHTS

2.2.1. Chapter 23: Judiciary and fundamental rights

The EU's founding values include the rule of law and respect for human rights. An effective (independent, high-quality and efficient) judicial system and an effective fight against corruption are of paramount importance, as is the respect for fundamental rights in law and in practice.

Functioning of the judiciary

Strategic documents

The Cross-Sector Justice Strategy for 2024-2030 (estimated budget: EUR 56.4 million) and its action plan remain in place, but their implementation needs to be improved, particularly through enhanced monitoring mechanisms, regular stakeholders' meetings and clear communication. A new regulatory framework for the harmonised collection, reporting and communication of judicial data has been adopted, but additional resources are needed to ensure timely and qualitative reporting.

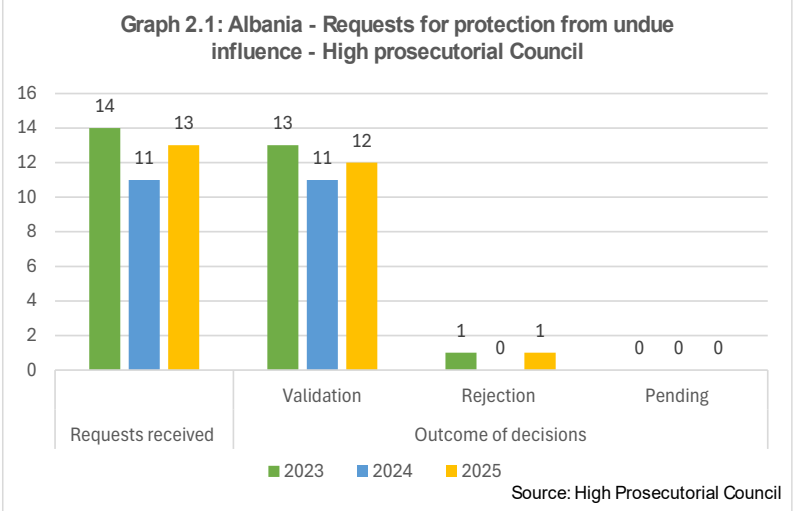
Management bodies

The efficiency of the High Judicial Council (HJC) and the High Prosecutorial Council (HPC) in appointing, promoting, transferring and evaluating magistrates has improved, enhancing judicial quality and efficiency at first instance courts. The HJC and the HPC have reviewed their internal rules and procedures and adopted new regulatory frameworks, relating to the appointments of Court Chairs, evaluation methodology and transparency. However, the HJC has not yet appointed Court Chairs. Both the HJC and the HPC continue to face challenges in ensuring timely and qualitative evaluations of magistrate performance The communication and planning methodology for the annual evaluation plans should be improved to ensure that all judges are evaluated in a timely manner to access promotion. Coordination between the HJC and the HPC has improved through the organisation of four joint meetings and the adoption of a regulatory framework to ensure the regularity of such meetings and the systematic follow-up of their operational conclusions. The Councils are yet to publish a common action plan based on these operational conclusions to deliver concrete results and ensure its follow-up.

The 2016 justice reform and recent legal changes strengthened the independence of the Councils. Provisions governing the appointment of non-magistrate members to the HJC and HPC have been revised to apply the same standards for background checks and asset verification as those applicable to magistrate members, ensuring an effective, transparent and merit-based process. Effective implementation is yet to be completed. The process to replace lay members has started, where also these standards are expected to be implemented for the first time. The HPC and the HJC still need to further strengthen ethical oversight of their members in practice. Continued training and enforcement of whistleblowing mechanisms within both Councils are necessary. HJC has adopted its internal rules of procedure. Both Councils' strategic planning and strategic communication remain weak. The rules of procedure to ensure transparency in relation to promotions, appointments and transfers, have been strengthened through legislative amendments, The HJC and the HPC still need to urgently address the lack of specialised resources, notably seconded magistrates and additional staff needed to perform evaluation reports, in a timely and qualitative manner and in line with the high vetting standards, as provided in the law. Councils continue to lack an internal structure and staff to train non-magistrate staff in courts and prosecution offices, as provided for in the law.

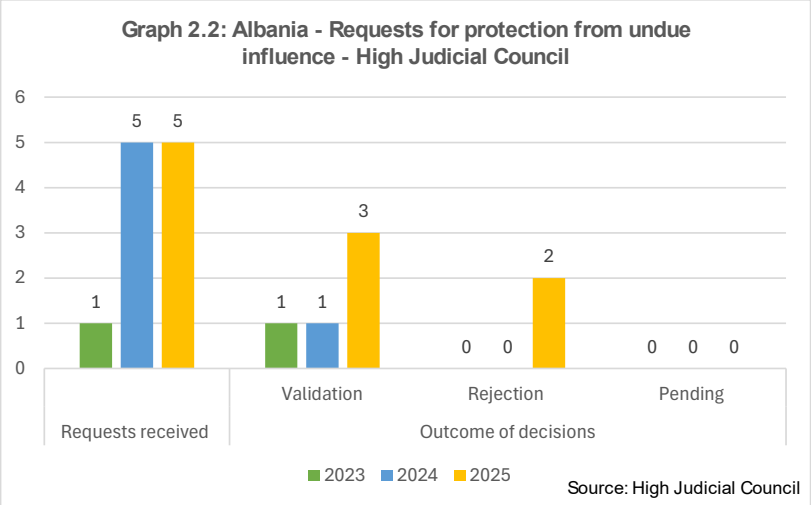
Independence and impartiality

The independence and impartiality of the judiciary is satisfactory in the higher-level courts and in the courts of first instance. However, attempts by public officials and politicians, including at the highest levels, to exert undue influence on justice institutions, as well as personal attacks on magistrates at all levels, continued throughout the reporting period. A legal and institutional conflict between the Government and the Councils, stemming from the implementation of the Constitutional Court's decision on judicial salaries, resulted in the blockage of judicial budgets and failure to pay judicial salaries for the



month of August. This led to a situation without precedent that seriously affected the functioning of the judiciary and has raised independence concerns. On 18 September 2026 the Parliament adopted legal amendments increasing judicial salaries by 2% and releasing previously unpaid salaries. Associations of judges and prosecutors challenged the new law before the Constitutional Court. In response, the government started the process for a comprehensive reform on judicial salaries. It remains important that planned reforms fully observe CEPEJ standards, the principles established by the Constitutional Court and include meaningful consultations with the judiciary.

The suspension of a high-level official ordered by the SPAK Court, as well as SPAK's request to the Parliament to lift the official's parliamentary immunity, triggered significant negative reactions from the executive and legislative branches, including direct attacks against SPAK and judicial institutions. In some high-profile cases, politicians also criticised the Constitutional Court, questioning its authority, or verbally attacking individual judges, which is a concern. The self-governing institutions of the judiciary have remained resilient, issuing public statements and denouncing political pressure. Eight magistrates have been placed under protection, including two judges and six prosecutors. The Bar conducted election procedures this year, in an open and transparent manner. Allocation of cases by law is random, by lot chosen by the Chair or via an electronic system, in those courts that have one. Sometimes, due to lack of staff and magistrates, this can result in a heavy workload.



The Constitutional Court issued a ruling clarifying the calculation of the duration of its members' mandate, thereby lifting the legal uncertainty surrounding the end of two members' terms and reconciling the diverging interpretations of the applicable provisions. The process to replace these members is ongoing. The new Chief Special Prosecutor at the Special Prosecution's Office was appointed through a competitive and transparent process, in line with the highest principles of merit and independence. The appointment of the new Director of the National Bureau of Investigations was also competitive but encountered delays. The HPC still needs to adopt clear internal rules and procedures for future selection processes, including to ensure a smooth, effective, and transparent procedure for the first replacement of SPAK prosecutors whose Constitutional mandate expires in 2028. The HJC still needs to appoint two members of the High Court.

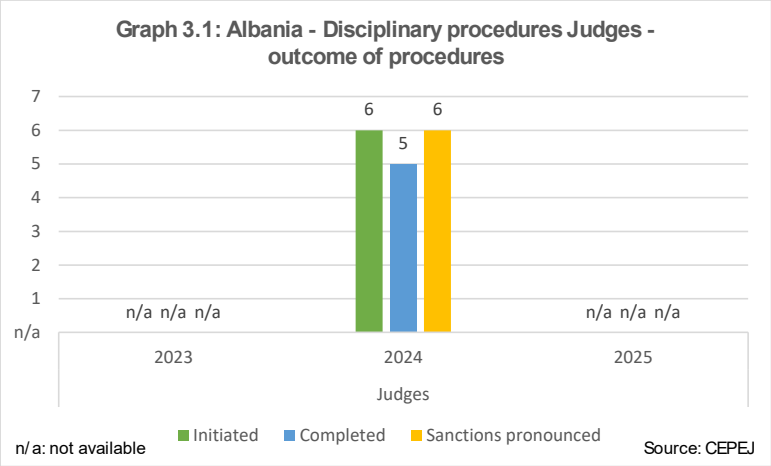
The HPC has opened the appointment process for the General Prosecutor, following a significant delay. The HPC should ensure that the pre-selection and ranking of candidates is conducted in a timely, merit-based, transparent and competitive manner.

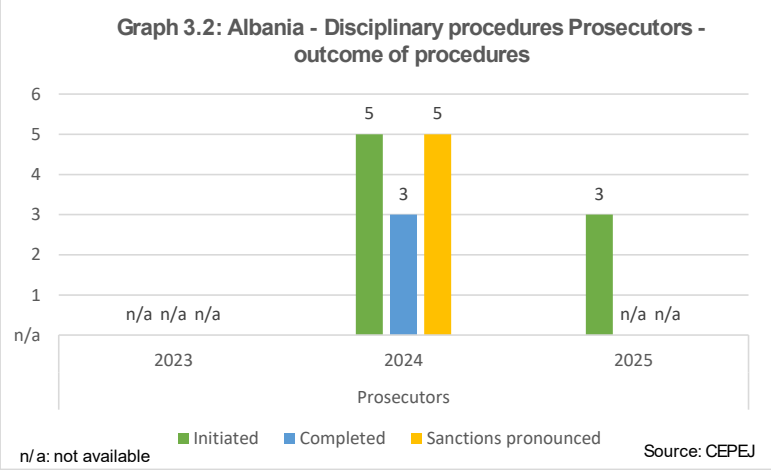
While the HJC and HPC have taken steps to improve merit-based appointments and career development, these efforts continue to be undermined by their slow pace in conducting qualitative evaluations for magistrates and the persistent use of transfers as an alternative to merit-based promotions. The transfer of judges and prosecutors requires their consent, except in urgent cases and for a very limited period, in which case such transfers must be duly justified.

Delays in filling judicial vacancies in several courts continued to hamper the consistent application of rules on random allocation of cases.

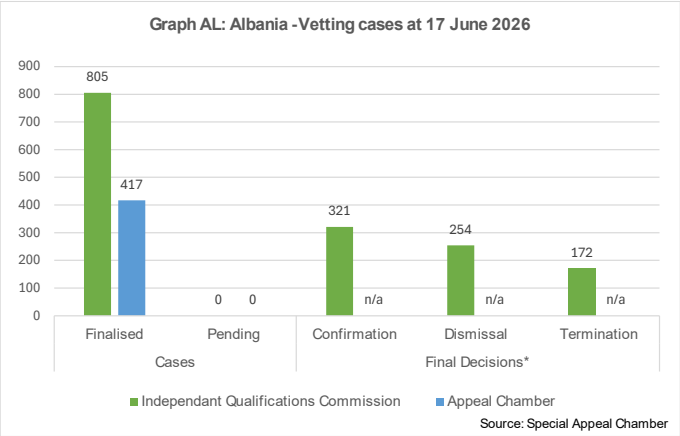
Accountability

Overall, the accountability of the judiciary is satisfactory. The completion of the comprehensive transitional re-evaluation (vetting) of all judges and prosecutors, the operation of the High Justice Inspector (HJI) and the continued progress in implementing the justice reform have further strengthened accountability. Efforts to prevent corruption post-vetting should be enhanced across the judicial system, including by ensuring appropriate capacities and operational sustainability. The HJI adopted a methodology for asset and background checks during inspections, integrating the high standards set by the vetting. However, it's implementation is yet to be observed. The new legal provisions adopted in January 2026, which enhance asset and background checks for judicial appointment through improved cross-checking of data, need to be implemented, particularly by strengthening the Councils' internal capacities.





The vetting process has been successfully finalised, with all cases being re-assessed in second instance by the Special Appeal Court (SAC). The SAC also finalised all reasoned decisions by June 2026. As of 1 April 2026, the final decisions resulted in 397 dismissals and resignations (49% of cases), 348 confirmations in office (43% of cases) and 59 cases of termination (8% of cases) for non-vetting related issues. The International Monitoring Operation (IMO) has ensured continued oversight of the process. The IMO issued 42 recommendations for appeal and fifteen dissenting opinions against Appeal Chamber decisions.



* The graph presents the final outcome of IQC decisions, as confirmed or modified by the Appeal Chamber where applicable.

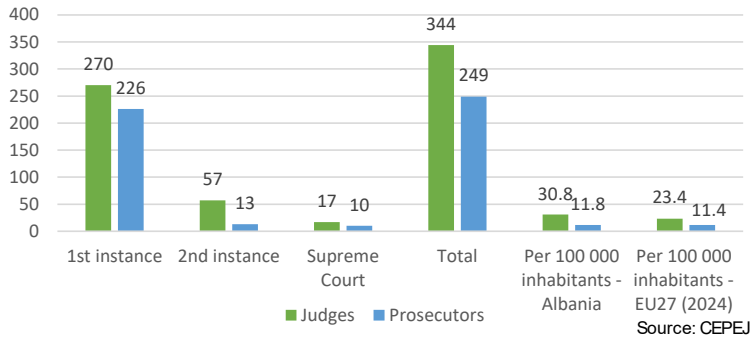
Challenges persist regarding the attractiveness of the position for magistrate-inspectors at the HJI and the institutions faces a high number of magistrate-inspector vacancies. A

significant increase in the number of inspectors is yet to be observed following recent legal changes, reducing the seniority requirement for magistrate-inspectors. The HJI needs to strengthen its track record of inspections, particularly to prevent corruption cases within the judiciary. Thematic inspections have increased considerably and remain a priority, supported by a plan to coordinate their follow-up with all relevant institutions. While the HJC, HPC, HJI and GPO conducted a first follow-up meeting in relation to the implementation of HJI recommendations, concrete results from other follow-up actions and regular meetings are yet to be observed. No steps have been taken by the HJI, HJC, HPC and the High Inspectorate of Declaration and Audit of Assets and Conflicts of Interest (HIDAACI) to update their internal procedures and ensure additional sufficient staff and resources to improve the quality and efficiency of integrity checks on magistrates and candidate-magistrates in line with high vetting standards. The courts and the Councils continue to apply the Code of Ethics for judges and prosecutors, adopted following the 2016 justice reform. Disciplinary decisions may be appealed, although the Court generally does not rule on the merits, and final decisions on disciplinary measures are taken by the respective Council.

Quality of justice

The quality of justice still needs to be improved. While there have been some positive developments regarding the overall quality of judicial training, further measures are still needed to address previously reported issues, including the quality, consistency and timely publication of judgments the quality of court infrastructure and the reliability of statistical data.

Graph 4: Albania - Number of justice professionals - 2025



Source: CEPEJ

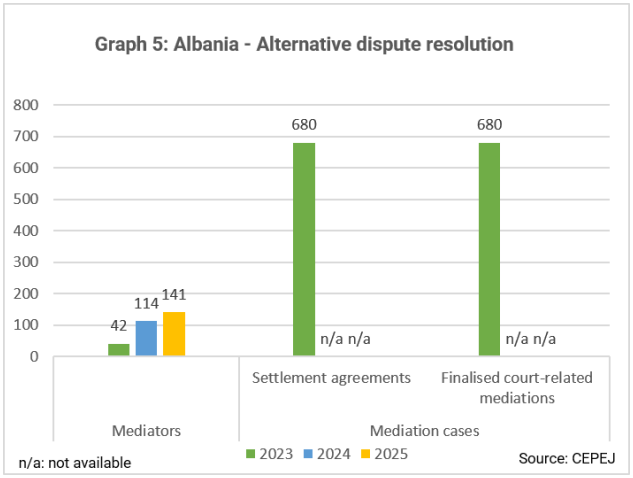
Some steps have been taken to improve judicial training, such as the revised first-year curriculum, but further improvements are still necessary, including finalising the comprehensive revision of the entry exam Further work is needed on both continuous and initial training, in particular for the second and third years, to address quality limitations, gaps in skilled-based training and the imminent needs of the judicial system. A dedicated admission exam for legal advisors was organised in May 2026. Legislative amendments have been adopted to ban former magistrates who were dismissed or resigned during the vetting from taking up positions as training staff at the School for Magistrates (SoM). Common standards for drafting judicial decisions are being adopted, but few have been implemented yet.

Judicial quality continues to be hampered by the lack of progress in appointing court chairs at all levels and the insufficient number of court staff, particularly legal assistants. The High Judicial Council appointed 44 new judges in first instance courts of general jurisdiction. Five judges from the Special Appeal Chamber were appointed as appeal-level upon the expiry of their mandate. The remaining vacancies at the Appeal Court should be completed as a matter of priority. Quotas determined by the HJC and the HPC for the SoM for the 2026-2029 class remain low. Increasing the number and quality of candidate magistrates and legal assistants admitted to the SoM remains essential to address challenges concerning the quality and efficiency of the judicial system.

An interinstitutional cooperation agreement between the Ministry of Justice, the HJC, the HJI and the SoM on harmonisation of judicial statistics has been signed. Decisive steps should be taken by the HJC and the HPC to ensure its implementation, by enhancing the

consolidation, publication, reporting, consistency and reliability of statistical data across the judicial system.

The quality of court infrastructure remains generally poor. While temporary premises have been allocated to the General Appeal Court, a stable and final solution has not yet been found. This continues to lead to overcrowding and the practice of hearings taking place in judges' chambers. No progress was made on providing adequate security standards for judges and prosecutors. However, the HJC has established a working group and plans to adopt a Court Security Strategy in line with CEPEJ standards. In the meantime, many courts, including the SPAK Court of First Instance, have adopted internal court security rules. The rules adopted by the SPAK Court have raised concerns of among the media community over their on a potential impact on access to justice and the right to information. There was no satisfactory response to the fatal shooting of the Tirana Court of Appeal judge, in October 2025, did not prompt a satisfactory response from the Councils, the courts and state authorities to ensure the safety of the judiciary at all levels. The fatal shooting of the Tirana Appeals Court Judge, in October 2025, did not prompt a sufficient response from courts, state authorities and the Councils to ensure the safety of the judiciary. At SPAK level, there is scope for greater transparency and verifiability of interrogations, notably through new interrogation rooms, protocols and related safeguards for on their records.



While some steps have been taken to increase the use of mediation services, including training and awareness-raising activities, mediation remains largely underused. The election process of a new Chair of the Chamber prompted debates regarding the number of legally allowed consecutive mandates, the functionality and the efficiency of the Chamber. Attempts to provide for consolidated information on the possibility and incentives to use mediation and increase quality of the service should further continue. The HJC and MoJ are expected to adopt a comprehensive strategy on mediation.

Access to primary and secondary legal aid in Albania has improved overall, notably through support for local legal aid offices, but challenges remain, particularly the lack of reliable data on the quality of legal representation for vulnerable groups and insufficient funding for civil society organisations helping to deliver legal aid services.

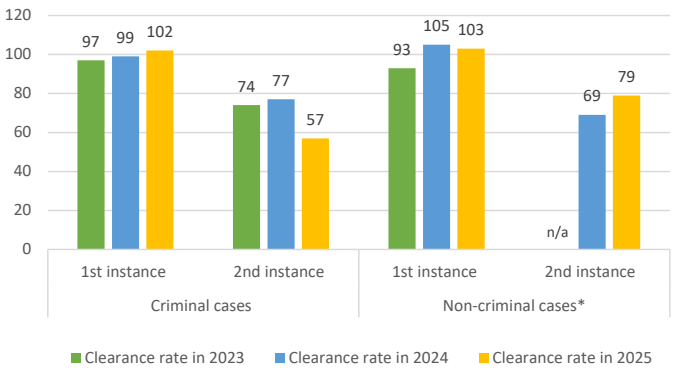
Efficiency

The efficiency of the justice system remains limited. Previously reported shortcomings, including the lack of a modern integrated electronic case management system in courts and prosecution offices, are still not addressed.

While the length of proceedings and backlogs have been reduced in first instance and High Court cases, persistent delays in appeal proceedings continue to hamper the overall efficiency of the system. The publication of final decisions still exceeds the legal deadline, and serious delays continue to be caused by insufficient management of court hearings and absent defence lawyers. The HJC needs to take further decisive steps in implementing its efficiency roadmap, including revision of legislation in line with the general principles of justice reform and European standards.

The implementation of a modern integrated electronic case management system (ICMS) in courts and prosecution offices continues to face significant delays, with persistent risks to the overall quality of justice. Significant efforts are still needed to improve the digitalisation of justice systems. The piloting of an electronic communication tool between the Tirana District Court and lawyers has continued, but this tool has not yet been rolled out in all courts, limiting its potential to improve access to justice.

Graph 6.1 - Albania - Efficiency of courts (%)



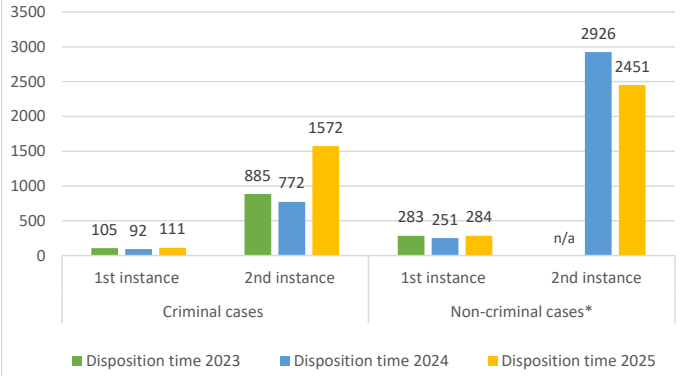
*Civil and commercial cases, administrative cases, non-litigous cases, other cases
n/a: non applicable
Source: CEPEJ

Fight against corruption

Track record

The track record in the fight against corruption has remained stable for high-level cases and has improved for non-high-level cases, while further efforts are required in this regard.

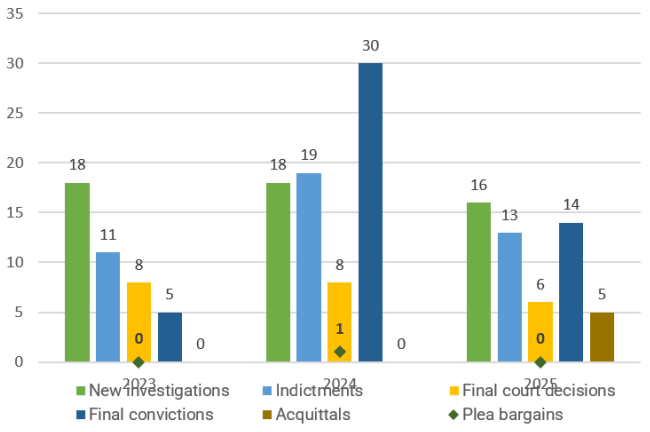
Graph 6.2 - Albania - Efficiency of courts (days)



*Civil and commercial cases, administrative cases, non-litigous cases, other cases
n/a: non applicable
Source: CEPEJ

The Specialised Structure Against Organised Crime and Corruption (SPAK), comprising the Special Prosecution Office (SPO), the National Bureau of Investigation (NBI) and the anti-corruption and organised crime courts (SPAK courts), has continued to deliver good results and make tangible progress in building a solid track record for the investigation, prosecution and conviction in corruption cases.

Graph 7.1: Albania - High level corruption cases - Data on number of individuals/legal entities involved



n/a: not available
Source: National data collected via the organised crime and corruption track record (OCCTR) e-platform

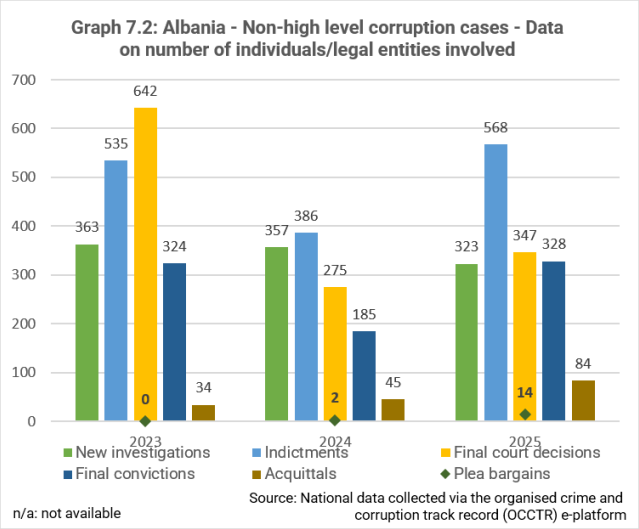
In 2025, SPAK recorded an increase of 17.7% in new cases for corruption-related offences. During the year, 34 proceedings were referred to Court with 160 defendants, of which ten proceedings with 13 defendants for high-level corruption. SPAK started investigations linked to the large-scale development project planned within the Pishë Poro-Narta protected landscape, notably into the transfer of property titles connected to the development planned in Zvërnec. In a separate investigation, SPAK also carried out preventive asset seizures and issued an arrest warrant for one of the

landowners for his alleged involvement in an organised criminal group involved in international drug trafficking and in large-scale money laundering.

SPAK's capacity in financial investigations has further increased alongside the systematic use of financial investigations, while asset confiscation decisions have fallen from 20 to 8. Albania needs to significantly increase the number of referrals to SPAK from other authorities, which remains too low. SPAK's capacity and internal organisation to handle a growing workload still requires attention.

The value of seized and confiscated assets in corruption cases has remained limited. During 2025, SPAK seized and confiscated assets amounted to EUR 45.4 million in total, but only EUR 1.2 million referred to high-level corruption proceedings, with the value of confiscated assets limited to approximately EUR 100 000. In 2025, SPAK did not issue any decisions for the seizure of assets in cases involving simple corruption criminal offences. The ratio between seized and confiscated assets is not yet satisfactory, suggesting the need to further implement extended confiscations measures, as well as non-conviction-based confiscations, including third-party and value-based confiscations.

The tracing and recovery of assets have been strengthened, with the aim of gradually reducing this gap and increasing the effectiveness of final confiscations.



Legal framework

The legal framework on corruption is broadly in place. Albania adopted key legislation on conflict of interest and lobbying in alignment with European standards, although anti-corruption legislation will need to be further reviewed in light of the recently adopted EU Directive combating corruption. The law on donations and sponsorships still needs to be adopted. Further alignment was achieved on whistle-blower protection. However, the preventive legal framework continued to have limited impact, particularly in vulnerable sectors. In September 2026, Albania launched public consultations on revisions to the Criminal Procedure Code. It remains important that Albania ensures that future legal changes to criminal legislation are in line with the EU *acquis* and European standards and also conducive to the country's efforts to reduce corruption.

Strategic documents

The strategic documents are in place and are adequate. Albania has been implementing the Anti-Corruption Strategy for 2024-2030, targeting vulnerable sectors such as property registration, public-private partnerships, public procurement, health, education, customs and registration, public-private partnerships to local governance and the private sector.

Implementation of the strategy is on track, with around [*90%* achievement for prevention and awareness policies, and 73,1% for repressive policies. SPAK started to implement the Backlog Reduction Strategy 2025-2027. By mid-2026, SPAK met the target established for cases registered in 2021 with a decrease from 62 to 36 cases. The target of zero for the 83 cases opened in 2020 or earlier was almost met, with 10 cases still pending. The SPAK is implementing specific measures in support of prosecutors with the highest case backlogs to allow to meet the targets.

Institutional framework

The institutional framework on tackling corruption is in place. However, the effectiveness of preventive measures still needs to be improved, and issues remain with law enforcement aspects.

SPAK continued to demonstrate independence and robust capacities to deliver positive results in fighting high-level corruption. Other bodies tasked with fighting corruption, in particular the General Prosecution Office and the state police, still need to improve their results.

The implementation of the revised Law on the police is underway and has been followed by a partial reorganisation; however, the Albanian State Police has remained highly vulnerable to corruption. The transitional and periodic evaluation of state police officers ('police vetting') and the process of integrity verification have continued, but their impact remained limited. In 2025, the Police Oversight Agency continued to receive a high number of complaints from citizens (over 5 500). The Agency recommended disciplinary investigations for 108 employees and referred 444 law enforcement employees to criminal prosecution]. After an employee of the Police Oversight Agency was found to have links to an organised crime group, concerns were raised about the effectiveness of the Agency's vetting procedure and background checks for its own staff. Two successive changes in the leadership of the Police Oversight Agency within six months, created concerns and underscored the need to further strengthen accountability and transparency in the Albanian State Police and the Police Oversight Agency.

Allegations of high-level corruption have continued to be under investigation in healthcare, ICT and infrastructure tenders. Several sectors were singled out as high-risk in the anti-corruption strategy. A corruption risk assessment methodology was then adopted, and risk assessments were initiated in several of these sectors such as public procurement, healthcare and education. Albania developed a cross-sector coordination manual to support the implementation of the recent anti-corruption strategy. Meanwhile, resources and capacity of the state institutions to monitor and evaluate the outcomes of preventive measures remained limited, and their long-term impact has yet to be demonstrated. The quality and implementation of the integrity plans and transparency programmes at central and local levels varied. More efforts are also needed to address business integrity in contact with public administration and along supply chains.

During the reporting period, declarations of assets for some 365 officials, members of Parliament and government, members of justice institutions, and mayors, were published, allowing public scrutiny and enhancing transparency for such declarations. The effectiveness and transparency of asset declaration verifications need to be further strengthened to systematically address non-declaration or concealment of assets. This should include the adoption of risk-based approaches, as such undeclared or concealed assets tend to be uncovered only during investigations into corruption or related offences. Coordination with financial investigation and law enforcement needs to improve for effective asset checks and follow-up. Only 10 whistleblowing cases were registered in 2025. Meanwhile, the number of reporting entities increased following the new law adopted in December 2025.

The number of whistleblower reports remains low. During 2025, the High Inspectorate of Declaration and Audit of Assets and Conflicts of Interest (HIDAACI) reviewed 11 new whistleblower reports and eight requests for protection against retaliation.

Fundamental rights

General framework

The general framework for fundamental rights provides an overall good basis of protection, while further alignment with the EU *acquis* in selected areas is still needed. The implementation and enforcement of fundamental rights need to be improved.

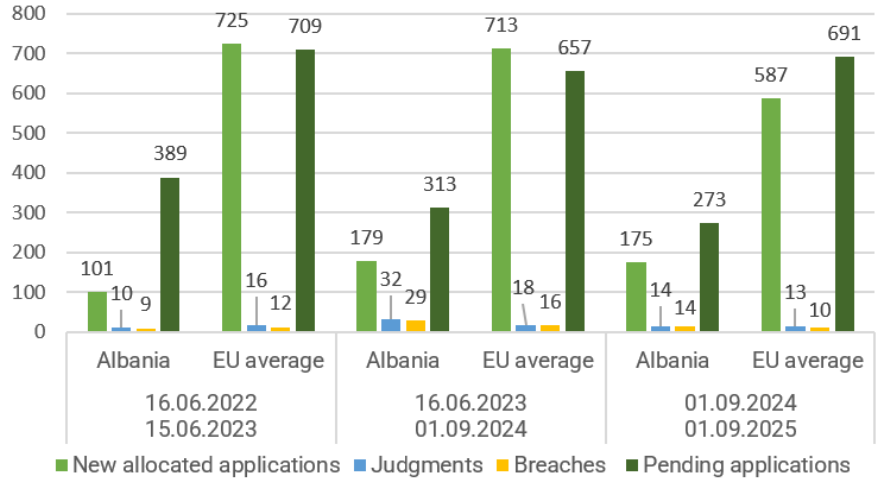
International human rights instruments

The cooperation with international human rights monitoring bodies remains satisfactory but improvement in the follow-up to their recommendations is still needed. Albania is party to the main international human rights instruments. Albania has committed to developing a comprehensive monitoring and data collection system to assess the level of implementation of human rights legislation, policies, and strategies. Albania continued benefitting from its observer status at the European Union Agency for Fundamental Rights.

European Court of Human Rights

Albania continues to ensure good cooperation with the European Court of Human Rights (ECtHR). During the reporting period, the Court found breaches of the European Convention on Human Rights relating mainly to the right to respect for private and family life, the right to a fair trial, and the right to liberty and security. Albania faces challenges in implementing ECtHR judgments. By 31 December 2025, Albania had 63 ECtHR judgments pending execution compared with 58 in 2024, of which 28 leading cases were under enhanced supervision by the Committee of Ministers. Albania still needs to ensure effective implementation of these judgments, notably in the *Strazimiri v. Albania* case, regarding the inhumane and degrading treatment of forensic psychiatric patients and prisoners with mental disorders. Individual remedies to address unlawful expropriation and demolition of property in the *Sharxhi and others v. Albania* case have still not been implemented.

Graph 8: Albania - ECtHR judgments

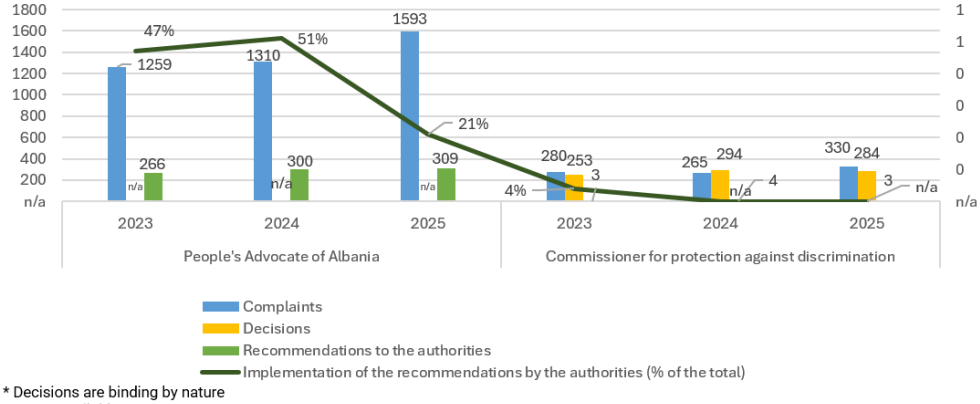


Source: ECtHR

Promotion, protection and enforcement of human rights

The legal and institutional framework for the promotion, protection and enforcement of human rights needs to be improved. Effective promotion and enforcement of human rights remain challenging notably regarding the right to property and children's rights. The Ombudsperson (People's Advocate) is accredited as an A-status National Human Rights

Graph 9: Albania - Promotion, protection and enforcement of human rights



* Decisions are binding by nature
n/a: not available

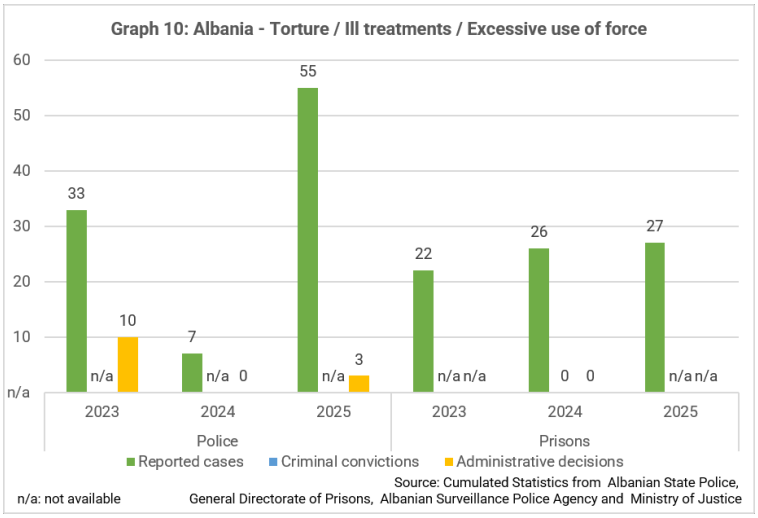
Source: Ombudsman and Commisioner for Protection Against Discrimination

Main themes:
Ombudsman: Social protection, education rights, public services, property rights, due process, prisoner rights, children's rights
Commissioner for Protection Against Discrimination: Goods and services, education

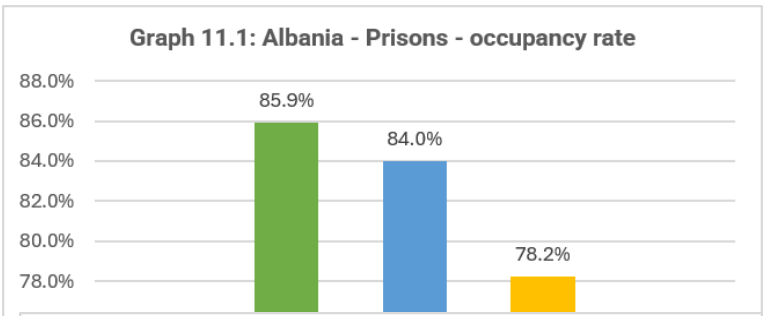
Institution and continued to exercise its mandate satisfactorily. The Parliament appointed the new Ombudsperson in December 2025 and the new Commissioner for Protection against Discrimination in May 2026, following prolonged institutional deadlocks. The election of the new Ombudsperson was challenged by the opposition in front of the Constitutional Court. The Court ruled that the procedure was lawful. The functioning of the regional offices of both institutions was still affected by shortages in human and financial resources. The largest number of complaints received by the Ombudsperson in 2025 pertained to the quality of and equality in access to public services (256 complaints, 14% overall). The implementation rate of its recommendations remains low overall, thereby impeding the effective exercise of fundamental rights. The Ombudsperson should follow-up on stated intentions to strengthen the effectiveness, transparency and accountability of the institution.

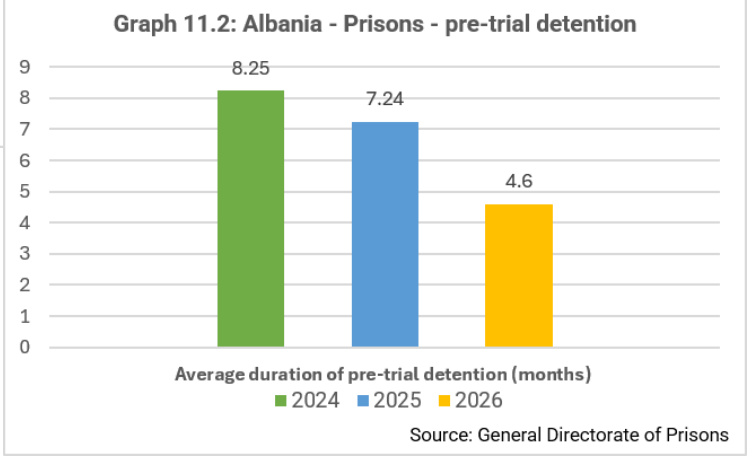
Prevention of torture and other forms of ill-treatment

Albania continues to provide adequate legal guarantees on the prevention of torture and other forms of ill-treatment. While Albania generally legally complies with its international obligations, in practice the country should take all measures to ensure that all allegations made against the police are investigated promptly. The functioning of the National Preventive Mechanism remained satisfactory; however, the follow-up of its recommendations remains low. No progress was made in the implementation of Albania's action plan to address the main findings and recommendations of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment. Serious concerns persist over overcrowding of detention premises, poor internal case management procedures, lack of medical and therapeutic staff, high rates of inmate deaths due to poor health and inadequate material detention conditions in general. No steps have been taken to address serious concerns over the conditions for prisoners with mental health issues and forensic patients.



Execution of criminal sanctions



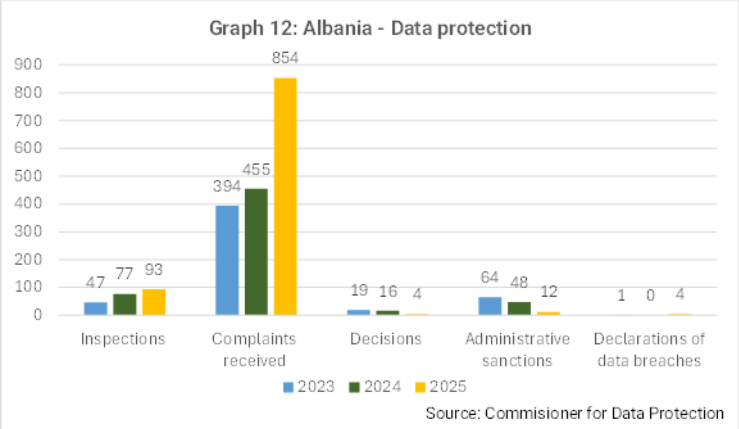


Improvements still need to be made to the system for execution of criminal sanctions, both in detention facilities and in cases of probation, in line with European Commission Recommendations including on procedural rights of suspects and accused people subject to pre-trial detention and on material detention conditions. Corruption, poor healthcare and a shortage of staff in the penitentiary system and detention centres are continued concerns. In 2026, the

occupancy rate declined and a general amnesty law was approved. The probation service is operational, but prevention and rehabilitation still need to be improved. The use of electronic monitoring, suspended since 2019, needs to be reintroduced urgently. Special attention should be paid to deradicalising prisoners.

Protection of personal data

The legal framework for the protection of personal data is aligned with the EU *acquis,* but the human and financial resource capacities of the Information and Data Protection Commissioner's (IDP) Office need to be strengthened for it to perform its expanded tasks, which include monitoring the implementation of the lobbying legislation. All required pieces of implementing legislation related to the personal data protection law were adopted. Public awareness about personal data protection and public institutions' preventive capacity remains low. The IDP is systematically consulted on draft legislation and initiatives that can affect personal data. Public and private data controllers should continue their efforts and openness to follow up the IDP's recommendations. This includes following up concerns related to the "Smart Cities" initiative, which includes the installation of intelligent cameras and other AI-driven applications for traffic monitoring, law enforcement and public security across the country.



Freedom of thought, conscience and religion

Albania provides adequate legal guarantees on freedom of thought, conscience and religion. The issue of restitution of properties belonging to religious groups that were expropriated during the communist era remains unresolved. Some religious groups remain vulnerable due to financial dependence from third parties.

Freedom of expression and media freedom

Intimidation of journalists

While the institutional framework for the protection of journalists is in place, the deterrent impact of procedural safeguards remains limited. Cases of intimidation and threats against journalists, including by high-ranking state officials and police officers, became more prominent through smear campaigns and strategic lawsuits against public participation (SLAPPs), politically motivated physical and verbal attacks, and disinformation. Investigative and female journalists were targeted to a greater extent. Media freedom organisations denounced 42 cases of violations of journalists' safety in 2025 (down from 52 in 2024). The amendments to the Criminal Code adopted by the Parliament in January 2026 strengthened the protection of journalists against violence and serious threats by increasing sanctions related to attacks against them. Journalists still have limited access to legal assistance, and systematic monitoring of judicial cases involving journalists remains limited.

Despite some efforts made in judicial follow up on cases involving threats or attacks against journalists by police, prosecution and judges, impunity remained prevalent due to the continued lack of a robust track record of investigations and judicial action. The State Police recorded 21 cases involving journalists, including six complaints related to threats to life or

bodily harm and 14 involving other forms of threats or harassment. According to the General Prosecution Office, nine referrals involving journalists which were carried over from previous years were reviewed between in 2025, while the number of newly referred cases for the same year was six. For the first quarter of 2026, the General Prosecutor has received seven new referrals. Nevertheless, perception surveys conducted by independent media organisations indicate low awareness of these judicial and law enforcement mechanisms and limited confidence in institutional responses.

Digital threats and online harassment continued. Serious concerns persist regarding privacy violations, as journalists' personal and professional data continue to be misused by unauthorised entities. Institutional mechanisms for reporting, addressing and mitigating digital threats remain insufficient. There is still a lack of systemic monitoring and reporting on judicial cases involving journalists. Access to legal assistance and support from media outlets remain limited for journalists.

Legislative environment

Albania has taken some steps towards aligning the legislative framework with the EU *acquis*, notably with the European Media Freedom Act. In January 2026, Albania adopted amendments to the Law on Audiovisual Media to increase media ownership transparency. However, media independence and plurality continued to be negatively affected by the high market concentration and the lack of transparency in media financing, especially in electoral contexts, and of economic interests, including public funding. Provisions on defamation were abrogated with the aim of protecting registered journalists under certain conditions. Albania is expected to fully decriminalise defamation. Albania needs to align with the EU Anti-SLAPP legal framework and Council of Europe standards on Anti-SLAPP. The structured dialogue between Albanian institutions and media actors on media reform progressed throughout 2025 from thematic consultations to formal recommendations for legislative consideration to the government and the Parliament. The extent to which recommendations of the platform are reflected will depend on further developments in 2026 as Albania continues efforts to conduct a broader media reform. The Law on access to information remains broadly aligned with European standards, although shorter and binding deadlines for responses to journalists are still to be introduced based on best European practices.

Implementation of legislation/institutions

The independence of the Audio-Visual Regulatory Authority (AMA) still isn't guaranteed and the appointment procedure for its board members leave room for political and corporate influence. Shortcomings remain in enforcing the Broadcasting Code on media outlets that air pre-recorded political content during electoral campaigns. The implementation of the National Strategy against Foreign Interference and Disinformation 2025-2030 remains at a very early stage. In June 2026, a Parliamentary Subcommittee on Public Information Integrity, Disinformation, and Foreign Interference was established.

Shortcomings remain in the implementation of the Law on access to public information. Public authorities continue the practice of withholding information based on generic references to 'public interest' that continue to not be clearly defined. Journalists and civil society organisations, who are mostly affected, face delays, refusals, or incomplete responses to information requests. In 2025, the Commissioner for the Right to Information and Personal Data Protection received 386 complaints from journalists concerning the refusal to provide information and official documents. Of these, 311 cases were resolved by granting the requested information during the administrative review process. Twelve recommendations on institutional transparency were issued by the Information and Data Protection Commissioner.

Public service broadcaster

The public broadcaster Radio Television (RTSH) has faced significant financial as well as labour-related issues leading to an intensified public debate on how to reform the

broadcaster. Concerns remain over the independence of RTSH including the election and appointment processes of its Director-General and Steering Council members. Following a detailed assessment by the European Broadcasting Union (EBU), a reform support mission for RTSH was launched in 2026 to address identified issues including in the broadcaster's structure with the aim of aligning with European standards in this area.

Economic factors

High ownership concentration and opaque funding practices still compromise media independence and plurality. The legal framework continues to lack provisions on clear and transparent distribution of public sector advertising in line with international standards. Standard public procurement rules in the advertising procurement procedure can still be circumvented. Some steps have been taken towards establishing an audience measurement system. A Joint Industry Committee, including representatives of national and regional broadcasters, the RTSH, and marketing agencies, was formally registered as an independent legal entity in September 2025. The influence of politically affiliated business groups, particularly during the pre-electoral period, continued to raise concerns.

Internet

Online media remains unregulated. In March 2026, the Constitutional Court ruled that the 2025 government decision to introduce a temporary blanket ban on a major social media platform on grounds of negative effects on the public was unconstitutional, not based on the law and harmed freedom of expression and freedom of press. Media outlets generally have limited cybersecurity capacity. Several cyberattacks against the media took place during the reporting period. The Government has launched the process of aligning with the Digital Services Act.

Professional organisations and working conditions

The polarisation of the media landscape, limited resources and the use of inflammatory rhetoric in public debate continue to hinder the weak self-regulation in the media sector. Support to self-regulatory initiatives and promotion of sector-wide adherence to ethical codes still needs to be ensured.

Journalists continue to face job insecurity and poor working conditions. Self-censorship and pressure from political actors and media owners, continued. Issues remain with unpaid salaries and excessive workloads, particularly in local and online media. The State Labour Inspectorate continue to receive new formal complaints by media freedom organisations. Self-censorship remains widespread, driven by political pressure, legal threats and economic dependence.

Freedom of assembly and association

Albania provides adequate legal guarantees to freedom of assembly and association, and regulation of assemblies is adequate.

Labour and trade union rights are covered in *Chapter 19 - Social policy and employment*.

Property rights

The legal and institutional framework for the enforcement of property rights is largely in place. However, the effective exercise of these rights has remained limited. Significant challenges persist, due to uncertain ownership titles and property boundaries. Corruption continues to be perceived as widespread and constitutes a significant share of complaints and corruption-related investigations.

The State Cadastre Agency (SCA) stayed on track in implementing its digitalisation roadmap and made substantial progress. By June 2026, Albania completed the digitalisation of all

ownership titles and reference documents and scanned an additional 17% of the remaining paper-based cadastral maps Progress has also been achieved in first-time land registration, reaching [95.4%] of cadastral zones by July 2026. Nevertheless, most cadastral data still require systematic accuracy verification and improvement.

The SCA adopted and has effectively implemented its first integrity plan and communication strategy, initiated a corruption risk assessment, and began revising key business processes to strengthen transparency, efficiency, and the quality of cadastral services. It has also enabled online payment of service fees, and improved connection with the notarial system.

The legalisation process for informal constructions, scheduled for completion by the end of 2028, is ongoing. Between April and July 2026, the total number of legalisation applications handled by the local directorates reached 46 931. The number of positive decisions increased to 43 681. However, the legalisation process remains slow and places additional pressure on cadastral services.

Progress has been slow on compensations for properties confiscated during the communist era. Out of the more than 26 000 requests for compensation accepted by the specialised Agency for Treatment of Property (ATP), ownership and compensation values were recognised 20 554 decisions cases and only 968 of them were effectively executed with compensations paid out. The major issue has remained that only 10% of the property value can be compensated, and that value is still based on the government's 2016 valuation map dating, with prices often significantly below current market values. Many applicants seek higher compensations in court, despite the significant backlog.

Non-discrimination

The legal and institutional framework on non-discrimination has improved, while the capacities of equality bodies still need to be strengthened.

Albania needs to more consistently and effectively implement strategic measures including by earmarking adequate resources in the area of combating discrimination and strengthening the rights of lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ+) persons, Roma[3] and Egyptians, people with minority racial or ethnic background, and persons with disabilities, including sectoral non-discrimination action plans.

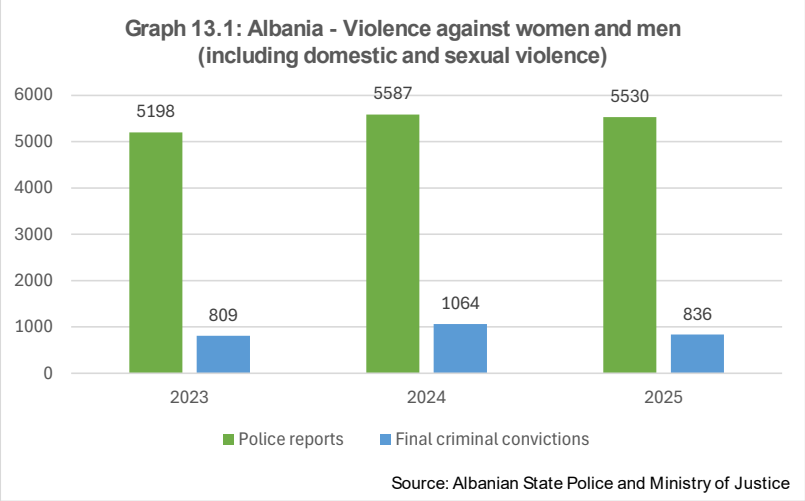
Amendments to the anti-discrimination law further aligned the legal and institutional framework for non-discrimination with the EU *acquis*, including on racial equality and on standards for equality bodies, and European standards. However, several compliance issues and gaps in implementation and enforcement remain. In 2025, the Commissioner for Protection against Discrimination (CPD) handled a higher number of cases of alleged discrimination compared to 2024, reflecting increased public awareness of institutional mechanisms for addressing discrimination.

Anti-racism and hate offences

Laws on hate offences require further alignment with EU *acquis* and European standards. Better enforcement capacity, including data collection and statistics as well as greater awareness raising and reporting are particularly needed. Human rights defenders and CSOs working on gender and LGBTIQ+ rights were particularly targeted by hate speech during the reporting period. In 2025, the CPD handled 26 cases of alleged hate speech, mainly on the grounds of gender identity and sexual orientation, confirming hate speech in two of the cases. Additional training, capacity building and awareness about hate crime is needed among law enforcement and justice professionals. A total of 25 cases of hate crime were reported to the police in the 2025 and 17 from January until June 2026.

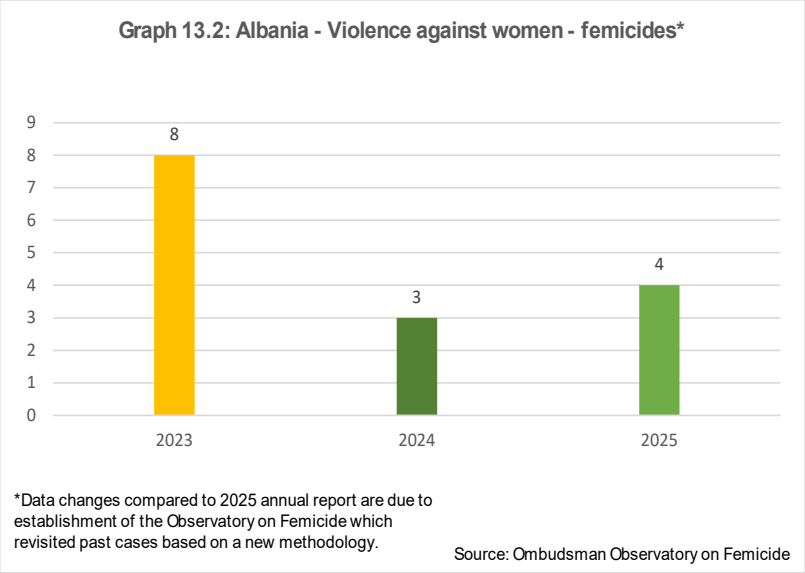
[3] In line with the terminology of European institutions, the umbrella term 'Roma' is used here to refer to a number of different groups, without denying the specificities of these groups.

Gender equality



The legal and institutional framework for gender equality and combating gender-based violence is largely in place, but legislative alignment with the EU *acquis* as well as implementation and enforcement are insufficient. Implementation of the National Strategy for Gender Equality 2021-2030 and its Action Plan as well as ensuring adequately funded referral mechanisms at municipal level remain weak. Eleven local gender action plans have been approved, while an additional three are being prepared. The implementation has resulted in several activities at local level supporting among other female entrepreneurs. Women living in rural and remote areas, women with disabilities, Roma and Egyptian women, and lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ+) persons continue to face multiple and intersecting forms of discrimination.

Critical concerns persist regarding violence against women and domestic violence, which are severely under-reported due to social norms and associated stigma. 47% of women and girls report having been victims of intimate partner violence. Concerns also remain regarding the police's limited capacity, enforcement and accountability in handling cases of violence against women, as well as inconsistencies in court decisions.



The number of femicides decreased compared with 2023 but remains a concern. The establishment of a national Femicide Watch is expected to contribute to an increased level of awareness and monitoring of the issue. Ensuring adequate sustainable funding for specialised services, including long-term and emergency shelters in Albania, is essential, alongside strengthening their accessibility. Particular attention should be paid to, specialised support services, including healthcare, free legal aid and the reintegration and rehabilitation of victims of gender-based violence. Furthermore, serious concerns remain regarding online violence and harassment targeting women. Data collection on gender equality needs to be updated and strengthened, especially for gender-based and domestic violence. Such data should, as minimum, be disaggregated by sex, age, relationship between the victim and the offender and type of offence. The adoption of the Gender Equality Law caused significant

public debate especially on the definition of gender. Some provisions of the law are currently being challenged in the constitutional court.

Rights of the child

The legal and institutional framework on rights of the child is incomplete, and implementation needs to be improved. Only 64% of the measures in the 2021-2026 National Agenda on the Rights of the Child (NARC) have been fully implemented. Albania needs to adopt a NARC for 2027-2030. Albania should reinforce the National Council for Child Rights and Protection and the State Agency for the Rights and Protection of the Child.

Laws and policies intended to protect minors from child marriage are incomplete or applied inconsistently. Unified processes on data collection and analysis at central and local level merit improvement. Child protection services remain insufficient. Abuse, exploitation, neglects and violence and sexual violence against children, including online, remain a critical area of concern. The increase in the number of child protection workers led to a greater number of cases managed. This is a positive development and needs to be sustained but remains insufficient. Albania adopted a new alternative care law (with implementing legislation still pending adoption) and updated the national deinstitutionalisation plan. While the deinstitutionalisation of (i) children outside parental care and (ii) children with disabilities continued at a steady pace, the high concentration of children with disabilities in institutions remains of concern. Operationalising more community and family-based service centres at local level, including specialised services, should be a key priority. Special care should also be given to children in street situations.

Albania has undertaken significant reforms to ensure a child-friendly justice system. However, weaknesses persist in institutional capacity, service availability, interinstitutional coordination and data-driven decision making. In addition, infrastructure challenges further undermined the effectiveness of the system as specialised facilities fail to meet EU and international standards, reducing the ability of children in contract with the law to effectively participate in the justice process and enjoy child-friendly treatment. The introduction of diversion measures for children in conflict with the law has improved, however rehabilitation programmes are not implemented consistently and uniformly. Attention should be paid to the increasing number of children in conflict with the law who are below the age of criminal responsibility.

Persons with disabilities

The legal and institutional framework on the rights of persons with disabilities is incomplete and implementation and enforcement need to be significantly improved. Albania's framework legislation in this field is still only partially compliant with the UN Convention on the Rights of Persons with Disabilities (UNCRPD), and Albania is yet to ratify the Optional Protocol to the UNCRPD providing for an individual or groups of individuals complaints' mechanism. Progress continued on the inclusion of persons with disabilities, with the approval of the 2026 – 2030 National Action Plan, marking a significant shift towards the model of social and economic inclusion and participation of persons with disabilities.

Progress also continues on the implementation of the biopsychosocial assessment, in line with UNCRPD recommendations, but service provision needs to be strengthened. Limited action was taken to tackle discrimination against persons with disabilities, which represents the highest number of alleged discrimination cases handled by the CPD during the reporting period. Albania has taken initial steps aiming to align with the European Accessibility Act. Further efforts are needed to improve accessibility for persons with disabilities and ensure full alignment with the EU *acquis*. There has been steady progress on deinstitutionalisation, but more effort is needed to move towards independent living and inclusion of persons with disabilities.

LGBTIQ+ persons

The legal and institutional framework for the protection of the rights of LGBTIQ+ persons needs to be improved, as they still face high levels of discrimination and discreditation. Negative public attitudes, both online and offline, have further increased. Albania does not provide for legal recognition and protection of same-sex couples, as required by ECtHR case-law It also lacks a framework for legal gender recognition, which is not in line with ECtHR case-law and raises concerns as regards alignment with relevant CJEU case-law. After a three-year delay, the Ministry of Health adopted Albania's first medical protocol for gender-affirming hormone therapy, brining hormone treatment into the public healthcare system end eliminating a longstanding barrier to healthcare access for transgender people.

Apart from the adoption of the medical protocol, no additional progress was recorded in the implementation of the measures under the LGBTIQ National Action Plan 2021-2027 due to lack of political will and resources. In addition, there is still a lack of inclusive data collection. During the reporting period, discrimination against LGBTIQ+ persons has been prevalent and LGBTIQ+ activists have been particularly targeted by hate speech. On 23 May 2026, the Tirana Pride took place peacefully with the participation of a high-ranking member of the government.

Procedural rights of suspects and accused persons and rights of victims of crime

The legal framework on procedural rights is incomplete, and the protection of victim's rights needs to improve. The legal framework for legal aid is comprehensive, and primary and secondary legal aid are delivered at central and local levels. However, the assessment of the new judicial map on legal aid, and its compatibility with EU standards still needs to be carried out. The financial resources and the inter-institutional coordination to uphold the right of victims of crime remain insufficient, including for access to information and related legal compensation. Access to legal aid or adequate legal advice in due time, particularly affecting the most vulnerable groups in criminal proceedings, remains an issue.

Issues related to the procedural rights of suspects and accused persons persist and should be addressed, including serious aspects pertaining to the right to information in criminal proceedings, the protection of the presumption of innocence, the right of access to a lawyer from the earliest stages in the investigations and access to legal aid in due time. Pre-trial detention continues to remain the main coercive measure imposed pending investigations and trial. Relevant institutions should take measures to ensure that better use is made of alternative measures to detention.

Protection of minorities

The legal framework for the protection of persons belonging to minorities is generally aligned with European standards. Persons belonging to minorities continued to face discrimination. The implementation of secondary legislation related to self-identification faced shortcomings with a high number of applications returned and registered by the authorities for non-compliance with the procedures. In March 2026, the Ministry of Internal Affairs, in collaboration with the Committee on National Minorities, organised a series of events intended to raise awareness and inform local communities about the self-identification procedure for national minorities.

The legal framework still needs to be effectively implemented, notably by allocating adequate resources at all levels and by staffing and training local authorities (including on data collection), based on annual projections. In October 2025, Albania reviewed the procedures for selecting the members of the Committee on National Minorities addressing most of the recommendations of the European Commission and of the Advisory Committee of the Framework Convention for the Protection of National Minorities. The budget of the State Committee on National Minorities increased in 2026, while the institutional fund for the minority related projects was doubled for 2025 and 2026 compared with previous years.

Roma

The legal and institutional framework on Roma needs to be further improved. Roma people continue to face discrimination. A new National Action Plan for equality, inclusion and participation of Roma and Egyptians in Albania (2026-2030) was adopted in June 2026. The overall employment rate of Roma and Egyptians continues to be very low. Their access to additional out-of-pocket health services remains financially constrained. Challenges persist in civil registration, as DNA testing is still required. The implementation of the Poznan commitments needs to be significantly improved. The institutional capacity of the Ministry of Health and Social Protection, where the National Roma Contact Point is placed, needs to be strengthened. Additional efforts and resources are required to accelerate the inclusion of Roma and Egyptians, tackle anti-gypsyism, discrimination and educational and physical segregation, promote Roma participation and reduce the gaps with the rest of the population.

Citizenship rights

Albania needs to align with the EU *acquis* on EU citizenship rights. This should include an analysis of alignment and implementation needs arising from directive on the right of EU citizens and their family members to move and reside freely in the Member States. It should be carried out across all policy areas affected, with alignment timely planned accordingly. The legal basis allowing for the development of an investor citizenship scheme still needs to be repealed, to ensure full compliance with EU law[4] – such schemes pose risks as regards security, money laundering, tax evasion, terrorist financing, corruption and infiltration by organised crime.

2.2.2. Chapter 24: Justice, freedom and security

The EU has common rules for border and migration management, visa policy, and asylum. Schengen cooperation entails the lifting of border controls inside the EU. There is also cooperation in the fight against serious and organised crime and terrorism, and judicial, police and customs cooperation, all with the support of the EU Justice and Home Affairs agencies.

Fight against serious and organised crime

The legal framework on serious and organised crime is partially aligned with the EU *acquis*. The capacity to fight against serious and organised crime needs to be improved.

General framework

Legal alignment, strategic and institutional frameworks

The new strategy on the prevention and fight against serious and organised crime for 2026-2030 and its action plan were adopted in June 2026. The 2026 Serious and Organised Crime Threat Assessment was endorsed in June 2026 as well but is not yet publicly available.

Albania amended its Criminal Code in January 2026, further aligning with the EU *acquis* on the fight against serious and organised crime. Additional amendments to the Criminal Code are needed to fully align with the EU *acquis* on serious and organised crime, including on cybercrime. In September 2026, Albania launched public consultations on revisions to the Criminal Procedure Code. It remains important that Albania ensures that future legal changes to criminal legislation are fully in line with the EU *acquis* and European standards and also conducive to the country's efforts to fighting serious and organised crime and protecting the efficiency of investigations.

[44] See judgement of 29 April 2025, *Commission v Malta (Citoyenneté par investissement)*, C-181/23, JudgementECLI:EU:C:2025:283.

The legal framework for the establishment of the Asset Recovery Office (ARO) is in place. The ARO within the Albanian State Police is now fully staffed and all implementing legislation has been adopted. Its full operationalisation is expected to lead to increased asset seizure, including through international cooperation with peer entities, and subsequent confiscation.

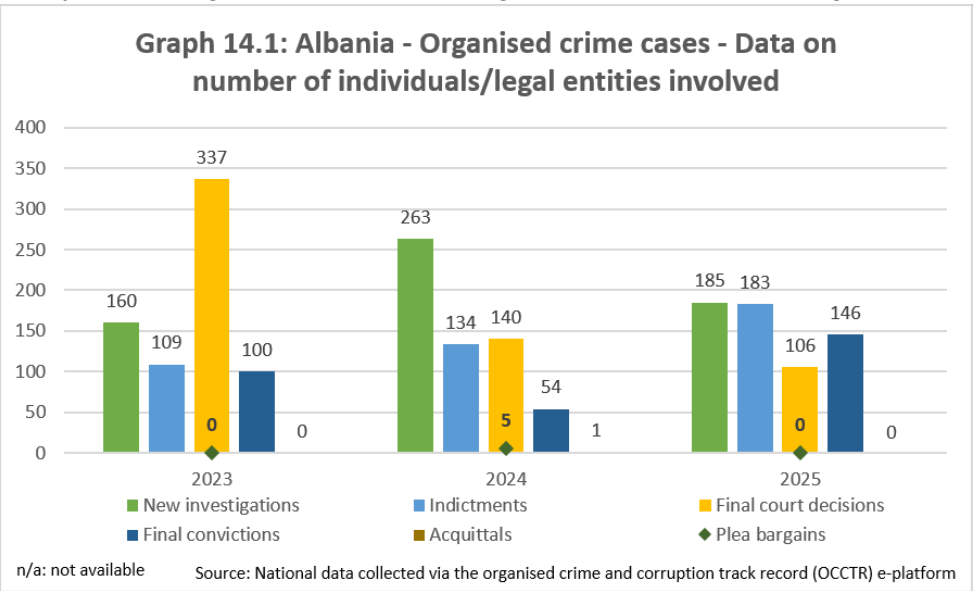
The capacity of the Agency for the Administration of Seized and Confiscated Assets should be reinforced, particularly in terms of operational procedures to promote the transparent use of assets and their timely management to preserve their economic value.

The recruitment process of ten judicial police services officers within the National Bureau of Investigations (NBI) was still not finalised during the reporting period. The number of state databases to which the SPO and NBI have access has increased from 19 to 22 and reached a sufficient level, but further improvements in analysis capabilities are needed.

District prosecution offices (DPOs) continued to operate under severe constraints, particularly high caseloads and limited staff, insufficient specialisation in financial investigations and limited analytical capacity for complex cases. These systemic shortcomings continue to hinder early detection of organised crime, money laundering and corruption cases, while also weakening the evidentiary strength of cases later referred to the SPO.

Implementation and enforcement capacity

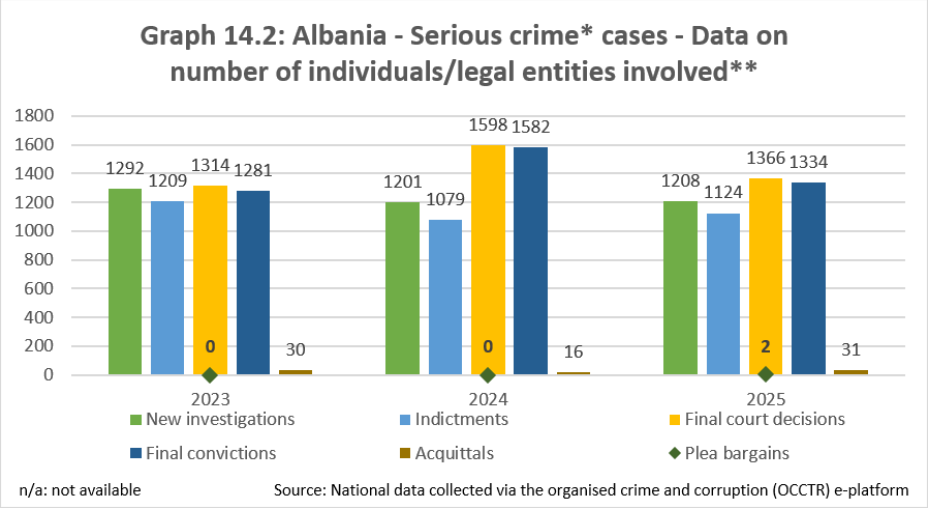
Albania continued to make progress towards a solid track record of investigations, prosecutions and final convictions in all fields of serious and organised crime, including money laundering and terrorist financing. SPAK kept on delivering positive results in the fight against high-risk organised crime networks, notably in cooperation with EU Member States and EU agencies. Further efforts are needed to reach final decisions, including final convictions, notably on cases of cybercrime, trafficking in human being, firearms-related offences and money laundering.



Criminal and financial investigation analysis and methodologies need to be strengthened. Financial investigation techniques in the ordinary and special jurisdiction need to be improved, including on identification, analysis and preservation of digital evidence for cryptocurrency and virtual assets. Financial investigations continued to be prioritised by SPAK and their use in parallel with serious, organised crime and money laundering cases should continue to increase in all jurisdictions.

Albania is encouraged to increase its use of preventive seizure and confiscation of assets, including non-conviction-based confiscation and third-party confiscation.

In 2025, Albania reported about EUR 61 million worth of seized assets (EUR 21 million in 2024) and EUR 1.9 million worth of confiscated assets (EUR 10 million in 2024). Further efforts are needed to show a more consistent ratio between seizure and confiscation.



There is still no strategic or systematic approach to identifying and confiscating criminal assets that are abroad or unreachable. Albania needs to steadily implement rules on extended confiscation and precautionary asset freezing, to prevent the assets losing their economic value.

There is a need to guarantee the timely and proper management of seized and confiscated assets, including virtual assets and cryptocurrency, as no state-owned digital wallet is available. The reuse of confiscated assets for social purposes is to be further expanded.

International efforts in building the institutional capacity of the Albanian State Police are weakened by the low staff retention and unjustified internal mobility of trained staff. Albania needs to ensure merit-based, transparent and predictable career progression, particularly in highly specialised areas (i.e. criminal analysis, cybercrime, environmental crimes, use of special investigative measures, etc.)

Law enforcement cooperation

In 2025, Albania participated in several high-level international police operations in different fields, spanning over drugs trafficking, high-level organised criminal groups, organised property crime. The country should continue to strengthen its cooperation with international partners, in particular with EU Member States and EU agencies.

Albania deployed its second liaison officer to Europol in March 2026. The country remains actively engaged in the European Multidisciplinary Platform against Criminal Threats (EMPACT) and took part in 120 operational actions carried out in the period 2024-2025. Albania has reduced its engagement in the new EMPACT cycle but continues to demonstrate proactive involvement. The country registered for 88 Operational Actions for 2026-2027, compared to 120 in 2024-2025. It leads two actions focused on Migrant Smuggling and Cyber and co-leads three actions since February 2026. Albania is strongly encouraged to maintain its qualitative engagement in EMPACT.

Albania continued to participate in the INTERPOL I-24/7 system.

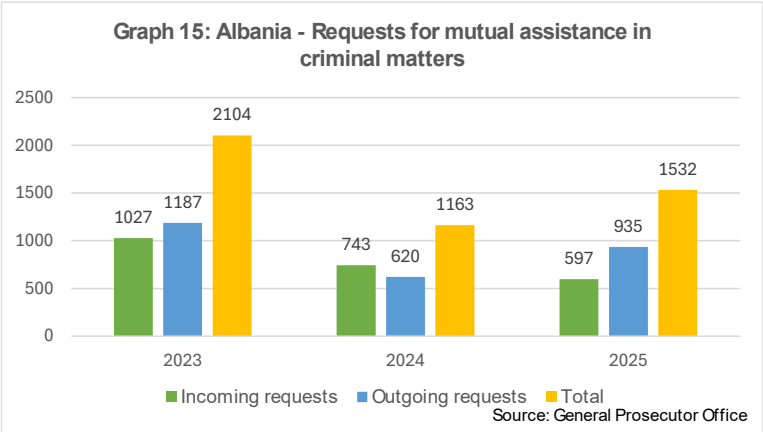
Cooperation between Albania and the European Union Agency for Law Enforcement Training (CEPOL) continued. To establish a sustainable professional development, Albania is encouraged to adopt the sectoral competencies and integrate knowledge acquired through CEPOL capacity-building actions to its national law enforcement training system.

The revision of the working arrangement with CEPOL is still ongoing.

There is need to provide targeted training to all actors involved in combating environmental crime, including administrative entities, field investigators, investigative magistrates and trial judges, to ensure a coherent and effective enforcement chain.

Judicial cooperation in criminal matters

The legal framework for judicial cooperation in criminal matters is partially aligned with the EU *acquis* to the extent that alignment is already possible. Judicial cooperation in criminal matters with EU Member States, the European Public Prosecutor's Office (EPPO) and Eurojust remains broadly satisfactory. Albania cooperates with EPPO based on working arrangements. In 2025, the EPPO did not send any mutual legal assistance requests to Albania but had six active cases with links to Albania at the end of the year. Between September 2025 and March 2026, Albania was involved in 78 new cases at Eurojust, including 49 as requesting country. Most Eurojust cases are related to organised crime, drug trafficking and money-laundering. Albania participated in 27 joint investigation teams in 2025 (25 in 2024), including 5 new ones. Most of the teams (15) continue to work in the field of narcotics.



Capacities to recognise and enforce foreign criminal judgments need to be strengthened, including extradition procedures, to sustain the continuity of investigations and effective international cooperation.

Crime areas

Investigation and criminalisation of money laundering

Albania further aligned its legislative framework with the EU *acquis* on criminalisation of money laundering**,** with the January 2026 amendments to its Criminal Code.

Albania continued to strengthen the fight against money laundering. The 2024-2030 national strategy against money laundering and terrorist financing adopted in July 2024 needs to be implemented effectively by all relevant actors in coordination with relevant law enforcement authorities. (*See also Chapter 4 – Free movement of capital*)

Cybercrime

Further alignment with the EU *acquis* on cybercrime is needed. Albania reinforced its capacities and cooperation with Member States on cybercrime, but needs to further develop its technical capacity to investigate cybercrime by improving interception capabilities and digital devices examination.

Child sexual abuse

The Albanian Criminal Code was aligned with the EU *acquis* on child sexual abuse and exploitation both online and offline. Comprehensive alignment with the EU *acquis* beyond the Criminal Code should be foreseen.

Trafficking in human beings

The legal framework was further aligned with the EU *acquis*, following amendments to the Criminal Code. Domestic child trafficking forced begging and child labour are still a concern despite policies that are consistent with international standards.

Albania has continued to implement its national action plan (2024–2025) and adopted standard operating procedures for the protection of victims and potential victims of trafficking in December 2025. A new strategy 2026-2030 and related action plan needs to be adopted. Following the restructuring of the Ministry of Internal Affairs, the anti-trafficking sector was upgraded to a Directorate.

Albanian authorities need to strengthen their capacity to detect, investigate and prosecute traffickers and fully implement the National Referral Mechanism for victims of trafficking. Albania should mitigate trafficking risks for migrant workers and urgently address the increasing number of cases in this group via enhanced labour inspections and reinforced capacities to investigate and prosecute these cases. In October 2025, the Albanian State Police contributed to an international operation leading to the dismantling of an international network involved in trafficking in human beings, leading to several arrests and the identifications of victims.

Migrant smuggling

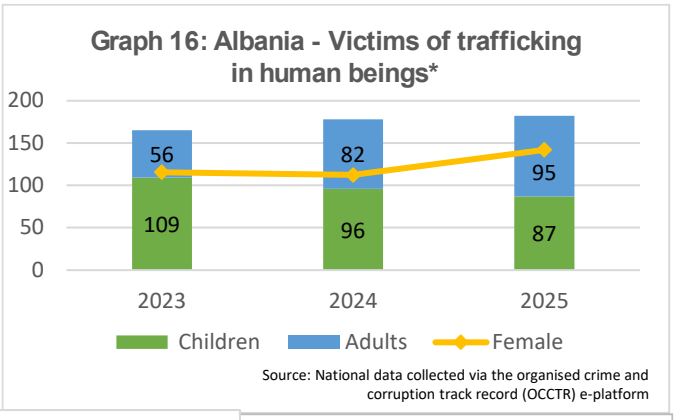
Albania has renewed its engagement in the Global Alliance to Counter Migrant Smuggling by taking part in the second ministerial conference in December 2025 and by endorsing the Global Alliance Joint Declaration. Albania also participated in the Senior Officials' Meeting of the Global Alliance in July 2026.

Trafficking in firearms

On small arms and light weapons (SALW), Albania should focus its efforts on aligning with EU *acquis* on marking and on further aligning with the EU *acquis* on alarm and signal weapons

In December 2025, a National Strategy for SALW control and explosives 2025–2030, along with the Action Plan 2025–2028 was adopted. In addition, Albania adopted a law on the import, export and transit of firearms in January 2026, which is aligned with the relevant EU *acquis* and with a view to ensuring compliance with the UN Firearms Protocol. A new chair of the national SALW commission was appointed during the reporting period.

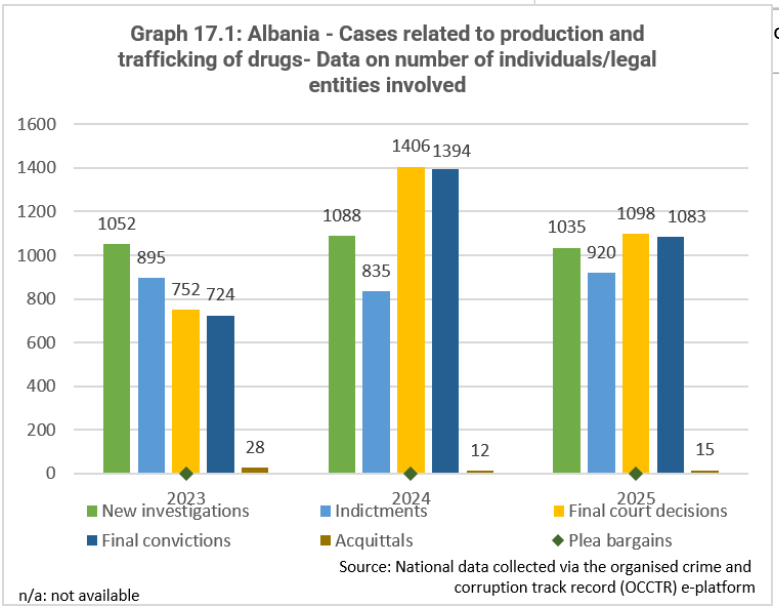
Albania's operational response related to trafficking of weapons and ammunition included the seizure of 690 weapons (from 636 the previous year) and 26 351 pieces of ammunition (from 32 411) in 2025. Explosive seizures inland dropped from 242 in 2024 to 87 in 2025. No destruction of Small Arms and Light Weapons was reported in 2025.



Source: National data collected via the organised crime and corruption track record (OCCTR) e-platform

otential victims identified

Cooperation in the field of drugs



Source: National data collected via the organised crime and corruption track record (OCCTR) e-platform

n/a: not available

Cooperation in the field of drugs has improved, but further efforts are needed.

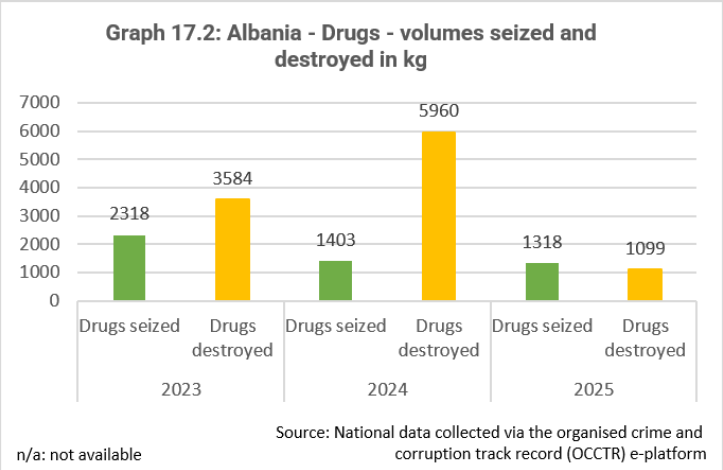
Albania needs to adopt a comprehensive drugs strategy, containing both health and law enforcement/security aspects, and related action plan, aligned

with the corresponding EU strategic framework.

The amendments to the Criminal Code adopted in January 2026 aligned with the criminal provisions of the EU *acquis* on illicit drug trafficking. Furthermore, with the adoption of two revised laws on respectively drugs and drug precursors, Albania achieved further alignment with the EU *acquis*. Regular updates to the legal framework on illicit drug trafficking and drug precursors will be needed, notably to follow the periodic amendments of the EU lists of new psychoactive substances and drug precursors.

The National Drugs Observatory (NDO) within the Ministry of Health improved its functioning but still needs to become fully operational by ensuring sufficient resources, and capacities, including on data collection and management. The functioning, resources and output of the National Early Warning System (NEWS) on the detection of new psychoactive substances set up within the Albanian State Police need to be increased, particularly regarding laboratory capacities to detect new psychoactive substances. Full staffing and staffing stability need to be achieved in both structures, along with strong engagement with civil society and with the development of relevant standard operating procedures

Implementation of the working arrangement with the EU Drugs Agency has improved, but requires more proactive engagement, better interinstitutional coordination and regular information exchange.



Concerning the law on the control of the cultivation and processing of the cannabis plant and production of its by-products for medical and industrial purposes, Albania has adopted 20 pieces of implementing legislation out of 26, including security-related provisions. Strong safeguards to prevent cannabis from being diverted to unintended use are essential and should be further developed and strictly implemented once the cultivation and processing start.

The number of operations in the field of narcotics in cooperation with international partners increased from 82 in 2024 to 122 in 2025. Operational cooperation to tackle drug production and trafficking in and via Albania and to dismantle Albanian organised crime groups should be further pursued.

There has been a significant decrease in drugs destruction in 2025. The number of cases of drug production and trafficking remained broadly stable in 2025 (compared with 2024), but with a decrease in the number of individuals and legal entities receiving a final court decision and/or a final conviction.

Airborne remote sensing deployed to detect and monitor cannabis plantations with Italian assistance continues to yield results, with 106 894 plants of cannabis identified and destroyed in 2025.

Counterfeiting of the euro

The corresponding legislation is broadly in line with the EU *acquis* on the suppression of counterfeit currency.

All aspects of customs cooperation are covered in *Chapter 29 – Customs Union.*

Counter-terrorism, prevention and resilience

Fight against terrorism and prevention of radicalisation

The legal framework for the fight against terrorism and for countering violent extremism is partially aligned with the EU *acquis*. The fight against terrorism and the countering of violent extremism is broadly satisfactory.

Legal alignment, strategic and institutional frameworks

In January 2026, Albania amended its Criminal Code, further aligning with the EU Directive on combating terrorism. However, full compliance with the EU *acquis* should be ensured, notably on explosive precursors.

Albania has made progress in implementing the 2023-2025 strategy but should adopt a new strategy and action plan post-2025 and allocate adequate resources for their implementation. Albania has a strategy against money laundering and terrorist financing 2024-2030 and related action plans are in place.

Following the adoption of the new Joint Action Plan on Preventing and Countering of Terrorism and Violent Extremism for the Western Balkans, Albania finalised a national roadmap for its implementation in September 2026..

Implementation and enforcement capacity

The terrorist risk level assessment increased from low to medium due to the overall geopolitical situation, including the crisis in Iran, also in connection to presence of the Iranian opposition group Mojahedin e-Khalq in Albania.

Law enforcement and justice institutions in charge of counterterrorism work professionally and effectively. However, investigative and prosecutorial capacities need to be enhanced, especially at local level. Albania is encouraged to apply the methodology developed with the support of the Counter Terrorism Support Network (CTSN) to prepare a domestic terrorism trend and situation report.

In 2025, the Albanian State Police referred seven cases of criminal offences with terrorist intent to the Special Prosecution Office (SPAK). In June 2026, the Special Court Against Corruption and Organized Crime (GJKKO) convicted 13 Albanian citizens on terrorism-related charges for joining terrorist organisations such as ISIS and other formations in Syria.

The rehabilitation and reintegration of the 44 family members of Albanian foreign terrorist fighters returned from Syria/Iraq through repatriation operations continue to be handled effectively. In 2026, six additional Albanian national returned from Syria. Authorities should allocate an adequate budget for this work, to ensure sustainability in the medium and long term. Around 40 Albanian citizens are believed to still be in Syria/Iraq, half of whom are women

The regional security councils and the local public safety councils continue to be instrumental for the prevention of radicalisation and the coordination between the national and local levels.

Online radicalisation, radicalisation in prisons and terrorist content online continued to be major challenges, notably for young people. Monitoring of online content poses difficulties as institutional capacities and resources are limited.

Critical infrastructure protection

Legal alignment, strategic and institutional frameworks

The legal framework for critical infrastructure protection is not aligned with the EU *acquis*. The protection of critical infrastructure needs to be improved.

Implementation and enforcement capacity

The level of preparation to protect critical infrastructure remained low. The Law on the protection of critical infrastructure should be aligned with the EU Directive on the resilience of critical entities.

Migration and asylum

Legal and irregular migration and returns

The legal framework for legal and irregular migration management is partially aligned with the EU *acquis.* The management of legal and irregular migration is broadly satisfactory.

Legal alignment, strategic and institutional frameworks

The implementation of a national migration strategy (2024-2030) and its action plan (2024-2026) has continued, but there is a need for stronger coordination with all relevant services beyond the Ministry of Internal Affairs and strengthened monitoring of the implementation. Implementing legislation and administrative provisions related to the Law on foreigners were adopted in the course of 2026.

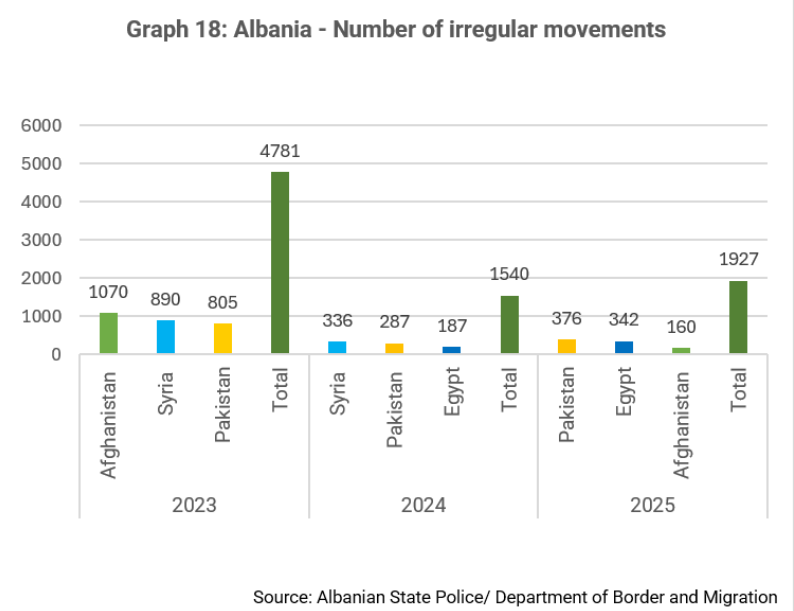
Albania needs to strengthen its active engagement in the European Migration Network, where it obtained observer status in June 2025.

Implementation and enforcement capacity

Albania cooperates with the EU, its agencies and Member States in implementing the EU action plan on the Western Balkans, which continued to support a joint management of migration through the region. In 2025 most irregular migrants were nationals of Pakistan, Egypt and Afghanistan. Irregular arrivals increased by 25% in comparison with 2024, but figures remain relatively low. The authorities' regular and timely reporting on irregular migration flows and asylum has continued, but the quality and accuracy of data should be improved.

Albania currently has enough reception capacity with around 600 beds, including 220 beds in the asylum reception centre in Babrru.

The situation of unaccompanied and separated minors is still a pressing issue in Albania. The government endorsed a reception facility for unaccompanied minors run by an NGO through the signature of a Memorandum of Understanding in December 2025. However, work needs to be accelerated to set up a permanent, separate reception and accommodation facility for unaccompanied minors in 2026. Due to an insufficient legislative framework, the long-standing and unclear division of powers and responsibilities among various state authorities responsible for unaccompanied minors persists, exacerbated by weak interinstitutional coordination. Unaccompanied minors need to be included in an effective national integrated child protection system, and child protection services should be present during the pre-screening at all border crossings as a standard practice.



Albania adopted an updated national contingency plan for the possible arrival of a substantial number of migrants and applicant for international protections in December 2025.

As concerns readmission with the EU, Albania's readmission agreement with the EU is functioning well, and 12 implementing protocols, further facilitating its implementation, are in place with 14 Member States. According to data provided by the Member

States to EUROSTAT in 2025, 11 960 Albanian nationals were ordered to leave the EU, and 8 205 were effectively returned, bringing the return rate to 69% (up from 54% in 2024). The electronic readmission case management system (e-RCMS) with Belgium has been put into operation.

Cooperation between Albania and European Border and Coast Guard Agency (Frontex) on return operations is very good. The reintegration of returnees, especially the most vulnerable, still needs improvement.

Regarding returns to third countries, Albania should increase the ability to conduct returns of migrants with no legal rights to stay in the country. The number of third country nationals voluntarily returned from Albania to their countries of origin remained very low: 25 assisted voluntary return requests were processed in 2025 compared with 24 in 2024. Albania needs to make progress in establishing practical cooperation on returns of non-EU nationals with the main countries of origin and to actively step up engagement with these countries.

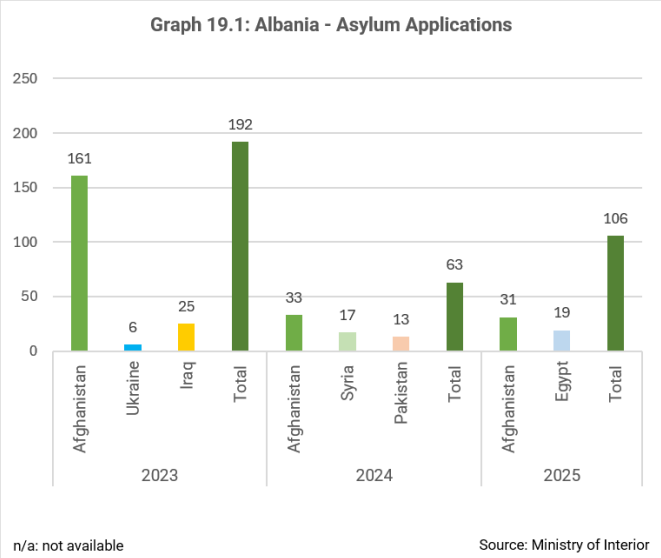
Albania should ensure that legal pathways developed for non-EU nationals prevent irregular secondary movements to the EU.

Asylum

While the legal framework on asylum is largely aligned with the EU *acquis* as it was in force until 12 June 2026, Albania should focus on developing its national legal framework and operational capacities on migration and asylum to align with the Pact.

Legal alignment, strategic and institutional frameworks

The Law on asylum is largely aligned with the EU *acquis*, but implementation, including of its secondary legislation, needs to be improved. Cooperation with the European Union Asylum Agency (EUAA) on its implementation continues under the second phase of the Albania-EUAA cooperation roadmap (2024-2027) endorsed in October 2024.

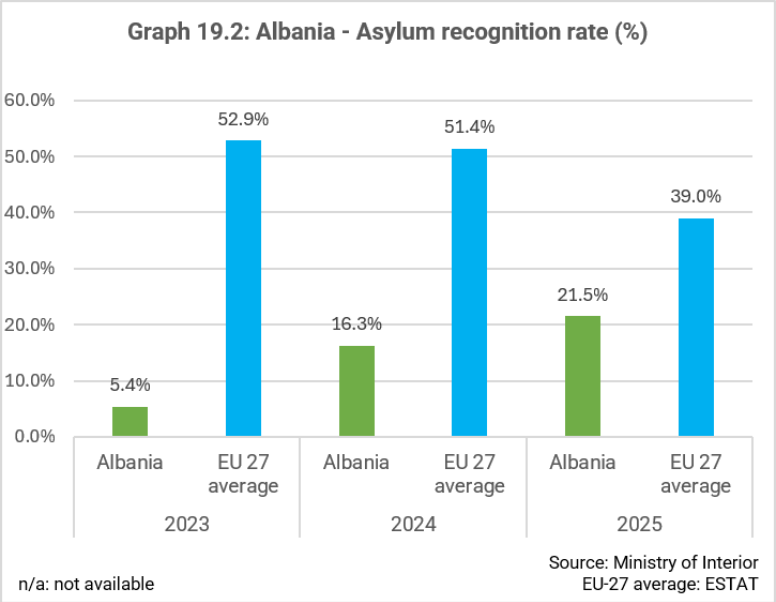


Albania has the required institutions in place to handle asylum claims, but their capacity needs to be improved. This requires additional investment into capacity building and coordination, not only among different institutions, such as border authorities, child protection units, social services and asylum institutions, but also between the local and central governance levels.

Implementation and enforcement capacity

Albania remains primarily a transit country. According to information provided by the Ministry of Internal Affairs, the number of asylum applications increased from 63 to 144. Out of all arriving migrants apprehended for the first time, 8.5% lodged an asylum request (up from 7.5% in 2024).

Challenges persist in the capacity of Border and Migration Police to identify people who could be in need of international protection, including unaccompanied minors and those with specific needs, and refer them to adequate services. Ongoing challenges in access to the asylum procedure, including long waiting times for the registration of asylum applications following entry, continue to be of concern. The responsible Directorate at the Ministry of Internal Affairs needs to develop stronger technical capacity and human resources to assess asylum cases and make well-informed decisions.



In 2025, Albania granted refugee status to 7 people, and granted subsidiary protection to 13 applicants.

Visa policy

Despite progress, Albania's visa policy is still not fully aligned with the EU's, in particular the list of countries whose nationals require an entry visa.

Albania still has a visa-free regime with eight countries that are on the EU list of visa-required countries, of which six enjoy permanent visa exemption (Armenia, Azerbaijan, China, Kazakhstan, Kuwait, and Türkiye) and two have a temporary visa waiver (Qatar, Saudi Arabia) lasting from April to December. The latter practice is incompatible with the EU *acquis*. Additionally, Albania grants visa-free access to non-EU nationals who hold a 10-year residence permit in the United Arab Emirates, provided the permit is valid for at least one year at the time of entry. In November 2025, Albania adopted a roadmap towards full alignment with the EU visa policy, with the envisaged deadlines for terminating each visa-free regime, both permanent and seasonal. In March 2026, Albania removed Indonesia, Oman and Thailand from the list of countries benefiting from a temporary visa waiver.

The Commission's Eighth Report under the Visa Suspension Mechanism of 19 December 2025 concluded that Albania had taken steps to address most of the previous recommendations. As a matter of priority, Albania is expected to fully align its visa policy with the EU's. Among others, it must continue actions to further reduce unfounded asylum applications by Albanian nationals to EU Member States, maintain and further tighten measures to prevent overstays by Albanian nationals in the Schengen area and proceed to a more rigorous screening of non-EU nationals arriving visa free in Albania.

Schengen governance and external borders

The legislative and strategic framework for the management of external borders is partially aligned with the EU *acquis*. The management of borders is broadly satisfactory.

Legal alignment, strategic and institutional frameworks

Albania adopted a Schengen Action Plan in January 2026. Implementation of the plan will ensure efficient and holistic implementation of the Schengen *acquis*, upon accession to the EU or joining the Schengen area, including as regards further investment in infrastructure, equipment, staffing and training. The Deputy Minister of the Internal Affairs, who serves as the negotiator for Chapter 24, also serves National Schengen Coordinator. The

establishment of a National Mechanism for Schengen Coordination and Cooperation is still pending.

Implementation and enforcement capacity

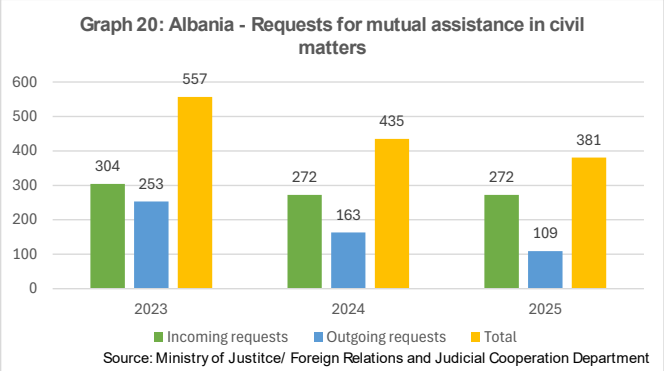
The implementation of the updated Frontex Status Agreement of June 2024 is progressing well.

Implementation of the national integrated border management strategy 2021-2027 is ongoing. In 2025, Albania carried out 1 076 joint patrols in line with respective protocols with Italy, Montenegro, North Macedonia and Kosovo*, a slight increase from 2024.

The government adopted a decision on the establishment and functioning of the National Coordination Centre for Integrated Border Management in August 2026. The total information management system (TIMS) is out-dated and still suffers from security and data protection vulnerabilities, which need to be urgently addressed.

Judicial cooperation in civil and commercial matters

The legal framework for judicial cooperation in civil and commercial matters is partially aligned with the EU *acquis* to the extent that alignment is already possible.



* This designation is without prejudice to positions on status and is line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

2.3. ECONOMIC CRITERIA[5]

Albania - Key economic figures	2017-22 average	2023	2024	2025
GDP per capita (% of EU-27 in PPS)[1)]	31	38	42	43
Real GDP growth	3.2	4.0	4.0	3.7
Activity rate of the population aged 15-64 (%), total	69.4	75.4	75.7	76.3
female	*61.4*	*69.8*	*69.3*	*70.1*
male	*77.5*	*81.0*	*82.3*	*82.7*
Unemployment rate of the population aged 15-64 (%), total	12.4	10.1	9.4	9.3
female	*12.2*	*10.3*	*10.0*	*10.6*
male	*12.5*	*9.9*	*8.9*	*8.2*
Employment of the population aged 15-64 (annual growth %)	1.6	1.6	-1.6	-1.4
Nominal wages (annual growth %)	4.5	14.0	9.8	8.6
Consumer price index (annual growth %)	2.6	4.8	2.2	2.2
Exchange rate against EUR	125.0	108.8	100.7	97.8
Current account balance (% of GDP)	-7.4	-1.7	-2.4	-0.7
Net foreign direct investment, FDI (% of GDP)	7.2	5.8	5.4	4.9
General government balance (% of GDP)	-3.4	-1.3	-0.7	-1.8
General government debt (% of GDP)	68.8	57.6	54.2	53.0

Notes:
1) Eurostat
Sources: INSTAT, Central Bank of Albania, Ministry of Finance and Eurostat

2.3.1. The existence of a functioning market economy

Economic governance

The government remained committed to stability-oriented macroeconomic policies and growth-enhancing reforms. In 2025, the fiscal deficit rose but was below the target, mainly resulting from an under-execution of capital spending. The practice of amending the budget via normative acts rather than by using the regular legislative process continued, with four revisions to the 2025 budget, and one to the 2026 budget. The implementation of the medium-term revenue strategy (MTRS) 2024-2027 progressed broadly as planned, focusing primarily on tax administration measures rather than changing tax policies[6]. Albania's Economic Reform Programme, submitted to the European Commission in January 2026, reaffirmed the government's commitment to maintaining macroeconomic stability and ensuring compliance with fiscal rules, while advancing socio-economic and structural reforms to support sustainable growth and economic convergence with the EU.

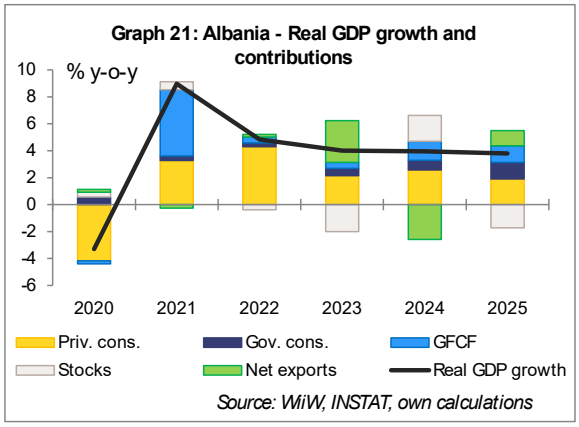
The implementation of the policy guidance set out in the conclusions of the Economic and Financial Dialogue of May 2025 has been partial. Albania continued to comply with the fiscal rules, resulting in public debt reduction. While a review of tax expenditures was conducted, no concrete plan to reduce them was put forward. Preparatory work on establishing a fiscal council advanced, though the council has not yet been set up. The Fiscal Risk Directorate strengthened the monitoring of state-owned enterprises (SOEs), but it should more regularly publish comprehensive fiscal risk data. Pension sustainability analysis improved. Efforts to strengthen public investment management continued, but

[5] Unless otherwise indicated, the data in this section are taken from the relevant national sources (INSTAT, Ministry of Finance and Bank of Albania).
[6] In 2025, tax revenue gains attributable to the MTRS amounted to ALL 15.96 billion or 0.6% of GDP, supported by continued formalisation efforts, particularly in tourism and construction, which contributed to increases in declared wages, social security contributions and VAT receipts.

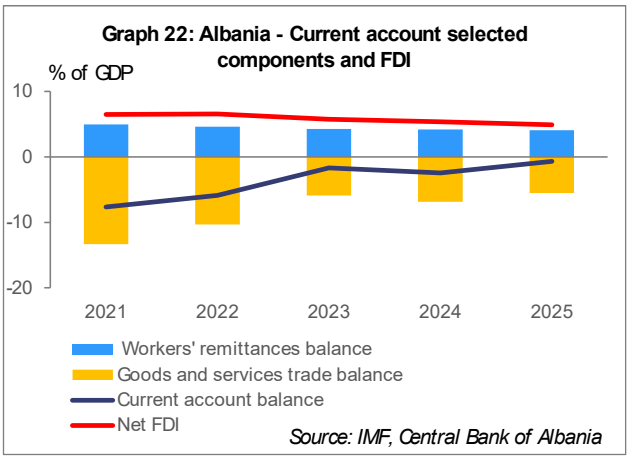
effective project execution remained constrained, leading to a persistent under execution of capital spending.

Macroeconomic stability

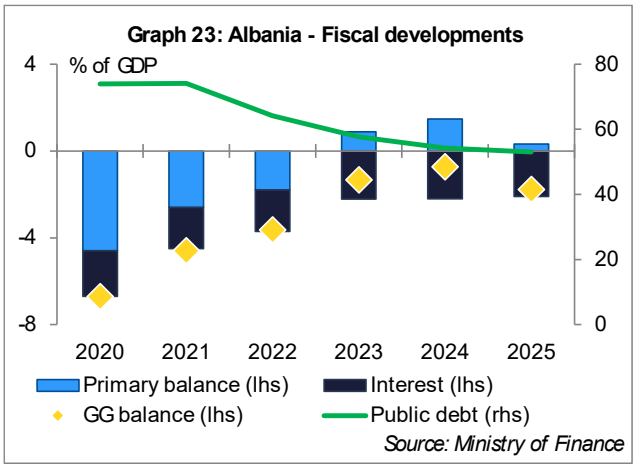
Albania's economy sustained its strong growth trajectory in 2025. Following 4% GDP growth in 2024, economic activity expanded by 3.7% in 2025, driven by strong domestic demand, including higher public spending, steady investment growth supported by favourable financing conditions, and resilient private consumption. Consumption benefited from robust wage growth, rising employment (particularly in services) and low inflation. Tourism continued to support service exports despite signs of slowing, while goods exports declined, partly due to the appreciation of the lek. Nevertheless, the contribution of net exports to growth turned positive, as imports increased more modestly. Most sectors recorded positive output growth, with construction, real estate activities and public services remaining among the main contributors to growth, while agriculture and industry contracted. In the first quarter of 2026, economic activity remained resilient in the face of external headwinds, with GDP registering an annual growth rate of 3.7%. Albania's GDP per capita in purchasing power standards reached 43% of the EU average in 2025, compared with an average of 31% during 2017-2022.



The current account deficit narrowed to a historic low. It stood at 0.7% of GDP in 2025, down from 2.4% in 2024. The goods trade deficit narrowed despite continued weakness in goods exports, which declined for the third consecutive year; reflecting weaker demand in key European markets, rising labour costs and lek appreciation. The improvement was mainly driven by slower import growth, with the imports-to-GDP ratio declining in 2025, more than offsetting the fall in exports. These trends particularly affected labour-intensive sectors such as textiles and footwear. Furthermore, the services surplus widened on the back of strong tourism-driven export growth. The secondary income surplus was marginally below its 2024 level, as remittances edged down to 4.1% of GDP despite their nominal increase, while the primary income deficit narrowed significantly from 0.8% to 0.2% of GDP, mainly due to a decline in primary income credit. In the first quarter of 2026, the current account deficit kept narrowing, supported by tourism revenues and remittances. In 2025, net foreign direct investment (FDI) inflows declined to 4.9% of GDP from 5.4% a year earlier, but still more than fully covered the current account deficit, with real estate remaining the largest recipient. International reserves rose to EUR 7.3 billion in December 2025, covering over seven months of imports. Gross external debt continued its downward trend, standing at around 40% of GDP by end-2025.



Inflation remained below the Bank of Albania's 3% target throughout 2025. Annual inflation averaged 2.2% in 2025, unchanged from 2024, although it increased slightly over the year, from 1.9% in January to 2.3% in December. Price pressures remained contained, mainly reflecting subdued imported inflation driven by low commodity prices and the continued appreciation of the lek, which led to intensified foreign exchange interventions by the Bank of Albania[7]. At the same time, domestic inflationary pressures strengthened gradually, driven by higher rents, tourism-related services and solid wage growth, with core inflation remaining around 3%. In the context of below-target inflation, the Bank of Albania reduced the policy rate from 2.75% to 2.5% in July 2025 and has maintained this stance since then. Inflation continued to rise in 2026, reaching 3.2% in August, mainly driven by higher transport, food and housing prices.



The fiscal deficit in 2025 was lower than planned, mainly due to the under-execution of capital spending. It increased from 0.7% of GDP in 2024 to 1.8% in 2025, but remained below the budget target of 2.4%, as capital spending continued to fall short of plan, while revenues benefited from robust economic activity, anti-informality measures, and the implementation of the MTRS. In line with the relevant fiscal rules, the primary balance recorded a surplus of 0.3% of GDP, down from 1.4% in 2024, while the public debt ratio declined to below 53% of GDP, mainly reflecting strong nominal GDP growth and the appreciation of the lek. However, gross financing needs remained high.

The 2026 budget, approved in December 2025, envisages a deficit of 2.3% of GDP, reflecting higher investment and social spending. Budget execution in the first half of 2026 pointed to a fiscal surplus on higher VAT revenues. Increasing the public-revenue-to-GDP ratio, still constrained by high levels of informality and tax expenditures[8], remains important to sustain investment in physical and human capital while maintaining the downward trajectory of public debt.

Although Albania finalised a comprehensive Tax Expenditures Report in 2025, no concrete plans to reduce tax expenditures have been put forward, as policy efforts remain focused on aligning VAT and excise rates with EU requirements. The government proposed a draft law on property tax, which aims to establish a market value-based property tax system and to strengthen the institutional framework for property tax administration. The 2026 Fiscal Package also introduced a Fiscal Peace Agreement, including partial debt forgiveness for liabilities incurred during January 2015-December 2024, and the write-off of tax debts older than 10 years. The Fiscal Peace Agreement raises concerns about the potential risks it poses to tax morale, as well as the need to impose safeguards on anti-money laundering aspects (see Chapter 16 – *Taxation* and Chapter 33 - *Financial and budgetary provisions*).

[7] The Albanian lek's appreciation trend against the euro continued throughout 2025, despite intensified foreign exchange interventions by the Bank of Albania, with the ALL/EUR exchange rate reaching 96.7 by Q4-2025. In response to sustained appreciation pressures, the Bank of Albania purchased EUR 630.8 million (around 4% of GDP) through a combination of scheduled auctions to increase foreign exchange reserves and direct purchases intended to moderate further appreciation of the lek. Interventions were sterilised, while broad money growth accelerated over the course of the year. In 2026, the lek continued to appreciate, with the euro trading at ALL 93.36, its lowest level since the euro's introduction, down 4.15% year-on-year.

[8] For example, in 2025 the Parliament extended the application period for tax incentives benefiting luxury hotels to 2026.

Progress in strengthening the regulatory framework for public investment management (PIM) has not yet translated into commensurate improvements in implementation. Amendments adopted in 2025 updated PIM procedures, including provisions related to the National Single Project Pipeline (NSPP) and feasibility study requirements. In addition, a new public-private partnership (PPP) law was adopted, requiring PPP projects to be integrated into the NSPP and subjected to standard PIM procedures from September 2026 onwards. While these reforms could strengthen project appraisal and fiscal oversight, implementing guidelines and by-laws still need to be aligned with the new legislation. At the same time, project planning and execution remain hampered by capacity constraints, insufficient project preparation, cost overruns and procedural lapses. The recurring shortfall in capital spending execution points to difficulties in implementing the reformed framework on the ground.

Albania's macroeconomic policy mix remained appropriate, preserving stability while sustaining strong growth. Fiscal rules were complied with, as the primary balance remained in surplus and the public debt ratio continued to decline, supported by strong nominal GDP growth and the appreciation of the lek. With inflation remaining below the central bank target, monetary policy was eased.

Functioning of product markets

Business environment

Structural weaknesses continue to weigh on Albania's business environment, with rule of law, corruption and informality remaining the most persistent concerns. While businesses acknowledge some progress on justice reform, weaknesses in the rule of law are compounded by administrative burdens, including cumbersome licensing procedures and inconsistencies in case law. Curbing tax evasion and broadening the formal economy remain key policy priorities. Informality, estimated at around one third of GDP[9], is high, including in tourism, where many short-term rental operators remain outside official registers, limiting oversight and leaving formal employment and tax revenue lagging behind the sector's growth. The MTRS, inter alia, aims to address this through improved tax administration and formalisation.

The investment climate is further weighed down by weaknesses in legal certainty and property administration. Businesses frequently question the transparency of strategic investor status, PPPs and concession contracts. Furthermore, recent protests over large tourism and coastal development projects have further highlighted weaknesses in legal certainty, land ownership and environmental safeguards. Albania completed the digitalisation of approximately 4.3 million property cards by June 2026, continued work on the initial registration of private and public properties, and on the full digitalisation of physical cadastral maps. However, incomplete and inconsistent property registration continues to deter investment by creating ownership uncertainty and disputes. More broadly, public service delivery remains heavily centralised in Tirana, leaving rural businesses and regions underserved. Continuation of judicial reform measures, enhancing legal certainty and simplification of business procedures will be essential for creating a more predictable, transparent and investment-friendly business environment.

State influence on product markets

The adoption of a unified investment law has been further delayed, and the Law on Strategic Investment has been extended until end-2026. Under the Reform Agenda, Albania committed to analyse the existing FDI legal framework and adopt a unified investment law by December 2026, to ensure a level playing field and fair treatment for all investors. In the meantime, in April 2026 Albania approved a special regime for the

[9] World Bank Informal Economy Database.

construction of touristic ports, granting additional privileges to strategic investors and bypassing standard public procurement procedures, raising concerns about transparency and equal treatment.

The Bank of Albania has extended its SME financing programme. Launched in early 2025, the scheme aims to improve credit access for SMEs, particularly in agriculture, a sector that accounts for only 2% of business loans. Under the scheme, EUR 250 million in financing is channelled through commercial banks and backed by a EUR 30 million sovereign guarantee covering up to 70% of loan principal. A memorandum of understanding, signed in May 2026 between the government, the BoA, and commercial banks, extended the programme until 2027 and broadened its scope to include farmers with a fiscal identification number. It remains important to ensure that the scheme is fully aligned with appropriate governance, supervision and regulatory standards.

Privatisation and restructuring

SOEs pose significant fiscal risks, and their governance remains in need of improvement. Fiscal risks stem primarily from government loans and guarantees to SOEs and PPPs, particularly in the energy sector, which concentrates over 80% of guaranteed debt, although the overall stock of guarantees edged down to 1.1% of GDP in 2025. In June 2026, Albania adopted a Decision of the Council of Ministers to strengthen transparency in the selection, composition and functioning of SOEs' supervisory boards. The Ministry of Finance's Fiscal Risk Unit continued monitoring 12 SOEs, and technical assistance is ongoing to improve their financial reporting and performance monitoring. The 2025 Fiscal Risk Statement was also published, although broader coverage is envisaged. Moreover, strengthening oversight and improving transparency in SOE reporting remain essential for containing fiscal risks and ensuring a level playing field.

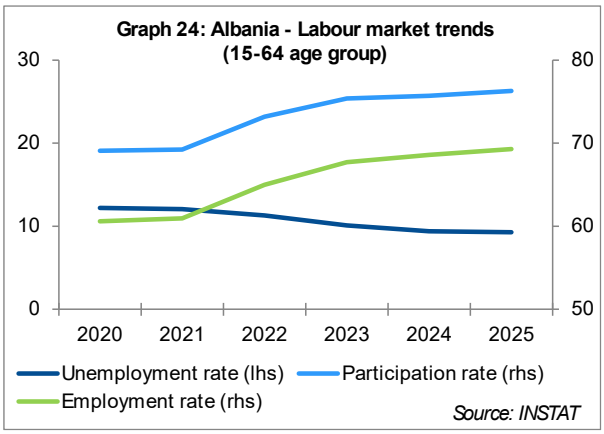
Functioning of the financial market

The banking sector remained well-capitalised and profitable, with non-performing loans falling to their lowest level since 2008. Banks maintained a capital adequacy ratio of 20.4% in December 2025, well above the 12% minimum requirement, supported by strong liquidity positions. Profitability declined but remained positive, with return on assets falling to 1.9% from 2.2% and return on equity to 15.8% from 18.3% a year earlier. The non-performing loan ratio declined to 3.8% in May 2026. Private sector credit accelerated, driven by higher demand and favourable financing conditions, reaching 35% of GDP by end-2025, with. growth exceeding 14% year-on-year in the first half of 2026. Nevertheless, financial intermediation remained limited, while capital markets remained underdeveloped. Moreover, government securities continued to represent a high share of bank assets, exposing banks to sovereign risk. Albania also still lacks a legal framework for private equity and venture capital, although crowdfunding legislation, in preparation since 2024, is expected to be adopted in 2026. At the same time, bank supervision remained prudent amid continued strong credit growth. Progress was made in collecting data on banks' exposure to the real estate sector and monitoring credit standards, and the Bank of Albania introduced borrower-based macroprudential measures, including loan-to-value and debt service-to-income limits, in response to rapid mortgage growth and rising residential real estate prices, while doubling the countercyclical capital buffer to 0.5%, effective from December 2025. Oversight of non-bank financial institutions should continue to be strengthened. Two new banks were licensed during the reporting period.

The establishment of the National Development Bank (NDB) raised concerns over its design and supervision. Following the final approval of the Law on the NDB by Parliament in March 2025, the NDB continued preparations to start operations, including the recruitment of key staff and the adoption of the founding charter. While the NDB is intended to support sectors lacking access to the formal banking system or facing very high borrowing costs, its envisaged design as a retail deposit-taking institution, although not yet implemented, raises

concerns regarding supervision, the level playing field in the banking sector, and fiscal risks from publicly guaranteed deposits (see Chapter 9 – *Financial services*).

Functioning of the labour market



The labour market showed moderate improvements during the reporting period, though structural challenges persist. In Q2-2026, labour force participation (15-64 age group) rose by 0.1 pps year-on-year to 76.3%, the employment rate increased by 0.1 pps to 69.2%, and unemployment edged down by 0.1 pps to 9.3%. Nominal wage growth averaged 9.8% year-on-year, while the monthly minimum wage was raised by 25% to ALL 50,000 on 1 January 2026. Youth unemployment (15-29 age group) fell from 19.1% to 15.1% at end-2025, but subsequently picked up to 17.7% in Q2-2026. However, structural weaknesses persist. Informal employment is widespread, well-targeted active labour market policies remain insufficient, skills mismatches constrain workforce adaptability, and inadequate care services limit women's labour market participation[10]. Emigration of skilled workers and demographic decline[11] are further reducing the labour force and adding long-term pressure on social protection systems. Social protection coverage remains inadequate, with the risk of poverty or social exclusion standing at 40.5%, nearly double the EU average of 24.2%. Tripartite collaboration between labour market institutions remains weak. The government introduced pension bonuses from 2026, though they risk undermining contribution-benefit linkages, straining public finances and reducing incentives for formal sector participation.

2.3.2. The capacity to cope with competitive pressure and market forces within the EU

Education and innovation

Persistent gaps in education quality and reach continue to constrain the development of a skilled workforce. Albania continued implementing the National Education Strategy (2021-2026) and the National Employment and Skills Strategy (2024-2030), yet concerns remain regarding low attainment, high dropout rates (particularly in rural areas and marginalised communities), and limited access to early childhood education. The NEET rate for people aged 15-29 stood at around 20% in 2025[12]. Teachers remain insufficiently trained, curricula outdated and infrastructure in need of modernisation. The 2025 PISA results confirm persistent skills mismatches[13]. However, Albania has made efforts to reduce access barriers for children with disabilities and disadvantaged backgrounds. On vocational training, dual VET enrolment increased and was expanded from 10 to 15 schools, though it remains below the regional average, with curricula alignment to the European Qualifications Framework and quality assurance framework still in progress (see Chapter 26 – *Education*).

Public spending on research and development (R&D) remains well below ambition.

[10] A significant gender gap persists in labour force participation, with a difference of approximately 13 pps. between men (82.3%) and women (69.3%) (OECD SME Policy Index for Western Balkans and Türkiye, 2026).
[11] According to INSTAT, Albania's population fell by 1.2% in 2025 to around 2.3 million, driven by net emigration of over 28,000 people, and declining birth rates.
[12] OECD (2025); Eurostat (2024).
[13] Albanian students scored 435 in science, 433 in mathematics and 408 in reading, with only 1.9% reaching top proficiency and 27.8% failing to reach basic proficiency across all three subjects. Overall, results point to a widening gap between educational outcomes and labour market needs (PISA 2025 Results (Volume I) (EN)).

Albania's R&D spending has increased from 0.18% of GDP in 2023 to 0.3% of GDP in 2024 [14]. Major increases are required in line with Albania's plan to reach the 2030 target of 1% of GDP. Albania began implementing the Smart Specialisation Strategy, yet further efforts are needed to incentivise private sector investment in R&D and strengthen cooperation between businesses and universities.

Physical capital and quality of infrastructure

Infrastructure investment advanced across transport, energy and digital networks, but implementation challenges persist. In transport, works continued on the TEN-T network, including the Adriatic-Ionian Highway and Corridor VIII, while construction of the Tirana-Durrës railway and airport rail link is ongoing, with operationalisation expected in the first half of 2027. The construction of the Vlora airport concession, which is located near the protected Narta Lagoon, stalled due to a shareholder dispute which led to legal proceedings, and the tender for a new commercial port in Porto Romano was cancelled after the sole remaining bidder failed to submit a final offer. In energy, work continued on the 400 kV interconnection with North Macedonia, and preparations advanced for a submarine electricity interconnection with Italy, potentially strengthening Albania's role as a regional renewable energy hub. Investment in renewables and energy efficiency continued, and the. largely renewable-based generation mix meant that the EU Carbon Border Adjustment Mechanism did not affect Albania's electricity exports in the first quarter of 2026. However, this mix remains heavily reliant on hydropower, exposing the sector to hydrological and climate-related risks and highlighting the need for investment in grid reinforcement, storage, generation diversification, and climate-resilient water infrastructure (see Chapter 15 - *Energy*).

Digital infrastructure also advanced. Following the granting of 5G licences in November 2024, coverage reached 71.3% of populated areas by Q3 2025, while fixed broadband subscribers grew by 7.4% and mobile broadband coverage by 11.9%. Albania benefited from the EU-funded WiFi4Municipalities programme, extending free public Wi-Fi to 61 municipalities, and INSTAT data show that 97.7% of households had internet access in 2025. However, digital adoption in the business sector remains limited and is largely concentrated in basic activities such as digital marketing, rather than in more complex, productivity-enhancing tools. Only 31.8% of enterprises employ ICT specialists, pointing to gaps in digital skills that could constrain productivity gains.

Sectoral and enterprise structure

While the services sector continues to expand, agriculture retains a structurally significant role in the Albanian economy. Services accounted for around 49% of GDP in 2025, driven by stable tourism growth. Construction retained a solid contribution at 12.6% of GDP (11.9% in 2024). Industry and manufacturing faced headwinds from weak external demand and lek appreciation, with their shares in GDP falling to 10.1% and 6.5% respectively in 2025. Agriculture, whose share of GDP has fallen from over 21% in the early 2020s to 14.6% in 2025, continued to play a structurally significant role, with a share of employment still well above the EU average.

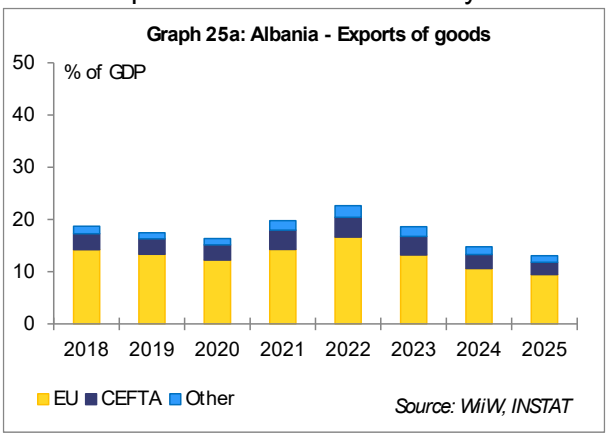
Small and medium-sized enterprises (SMEs) dominate Albania's economy but face structural challenges. In 2024, SMEs employed 82% of the workforce and generated 78.1% of value added in the non-farm economy. SMEs also represented around 70% of total goods exports. The number of newly registered fully foreign-owned companies reached 1 423 in 2024, an increase of 11% on the previous year. Structural constraints include skills and labour shortages, limited access to finance, widespread informality, and weak

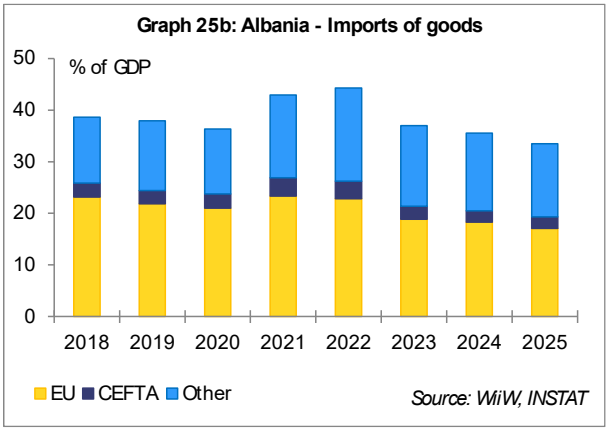
[14] INSTAT (2025), *Research and Development, 2024.*

digitalisation and internationalisation[15].

Economic integration with the EU and price competitiveness

The EU remains Albania's main trading and investment partner. In 2025, the EU accounted for 57% of total goods trade, absorbing 72.5% of merchandise exports and providing 51% of goods imports. Italy, Kosovo, Greece and Germany were the leading export destinations, while Italy, China, Türkiye and Greece were the main import partners. Trade openness remained broadly stable at around 80% of GDP. The EU also remained the principal source of FDI, with its share of FDI stocks at 53.8%, compared to 54.1% in 2024. Albania's price competitiveness nevertheless deteriorated, driven by the appreciation of the lek and rising nominal wages, which weighed on goods exports. Manufacturing exports declined for a third consecutive year, pointing to a structural rather than cyclical trend. This reflects the sector's concentration in low value-added activities, as well as rising input and labour costs. At the same time, services exports, notably travel services, have increasingly outweighed goods exports. Their value more than doubled between 2019 and 2024, and they now account for around 80% of total exports. Despite strong growth and continued EU integration, Albania's convergence potential remains constrained by low productivity, weak innovation capacity, and limited participation in higher value-added segments of European value chains.





2.4 PUBLIC PROCUREMENT, STATISTICS, FINANCIAL CONTROL

Chapter 5: Public procurement

EU rules ensure that public procurement of goods, services and works in any Member State is transparent and open to all EU companies on the basis of non-discrimination and equal treatment.

Institutional set-up and legal alignment

The **legal framework on public procurement** is largely aligned with the EU *acquis*. Some important gaps still need to be addressed. The transitional provision providing a derogation for international consultancy agreements in 'areas of strategic interest' should be repealed. Albania's defence and security procurement legislation still requires further work to align with the EU *acquis*.

A new Law on concessions and public-private partnerships (PPPs) aligned with the EU *acquis* was adopted in December 2025. The new law, which applies as of September 2026, abolishes unsolicited proposals and provides strengthened provisions for project selection as well as reporting and contract follow up. Secondary Implementing legislation, including on the monetary thresholds of PPPs/concessions and on the common procurement vocabulary was also adopted during the reporting period. The introduction of new exemptions to the

[15] OECD SME Policy Index for Western Balkans and Türkiye, 2026.

applicability of public tenders, such as through the amendment to the law on touristic ports, should be carefully considered.

Albania introduced changes to centralised procurement. The mandate and obligatory use of the Central Procurement Operator CPO (a state-owned company under the Ministry of the Economy) was expanded significantly in 2025 to all procurement procedures with an estimated value above ALL 1 million (approx. EUR 10 500).

Implementation and enforcement capacity

Albania's **public procurement market** represented 7.6% of GDP in 2025 (16.5% in 2024). There were 5 766 procurement procedures in 2025 (6 811 in 2024). The share of negotiated procedures without prior publication among all procedures was stable (2.4% from 2.3% in 2024) but increased in total value share (2.8% in 2025 compared with 0.4% in 2024). 23.5% of tenders in 2025 were awarded with only one bidder, which increased to 29% in high-value procedures. There is still a large share of cancelled tenders (38%). Both the number and the value of framework contracts; dropped, although the medium-term trend remains one of increased use *(ratio)*. Price based evaluation continues to dominate awards. Most economically advantageous tender criteria (MEAT) were applied in 5.5% of procedures, and 24.8% awarded values. The medium-term trend is of increased use of MEAT, even if it was lower in terms of value than in 2024.

The use of PPPs and concessions remains very low. In 2025, only one procedure was launched, and none was awarded.

The authorities need to continue to build capacity throughout the public procurement system, including in the implementation of the organisation provisions of the new PPP law. The start of the programme of certification of procurement staff in contracting authorities is positive and should continue to be accompanied by a corresponding training offer. Technical specifications to upgrade the electronic procurement system have been prepared to include the use of AI.

On **prevention of corruption** in public procurement, Albania should continue to focus on further strengthening the functioning of the overall system to increase transparency, competition, compliance and professionalisation. There have been a substantial number of judicial convictions, investigations and indictments on procurement related charges over the last year.

Efficient remedy system

The constitution and the PPL contain provisions on the **right to legal remedy** that are mostly in line with the Directives on remedies. The number of appeals submitted to the Public Procurement Commission is relatively stable (1 152 in 2025). In 2025, the PPC made 1 007 decisions, 73 of which were challenged in the administrative court.

Chapter 18: Statistics

European statistics are developed, produced and disseminated by EU Member States, guided by the principles and quality criteria set out in the Regulation on European statistics, such as professional independence, impartiality, reliability, accessibility and statistical confidentiality. Common rules are provided for the methodology, production and dissemination of statistical information, which are further specified in sectoral legislation that constitute the EU acquis on statistics.

On the **statistical infrastructure**, Albania's legislation is in line with the EU *acquis* and respects the principles of European Statistics Code of Practice. Most classifications are in line with the EU *acquis*, and ongoing updates are taking place. Despite the staff increase to 260 INSTAT continues to face capacity constraints and staff turnover. Coordination in the statistical system improved through the signature of a new Memorandum of Understanding (MoU) between INSTAT and the Bank of Albania (BoA) and the trilateral MoU between

INSTAT, BoA and the Ministry of Finance. INSTAT should start transitioning towards electronic data collection to increase efficiency. In view of its ambition to improve the access and increase the use of administrative data sources, data exchange protocols need to be concluded with the holders of administrative data, in view of the ambition to increase the access to and use of administrative data INSTAT has to increasingly use the Statistical Register of Building and Dwellings (SRBD) for statistical production. INSTAT needs to continue investing in its IT infrastructure.

On **macroeconomic statistics**, Albania implemented a further major revision of national accounts in June 2026 to, among others, incorporate new data, e.g. from the 2023 population and housing census. The Institute of Statistics (INSTAT) continued the regular transmission of GNI and GDP data to Eurostat, under the ESA 2010 transmission programme. Further progress is needed to compile and transmit data fully aligned with ESA 2010. For government finance statistics (GFS) and excessive deficit procedure (EDP), GFS data for 2010-2025 were transmitted free for publication, while EDP data were provided for 2022-2025. Progress has been made in improving the consistency between annual financial and non-financial accounts. However, data gaps persist, and further work is needed to ensure that EDP and GFS data are compiled and transmitted in full compliance with ESA 2010. In particular, additional progress is required on quarterly GFS data and on completing the EDP tables questionnaire.

In 2025, Albania started providing monthly balance of payments data to Eurostat, but it needs to improve timeliness and the length of the time series.

In addition, data gaps remain in the areas of statistics on research and development, international trade in goods, harmonised indices of consumer prices, foreign direct investment and the international investment position.

On **business and trade statistics,** short-term statistics are produced with monthly turnover and industrial production indices transmitted to EUROSTAT for the first time in 2026but some data sets are still not transmitted to Eurostat. Data gaps also remain for structural business statistics, business demography and foreign affiliates statistics. PRODCOM statistics are produced in compliance with the European Business Statistics (EBS) regulation. Innovation statistics were transmitted to EUROSTAT for the first time.

On **social statistics**, final results from the 2023 population and housing census were published on the geodata hub. The thematic analysis of census data continues. Regular data transmission to Eurostat needs to resume. Albania provided data from the 2022 structure of earnings survey but no quarterly labour cost index nor job vacancy statistics. Implementation of the 2021 EU labour force survey methodology started in 2026, but it still needs to be completed and regular data transmission to Eurostat restored. Albania started the fieldwork for the European Health Interview Survey (EHIS) wave 4 and needs to continue work to align EU-SILC with the EU *acquis*.

Agricultural statistics are partly aligned with the EU *acquis*. The law on the agricultural census was adopted in July 2026. The agricultural census has been postponed to autumn 2027 and further steps to ensure that it will be organised accordingly need to be taken. Albania needs its results to ensure compliance with the integrated farm statistics (IFS) regulation.

Environmental and energy statistics are partly aligned with the EU *acquis* and further efforts are needed. Significant efforts should be made on **transport statistics,** including the organisation of the road freight transport survey for which the relevant administrative data were released in July 2026.

Chapter 32: Financial control

The EU promotes the reform of national governance systems to improve managerial accountability, sound financial management of income and expenditure, and external audit

of public funds. The financial control rules further protect the EU's financial interests against fraud in the management of EU funds and the euro against counterfeiting.

Public internal financial control (PIFC)

A strategic **framework** for PIFC is in place and an annual PIFC report is consistently prepared and adopted by the council of ministers. A central harmonisation unit is in place providing oversight and support for internal control and internal audit.

The **internal control** system remains partially effective as per the assessment of the PIFC report, with further efforts needed to move toward an effective system, including improved formalisation of delegation structures and further improvement in risk assessment capability.

Although **managerial accountability** is embedded in the legislation, the number of administrative decisions delegated to lower levels remains relatively limited in practice. The delegation provisions in the financial management and control law (FMC) law will need to be attuned to the recently adopted law on state organisation and the foreseen new law on civil service when adopted.

The legislative framework on **internal audit** is in line with international standards. Work on a new law on internal audit is ongoing, which should also address the number and size of internal audit units. The PIFC report shows that most required internal audit units have been established, but that many still face challenges in achieving full compliance with set-up requirements. A revised manual on internal audit was adopted in October 2025, to reflect the modified global internal audit standards (GIAS). The implementation of the system for certification of auditors continued, including the advanced certification scheme.

External audit

The legal framework safeguards the **independence** of the Albanian State Audit Institution (ALSAI), while financial independence should be strengthened in practice. **Administrative capacity** is ensured through 215 staff out of a planned 243 at ALSAI. The quality of audit work continued to comply with relevant international standards. On **parliamentary scrutiny**, the Sub-Committee on Public Audit was re-established with new rules of procedures and held its first meeting in January 2026. Its focus should now be to restart work on substance, developing a steady track record of systematic and effective hearings and adopting follow-up recommendations on all ALSAI reports. Cooperation between ALSAI (through the relevant Directorate) and the sub-committee did not progress effectively. The level of **implementation of recommendations** should increase, given that 70% were fully implemented or under implementation.

Protection of the EU's financial interests

Full legislative harmonisation with the **PIF Directive** is needed to improve the level of alignment with the EU *acquis*. The first annual report on the implementation of the national **anti-fraud strategy** for 2025 was concluded, showing activities on training, analysis of irregularities and a review of the existing structures of the **anti-fraud coordination service** (AFCOS). The role of the authorities of the **AFCOS network** should be clarified in relation to protecting the EU's financial interests.

The effective **cooperation with the European Anti-Fraud Office** (OLAF) and the solid track record of operational assistance with the European Commission on investigations should be kept up. Albania should continue working on establishing a solid track record on reporting of irregularities. In 2025, national authorities reported 14 cases of irregularities via the Irregularity Management System (IMS) all classified as non-fraudulent, and a review of IMS data was undertaken to improve reliability of reporting.

Protection of the euro against counterfeiting

In July 2026, the United Nations included the ratification by Albania of the 1929 Geneva Convention on the Suppression of Counterfeiting Currency Albania in the UN Registry. This

largely aligned the relevant legal framework with the EU *acquis*. The Law on the Bank of Albania (BoA), the Criminal Code and a set of implementing legislation issued by the BoA provide a harmonised definition of counterfeiting and establish a National Analysis Centre (NAC), the Coin National Analysis Centre (CNAC), and the National Counterfeit Centre (NCC).

3. GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION

Good neighbourly relations and regional cooperation form an essential part of Albania's European integration process. They contribute to stability, reconciliation and a climate conducive to addressing open bilateral issues and the legacies of the past.

Albania continued to actively engage in several **regional cooperation initiatives**, such as the Central European Free Trade Agreement (CEFTA), the Energy Community, the Transport Community, the South-East European Cooperation Process (SEECP) and the Regional Cooperation Council (RCC). Albania assumed the CEFTA Chairmanship on 1 January 2026 and in March 2026 organised in Tirana a high-level event on the presentation of CEFTA priorities and work programmes for 2026, in cooperation with the CEFTA Secretariat.

The sixth annual **EU-Western Balkans Summit** took place in Brussels in December 2025, followed by the EU-Western Balkans Summit in Tivat in June 2026, reaffirming the EU membership perspective of the Western Balkans and exploring measures to further advance gradual integration.

Albania has actively engaged in the regional dimension of the **Growth Plan for the Western Balkans,** hosting in November 2025 the Western Balkans leaders meeting, which took stock of the EU Growth Plan progress two years after its adoption.

On the **Common Regional Market (CRM)**, at the Berlin process summit in London in October 2025, the leaders of the region endorsed a revised and streamlined action plan to implement the Green Agenda for the Western Balkans, adopted a Western Balkans Climate Adaptation Roadmap and committed to make progress in the promotion of regional mobility and implementation of relevant regional agreements and CEFTA decisions.

The **roadmap for roaming** between the Western Balkans and the EU entered the first phase of implementation. In February 2026, the Commission proposed launching negotiations with Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia to integrate them into the EU's 'Roam Like at Home' regime. Twelve major decisions were agreed by the CEFTA Joint Committee in October 2024, following an agreement between CEFTA members that allowed decision making in the organisation to be unblocked. A decision was finally taken on the appointment of a director for CEFTA after the post had been vacant for two and a half years. This had a significant negative impact of the work of CEFTA and, for a short period, saw the Commission suspend its support.

Albania generally maintains good **bilateral relations** with other enlargement countries and neighbouring EU Member States.

Relations with ***Bosnia and Herzegovina*** improved after the reopening of the Albanian embassy in Sarajevo in 2025, and the two countries' representatives continued to make high-level visits.

Albania's relations with ***Kosovo*** remained good overall. Kosovo ranks among the leading foreign investors in the country. Several high-level Albanian officials conducted official visits to Pristina in early 2026. Kosovo's Foreign Minister visited Tirana for the Diaspora Summit where a 2026–2030 Joint National Diaspora Strategy was reconfirmed. Albania is advancing joint defence projects and defence cooperation with Croatia and Kosovo. Following the Kosovo Specialist Chambers (KSC) verdicts in the war crime cases against former leaders

of Kosovo Liberation Army (KLA), the Albanian Parliament issued a statement, backed by majority and opposition, voicing indignation and committing to close coordination with Kosovo.

Relations with ***Montenegro*** remained good. High-level and political contacts continued.

Relations with ***North Macedonia*** remained good. High-level visits between Albania and North Macedonia continued in 2026, including the visit of North Macedonia's Foreign Minister in February 2026 in the framework of Corridor VIII ministerial meeting. In April 2026, construction began on a high-voltage power line linking North Macedonia and Albania enabling cross-border electricity trade. Albania is still critical of the treatment of the ethnic Albanian minority by the authorities of North Macedonia, especially in view of the use of minority languages as stipulated in the Ohrid Agreement.

Relations with ***Serbia*** remained good overall. In February 2026, the Albanian Prime Minister and Serbian President co-signed an op-ed calling for accelerated integration into the EU, focusing on the common market and the Schengen area, without a right of veto on decision-making. In April 2026 Albanian and Serbian Foreign Ministers held a bilateral meeting. Albania requested the opening of a General Consulate in Bujanovac. In the reporting period, Serbia continued to react negatively to the signing of Albania's joint declaration of defence cooperation with Croatia and Kosovo.

Relations with ***Türkiye*** are very close. In October 2025, the President of Albania met in Tirana with Turkish Vice President Cevdet Yilmaz. In January 2026, and April 2026, Albanian Foreign Minister conducted an official visit to Türkiye to participate to the Balkans Peace Platform. In 2025, Türkiye was Albania's third largest trade partner, and economic relations continued to expand, with an Albania-Türkiye Investment Forum held in October 2025.

Relations with ***Georgia*** remained good. Albania supports Georgia's territorial integrity and sovereignty and appointed a non-residential ambassador in December 2025. Albanian and Georgian Foreign Ministers held a bilateral meeting in April 2026.

Relations with the ***Republic of Moldova*** remained good, agreements are in place on free trade, investment protection and the avoidance of double taxation. The President of Albania visited Moldova in January 2026.

Relations with ***Ukraine*** remained very good, with both countries mutually supporting each other's European integration aspirations. A joint statement was signed between the Albanian and Ukrainian Foreign Ministers condemning the Russian Federation's aggression against Ukraine as a grave violation of the UN Charter and the norms of international law and underling the importance of holding the Russian Federation accountable for crimes against Ukraine. Albania expressed readiness to join the NATO PURL programme (Prioritised Ukraine Requirements List) to provide military assistance to Ukraine and has supported the Ukraine Centre for Rehabilitation with medical equipment. In April 2026, the Albanian government issued a decision allowing Ukrainian citizens to stay in Albania without a residence permit until 30 March 2027.

Relations with ***Greece*** improved, and political contacts continued. In May 2026, the national Albanian gas operator signed an agreement with the Greek subsidiary of US company Venture Global to import up to 1 billion cubic metres (bcm) per year of liquid natural gas from 2030. Albania's Foreign Minister visited Greece in December 2025, underlining the two countries' NATO alliance, Friendship Treaty and shared European perspective. Greece has consistently linked its support for Albania's EU accession to the respect for the rule of law and the rights of the Greek minority in Albania. In October 2026, the Ministers of Culture of Greece, Albania and North Macedonia signed a joint statement on cross-border cooperation for the protection of the Prespa region's unique and exceptionally valuable cultural and

natural environment. The three countries commit to cooperate in support of the inscription of the Prespa region on the UNESCO World Heritage List as Mixed World Heritage Property.

Relations with ***Italy*** are very good. In November 2025, Albania and Italy held a first intergovernmental meeting in Rome under the strategic partnership bilateral status, resulting in the signing of 15 agreements and memoranda of understanding across key areas, including defence, health, environment, energy and cybersecurity. Following legal challenges by Italian courts and an ECJ judgment on the designation of a third country as a 'safe country of origin', the Italian detention centre on Albanian territory initially foreseen for asylum applicants was converted into a pre-return detention centre in 2025. Italian courts submitted requests for preliminary rulings to the CJEU regarding the centres in Albania and their compatibility with EU rules on detention of asylum applicants among other aspects. The judgments were still pending during the reporting period.

4. RESILIENCE, SECURITY, DEFENCE

Albania has a clear strategic orientation anchored in the EU accession process. It continues to align with the EU's common foreign and security policy, including restrictive measures, and contributes significantly to EU crisis management operations and missions.

Democratic resilience

Albania's security-related challenges to its democratic institutions are largely related to hybrid threats, including foreign information manipulation and interference (FIMI) and disinformation, which can exacerbate political polarisation and affect democratic processes**.** The revision of the legislative framework around elections should meet the challenges of modern influence campaigns, including transparency of political advertising, political party financing and the use of social media in election campaigns. The EU-Albania Security and Defence Dialogues could be used to discuss further the countering of hybrid threats. Capacity-building should increase, including through targeted training and improved inter-institutional coordination, building on TAIEX support. Albania needs to leverage its membership of the Hybrid Centre of Excellence in Helsinki to develop expertise and set up a horizontal coordination mechanism.

Economic security and resilience

Albania's strategic geographic location presents opportunities for alternative trade routes and investment, as well as deeper integration into the European market, supporting **supply chain resilience**. However, the economy is exposed to external shocks due to its high reliance on tourism, remittances and FDI. Participation in global value chains remains concentrated in textiles, footwear, agrifood, and tourism-related services, with FDI inflows reaching EU 1.8 billion in 2025 (around 6% of GDP). Its largely low-carbon electricity system relies heavily on hydropower. While Albania produces 98% of its electricity consumption, it remains dependent on diminishing water resources. Renewables account for 46.6% of Albania's energy consumption, nearly double the EU average of 24.5%. Yet, changing weather patterns threaten the country's hydroelectric advantages, as Albania is dependent on electricity imports during dry periods. Albania has the great potential for increased and long-term EU supply chain integration, particularly in the critical raw materials sector through large titanomagnetite deposits for titanium and vanadium, chromite for chromium mining capabilities as a strategic asset, copper mining capabilities as well as one nickel and several small to medium sized iron-nickel deposits that are currently being exploited. Albania has fully embraced the AI transition, with a focus on the automation of public procurement procedures to reduce corruption. Following recent cyber-attacks, Albania has developed cyber defence capabilities *(see Chapter 10 – Digital transformation and media*). Further efforts are needed to strengthen resilience to hybrid threats. Albania should continue to align with EU digital standards, including in the field of AI and cyber-security.

Defence capacity building and defence industrial dimension

Albania is well positioned to contribute to the EU's defence readiness given its consistent and continuous CFSP alignment, its NATO membership and interoperability, and its strategic location for military mobility across the Western Balkans and Europe, in particular via the Adriatic region.

In terms of defence capacity building, Albania benefits from EUR 49 million under the European Peace Facility (EPF, an off-budget instrument, through three bilateral assistance packages, enabling it to actively contribute to the CSDP. It also benefits from EPF support at regional level, as a non-EU participating nation in the Balkan Medical Task Force.

Albania's defence production capacity is limited. The country's defence sector comprises 22 registered companies and eight major defence-related product importers in both the private and public sectors. Efforts have increased to revitalise the sector. A state-owned enterprise was established in 2024 to mutualise the production capacities of three production plants. Moreover, entities established in the EU or in an associated country and subject to control by Albania or by an Albanian entity could be eligible for funding under the European Defence Industrial Programme (EDIP). Albania, Kosovo and Croatia signed a Memorandum of Understanding in March 2025 on defence cooperation. A MoU was also signed between the state-owned enterprise and an Italian defence company to revitalise the Pashaliman shipyards.

Civil protection and disaster resilience

Albania continues improving its resilience by further strengthening its civil protection and disaster preparedness capacities in line with the EU Preparedness Union Strategy and in the framework of the Union Civil Protection Mechanism (UCPM).

5. ABILITY TO ASSUME THE OBLIGATIONS OF MEMBERSHIP

CLUSTER 2: INTERNAL MARKET

This cluster covers: free movement of goods (Chapter 1); freedom of movement for workers (Chapter 2); right of establishment and freedom to provide services (Chapter 3); free movement of capital (Chapter 4); company law (Chapter 6); intellectual property law (Chapter 7); competition policy (Chapter 8); financial services (Chapter 9) and consumer and health protection (Chapter 28). This cluster is key to Albania's preparations for the requirements of the EU's internal market and is very relevant for the development of the Common Regional Market.

Chapter 1: Free movement of goods

The free movement of goods ensures that many products can be traded freely across the EU based on common rules and procedures. Where products are governed by national rules, the principle of the free movement of goods prevents these rules from creating unjustified barriers to trade.

General principles

Albania has a national roadmap for alignment with the *acquis*, as well as an Action Plan for legal alignment and capacity building in the medium (2023-2025) and long term (2026-2030) and should continue to speed up alignment with the *acquis*.

Non-harmonised area

Albania continued to work on preparing an Action Plan for screening national technical regulations to comply with **Articles 34-36 of the TFEU** in the non-harmonised area. This work should be completed and the Action Plan adopted as rapidly as possible.

Harmonised area: quality infrastructure

During the reporting period, no further staff was recruited by the Ministry of Economy and Innovation (MEI). The State Inspectorate of Market Surveillance (SIMS) carried out 895 inspections across different product sectors, 400 less than in the last reporting period, which points to the need to reinforce **market surveillance**. The number of administrative measures remained stable at 43.

Albania's legislation on **accreditation,** on **market surveillance** and on **conformity assessment** remains partially aligned with the EU *acquis*. It has a high level of alignment in the area of **standardisation**. The General Directorate of Standardisation's (DPS) application to become a full member of the European Committee for Standardisation (CEN) and the European Committee for Electrotechnical Standardisation (CENELEC) was rejected In September 2025. CEN/CENELEC concluded that laws aligned with EU harmonised legislation must be fully in force and effectively implemented at the time of application. National standards are adopted in line with EU standards. DPS will be able to re-submit its membership application to CEN/CENELEC once it has ensured full alignment and implementation of the relevant EU *acquis*. The General Directorate of Accreditation (GDA) is the single national accreditation body under MEI. The General Directorate of **metrology** remains fully staffed and operational. Albania has not yet prepared its legislation to be aligned with the EU requirements on **notification of national legislation**.

Harmonised area: sectoral legislation

While a substantial amount of preparatory work was observed, there was no progress on completing alignment with some of the EU **'new and global approach' product legislation**.

There was also no progress on completing alignment with **'old approach' product legislation**, including on registration, evaluation, authorisation and restriction of chemicals (REACH); chemical classification, labelling and packaging (CLP), good laboratory practice (GLP), or motor vehicles. Albanian legislation remains partly aligned on **drug precursors**, though the list of controlled substances already complies with the relevant lists in the EU *acquis*.

There was also no progress on completing alignment with **procedural measures**. Albania remains partly aligned with the EU *acquis* on the return of **cultural objects unlawfully removed from the territory of an EU Member State**

Albania has **anti-corruption** measures in place on transparency on accreditation, conformity assessment, tariffs, legal acts and the activities of public bodies. Some agencies and the customs administration that perform market surveillance have rules on transparency, ethics and conflicts of interest, and are subject to audits. However, more efforts are needed in terms of enforcement.

Chapter 2: Freedom of movement for workers

Nationals of one Member State have the right to work in another Member State and must be given the same working and social conditions as other worker nationals of that Member State.

On **access to the labour market**, in 2025, Albania issued 18 156 work permits, of which 3 130 of these were for EU citizens. Following the 2025 amendment to the Law on foreigners Albania needs to implement relevant secondary legislation. Employment in civil service positions and in the state police require Albanian citizenship.

A 2024-2030 national migration strategy is in place, accompanied by a 2024-2026 action plan.

Albania continues to take steps to be able to integrate in the **European network of employment services (EURES)** upon accession. The migration sector of National Agency for Employment and Skills (NAES) covers the role of the National EURES Coordination

Office.

On the **coordination of social security systems**, in the reporting period, Albania concluded an agreement with Poland bringing the number of bilateral agreements on social security coordination with member states to 11 (Belgium, Luxembourg, Hungary, the Czech Republic, Germany, Austria, Bulgaria, Croatia, Romania, Italy and Poland) and with non-EU countries to 6 (Swiss Confederation, Montenegro, Kosovo, North Macedonia, Türkiye, Serbia and Canada). Furthermore, Albania concluded negotiations on a bilateral agreement on employment and social security with Slovenia and is in negotiations with Latvia and Moldova.

On future participation in the Electronic Exchange of Social Security Information (EESSI) system a targeted training was held with the Social Insurance Institute on the coordination of social security systems in EU Member States.

Some progress was made to further align legislation with the *acquis* on the **European Health Insurance Card**. The Working Group for EHIC Alignment has been established and worked to prepare a Regulatory Impact Assessment (RIA).

Chapter 3: Right of establishment and freedom to provide services

EU natural and legal persons have the right to establish themselves in any Member State and to provide cross-border services. For certain regulated professions, there are rules on mutual recognition of qualifications. EU rules on postal services focus on improving the quality of universal service, gradual market opening to competition, and the establishment of an independent regulator.

On the **right of establishment and freedom to provide cross-border services,** Albania's National Business Centre operates as a one-stop-shop for registering businesses and issuing licences, authorisations and permits. The National Agency for Information Society (AKSHI) needs to properly plan and budget for the maintenance of eAlbania platforms to ensure seamless delivery of e-services (such as tax filing, reporting and cadastre) and prevent delays. In April 2026, Albania adopted the Law on freedom of establishment and the provision of services designed to ensure alignment with the EU Services Directive. Work is ongoing to harmonise with sectoral legislation, in line with the services action plan, including a roadmap, timelines for alignment and institutional responsibilities across the regulated sectors.

In the area of **postal services,** Albanian legislation is aligned with the EU *acquis*. The implementation of the 2021-2026 Postal Strategy continued. In October 2025, the Electronic and Postal Communications Authority (AKEP) designated the Albanian Post SA as universal postal service provider, and granted an individual Authorisation for an extended period of five years valid until 2030. As of June 2026, 32operators providing postal services were registered, operating under the general authorisation granted by AKEP.

A draft revised law on **mutual recognition of professional qualifications** and a national action plan for regulated professions, both aiming to align with the Professional Qualifications Directive (PQD) were prepared and submitted for public consultation, however, further alignment efforts are needed, including on full alignment with the *acquis* as well as the alignment of the training programs for regulated professions.

Chapter 4: Free movement of capital

In the EU, capital and investments must be able to move without restriction, with common rules for cross-border payments. Banks and other economic operators apply certain rules to support the fight against money laundering and terrorist financing.

As regards **capital movements**, Albania has yet to align with the EU *acquis* and meet its obligation under the Stabilisation and Association Agreement enabling EU nationals and entities to acquire agricultural land.

On **payments systems**, Albania has adopted the Law on payment services aiming to align with PSD2 and E-Money Directive in the reporting period. The Bank of Albania (BoA) amended the existing payment system framework, enabling migration to ISO 20022 and SEPA standards for the domestic market and enhancing the efficiency of electronic payments. According to BoA data, electronic payments increased by 23% in 2025. The Central Bank has announced plans to go live through instant payment system (TIPS clone) by November, and therefore commercial Banks have already started the testing phase. Following Albania's entry into the geographical scope of the single euro payments area (SEPA) in 2024, 27 payment service providers started processing SEPA credit transfers in October 2025.

On the **fight against money laundering and terrorism financing**, Albania has adopted a Law on anti-money laundering aligned with the 6th Money laundering directive. The BoA amended in April the Regulation on prevention of money laundering and terrorism financing, introducing a requirement of the relevant governing bodies, to approve, the policy document setting out internal rules and procedures for defining risk management preventive measures.

Albania continued to implement the 2024-2030 Strategy on the prevention of money laundering and terrorism financing, and the action plan of the national risk assessment 2024-2027. Albania's assessment in Moneyval's sixth round of evaluations is ongoing. Between September 2025 and March 2026 there were 1 203 suspicious activity reports were filed and the financial intelligence unit (FIU) referred 90 cases to the law enforcement agencies. During the reporting period, the FIU has conducted 68 inspections (26 on-site and 42 off-site). In April 2026, the BoA amended the regulation on granting licence and the exercise of banking activity of banks and branches of foreign banks in Albania, aiming to address the previous MONEYVAL recommendations, enhancing due diligence requirements. The BoA adopted also amendments to the regulation on the prevention of Money laundering and terrorist financing, introducing requirements on adoption of policy documents and preventive measures undertaken to manage risks.

Chapter 6: Company law

The EU has common rules on the formation, registration and disclosure requirements of a company, with complementary rules for accounting and financial reporting, and statutory audit.

In the areas of **company law and corporate governance**, work has continued to align the legislative framework with the EU *acquis*. This was the case for in particular for the codified company law Directive, and the Directive on cross-border mergers, divisions and conversions through amendments to the Law on business registration and to the Law on entrepreneurs and companies, as well as the Shareholder Rights Directive and the takeover bids Directive. Albania does not have a stand-alone corporate governance code for listed companies. Having such a code for listed companies is an OECD principle. Efforts are still needed to remove the remaining barriers to the digitalisation of procedures (online proceedings and electronic signatures), which shall also be made accessible to individuals and businesses not resident in Albania, in order to align with the Directive on digital tools and to ensure the interconnection of Albania's Commercial Register with the EU system of business registers by the time of accession. Albania should also complete alignment with the amended Directive on corporate sustainability due diligence (CSDDD). The amendments simplified some of the obligations and postponed the transposition deadline to July 2028 and the application deadline to July 2029.

In the area of **company reporting and statutory audit**, Albania's public oversight board adopted three regulations to align with the EU *acquis* on statutory audit, covering the quality assurance control framework, disciplinary measures and interinstitutional cooperation and exchange of information. In July 2026, Albania adopted the Law on transparency requirements to align with the transparency Directive and the amendments to the Law on

accounting and financial statements, aiming at alignment with the EU *acquis.*

Chapter 7: Intellectual property law

The EU has to a large extent harmonised rules for the legal protection and enforcement of copyright and related rights, as well as of industrial property rights, including trademarks, designs, patents and related supplementary protection certificates (SPCs), geographical indications (GIs), including craft and industrial GIs.

In the area of **copyright and related rights**, the new law on copyright was adopted to align the legal framework with the EU *acquis*.

The institutional set-up on intellectual property rights has been strengthened. Albania adopted laws on industrial design and on geographical indications for crafts and industrial products to align with the EU *acquis* **industrial property rights**. Nine additional staff joined the Supervisory Council of the General Directorate of Industrial Property, with the aim to improve efficiency in the examination of trademarks and patent applications. 661 patent applications were submitted in 2025, of which 10 were national patent applications and 648 were issued by the European Patent Office seeking protection in Albania. In 2025, 2 344 international applications for trademark registrations were received, a small decrease compared with 2024, and 1 995 national applications, a small increase. 1 705 trademarks were registered, a significants increase from the 1 020 registered in 2024. Applicants for industrial design reached 26 in 2025, down from 35 in 2024. In 2025, the Directorate of intellectual property rights within the State Inspectorate for Market Surveillance carried out 495 inspections, resulting in 50 administrative sanctions.

Chapter 8: Competition policy

EU rules protect free competition. They include antitrust rules against restrictive agreements between companies and abuse of a dominant position, and also include rules on concentrations between companies which would significantly impede effective competition. EU rules also set out a system of State aid control. Governments are only allowed to grant State aid if restrictive conditions are met, with a view to preventing distortion of competition.

Antitrust and mergers

Albania's **legislative framework** is broadly in line with the EU *acquis* and the SAA.

In 2025, to further align its implementing legislation with the EU *acquis*, the Competition Commission adopted implementing legislation related to vertical, specialisation as well as research and development agreements. The **institutional framework** is based on the Albanian Competition Authority (ACA), which is an operationally independent authority. It reports to Parliament and enjoys adequate prerogatives. On **enforcement capacity**, the ACA's remained stable with 46 staff members. There is a need to invest in digital forensic and detection tools for the ACA to handle complex investigations. On **implementation,** between September 2025 and September 2026, the ACA issued 111 decisions, including four on prohibited agreements, 27 on abuse of a dominant position and 55 authorising concentrations. The ACA should continue to raise awareness, strengthen capacity and enforcement of competition rules.

State aid

On the **legislative framework,** the framework Law on State aid largely reflects Articles 107 and 108 TFEU but the implementing legislation remains partly aligned with the EU *acquis*.

On the **institutional framework**, the State Aid Commission (SAC) is responsible for implementing the Law on State aid. Its operational independence, which is required by the SAA, is not guaranteed as it belongs to the Ministry of Finance.

The SAC's **enforcement capacity** remains insufficient, and the staffing of its secretariat needs to significantly increase. On **implementation**, in the reporting period, the SAC

adopted2 decisions on the authorisation of State aid related to the fund for micro, small and medium-sized enterprises. The SAC can issue decisions on illegal and incompatible aid and order recovery but has not done so yet. The enforcement track record on State aid control needs to be significantly improved. Prior notification of aid measures was sporadic and advocacy activities among grantors are needed.

Liberalisation

The Law on State aid applies to all legal and natural persons performing an economic activity. There has been no investigation of State aid for public undertakings or undertakings with special or exclusive rights.

Chapter 9: Financial services

EU rules aim at ensuring fair competition among financial institutions and the stability and integrity of financial markets, namely in the fields of banking, insurance, supplementary pensions, investment services and securities. They include rules on authorisation, operation and supervision of these institutions.

In the area of **banking and financial conglomerates**, Albania adopted the Law on banks to align with the EU *acquis*. Albania introduced new reporting templates and requirements related to early warning indicators and the operational risk events register. In June 2026 the Bank of Albania (BoA) adopted a regulation on the systemic risk buffer methodology in July it adopted the regulation on digital operational resilience. In March 2026, the BoA granted an operation license to the first fully digital bank in Albania, bringing the total number of commercial banks to 12. During the reporting period, the BoA completed four full scope on-site inspections on banks. The Resolution Plans under the 2025 Resolution planning cycle were adopted, and BoA communicated to the banks the interim minimum requirement for own funds and eligible liabilities requirement. The BoA has worked on operational guidelines to improve bank resolvability and has started preparing for the revision of the Resolution Law starting with a gap analysis with the Bank Recovery and Resolution Directive (BRRD). Albania should ensure that all entities are appropriately regulated and supervised. Reform efforts to align with the EU *acquis* should be increased. Technical work on drafting the Law on Supplementary Supervision of Credit Institutions, Insurance undertakings and investment firms with financial conglomerates was completed and are at the final stage of adoption.

Regarding the National Development Bank (NDB) the Central Bank's supervisory role on the NDB needs to be safeguarded to ensure strong governance and oversight and Albania should take all necessary actions to preserve the level playing field in the banking sector.

Albania remains partially aligned with **financial markets infrastructure** legislation. Albania is carrying out preparatory work for alignment with parts of the EU *acquis*, including the European Market Infrastructure Regulation (EMIR). Further progress is needed in this area.

In the area of **insurance and occupational pensions**, preparatory work for a new law on insurance and reinsurance is ongoing, with adoption foreseen in 2027, as well as on legislation aiming to align with the *acquis* on motor insurance and occupational pensions. In November 2025 the entry into force of International Financial Reporting Standards (IFRS17) was postponed to 1 January 2028. The Albanian Financial Services Agency (AFSA) is coordinating implementation with the insurance undertaking.

On **securities markets and investment services**, Albania is preparing draft legislation aiming to align with the EU *acquis* on markets in financial instruments, market abuse, UCITS and alternative investment funds.

On **sustainable and digital finance,** and AFSA continued preparatory work to align with the EU *acquis* on sustainable finance, as well as worked on a draft law aiming to align with the Market in Crypto-Assets Regulation (MiCA). AFSA is preparing draft regulations on digital operational resilience for the entities under its remit.

Chapter 28: Consumer and health protection

EU rules protect consumers' economic interests and also ensure product safety, prevent dangerous imitations and establish liability for defective products. The EU also guarantees a high level of protection of public health and in particular also ensures high common standards for tobacco control, blood, tissues, cells and organs, and human and veterinary medicinal products. The EU also has rules for upholding patients' rights in cross-border healthcare and in preparing for and responding to serious cross-border health threats, including communicable diseases.

Consumer protection

On **horizontal aspects**, Albania has a 2023–2030 cross-cutting strategy on consumer protection and market surveillance in place. In reporting period, the Consumer Protection body (CPC) received complaints, though no information was available on how this was dealt with. Albania should finalise and adopt its new package of law on consumer protection, which is designed to align with many elements of the EU *acquis* in this area, including on consumer rights, on unfair business-to-consular commercial practices, on the pricing of products offered to consumers, on empowering consumers for the green transition, on promoting the repair of goods, on sale of goods and digital content and on distance and off-premises contracts. Dedicated consumer protection offices are now hosted by 22 municipalities. There have not been any developments on **enforcement and redress**.

Market surveillance remained inactive in e-commerce and package tourism, which continue to operate largely unregulated. On **product safety**, Albania is yet to align with the new EU *acquis* on general product safety. Albania is partly aligned on product liability. (*For information on market surveillance, see Chapter 1 – Free movement of goods*).

Public health

In 2025 **public health** expenditure was around 2.7% of GDP, and 9.6% of public expenditure. While expenditure increased per se, the relative share of health spending declined. **Primary health care** remains underfunded. In 2025, spending was approximately 28% lower than planned, further widening the gap between population needs and available resources. In terms of **financial protection**, out-of-pocket healthcare expenses remained critically high at 48.27% (2023) (compared to the EU average of around 15%). Albania's population is ageing, driven by lower fertility rates, increased life expectancy, and emigration. Shortages of essential medicines in hospitals and medical devices remains a critical challenge, the country needs to develop and apply new pricing, reimbursement, coverage policies, and models for medicines. An electronic system for collecting and reporting health information of medical records (HIS) has been set up, though there is no dedicated legal framework regulating the handling of electronic health records (EHRs), and **ehealth** services continue to be fragmented.

On **tobacco control**, measures have contributed to a steady decline in tobacco use but did not reach the target of a 30% reduction by 2025. Albania still needs to align fully with the EU tobacco control *acquis.* The ban on smoking in indoor public areas is insufficiently and unequally enforced.

National legislation on **communicable diseases** and **serious cross-border health threats** remain partly aligned with the EU *acquis*, and all the communicable diseases in the relevant EU *acquis* are covered in Albania by case-based, disease-specific, laboratory-based, sentinel, active, and syndromic surveillance (for groups of diseases), and participatory and event-based surveillance systems. The uptake of the HPV vaccine has increased steadily and seasonal influenza vaccine coverage for high-risk groups has been maintained. A new epidemic and pandemic preparedness plan was adopted in April 2026. Albania needs to fight disinformation, which can lead to vaccine hesitancy.

There were no developments on **reduction of harmful use of alcohol**, or on **drug abuse**

and prevention, where prevention activities remain sporadic. On **non-communicable diseases,** the national **cancer** control plan is in place, and three screening programmes are ongoing (on colorectal, breast, and cervical cancer). A cancer registry is not yet created. The 2023–2026 **Mental Health** Action Plan is in place, and a gradual transition from institution-centred care toward more community-based, person-centred and rights-respecting models is underway, while maintaining inpatient services for cases where they remain clinically necessary. **Cardiovascular disease** control is part of Albania's 2022-2030 Programme for the Control of Non-Communicable Diseases, which foresees universal screening and basic preventive services to all residents aged 35–70 years, supporting early detection and management of cardiovascular diseases.

Albania has established national legislation for **substances of human origin** (SoHO), though implementation remains limited. It needs to finalise and adopt an Action Plan for the implementation of Regulation 2024/1938/EU on standards of quality and safety for substances of human origin intended for human application. was no progress in alignment of **human medicinal products,** on **medical devices**, **in vitro medical devices** and **veterinary medicinal products** on **medical devices**, on **health technology assessment**, on **patient's rights in cross-border healthcare**, on **cosmetics**, or *on* **health technology assessment***,* all of which remain to be aligned with the EU *acquis*]. Albania has a One Health Action Plan on **antimicrobial resistance (AMR)**, adopted in 2022, and has expressed willingness to address the **antimicrobial resistance** (AMR) through strengthened governance, surveillance systems, increased laboratory capacity, infection prevention and control, awareness raising, and evidence-based policies and practices.

On **health inequalities**, statistical data, policies, and monitoring mechanisms remain insufficient, especially in regard to access ad service delivery to groups in vulnerable situations, including Roma and Egyptian communities, persons with disabilities, LGBTIQ+ persons, sex workers and drug users. There were no new developments on access to health for women, including on sexual and reproductive health. Malnutrition remains a critical issue, and childhood obesity and anaemia in pregnant women remain concerning. The National Action Plan for equality, inclusion and participation of Roma and Egyptian (2026 – 2030) focusing on the Roma health mediators was adopted in June 2026).

While legislation recognises the right of people with **disabilities** to health services, implementation is incomplete, with no dedicated budget for home visits. Despite improvements to physical accessibility to healthcare facilities, physical shortcomings remain. Accessibility and usability criteria for persons with disabilities are not included in procurement for medical equipment, and they are not covered by health-related information. The Home Health Care Service expands access for patients with limited mobility, but it has not been supported by adequate funding.

On **anti-corruption**, market surveillance bodies have rules on transparency, ethics and conflicts of interest and are subject to audits. There are anti-corruption measures in place on cosmetics, and control systems on pharmaceutical manufacturers and to track veterinary medicine stocks, though enforcement remains a challenge. The health sector was identified as a vulnerable sector in the draft National Anti-Corruption Strategy 2024-2030 and corruption remains a systemic concern.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

This cluster covers: digital transformation and media (Chapter 10); taxation (Chapter 16); economic and monetary policy (Chapter 17); social policy and employment (Chapter 19); industrial policy (Chapter 20); science and research (Chapter 25); education and culture (Chapter 26); and customs union (Chapter 29).

Chapter 10: Digital transformation and media

The EU supports the smooth functioning of the internal market for electronic communications, electronic commerce and audiovisual services. The rules protect consumers and support the universal availability of modern services.

On **electronic communications**, limited progress was made in implementing the 112 single European emergency number. During the reporting period, several implementing acts under the Law on electronic communications were adopted. Furthermore, the Law on electronic communications aims to fully incorporate the provisions transposing the EU roaming *acquis* (including those related to the European Electronic Communications Code and Body of European Regulators for Electronic Communications). It seeks to align its regulatory framework with the EU roam like at home (RLAH), as a step towards possible participation in the EU RLAH area and accelerated integration into the EU digital market.

By the end of 2025, the number of fixed broadband internet subscribers exceeded 733 000, representing an increase of around 6% compared with the previous year. The fixed broadband penetration rate among households reached 97% at the end of 2025, about 5 percentage points higher than in the previous year.

Mobile broadband usage continued to improve during the reporting period. In 2025, an active mobile user consumed on average 10.38 GB of mobile broadband data per month, up 16% compared with 2024. According to official data, 5G technology covers up to 40% of the population.

However, the country still needs to release the 700 MHz band from broadcasting use to allow its use for mobile communications, including 5G. Implementation of the EU 5G Cybersecurity Toolbox measures should also continue. The Council of Ministers Decision on the approval of the methodology for assessing the risk profile at the national level of suppliers and providers of 5G network equipment was approved in April 2026.

The Law on measures to reduce the costs for very high-capacity networks - Gigabit Infrastructure Act was adopted on is expected to be adopted within 2026, fully aligning Albania with the EU *acquis* on the Gigabit Infrastructure Act.

In the area of **digital services** and specifically online public services**,** 95% of applications for 1,257 public services were offered online during the reporting period. Albania took steps to further align its legislative framework with the EU *acquis*, notably with the Audiovisual Media Services Directive (AMSD), the Digital Services Act (DSA), as well as with the Digital Markets Act (DMA). Albania held a public consultation on a first draft of a Law on Digital Services. However, further efforts are needed to address the emerging digital divide and strengthen citizens' ability to use e-services independently. Albania also contributed to cross-border interoperability capacity building exercises linked to the monitoring mechanism under the Interoperable Europe Act. Albania needs to take further steps to build the societal and institutional capacity and to establish the legal basis to effectively support the enforcement of the DSA and the DMA as of EU accession, in line with the considerations and requirements outlined at the 2026 TAIEX workshops. In addition, further efforts are needed to ensure compliance with accessibility standards and barrier-free access to digital public services.

On **digital skills**, the ICT curricula for first, second, and third grade have been extended to smart labs in 300 pilot schools, up from 100 in 2025.

On **digital trust and cybersecurity**, Albania continued to strengthen its cybersecurity architecture and capacities. The authorities advanced work on critical information infrastructure in both the public and private sectors and significantly expanded the operational coverage of the national Security Operations Centre. The implementing legislation for the Law on cybersecurity, which seeks to align with NIS2 Directive, has been complete. Cybersecurity capacities need to be further strengthened, including through awareness-raising activities and targeted training. The Law on electronic identification and trust services, aligned with the eIDAS Regulation, was adopted in May 2026. Separately,

further efforts are needed to align with the ePrivacy Directive.

On **media**, authorities need to ensure that the Audiovisual Media Authority is provided with sufficient material and technical resources to increase its media monitoring and reporting capacity.

On **artificial intelligence** (AI), Albania should focus on developing AI regulation and the necessary governance and enforcement structures in line with the EU AI Act. The draft National AI Strategy 2026-2030 has been finalised and submitted to line ministries for consultation.

On **anti-corruption**, effective whistle-blower protection and secure reporting mechanisms should be ensured in line with Albania's strengthened legal and institutional framework. The Law on whistleblowing and whistleblower protection requires public institutions to establish internal reporting mechanisms that guarantee confidentiality, protection against retaliation and procedural safeguards for reporting persons. Its scope also extends to breaches involving public funds, EU funds, procurement, data protection and other high-risk areas relevant to the digital and information society sector.

In relation to the protection of minors online, a Safer Internet Centre was established in Albania with co-funding received under the Digital Europe Programme.

Chapter 16: Taxation

EU rules on taxation cover value-added tax, excise duties as well as aspects of corporate taxation. They also cover cooperation between tax administrations, including the exchange of information to prevent tax evasion.

Albania has been implementing its **medium-term revenue strategy** (MTRS) and met the target for the increase in tax revenue in 2025. This was attributed in large part to the targeted formalisation and compliance improvement efforts in the tourism and construction sectors.

As part of the 2026 fiscal package, Albania adopted the law on tax and customs debt cancellation, which fully cancels tax and customs liabilities from before 2014 and partially cancels tax liabilities from 2015 to 2024 against payment of part of the principal debt. This measure is expected to bring additional revenue and reduce part of the sizeable tax debt stock but poses future tax compliance risks.

Albania also adopted a Fiscal Peace Agreement, which raises concerns as it offers eligible taxpayers the possibility of a lighter tax audit regime for a limited time, and the possibility to re-declare financial statement elements at a highly reduced rate in exchange for payment of a pre-determined profit tax set at the previous year's taxable profit with an 18% growth margin.

On **indirect taxation**, the standard VAT rates remained unchanged. A substantial number of VAT exemptions and reduced rates not set out in the EU *acquis* remain and none were removed in the reporting period, although the June 2025 tax exemption review provided some tax expenditure assessment of them. As part of the fiscal package 2026, the VAT law was amended to align Albania's framework for the flat-rate compensation scheme for farmers with Directive 2006/112; introducing a 10% flat-rate compensation and clarifying the calculation method.

The national tax legislation imposes tax on imported plastic as good/raw material, which stands in contradiction to the commitment under the SAA.

Excise taxation is partially aligned with the EU *acquis* regarding excise duty for alcohol and alcoholic beverages, tobacco, energy products and general rules for the production, keeping, storage, movement and controls on excisable products. Alignment on EU excise minima on tobacco products is ongoing, through a gradual and scheduled increase of cigarette excise rates from 2025 to 2033, which continued to be applied. Albania still needs to move to a

mixed excise duty structure (*ad valorem* and specific) for cigarettes. National legislation providing for a preferential rate of tax for 'Albanian rakia' produced by private individuals is not aligned with EU legislation. Excise duty rate on some fuel products are still below the EU minimum according to energy tax Directives.

On **direct taxation**, the income tax law is partially aligned with the EU *acquis*. A broader overhaul of income tax legislation with EU *acquis* is under preparation, including mergers and anti-tax-avoidance provisions.

On **administrative cooperation and mutual assistance**, Albania is preparing legal amendments to fully align with the Directive on administrative cooperation (DAC) . Albania has double taxation agreement with 23 Member States and committed to conclude agreements with the four outstanding ones – Denmark, Cyprus, Portugal and Lithuania. The agreement with Lithuania has been signed but is yet to be ratified.

Albania has exchanged financial account information with 85 jurisdictions (including 26 EU Member States) in 2025 and has received information from 88 jurisdictions (including all 27 EU Member States) within the framework of the OECD common reporting standard. A framework for country-by-country reporting as per OECD BEPS (Base Erosion and Profit Shifting) is in place. Albania signed Subject to Tax Rule (STTR) multilateral instrument in September 2025, which has not yet been ratified.

The tax administration has an active strategic plan, in addition to the targets foreseen under the MTRS. On **operational capacity**, there were 174vacancies in the tax administration in June 2026 (similar to the amount in 2025 (179). An integrity and ethics plan is in place. An HR development strategy was adopted. Support systems are in place, including electronic filing and fully digital fiscal system.

Chapter 17: Economic and monetary policy

EU rules require the independence of central banks and prohibit them from directly financing the public sector. Member States coordinate their economic policies and are subject to fiscal, economic and financial surveillance.

On **monetary policy,** Albania has a high level of alignment with the EU *acquis* on the prohibition of privileged access of the public sector to financial institutions. The legislation is aligned with the EU *acquis* on the central bank independence and on the prohibition of monetary financing to the public sector. The Law on the Bank of Albania (BoA) was adopted in October 2026. Due to the end of mandate in December for six out of the nine members of the Supervisory Board, the Central Bank lacked the quorum to hold meetings until March, when the new members were appointed. Albania needs to ensure that the appointment of all members of the Supervisory Council is conducted in a timely manner as delays create operational risks for the BoA's functioning.

On **economic policy,** numerical fiscal rules, including those on the primary balance and the debt ratio, are in place, promoting fiscal prudence *(see also Section 2.3 - Economic criteria)*. Budget revisions continued to be endorsed through normative acts in 2025, and during 2026. Albania aligned with Directive 2011/85/EU on requirements for budgetary frameworks. Albania also adopted a guideline on the preparation and publication of the report on deviations of macroeconomic, fiscal, and budgetary forecasts. Work progressed on addressing the remaining alignment requirements, including the adoption of the law on the Fiscal Council. An MoU between INSTAT, the Bank of Albania, and the Ministry of Finance was signed in May, to strengthen inter-institutional data exchange and coordination mechanisms.

Albania is aligned with the requirements on the coordination and surveillance of economic policies laid down by the Treaty on the Functioning of the European Union. Its active participation in the **Economic Reform Programme (ERP)** exercise has contributed to developing the administrative capacity of the country relevant for this chapter. Albania

submitted the 2026-2028 ERP on 15 January 2026. Albania's ERP outlines the country's key macroeconomic and fiscal policies. The policy guidance jointly adopted at the 2025 Economic and Financial Dialogue has been partially implemented. Albania's ERP would benefit from stronger analysis of long-term fiscal sustainability, a more comprehensive assessment of fiscal risks and the budgetary impact of key fiscal measures, and a more systematic use of productivity indicators.

Chapter 19: Social policy and employment

EU rules in the social field include minimum standards for labour law, equality, and non-discrimination, health and safety at work. They also promote social inclusion and social protection, and social dialogue at EU level.

On **labour law**, there was limited progress in the reporting period. An Inter-institutional working group for the approximation of legislation regulating labour relations with the *acquis* of the European Union was established to ensure the involvement of relevant ministries, government agencies responsible and social partners.

On **health and safety at work**, there was limited progress in the reporting period. The policy document for health and safety at work and its 2025-2030 action plan is being implemented. The Interministerial Council of Occupational Health and Safety and its technical secretariat were established in February 2026. An inter-ministerial network of occupational safety and health coordinators was also set up.

On **labour inspection activities**, the use of Intelligent Risk Assessment Matrices (MIRA) increased from 75% in 2024 to 84% in 2025. Strengthening of the capacities of the social services inspectorate continued alongside a 6.3% increase of social care services inspections. In 2025, 96% of all work-related accidents were reported by employers, indicating a steady level of reporting and investigation. There was a 35% increase of accidents classified as work-related, underlining sectors with high risk in terms of occupational safety and health (OSH). The human and technical capacities of the Labour and Social Services Inspectorate have been continuously strengthened and should remain a priority. The interface between MIRA and the e-inspection platform would further increase its efficiency, transparency and quality.

On **social dialogue,** the tripartite consultation process is currently limited to providing information. Bipartite social dialogue is not sufficiently developed. The National Labour Council convened only once in the reporting period. Capacity building for social partners needs to increase.

On **employment policy**, the implementation of the 2023-2030 National Employment and Skills Strategy continued with an increase of beneficiaries of the Youth Guarantee, implementation of the exit strategy for recipients of economic aid, and integration of persons with disabilities in the labour market. Despite the progress, the labour market still faces challenges with a skills mismatch, a large share of inactive NEETs, and continuous youth migration, which will need to be addressed adequately. In June 2026, the Youth Guarantee Implementation Plan (2026-2028) was approved, marking the transition from a pilot programme in three municipalities to a nationwide rollout.

On **labour force participation** and **unemployment rate** *see the statistical annex and the section on the functioning of the labour market under 2.3 Economic criteria.*

On **social protection and inclusion,** the Strategy for Social Protection continues to be implemented. The Government created the conditions for the implementation of the European Child Guarantee in March 2026, by approving the 2026-2030 National Action Plan for the European Child Guarantee.

The 2025 social fund budget rose by 14%, supporting 57 municipal services and 19 regional specialised care services. Work continued on establishing local social funds, but no indexation mechanism exists for economic aid benefits. Social protection spending (9.6% of

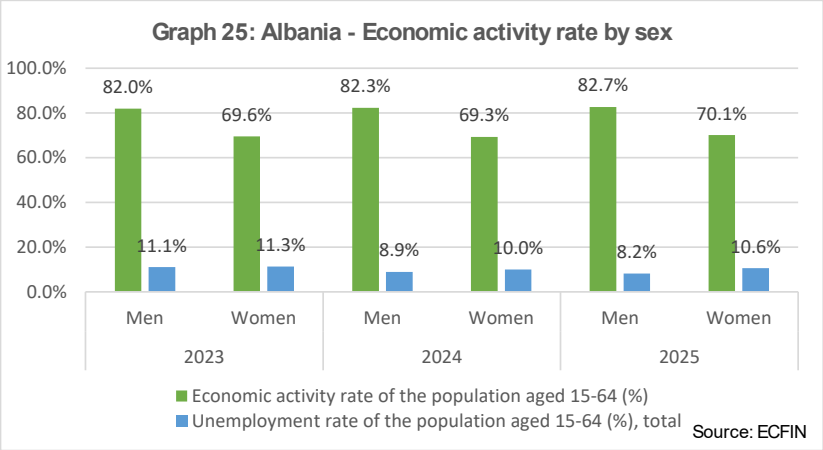
GDP) remains far below the EU average (20.5%), with only 5% allocated to social care. Local governments spend less than 2% of their budget on social services. In 2026, through the social fund mechanism, the national map of social services was expanded with 14 new services. The National Electronic Register of Social Care Services (NERCS) is not yet fully functional.

There has been steady progress on deinstitutionalisation, but more efforts are needed to move towards independent living and inclusion of persons with disabilities, taking into account the Commission Guidance on independent living and inclusion.

On the inclusion of **Roma and Egyptians**, further efforts are needed to strengthen the human resources allocated within the Ministry of Health and Social Protection (MoHSP) for Roma policy coordination, as well as to improve labour market mobility and combat discrimination.

On **non-discrimination in employment and social policy**, alignment with the EU *acquis* remains incomplete, in particular regarding the Employment Equality Directive and the Racial Equality Directive. By the end of 2025, the number of registered jobseekers with disabilities increased to 8 196 (up from 2 656 in 2023). In 2025, the Commissioner on Protection from Discrimination addressed six cases of alleged racial discrimination and four cases of disability-based discrimination in employment.

On **equality between women and men in employment and social policy,** persistent gender inequality in employment remains. In 2025, the unemployment rate stood at 8.15% for men and 10.58% for women, while the gender pay gap stayed at 4.9%. The implementation of the law on gender equality aims to tackle these disparities. Albania still has to align its legislation with the gender equality *acquis* in the area of social policies and employment, including work-life balance, pay transparency and women on boards, and to implement targeted measures to address the gender gap in employment.



There has been no progress in preparing for the participation in the **European Social Fund.**

Chapter 20: Enterprise and industrial policy

EU industrial policy strengthens competitiveness, facilitates structural change and encourages a business-friendly environment that stimulates small and medium-sized enterprises (SMEs).

On **enterprise and industrial policy principles,** Albania continued to implement the business and investment development strategy (BIDS), and the Smart Specialisation Strategy. Albania adopted amendments to the BIDS to extend its duration to 2030 and align it with EU industrial strategy. Albania needs to speed up efforts to adopt a new Law on investment to replace the Strategic Investment Law and provide for a level playing field and fair treatment between investors. Albania has intensified its investment promotion activities attracting the interest of investors in the country through participation in international fairs (such as the EU-Western Balkans Investment Conference) and bilateral investment events with EU and non-EU Member states.

Despite improvements, ineffective public consultation processes when adopting legislation

and excessive bureaucracy have impacted the business environment. Clarity on implementation of legislation would provide predictability to businesses. stability to businesses.

On **enterprise and industrial policy instruments,** Albania aligned with the EU late payments directive. Better coordination between state institutions and businesses is needed to ensure SMEs are better informed and target a larger group of beneficiaries under clear and transparent procedures. In this context, the Government together with the Central Bank and the Commercial Banks are working on a program 'Double your entrepreneurship', to raise awareness of SMEs about available credit line for businesses and help them prepare bankable projects. There was no progress on further alignment with the EU's definition on SMEs. In December 2025, Albania adopted an action plan to improve implementation of its SME policy.

Albania showed renewed interest in the Single Market Highway initiative. A first Single Market Highway workshop may lay the grounds for a Single Market Highway in Albania still this year. Albania is also participating in the Single Market Programme and is a member of the Enterprise Europe Network. On **sectoral policies,** the rise of energy prices, goods and services caused by the Middle East conflict led Albania to adopt temporary measures to support the operators of public transport, and re-introduced until June 2026, the transparency board on fuel prices, setting a price cap on diesel and gasoline. A temporary measure for a 20% reduction of excise of fuel was also put in place. The government continued to implement actions to develop Albania's defence industry, and the transfer of assets to Albanian Investment Corporation for further development and re-vitalisation programmes. Albania worked on strengthening the governance of SOEs and adopted in June 2026 a CoM Decision aiming increased transparency and governance on selection, composition and functioning of SoEs supervisory boards On tourism, Albania should further develop sustainable tourism management, strengthen consumer protection and the collection and use of tourism data, in line with relevant EU policies and initiatives.

Chapter 25: Science and research

The EU provides significant support for research and innovation. All EU Member States can participate in the EU's research and innovation programmes and benefit from them, especially where there is scientific excellence and solid investment in research and innovation.

On **research and innovation policy**, Albania has made steady progress by adopting and implementing legislation and policies aligned with the EU *acquis* and by reinforcing its administrative and technical structures. The required legislation to ensure effective implementation of the Law on Science and Scientific Research and the 2023-2030 National Strategy for Science, Technology and Innovation were adopted. Albania made progress in implementing the European Research Infrastructure Consortium (ERIC) *acquis* and further aligning its national research policies with the European Research Area. Albania took steps to meet the target of 1% of GDP by 2030 for investment in research and science. Nonetheless, funding for R&D in 2025 amounted to only 0.3% of GDP. Further action remains necessary to increase public funding of research and development, to provide more incentives to the private sector to increase R&D expenditure, and to improve cooperation between the private sector and universities.

The Albanian innovation eco-system was strengthened by the establishment of Innovation4Albania, a new innovation agency, placed under the Ministry of Economy and Innovation. More should be done to ensure that other strategic institutions, including the National Agency for Scientific Research and Innovation, are adequately resourced. The implementation of the **Smart Specialisation Strategy** should be prioritised along with the continued implementation of the Law on Science and Scientific Research as well as the 2023-2030 National Strategy for Science, Technology and Innovation.

In December 2025, Albania adopted an action plan to progress towards being classified as a moderate innovator under the European Innovation Scoreboard (EIS). Albania's summary innovation index currently stands at 41,6% of the EU average and it has slightly decreased compared to 2025. As regards the **EU framework programmes**, Albania is fully associated to Horizon Europe. In the reporting period 15 grants were signed for a total EU net contribution of EUR 3.78 million for Albania, making it the most successful year to date.

After the successful assessment of its Climate City Contract, Elbasan was awarded the EU Mission Label under the Climate-neutral & Smart Cities mission.

Researchers from Albania participated in 95.6% of actions of the European Cooperation in Science and Technology (COST).

Chapter 26: Education and culture

The EU supports cooperation in education and culture through funding programmes and the coordination of Member State policies through the 'open method of coordination'. The EU and the Member States must also prevent discrimination and ensure quality education for children of migrant workers, including those from disadvantaged backgrounds.

Albania has the necessary institutional and policy framework in place, as demonstrated by the set up in March 2026 of the National Agency for Educational Services. **Public spending** on education in 2024 reached approximately 2.6% of GDP compared with 2.1% in 2023. This remains below the EU average of 4.8% in 2024.

66 343 children were enrolled in **pre-school education**, 0.7% more than the previous school year (65 914). In basic education, 243 764 pupils were enrolled (48% girls), 2.7% less than the previous year (250 617), of which 132 018 (54.16%) in **primary education** and 111 745 (45.84%) in **lower secondary education**. 88 837 pupils were enrolled in **upper secondary education**, showing a decrease of 0.4% (89 190). Overall, according to INSTAT data for the academic year 2025-2026, 515 040 pupils and students were enrolled in formal education, with a decrease of 1.7% compared with the previous year (528 602). In the same period, 399 258 pupils were enrolled in **pre-university education**, marking a decrease of 1.66% (405 989). The process of updating key competences continued for primary, lower secondary and upper secondary education.

Albania took part in the 2024 Teaching and Learning International Survey. According to the 2025 Programme for International Student Assessment (PISA), 61% of students in Albania attained at least basic proficiency in science, 55% in mathematics and 50% in reading. While results remain below the OECD average, they have improved compared to the last assessment in 2022. A roadmap targeting low-scoring students is in place. Albania also participated in the Progress in International Reading Literacy Study (PIRLS) 2026 assessment.

On **vocational education and training (VET)**, the dual VET system was expanded to reach fifteen schools and enrolment in dual VET of twelfth-grade students increased from 203 in 2024-2025 to 372 in 2025-2026. The share of all students enrolled in VET public schools was stable (19.35% compared with 19.05% in 2024-2025). This met the National Employment and Skills Strategy target but falls short of the target having one-third of pupils in VET. Several legislative provisions are in place, including those related to the validation of non-formal and informal learning. Lifelong learning qualifications have been integrated into the Albanian Qualifications Framework. In June 2026, Albania put in place a complete regulatory framework which includes lifelong learning qualifications in the national catalogue of professional qualifications. However, adult learning participation remains limited.

Albania is an active member of the European Alliance for Apprenticeships (EAfA) since 2015 with 12 pledges from local organisations, and has increasingly promoted public-private partnerships to help strengthen apprenticeships and accelerate learners' transition into employment. The country has also improved its participation in the European Apprentices

Network.

On **higher education**, Albania's membership in the **European Higher Education Area** (Bologna process) continued, but implementation of the key commitments needs to be improved, based on the results of the 2024 implementation report. An Action Plan of the Policy for Higher Education 2030 was adopted, the Higher Education Information Management System (HEMIS) has been established, and the Central Inspectorate of Pre-University Education, which enhances oversight and ensures legal compliance across pre-university educational institutions, was established.

Progress was made on the improvement of **inclusive education** and child centred practices in preschool as well as the approximation with the EU "Early Childhood Education and Care Quality" framework. There were 5 208 children with disabilities in the pre-university education in 2025-2026, an 11.23% increase compared to 2024-2025. Students with special needs attending special schools in 2025-2026 dropped to 399 compared to 453 in 2024-2025. The number of assistant teachers increased marginally from 2 266 to 2 670 (public and private schools). The registration of **Roma and Egyptian children** in pre-university education was relatively stable, reaching 12 811 in 2025-2026. 15 000 teachers completed training on inclusive education. Albania revised its curricula for years 1, 6, and 10 to promote cultural diversity and include Roma and Egyptians' history and culture. Albania still needs to ensure effective implementation of the legal framework regarding the exercise of minority education rights.

On **digital and green skills,** Albania is implementing its 2025-2030 digital agenda action plan for education and undertook teacher development initiatives to enhance digital skills. No progress was reported on the installation of smart labs over 600 public primary and upper secondary schools.

In 2025, Albania continued to demonstrate a strong performance within the international dimension of the 2021-2027 **Erasmus+ programme**. Overall, 2025 saw the highest level of institutional engagement since its launch, with a total of 762 recorded instances of participation by Albanian institutions. Albania started the preparations of national structures for the association to the Erasmus+ programme.

Albania advanced the governance of **sports** by establishing grant distribution criteria and procedures for national sports organisations ensuring oversight by relevant ministries and councils to enhance transparency and efficiency in sports funding. In 2025, Albania did not take part in the European Week of Sport.

Albania adopted by-laws regarding the implementation of the Law on **youth**, including regulations for the organisation of the Youth Talent Programme. The implementation of the 2022-2029 **National Youth Strategy** continued.

On **culture**, the 2026-2030 National Strategy for Culture was adopted in July 2026, integrating the Culture Compass for Europe. Implementing legislation for the Law on cultural heritage and museums has been adopted. Albania continued to participate fully in the EU 2021-2027 Creative Europe programme.

On **anti-corruption** in the field of education and culture, Albania integrated anti-corruption topics into pre-university education, in line with its anti-corruption strategy and action plan.

Chapter 29: Customs union

All Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity and access to and interoperability with the EU electronic customs environment.

On **customs legislation**, Albania's customs code continues to be broadly aligned with the EU *acquis*. Legal amendments were adopted in 2026 to further align with the *acquis* on drug

precursors and on dual use goods. The levying of scanning fees for customs declarations continues to contravene the Stabilisation and Association Agreement and is not aligned with the Union Customs Code. Authorities should also prepare to take over the responsibility for assessing of scans to relieve the service provider.

The preparations to join the Common Transit Convention and amend the transit procedures legislation continued. The contract to develop and implement the software for the new computerised transit system (NCTS) at national level is being implemented. The alignment of datasets and workflows of the national design document for AES is in the process. Common Communications Network/Common Systems Interface (CNN/CSI) gateway has been set-up. The development of the national single window has started after procurement of a system developer in January 2026. The Council of Ministers approved the 2025–2030 Strategy for the modernization and harmonisation of Albanian customs information systems with the EU Systems, with an accompanying action plan.

Albania is continuing its authorised economic operator (AEO) programme. The number of AEOs increased by 5 to 23. Awareness-raising activities on the benefits of the programme continued.

Risk Management procedures in place are in line with the UCC and use electronic data processing techniques. A dedicated risk selectivity module (and automated environment that enables a risk-based selectivity) is integrated with the customs clearance system. However, the risk management process and customs control system should be further modernised and automated.

The national rules on cash and goods transported in travellers' baggage should be aligned with the EU *acquis*.

On **administrative and operational capacity**, the Albanian Customs Administration (ACA) reports 970 employees, and 104 vacancies. A human resources strategy was recently approved. Efforts should increase to ensure recruitment, particularly of critical profiles related to alignment targets. Ongoing training will need to increasingly focus on EU systems, including through use of EU e-learning modules. To cope with all the IT investments, there is a need to upgrade human resources and capacity, also within ACA. The ACA has been implementing its Business Strategy (2023-2027) focusing on digitalisation, trade facilitation and protection of financial interest. An actio plan for 2026 – 27 was adopted in May 2026. An IT strategy and accompanying action plan for the Albanian customs systems were adopted by the Council of Ministers in November 2025. A contract for the upgrade of the core customs management system (ASYCUDA World) in line with EU requirements was concluded. Work is ongoing to ensure CCN/CSI connectivity with central EU applications.

Albania is actively particpating in the Customs programme cooperation acitivites with EU Memebr States, being a full memebr of the programme for the current iteration 2021-2027.

In terms of **prevention of corruption**, a department for anti-corruption and ethics is in place, tasked with processing cases and complaints received. The Code of Ethics sets out the rules and principles of conduct that all employees of the customs administration must follow. Albanian Customs Administration adopted an Integrity action plan aimed at strengthening integrity.

CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

This cluster covers: transport (Chapter 14); energy (Chapter 15); trans-European networks (Chapter 21); and environment and climate change (Chapter 27).

Chapter 14: Transport policy

The EU has common rules on technical and safety standards, security, social standards, State aid and market liberalisation in road transport, railways, inland waterways, multimodal

transport, aviation and maritime transport.

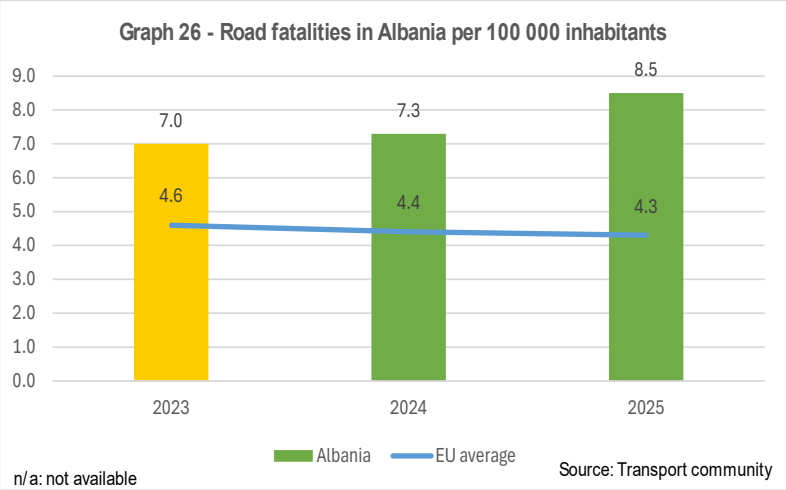
Regarding the **general transport** *acquis,* the national transport strategy and its 2026-2030 action plan are yet to be adopted. The strategy promotes wider uptake of sustainable urban mobility plans and supports a coordinated transition to sustainable, low-carbon, and inclusive urban mobility across Albanian cities. The government is in process of undertaking the Strategic Environmental Assessment for the draft Strategy with the aim to adopt it by the end of 2026.

Albania has aligned with the intelligent transport systems (ITS) directive which now needs to be made fully operational. The National Traffic Monitoring and Control Centre was established, deploying ITS infrastructure across 200 km of priority roads, including sections of the Western Balkans Eastern Mediterranean corridor.

A law to align the national legal framework with the regulation on electronic freight transport information (eFTI) was adopted by the Albanian Parliament in June 2026.

Albania has continued to actively participate in the work of the Transport Community, but no significant progress was made on the implementation of the six action plans and the dedicated smart and sustainable mobility strategy for the Western Balkans. There was also limited progress on the implementation of the next-generation Transport Community action plans endorsed in 2025.

On **road transport**, road safety remains a concern, with fatality rates above the EU average and persistent discrepancies between national data and WHO's higher and unresolved estimates. The growth in vehicle numbers, which exceeded one million at the end of 2025, contributes to a worsening road safety situation. The 2026-2030 Road Safety Strategy (RSS) and its accompanying 2026-2028 action plan were adopted in July 2026 after going through public consultation. They are essential to address the recent rise in fatal road traffic accidents [16].



In addition, the Road Code was amended to strengthen administrative measures for serious road-traffic offences, including unlicensed driving, offences by young drivers, speeding, mobile-phone use while driving and driving under the influence of alcohol.

Funding needed for a Community database on road accidents (CARE) aligned crash data system is being secured with the World Bank under Transport and Trade Facilitated Project. 2. The creation of a dedicated road safety agency is not planned in the short-term. The country needs to strengthen its inspection capacity on periodic roadworthiness tests, while further progress was made to align with the EU *acquis*. Albania remains partially aligned with the Directive on road infrastructure safety management.

The Albanian Roads Authority (ARA) reform is supported through EU- and World Bank-

[16] In the year 2025, EU average road fatalities per million inhabitants in the EU was 43 against 85 for Albania, Source: Transport Community Secretariat: https://www.transport-community.org/wp-content/uploads/2026/05/Preliminary-data-on-road-fatalities-for-2025-for-publishing.pdf

funded technical assistance. However, the road asset management system is not yet operational, and a Service Level Agreement (SLA) has not been in place including the definition of key performance indicators and the establishment of dedicated funding mechanisms for road and bridge maintenance.

On **rail transport**, while the Railway Safety Authority is functional the staffing process is still ongoing. A Director of the Railway Regulatory Authority was appointed, but it still lacks the operational capacity to fulfil its mandate. The Railway and Accident Investigation Authority remains non-operational. Albania needs to continue its efforts to align with the EU rail safety and interoperability rules, including the electronic register of vehicles and the rail infrastructure asset management system (RIAMS). Regarding the rail network, rehabilitation of the Durrës–Tirana line and construction of the new airport connection progressed, with both expected to be completed by mid-2027. In this regard, an expression-of-interest phase for the Albanian Rail Passenger Operations Public Service Contract was launched on 1 June, with tender to be launched by the end of 2026. However, there is a serious risk that rolling stock will not be available by completion of the railway.

On **maritime transport**, Albania remains on the grey list of Paris Memorandum of Understanding on Port State Control. It became a full member to the Mediterranean Memorandum of Understanding on Port State Control in January 2026, significantly enhancing its regional cooperation on maritime safety, vessel compliance, and port inspections.

A regulation on vessel-traffic monitoring and information system (VTMIS), is expected to be adopted soon. Implementation is ongoing, with technical procedures being developed and staff trained. The investigation into hazardous waste being loaded onto container ships at Durrës Port is ongoing.

Albania still needs to fully align with the Regulation establishing a European Maritime Single Window environment. No further progress has been made in the area of **inland waterway transport.**

On **aviation**, some progress was noted with implementation of the EU *acquis* through the adoption of implementing legislation on administrative procedures, glider operations, air traffic control licences and certificates as well as information security risks.

On **multimodal transport**, has not yet aligned with the combined transport directive.

On **passenger rights**, in the reporting period Albania drafted the law to ensure alignment with the EU regulation concerning the rights of passengers when travelling by sea and inland waterways.

On **anti-corruption** in the transport sector, weak enforcement of Albania's anti-corruption strategy and fragmented responsibilities undermine integrity and accountability. Transparency, oversight and integrity safeguards should be strengthened, with particular attention to procurement and contract management of high-value infrastructure projects. Priority should be given to consistent risk monitoring, clear accountability arrangements and the effective implementation of auditing and reporting measures.

Chapter 15: Energy

EU energy policy covers energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy and nuclear safety, radiation protection and nuclear safeguards.

On **security of supply**, the national legislation is partially aligned with EU *acquis* for gas, whereas for electricity the alignment with the risk-preparedness Regulation is pending. A law on safety reserves for oil and its by-products was adopted within September 2026. Improvements in reporting and establishment of a central oil stockholding are still needed.

On the **internal energy market,** Albania's day-ahead electricity market is operational and is coupled with the respective market in Kosovo. The Power Sector Law was adopted by Parliament in June 2026. Together with five network codes and guidelines previously approved by the National Regulatory Authority, the new legislative package aims to align with the electricity integration package (EIP). This helps Albania to move closer to integration with the EU's internal energy market. The full integration with the EU's internal electricity market is pending full alignment with EIP subject to the verification process established by the Energy Community Secretariat and the European Commission. Albania is now expected to implement a 15-minute imbalance settlement period. Regarding regional cooperation, Albania's transmission system operator signed a contract with SEleNe, which will act as a regional coordination centre and support the development of regional capacity calculation solutions.

Electricity prices are still not fully liberalised. Customers connected at high and medium voltage levels (10 kV, 20 kV, 35 kV and 110 kV) operate in the deregulated market. As of January 2026, the remaining category of medium-voltage customers (6 kV) has also been transitioned to the liberalised market, except for customers with special status who continue to be supplied under regulated conditions. Regulated tariffs remain applicable to all low-voltage (0.4 kV) customers, which is not aligned with the requirements of the Electricity Integration Package (EIP).

There is no operational natural gas market in Albania. On the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT), the Energy Regulatory Authority (ERE) has aligned the REMIT "light" Regulation, as adapted and adopted in the Energy Community, except for the market rules. ERE's institutional capacity has been strengthened, particularly in market integration, including through the recruitment and training of additional staff. Further capacity building and continuous training remain necessary.

On **renewable energy**, the decision on the approval of the rules, procedures, and net billing support scheme, as well as the rights and responsibilities of renewable self-producers, was adopted in May 2026. In June 2026, ERE adopted the first market readiness report, concluding that day-ahead market is not sufficiently liquid to trigger the conversion of the power purchase agreements into contracts for difference. The legislation on biofuels and renewable transport fuels was adopted in June 2026, including on sustainability criteria for biofuels, bioliquids and biomass fuels and greenhouse gas emission reductions. Albania is expected to harmonise its legislation for full alignment with those provisions for the transport sector, heating and cooling and electricity. The Ministerial Guideline on the establishment of the renewable energy communities, was adopted on 29 June 2026.

Some progress was made on **energy efficiency**. A Law on energy efficiency aiming to fully align with the EU *acquis* is expected to be adopted within October 2026. The timely adoption of the remaining secondary legislation will be essential to ensure full alignment. Key challenges include aligning national and municipal energy efficiency planning, strengthening auditor capacity, supporting groups in vulnerable situations, and increasing funding for public building renovations to meet 2030 targets. Further efforts are also needed to strengthen the institutional framework, including the establishment of a National Energy Efficiency Fund, energy efficiency obligations, scheme and strengthening the role of the Energy Efficiency Agency in implementation, monitoring and reporting as well as strengthening capacities of local government units, especially in terms of technical expertise, monitoring and reporting systems, digital tools, and inter-institutional coordination.

In the area of **governance,** Albania adopted its updated 2021-2030 National Energy and Climate Plan (NECP) in August 2026 which plays a critical role in supporting the deployment of renewable energy and achieving the country's energy and climate objectives.

Albania made no progress in the reporting period on **nuclear energy, nuclear safety, and radiation protection.** In addition to accelerating efforts to align with Euratom legislation,

participate in the European Community Urgent Radiological Information Exchange (ECURIE) and the European Radiological Data Exchange Platform (EURDEP), Albania should strengthen the capacities of the National Nuclear Agency Institute of Nuclear Physics as well as the Radiation Protection Commission Institute of Radiation Protection. On **nuclear safeguards**, upon EU accession, Albania would need to adapt its existing systems for the accountancy and control of nuclear materials to ensure they can accommodate the safeguards provisions of the Euratom Treaty.

On **anti-corruption** in the energy sector, transparency challenges remain in relation to regulated electricity pricing. Further advancing the digitalisation of permit-granting procedures for energy projects, both at central and local level, will improve transparency and administrative efficiency.

Chapter 21: Trans-European networks

The EU promotes trans-European networks (TENs) in the areas of transport, telecommunications and energy to strengthen the internal market and contribute to growth and employment.

On **transport networks**, progress has been made to align the strategic framework with the EU *acquis* through implementation of the Regulation on the European Union guidelines for the development of the Trans-European Transport (TEN-T) Network. In March 2026, the 2027–2029 document of priority policies was prepared, setting out priority projects for the core and comprehensive regional transport network, including the Western Balkans–Eastern Mediterranean (WBEM) Corridor. Further efforts are needed to secure sustainable financing and improve administrative capacity for developing, implementing and monitoring TEN-T.

The development of the core road network has progressed, especially in the Adriatic-Ionian Corridor (AIC) and road Corridor VIII. Construction works are ongoing on road corridor VIII covering sections from Lekaj to the border with North Macedonia. Four public private partnership (PPP) contracts were signed for the development of the AIC, including the construction of road segments between Milot and Fier. Further efforts are needed to make the Road Asset Management System operational.

As regards the rail network, the rehabilitation of the Durrës-Tirana line and the construction of a new line to the international airport progressed and is expected to be completed by mid-2027. The expression of interest phase for the Albanian Rail Passenger Operations Public Service Contract was launched on 1 June, and a tender will be launched by the end of 2026.:. At the same time, key operational gaps, including the absence of network statements, infrastructure access agreements, and train dispatching protocols, need to be addressed. The rehabilitation of Corridor VIII is progressing with substantial EU support already in place. Works on the Durrës-Rrogozhinë section, the first segment of the corridor, are currently at the procurement stage. The Rrogozhinë-Pogradec section is undergoing final detailed design, while preparations are underway for the feasibility study of the final Albanian segment between Pogradec and the border with North Macedonia to determine the most suitable cross-border connection point between the two countries. No concrete steps were taken to shift freight activities from the ports of Durrës and Vlora to the port of Porto Romano. The government maintains its decision that the state budget will be used to fund the new port of Porto Romano. However, the tender for the works on the new commercial port in Porto Romano, Durrës, was cancelled after the only remaining bidder failed to submit a final financial bid before the deadline. Preventing corruption is crucial to avoid criminal infiltration in the transportation and logistics chain.

On **energy networks**, Albania adopted legislation aiming to align with the revised Regulation on Trans-European Networks for Energy (TEN-E) with a Council of Ministers decision on the approval of the rules for the development of regional and trans-European energy infrastructure projects.

The only gas network in Albania is the Trans-Adriatic Pipeline (TAP) which only transits gas

from Azerbaijan to Italy through the country. For electricity, Albania remains connected to Greece, Montenegro and Kosovo through high voltage networks of 400 kV, 220 kV, and 110 kV. The 400 kV interconnection line between Elbasan in Albania and Bitola in North Macedonia is still under construction.

During the reporting period, some advancements were made in developing Albania's regional electricity connections in line with the Central and South-Eastern Europe Energy Connectivity (CESEC) action plan on electricity and renewable energy and the Projects of Energy Community Interest (PECI) projects including the 400 kV internal ring (Rashbull Tirana2) reconfiguration of the 400 kV grid and the new 400 kV Albania-Kosovo interconnection.

Chapter 27: Environment and climate change

The EU promotes strong climate action, sustainable development and protection of the environment. EU rules contain provisions addressing, horizontal environmental issues, climate change, water and air quality, waste management, nature protection, industrial pollution, chemicals, noise and civil protection.

Environment

In terms of **horizontal legislation**, Albania still needs to substantially improve alignment with and implementation of the environmental impact assessment (EIA) and the strategic environmental assessment (SEA) Directives. Persistent weaknesses in institutional capacities hamper coordination, planning and investments. The quality of EIAs remains inadequate and recommendations are occasionally implemented or ineffectively monitored. Public participation in decision-making processes remains limited and enforcement of horizontal legislation insufficient. A draft law improving public consultations for environment related matters was submitted for consultation. The effectiveness of inspection and enforcement mechanisms remain a concern. Albania needs to make significant steps to improve environmental monitoring and strengthen administrative capacity to meet EU standards.

A law establishing a National Environmental Fund underwent public consultation. A decision to establish the Green Tree Fund was adopted, which requires any construction project to plan tree planting. Albania still needs to align with the Environmental Crime Directive and tackle environmental crime, especially in protected areas. Inter-ministerial collaboration on environmental issues is to be developed.

On **air quality**, a dedicated Directorate for Air Quality and Environmental Statistics was set-up within the Ministry of Environment in January 2026, which represents an important organisational step. Albania is amending the Law on the protection of ambient air quality to align with the new Air Quality Directive and is revising its national strategy. Two additional automatic air monitoring stations were put in place, but further efforts are needed. Increases in administrative and technical capacity are still needed to monitor air quality and to implement the *acquis.*

On **waste management**, in January 2026 the government established the National Agency for Waste Economy (AKEM), as a joint-stock, state-owned company to be the national waste treatment operator. However, AKEM still has low capacity and expertise. Albania adopted the laws on integrated waste management and on extended producer responsibility (EPR) to align with the relevant EU *acquis.* Implementing legislation still needs to be adopted. Albania still needs to ban single-use plastics to progress towards alignment with the EU Single-Use Plastics Directive, address littering and take urgent action to enable the functioning and upgrading of the integrated waste management systems. The pilot project on municipal waste separation at source in Berat is ongoing, while the Përmet municipality has also started separate collection for some waste typology.

On **water quality,** further alignment with the EU *acquis* was achieved through implementing

legislation, with three decisions of the Council of Ministers approved during the reporting period. Five of the seven River Basin Management Plans (RBMP) are implemented (Drin-Buna, Semani, Ishmi, Erzeni and Mati rivers), with two (Drin-Buna and Seman) being updated (second cycle). Six of the seven Flood Risk Management Plans have been prepared and are under approval. The national water quality monitoring programme is still limited in scope and geographical coverage. A bathing water monitoring programme has been implemented over the bathing season. Local conflicts around water abstraction from rivers and protected areas, and the lack of consultation with local communities and environmental CSOs continues to raise concerns. Water supply and sewerage services remain low. The percentage of wastewater treated remains very low despite an increase of treatment capacity in the coastal area.

Urgent progress is required on the alignment with the EU *acquis* on **nature protection**, in particular the Habitats and Birds Directives. Environmental governance and enforcement issues as well as deficiencies linked to nature protection, including the 2024 amendments to the Law on protected areas, and the extension of the Law on strategic investments have led to deterioration on nature protection and became a root cause of the protests which have taken place in Albania since May 2026.

Works for hospitality and urban plans in the Buna-Velipoja Protected Landscape, which is in the list of the potential Natura 2000 sites in Albania, are ongoing amid protests by the local population. Despite some improvements in the administration and monitoring of protected areas, the approval of three development permits and the carrying out of preparatory works in the Pishë Poro-Nartë protected landscape, the lack of public consultation and of environmental impact assessment in this candidate Emerald site continued to raise concerns. The construction of the Vlora Airport continued in the same protected area, despite repeated requests for an environmental impact assessment by the Standing Committee of the Bern Convention in December 2023, 2024, 2025 and 2026. Works have been suspended due to a legal dispute between shareholders.

Albania should advance the identification, pre-designation, and protection of the sites that will be covered by the Natura 2000 network. Forest management should have strong guarantees to protect biodiversity and its natural functioning, over the economic interest. Moreover, the country also adopted a “Mountain Package” law, intending to promote investment projects in forests and pastures through fiscal incentives and land acquisition facilities for investors that could have significant negative implications for local land use and environmental management.

On **industrial pollution and risk management** no progress was made due to continued capacity and financial constraints.

On **chemicals**, no progress was recorded. Implementing legislation on REACH and the Biocidal Products Regulation is required, as well as accompanying administrative structures and. more resources for inspection and enforcement.

Regarding **noise**, no progress was made on the development of strategic noise maps and action plans. Data also remains inaccessible to the public.

On **civil protection,** as a participating State of the Union Civil Protection Mechanism (UCPM), Albania continues to actively participate in the relevant activities, including in disaster risk management reporting to the Commission and the UCPM capacity building for disaster prevention and preparedness. However, Albania's emergency response resources are often insufficient, and further decisive steps to integrate with the UCPM are necessary. Specifically for wildfires, Albania needs to follow up on the recommendations of an advisory mission carried out in January 2026 to assess Albania’s wildfire management system, which provide a roadmap for preparedness and response following the severe 2024–2025 fire seasons. In particular, Albania needs to establish a coherent national legal and governance framework, professionalise wildfire management, and modernise communication and

information systems. The National Agency of Information Society (NAIS) and the National Civil Protection Agency (NCPA) are connected to the Trans-European Services for Telematics between Administrations (TESTA) and need to connect to the Common Emergency Communication and Information System (CECIS), which will allow a real time exchange of information during emergencies.

Climate change

Over the reporting period Albania made good progress on alignment with EU climate *acquis*, but the country's ability to integrate climate change into sectoral strategies and plans remains limited. The Ministry of Environment has established a Directorate for Climate Change composed of eight staff members.

In December 2025, Albania amended the climate law to increase alignment with the provisions of the EU Emissions Trading System (EU ETS) Directive, and the climate adaptation provisions of the European Climate Law. However, the climate law should be further updated to reflect the EU's 2050 climate neutrality target. The country should also develop a long-term low-carbon development strategy consistent with this goal. In June 2026, Albania adopted an updated National Adaptation Plan (NAP) and submitted to the Energy Community secretariat its National Energy and Climate Plan in August 2026.

The amended Climate Law and two pieces of implementing legislation were adopted by the government in July 2026 which set the legal basis for the monitoring, reporting, verification and accreditation (MRVA) system covering the full scope of the EU ETS with Albania aiming to fully implement MRVA for power generation, heavy industry and aviation sectors by the end of 2026. Implementation of MRVA in the shipping and ETS 2 sectors (buildings, road transport and small industry) is due to be achieved by the end of 2027. Albania shall ensure that all operators and regulated entities submit their monitoring plans and receive greenhouse gas (GHG) permits on time, so they are ready to start monitoring as 1 of January 2027 or, for shipping and ETS 2 sectors, 1 January 2028. Albania also needs to take decisive steps to introduce carbon pricing. This will ensure easier integration into the EU ETS upon accession. Lastly, Albania should prepare and adopt a roadmap for EU ETS implementation, outlining actions to ensure full legislative alignment with the relevant *acquis*.

Albania still needs to align with the EU *acquis* on fluorinated greenhouse gases, ozone-depleting substances, on emissions from the Land and Use, Land Use Change and Forestry (LULUCF) sector and climate legislation concerning road transport (CO2 performance standards, car labelling and fuel quality). To this end, Albania should develop and adopt a plan for putting arrangements in place to align, implement and enforce the EU climate *acquis* upon its accession to the EU.

Albania submitted its first biennial transparency report in October 2025, and updated in September 2026 its Nationally Determined Contribution (NDC) for 2035 under the Paris Agreement, in line with efforts to limit global warming to 1.5°C.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

This cluster covers: agriculture and rural development (Chapter 11); food safety, veterinary and phytosanitary policy (Chapter 12); fisheries and aquaculture (Chapter 13); regional policy and coordination of structural instruments (Chapter 22); and financial and budgetary provisions (Chapter 33).

Chapter 11: Agriculture and rural development

The EU's common agricultural policy supports farmers and contributes to ensuring Europe's food security. It helps tackle climate change and the sustainable management of national resources; maintains rural areas and landscapes across the EU; and keeps the rural

economy alive by promoting jobs in farming, agri-food industries and associated sectors. This requires strong management and control systems. There are also common EU rules for marketing standards, quality policy and organic farming.

On **horizontal issues**, Albania needs to build-up its institutional capacity and align its policy, financial management and control systems with the common agriculture policy (CAP). During the reporting period, some progress was made in developing the integrated administration and control system (IACS). An implementation plan for its establishment is being developed. The farm register still needs to be fully aligned with the EU *acquis*. Setting up the land parcel identification system (LPIS) has advanced and needs to continue. In this regard, Albania has established the financial framework for LPIS implementation until 2028, with an overall envelope of EUR 8 m. Two pilot exercises have been completed, which included testing on-the-spot verification, overlapping declarations and quality-control procedures. These resulted in the selection of a reference parcel model and standard parameters for minimum parcel size, land cover and land use categories and landscape features. Albania is also developing an implementation plan on the setting up of the future paying agency.

Albania made progress on the setting-up of a farm sustainability data network (FSDN). On 31 August 2026, Albania adopted a Ministerial Order which establishes the national legal and institutional framework for FSDN, transforming the Farm Accountancy Data Network into the Farm Sustainability Data Network and extending its scope to environmental and social sustainability data. The advisory system reform remains at an early stage and capacity remains low.

On **agricultural markets - common market organisation** (CMO), legislation in the wine sector was adopted in December 2025 and is partially aligned with the EU *acquis*. Further efforts are needed to continue legislative alignment and strengthen the institutional capacity for implementation.

On **rural development**, Albania submitted its request for entrustment with budgetary tasks for the IPARD III Programme on 1 April and 18 June 2026.

No progress was made to align the legislation on **quality policy** with the EU *acquis* during the reporting period.

On **organic farming,** the implementing legislation to the Law on organic production, labelling of organic products and their control, which would further align national rules with the EU *acquis*, remains pending.

On the **fight against corruption**, the Albanian authorities are obliged to prevent, detect and report irregularities.

Chapter 12: Food safety, veterinary and phytosanitary policy

The EU food acquis including hygiene rules for foodstuff production ensures a high level of food and feed safety and a high level of protection of consumers' interests. Animal health and welfare and the safety of food of animal origin are safeguarded together with plant health, the quality of seeds, plant reproductive material, and animal nutrition and the use of plant protection products.

On **general food safety**, the legal framework remains partially aligned with the EU General Food Law Regulation. The Law on Official Controls (OCR) was adopted in June 2026. Institutional reforms are necessary, especially for merging the National Food Authority (AKU) with the National Veterinary and Plan Protection Authority (NVPPA). Moreover, the division of inspection tasks between AKU and the General Inspectorate should become clearer. Further efforts are required on inspection statistics, data management and transparency. Albania should improve the implementation and enforcement of official controls legislation, including allocation of adequate administrative and financial resources as well as to prepare and adopt an action plan for aligning official controls with EU requirements. Official

laboratories have not yet been designated in accordance with official control regulation principles. For the official laboratory network, validated screening methods to guarantee the reliability of results for the relevant species and commodities still need to be put in place. Further efforts are needed to improve capacity development, accreditation and validation of methods. Border controls also need to be strengthened, and active border control posts should be aligned with the EU requirements upon accession.

On **veterinary policy,** work on alignment of implementing legislation related to the Animal Health Law continued. Albania has established the core structures to manage the animal health system, which is broadly functional. Legislation, surveillance, laboratory capacity and official controls provide a basis to manage disease risks and to progress towards alignment with the EU *acquis*. Outbreak management for major category 'A' diseases is generally effective, and compulsory programmes for brucellosis and bovine tuberculosis help maintain low prevalence levels. However, several system elements are not yet mature. Traceability, surveillance analysis and laboratory capacity for specific pathogens are not fully developed, which reduces the system's ability to detect risk trends early, prioritise controls and demonstrate progress. Preparedness remains uneven across diseases and eradication programmes lack measurable targets and herd-status recognition.

Albania needs to adopt measures to align actions with the regional approach on the control and eradication of rabies, including continuing the vaccination campaigns against rabies, and to intensify surveillance as it is the only true indicator to declare a rabies-free zone.

Albania needs to improve alignment on animal welfare. Specific efforts are required on the requirements for the protection of laying hens on farm and at time of killing, as well as the monitoring of broiler welfare at the slaughterhouse. Greater efforts are also needed on enforcement, including ensuring adequate administrative capacity to put in place the certificates and approval systems required by the EU *acquis*.

Regarding the **placing on the market of food, feed and animal by-products**, Albania prepared the national residue monitoring plan for 2026. The authorities need to strengthen enforcement of legislation and risk management in this area. Albania should address the gaps on the legal framework, the disposal in landfills, the training of official veterinarians and operators and the effectiveness of the current system of official controls. Albania has made progress in aligning its legal framework on animal by-products, although further work on secondary legislation and implementation guidance is necessary. Albania has yet to put in place an EU-compliant system of collection, storage and processing of animal by-products.

On **food safety rules**, Albania initiated the process of assessment and categorisation of the establishments, but significant work is still needed. On pesticide residues, Albania has yet to improve the enforcement of actions taken in the event of non-compliance and increase transparency. Albania needs to develop a national programme to improve milk quality. No progress was reported on **specific rules for feed** and significant work remains necessary.

On **phytosanitary policy,** Albania adopted the plant health law and continued working on its implementation. Albania has to establish the multiannual survey programme for quarantine pests and put in place the plant passport system for all sectors, including forestry, natural and urban areas. Further efforts are needed to improve pesticide residues monitoring in Albania.

On the **marketing of seed and other plant reproductive material**, Albania should focus on fully aligning its national legislation with the EU *acquis* on the rules plant and forest reproductive material (PRM and FRM). In addition, Albania must establish the necessary institutional frameworks and technical capacities to implement and enforce the EU *acquis* effectively and focus on setting a functional seed certification system.

No progress was reported on **genetically modified organisms,** and significant work remains necessary.

On the **fight against corruption,** the national Cross-Cutting Anti-Corruption Strategy aims to ensure accountability and ethical governance. Albania should continue its efforts to strengthen transparency and accountability, particularly in phyto-sanitary and veterinary inspections. Measures to prevent corruption risks and ensure the integrity of inspection and certification processes should be reinforced.

Chapter 13: Fisheries and aquaculture

The common fisheries policy lays down rules on fisheries management, protects living resources of the sea and limits the environmental impact of fisheries. This includes setting catch quotas, managing fleet capacity, rules on control and inspection, rules on markets and aquaculture and support for fisheries and coastal communities. Further, it promotes a sustainable aquaculture.

Regarding **resource and fleet management,** Albania's legislation is broadly in line with the recommendations of the General Fisheries Commission for the Mediterranean, which has adopted several management plans for the sustainable exploitation of fish stocks applying to Albania. Efforts are ongoing to implement the EU common fisheries policy into the national legislation.

On **data** collection, data on fishery production is regularly maintained and updated. However, further efforts are needed to align on data collection requirements on sharks, eels, biological data collection, recreational fisheries and discard plans. Further improvements on scientific capacity and data management are also needed.

Regarding inspection and control, the capacity to monitor fishing activity 24/7 to combat illegal, unreported and unregulated (IUU) fishing is in place, based on a functional and operational vessel monitoring system (VMS). The online electronic inspection system provides for a transparent procedure, secure data recording and transmission to the relevant authorities. However, full alignment with the EU *acquis* and additional monitoring capacities are still required.

On **market policy**, legislation was aligned with the EU *acquis* on common market organisation.

Regarding **aquaculture**, ten contracts were granted in the district of Durres and Saranda for mussel and fish production. Further progress was made on preparation of the legal basis for the use of alien and absent species.

Regarding **international agreements** on fisheries and aquaculture management, Albania continued to fully implement the General Fisheries Commission for the Mediterranean (GFCM) recommendations and it should continue to actively participate in GFCM activities.

No progress was made on **structural action**, **State aid** and **maritime spatial planning** during the reporting period.

Chapter 22: Regional policy and coordination of structural instruments

Regional policy is the EU's main tool for reducing regional disparities and investing in sustainable and inclusive socio-economic growth. It is operating through ''shared management'' between the Commission and EU Member States. The implementation of cohesion policy programmes requires appropriate administrative capacity on programme and project level, the establishment of systems of sound financial management and control and also the fulfilment of other EU acquis elements such as environmental or public procurement legislation.

Regarding **the legislative framework**, Albania has established a framework aligned with EU requirements, including the NUTS classification. However, this framework is currently not used for territorial analysis or evidence-based policy design. The Council of Ministers has not yet adopted a decision on the establishment of the partnership principle in line with the European Code of Conduct on Partnership. Albania progressed in its readiness to meet the

enabling conditions of the Common Provisions Regulation (CPR) with the update of the planning for required investments in water and wastewater sectors. The updated Chapter 22 action plan needs to be endorsed by the Council of Ministers. The harmonisation of the European Grouping of Territorial Cooperation legislation should advance.

Regarding the **institutional framework**, staff turnover and organisational changes, especially with SASPAC as the Technical Secretariat to the Strategic Planning Committee, have negatively impacted preparations under this chapter. The lack of institutional continuity is an issue with the appointment in September 2025 of a 5th chapter negotiator in the last three years. Implementation of the closing benchmarks needs to accelerate, with clear identification and allocation of responsibilities among institutions expected to perform key Cohesion policy functions, and technical work in the sub-groups of the Interinstitutional Working Group for Chapter 22 needs to advance, to meet the deadlines set in the Chapter 22 action plan.

On **administrative capacity,** progress was made in strengthening staff retention within the IPA III management and control system through the adoption of a dedicated staff retention policy, supported by a financial incentive framework, in July 2026. Effective implementation of a staff retention policy remains critical for structures dealing with EU funds under indirect and shared management, along with accelerating the implementation of IPA III Sector Operational and Interreg cooperation programmes. Additional administrative capacity at the national and sub-national levels is required to support the partnership principle, multi-level governance, public consultations, and citizen engagement. SASPAC needs to coordinate partnership arrangements and communication on EU funds, while sector institutions and the Association of Municipalities are to ensure the effective involvement of stakeholders and local self-government units throughout the programming and implementation cycle. Understaffing and high turnover at SASPAC have disrupted operations and limited preparations for 2028-2034 Cross-Border Cooperation and Interreg programmes. Inter-institutional coordination with clear separation of functions and duties should be strengthened, building on the Reform Agenda coordination process, to improve effectiveness. Training for the cohesion policy ecosystem should be coordinated centrally to ensure complementarity and be designed and delivered by practitioners.

On **programming**, the territorial and urban dimensions should be systematically integrated into national sectoral policies. A comprehensive national framework for regional development remains to be established. Local self-government units need to strengthen their capacities for future cohesion policy, align development strategies with EU policy directions, including the 2025 EU Agenda for Cities, and prepare investment plans in cohesion sectors. While the National Single Project Pipeline is regularly updated and categorises projects by maturity, it excludes municipal-led projects and does not cover all relevant cohesion sectors. The National Association of Municipalities of Albania should be involved in policy planning and further strengthen its capacities. Active engagement of Albanian stakeholders in the EU Strategy for the Adriatic and Ionian Region should be promoted.

On **monitoring and evaluation**, administrative capacity has improved but requires further strengthening. Sectoral and IPA monitoring committees, as well as the Monitoring Committee of the Reform Agenda, meet regularly to discuss implementation progress. However, monitoring and national evaluation systems still need further alignment with cohesion policy requirements. In territorial cooperation, the prolonged lack of monitoring capacity within the National Authority raises concerns about the ability to fulfil programme implementation responsibilities, with potentially serious consequences for Albanian beneficiaries and partners, as well as at programme level.

On **financial management, control and audit**, the adoption of a new procedure for assurance declaration on the use of EU funds in June 2026 was a positive step. Particular attention should be paid to strengthening accounting and financial management systems, ensuring complete audit trails, improving the reliability and reconciliation of accounts,

enhancing internal control arrangements, and implementing audit recommendations in a timely manner. The so far limited use of Simplified Cost Options and financing not linked to costs should be further explored to promote a stronger results-based approach. A permanent and transparent mechanism to ensure co-financing of multi-annual programmes in budget planning needs to be established. Integrated management information systems should support the recording, monitoring and reporting of EU funded operations throughout the programme cycle. Given the increasing use of performance-based financing under cohesion policy, administrative capacity for internal audit should be further strengthened.

On the **fight against corruption,** anti-corruption and anti-fraud measures need to be effectively implemented, in line with the new Inter-Sectoral Strategy for Anti-corruption 2024-2030 and the National Anti-Fraud Strategy 2025-2027. Closer coordination between the Ministry for Public Administration and Anti-Corruption, the Ministry of Finance and SASPAC is essential. Preventing and managing conflicts of interest and protecting persons who report breaches of EU law must be prioritised in practice.

On **visibility, transparency and communication**, the SASPAC website has been established. The IPA network of communication officers for EU funds is not operational.

Chapter 33: Financial and budgetary provisions

This Chapter covers the rules governing the funding of the EU budget ('own resources'). These resources mainly consist of: (i) contributions based on the gross national income of each Member State; (ii) customs duties; (iii) the non-recycled plastic resource and (iv) a resource based on value-added tax. Member States must have the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of own resources.

On **traditional own resources,** Albania has continued to implement the 2024-2027 Medium-term revenue strategy (MTRS) and the 2024-2027 Strategy on public finance management. Implementation of the MTRS includes reform measures in both tax policy review and tax and customs administration efficiency with the aim of an additional increase of revenues by 1.8% of GDP at the end of 2027. To sustain revenue mobilisation, increase the government revenue-to-GDP ratio, and reduce tax evasion, a continued implementation of the MTRS, alongside progress with tax policy reforms, notably the adoption of the property tax law and the finalisation of the fiscal cadastre are required. The June 2025 evaluation of all tax exemptions still needs to be followed by concrete action on starting to remove some identified exemptions, in line with European Commission's recommendation under the Economic Reform Program urging Albania to prepare proposals to reduce tax expenditure. As a result of mid-year monitoring of the implementation of the MTRS, Albania assessed some progress in the area of e-invoicing and data exchange with other institutions to identify high-risk taxpayers.

On VAT, tax exemptions remain a concern on domestic revenue mobilisation both at the central and local level. In 2026, Albania introduced a "fiscal peace" package enabling the write-off of tax liabilities older than 2014 and partial/conditional debt forgiveness for liabilities occurred during January 2015-December 2024. There has been good progress in proceeding quickly with VAT refund for businesses. The General Directorate of Taxes and the General Directorate of Customs are responsible for reporting on VAT collection and calculation of net VAT collected, on an annual basis, a requirement which will become mandatory upon Albania's accession to EU.

On **administrative infrastructure,** progress is needed on creating the relevant institutions involved in the own-resources system and coordination body, and on implementing rules, in line with the EU *acquis*.

The legal provisions setting out the criteria for initiating public financial inspection, in cases of any irregularities, and serious financial mismanagement situations are in place. The general tax directorate and the general customs directorate continued their work on

identification of tax evasion and fraud. *(See also Chapters 1, 16, 29 and 32 on actions against corruption).* Preliminary analysis and practices on calculation of the weighted average rate (WAR) for 2025, based on the VAT model, and on calculation of negative and positive corrections to revenue were conducted during the reporting period. In August 2026, Albania has drafted and sent for publication the new Law on Albania's contribution to the EU's budget. Continued efforts are needed to formalise the widespread informal economy, improve the exhaustiveness of the national accounts and GDP/GNI calculations and combat tax evasion and customs duty fraud.

CLUSTER 6: EXTERNAL RELATIONS

There are two chapters in this cluster: external relations (Chapter 30) and foreign, security and defence policy (Chapter 31).

Chapter 30: External relations

The EU has a common commercial policy towards non-EU countries, based on multilateral and bilateral agreements and autonomous measures. There are also EU rules in the field of humanitarian aid and development policy.

On the **common commercial policy**, Albania continued to coordinate its positions and align its policies closely with those of the EU, including within the World Trade Organisation (WTO) and its Dispute Settlement Body. Albania continued negotiations with Public Procurement Agreement (GPA) parties and attended the formal and informal sessions of the GPA committee that were held during the reporting period. As regards the WTO joint initiative on e-commerce, Albania supported the outcome agreed in 2024 and its incorporation into Annex 4 of the WTO Agreement. However, it did not join the other 67 WTO members, including the EU, who, during the 14th WTO Ministerial Conference (MC14) announced their intention to apply the agreement on an interim basis as soon as possible.

Albania continued its constructive role in the negotiations on CEFTA items under protocols six and seven and worked on implementation of the Common Regional Market action plan. In April 2026, the Albanian parliament adopted the Law on ratification of Additional Protocol 7 on Dispute Settlement. In February 2026, Albania completed the internal procedures for ratifying (i) the CEFTA joint committee decision on trade related aspects of intellectual property rights and (ii) the joint committee decision on facilitation of trade in services provided by travel agencies and tour operators.

In the area of **dual-use goods**, export controls of international transfers of military goods and dual-use items are applied in accordance with the 2018 Law which was amended with the March 2026 Law on state control on international transfers of military goods and dual use items and technologies. The Law provides a single system covering both dual-use items and military goods and is aligned with the relevant EU *acquis*. Albania adopted the EU dual-use list for 2025 in May 2026. In April 2026, Albania adopted a government's decision providing for the screening of foreign direct investment (FDI) aligning with the relevant EU *acquis*. Albania has yet to align with the new EU framework for the FDI screening.

On **bilateral agreements with third countries,** Albania is a party to 46 bilateral investment treaties (BITs) in force, 22 of which have been concluded with 23 EU Member States. Five free trade agreements (FTAs) are in force, with the EU (SAA), CEFTA, EFTA, Türkiye and the United Kingdom. Albania ratified in April 2026 the decision of the joint FTA committee with Türkiye on amendments to the agreement between the two parties related to the concept of "originating products" and methods of administrative cooperation. Albania adopted in February 2026 the action plan on aligning the international agreements with the EU *acquis.*

As regards **prevention of capital punishment and torture,** Albania adopted in January 2026 through a government Decision the list of goods that have no practical use other than

for capital punishment or torture punishment, which are subject to state control of international transfers, in line with the EU *acquis*.

The regulatory framework for international cooperation in **development policy and humanitarian aid** remains to be developed. To this end, on 28 May 2026, Albania adopted the Roadmap on Sustainable Development Goals 2026-2030.

Chapter 31: Foreign, security and defence policy

Member States must be able to conduct political dialogue under the EU foreign, security and defence policy, align with EU statements, take part in EU actions, and apply restrictive measures.

Albania remained actively engaged in **political dialogue** with the EU on foreign and security policy issues. In April 2026, the second session of the EU-Albania Security and Defence Dialogue took place in Brussels. Albania participated in the EU-Western Balkans meetings of Political Directors in Sarajevo in October 2025, in Brussels in April 2026 and in Kruje in October 2026, the informal meetings of the Foreign Ministers in Brussels in November 2025 and in May 2026, as well as in the EU-Western Balkans Summit in Brussels in December 2025 and in Tivat in June 2026.

The institutional framework enabling Albania's participation in the **EU common foreign and security policy (CFSP)** is in place and operational. During the reporting period, Albania remained fully aligned with CFSP (statements by the High Representative on behalf of the EU and Council Decisions on restrictive measures).

Albania has legal and institutional arrangements in place to deal with the implementation of the EU **restrictive measures** it has aligned with. In March 2026, Albania adopted a regulation establishing detailed procedures for the functioning of the Committee on International Restrictive Measures. However, Albania's capacity for the technical implementation and enforcement of the complex EU restrictive measures should be further strengthened.

Albania continued its active **cooperation with the UN and other international organisations**, including the Council of Europe. Albania is a member of the UN Human Rights Council for 2024-2026 and will host the next NATO Summit. Albania continued to align with most EU positions in multilateral fora on a regular basis, including co-sponsoring the UN General Assembly resolution on "Support for lasting peace in Ukraine" in February 2026. Albania is a member of the Coalition of the Willing, the International Coalition for the Return of Ukrainian Children and participated in the High-Level Meeting organised in Brussels in May 2026. Albania also signed the Convention establishing the International Claims Commission for Ukraine regarding claims for damages, loss, or injury caused by Russia's invasion in December 2025. Furthermore, Albania has in place a national action plan 2023-2027 on Women, Peace and Security. Albania also continues to be a member of the Organisation for Islamic Cooperation.

Albania is party to the Rome Statue of the **International Criminal Court**. Albania has made progress in aligning with the Council Decision 2011/168/CFSP of 21 March 2011 and with the related EU guiding principles on bilateral immunity agreements.

Albania is a founding member of the US-led Board of Peace, initiated by the US President in January 2026.

On **conflict prevention**, Albania maintained its support for EU measures and instruments including through UN and NATO missions such as KFOR in Kosovo. Albania also expressed readiness to deploy troops as part of the International Stabilization Force for Gaza mandated by the UNSC Resolution 2803 of November 2025.

On **non-proliferation and disarmament**, Albania is a party to most international treaties and conventions. Its new National Strategy for the Control of Small and Light Weapons,

Ammunition and Explosives 2025–2030, along with the Action Plan 2025–2028, was approved in December 2025. In addition, a new national Strategy for the non-proliferation of Weapons of Mass Destruction 2026-2028 with its action plan for implementation was adopted in November 2025. Albania's law, organisation, and operations of the national arms export control system remain aligned with the EU Common position 2008/944. Albania's accession process to join the Wassenaar Arrangement remains blocked by one of the Participating States. The EU Special Envoy for Disarmament and Non-Proliferation visited Albania in July 2026.

In terms of **security measures**, Albania maintains the necessary procedures in place to ensure the operational implementation of the security of information agreement with the EU.

Albania continued its participation in EU military crisis management missions and operations under the **common security and defence policy (CSDP)**. In addition to EUFOR Althea in Bosnia and Herzegovina, Albania now also contributes to EUNAVFOR ASPIDES for maritime security in the Red Sea, the Indian Ocean and the Gulf. The country's participation in the EU Battlegroup Concept with a light company-sized unit continued. Albania continues to contribute to regional cooperation in military medicine through the Balkan Medical Task Force. It participates in training activities of the European Security and Defence College (ESDC).

Regarding **hybrid threats**, Albania has a national security strategy with a strong focus on building capacities to counter hybrid threats, a National Cybersecurity Strategy 2025-2030 and action plan 2025-2027, *(see under Chapter 10 – Digital transformation and media)* and a national strategy against foreign interference and disinformation in place. Further institutional and capacity building efforts are required to build societal resilience against foreign interference and information manipulation, including disinformation and all other forms of hybrid threats. The country is member of the European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE). In October 2025, Tirana hosted the third NATO Cyber Defence Conference. Additionally, Albania has actively engaged in the first negotiations in the new UN Global Mechanism on Information and Communications Technologies in the Context of International Security.

ANNEX I – RELATIONS BETWEEN THE EU AND ALBANIA

Albania is a candidate country since 2014. The first Intergovernmental Conference on **accession negotiations** took place on 19 July 2022. On the same day, the Commission launched the analytical examination of the *acquis* – the **'screening'** process. Intergovernmental conferences were convened to open accession negotiations on cluster 1 – fundamentals (October 2024), cluster 6 – external relations (December 2024), cluster 2 – internal market (April 2025), cluster 3 – competitiveness and inclusive growth (May 2025), cluster 4 – the green agenda and sustainable connectivity (September 2025) and cluster 5 – resources, agriculture and cohesion (November 2025). The Commission presented its Interim Benchmark Assessment Report in March 2026, followed by an intergovernmental conference in May 2026.

Albania has been participating in the **stabilisation and Association process** since 1999. The **Stabilisation and Association Agreement** (SAA) between Albania and the EU came into force in April 2009. The transitional period of the SAA ended on 31 March 2019, and since 1 April 2019, Albania is fully associated with the EU. In the reporting period, Albania continued to implement, overall, its commitments under the SAA. Regular political and economic dialogue has continued through the relevant joint bodies under the SAA. The Stabilisation and Association Parliamentary Committee met in October 2024 and in June 2025. The first meeting of the Joint Consultative Committee with the European Economic and Social Council Committee took place in April 2025. The third meeting of the Joint Consultative Committee with the Committee of the Regions took place in June 2026. The Stabilisation and Association Parliamentary Committee took place in July 2026.

The SAA and its Interim Agreement, applied since 2006, have allowed progressive trade liberalisation and mutual duty-free access for most goods. Since 2000, Albania has also benefited from the "autonomous trade measures". The EU is the main trading partner of Albania, followed by CEFTA countries. Trade integration with the EU is high. In 2024, the EU remained the main trading partner of Albania, accounting for 57.4% of Albania's total trade in goods (71.7% of total exports and 51.5% of total imports). Albania's total trade in 2024 was worth EUR 12.6 billion. The country's trade deficit with the EU amounted to EUR 1.9 billion in 2024. Albania's trade in goods with CEFTA represented around 9.7% of total trade in 2024, as compared with 10.3% in 2023.

Visa liberalisation for citizens of Albanian citizens travelling to the Schengen area has been in force since December 2010. A readmission agreement between the EU and Albania has been in force since 2006. The Commission's eighth report under the visa suspension mechanism in 2025[17] concluded that Albania continues to meet the visa liberalisation requirements.

Albania has continued to fully align itself with all EU **CFSP** positions and declarations during the reporting period. Albania continued to participate in EU crisis management missions and operations under the CSDP, notably EUFOR Althea in Bosnia and Herzegovina and the EU's Naval Force (EUNAVFOR) Operation ASPIDES, expressing readiness to step up its contributions.

A **Security and Defence Partnership** between Albania and the EU was signed in December 2024 and the EU-Albania **Security and Defence Dialogue** was launched in April 2025 in Tirana, with a second edition held in Brussels in April 2026.

Albania benefits from bilateral assistance measures under the **European Peace Facility (EPF)**. Three assistance measures were adopted since 2024, with the last one approved in May 2026, for an overall support worth EUR 49 million. The objective of EPF support is to strengthen the operational effectiveness, mobility and protection of the Albanian Armed

[17] COM(2025) 792 final and SWD(2025) 429 final.

Forces[18]. The Balkans Medical Task Force, in which Albania participates, benefits from a EUR 6 million 2022 support measure under the EPF.

Under the **Instrument for Pre-accession Assistance** 2021 – 2027 (IPA III)[19], a fourth financing decision of EUR 67.35 million for the Annual Action Plan 2024 supports the fight against corruption, local governance and economic development, food safety, forests, and employment and social inclusion. In addition, the financing decision of EUR 130 million for three 2024-2027 operational programmes supports efforts in digitalisation, advancing Albania's green agenda, and youth employment. The IPA III financing decision for 2025-2027 for the Western Balkans adopted in July 2025 allocated EUR 100 million for programmes in Albania on justice sector reform and human rights, support for rule of law, democracy, and good governance, critical raw materials and the EU integration process. These programmes are complemented by a significant package of multi-country programmes. The rural development programme IPARD III (EUR 94 million EU contribution) has not yet started, due to the ongoing entrustment process. Albania also participates in five cross-border cooperation programmes, transnational cooperation programmes and EU programmes.

Under the **Reform and Growth Facility (RGF)**, Albania's indicative maximum allocation amounts to EUR 922.1 million. Disbursement of EU funds under the RGF is conditional on compliance with the preconditions, general conditions and on delivery of reforms set out in the Reform Agenda. As of May 2026, EUR 212.8 million (including pre-financing) in total have been released for Albania. This funding comprises both grants and loans, with a majority portion being channelled directly through the WBIF and used for infrastructure projects in the country. The release of the funding is based on the achievement of 33 out of 66 reform steps due in this period.

Albania has signed cooperation agreements with all EU justice and home affairs agencies of the EU. Albania participates in two transnational cooperation programmes. Albania participates with IPA support in these EU programmes: Erasmus+, Creative Europe (Culture and Media strands), Horizon Europe and the European Cooperation in Science and Technology (COST – Agency funded under Horizon Europe), Customs 2020, Fiscalis 2020, Single Market Programme, Justice Programme, Citizens, Equality, Rights and Values Programme (CERV), EU Fundamental Rights Agency (FRA) (as an observer), the Digital Europe programme, Union Civil Protection Mechanism, European Solidarity Corps (youth component - volunteering). To improve the sustainability in local public finances and to enhance the implementation of effective green budgeting practices, Albania is participating as an observer in a pilot project under the Technical Support Instrument.

As of April 2026, the **Western Balkans Investment Framework** (WBIF) has supported Albania to the amount of approximately EUR 479 million, in the form of IPA III grants for flagship projects in the areas of clean energy, the environment and climate, the digital future, and sustainable transport. **Western Balkans Investment Framework** has also supported additional 5 infrastructure projects with a total contribution of EUR 80 million financed under the Reform and Growth Facility.

The EU provides support via IPA and the Foreign Policy Instrument to strengthen Western Balkans partners' resilience in facing hybrid threats, including cyber and foreign information manipulation and interference.

[18] Council Decision (CFSP) 2024/1979, Council Decision (CFSP) 2025/1562 and Council Decision (CFSP) 2026/1153.
[19] Official Journal L 330, 20.9.2021.

ANNEX II: STATISTICAL ANNEX

STATISTICAL DATA (as of 14/09/2026)

Albania

Basic data	Note	2013	2021	2022	2023	2024	2025
Population (thousand)		2 898 i	2 830 i	2 794 i	2 762 i	2 391 i	2 363 i
Total area of the country (km²)		:	28 791 e	28 791 e	28 791 e	28 791 e	28 791 e

National accounts	Note	2013	2021	2022	2023	2024	2025
Gross domestic product (GDP) (million national currency)		1 356 283	1 870 218	2 150 558	2 365 186	2 517 279	2 648 505 p
Gross domestic product (GDP) (million euro)		9 670	15 272	18 075	21 739	24 995	27 075 p
GDP per capita (euro)		3 340	5 430	6 510	:	:	:
GDP per capita (in purchasing power standards (PPS)		7 665	10 307	12 067	:	:	:
GDP per capita (in PPS), relative to the EU average (EU-27 = 100)		29.2	31.0	33.4	:	:	:
Real GDP growth rate: change on previous year of GDP volume (%)		1.7	9.0	4.8	4.0	4.0 p	:
Employment growth (national accounts data), relative to the previous year (%)		:	:	:	:	:	:
Labour productivity growth: growth in GDP (in volume) per person employed, relative to the previous year (%)		:	:	:	:	:	:
Unit labour cost growth, relative to the previous year (%)		:	:	:	:	:	:
Nominal unit labour cost index based on persons (3 year % change)		:	:	:	:	:	:
Labour productivity per person employed: GDP (in PPS) per person employed relative to EU average (EU-27 = 100)		:	:	:	:	:	:
Gross value added by main sectors							
Agriculture, forestry and fisheries (%)		21.2	20.3	19.3	18.4	17.7	16.9 p
Industry (%)		14.6	13.4	13.9	13.6	12.8	11.7 p
Construction (%)		16.5	14.4	13.9	13.8	14.1	14.6 p
Services (%)		47.7 i	51.8 i	52.9 i	54.1 i	55.4 i	56.9 pi
Final consumption expenditure, as a share of GDP (%)		87.6	83.5	82.7	81.6	81.4	82.2 p

Gross fixed capital formation, as a share of GDP (%)		28.1	27.5	26.0	24.6	24.3	24.2 p
Exports of goods and services, relative to GDP (%)		28.8	31.0	36.9	38.0	36.3	37.0 p
Imports of goods and services, relative to GDP (%)		46.7	44.4	47.5	43.9	43.2	42.6 p
Gross fixed capital formation by the general government sector, as a percentage of GDP (%)		4.5 wd	7.0 wd	6.1 wd	5.8 wd	5.3 wd	5.0 wd

Business	Note	2013	2021	2022	2023	2024	2025
Industrial production volume index (2015 = 100)	1)	97.8	100.0	102.9	94.0	87.0	84.7
Number of active enterprises (number)		:	104 031	113 460	117 291	119 030 p	:
Birth rate: number of enterprise births in the reference period (t) divided by the number of enterprises active in t (%)		10.9 w	12.9 w	12.9 w	10.8 w	12.5 w	:
Death rate: number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t (%)		:	1.0 w	0.6 w	0.7 w	1.3 w	:
People employed in SMEs as a share of all persons employed (within the non-financial business economy) (%)		:	81.1	83.5	83.4	:	:
Value added by SMEs (in the non-financial business economy) (EUR million)		:	4 125 i	5 599 i	6 877 i	:	:
Total value added (in the non-financial business economy) (EUR million)		:	5 424	7 141	8 794	:	:

Inflation rate and house prices	Note	2013	2021	2022	2023	2024	2025
Consumer price index (CPI), change relative to the previous year (%)		:	2.3 d	6.6 d	5.3 d	2.6 d	2.3 d

Balance of payments	Note	2013	2021	2022	2023	2024	2025
Balance of payments: current account total (million euro)		:	- 1 166.2	- 1 062.9	- 269.6	- 608.1	- 179.7
Balance of payments current account: trade balance (million euro)		:	- 3 828.9	- 4 267.8	- 4 539.8	- 5 593.1	- 5 959.0
Balance of payments current account: net services (million euro)		:	1 795.8	2 400.4	3 351.7	3 876.0	4 470.8
Balance of payments current account: net balance for primary income (million euro)		:	- 211.0	- 314.5	- 277.9	- 192.5	- 50.5
Balance of payments current account: net balance for secondary income (million euro)		:	1 077.9	1 118.9	1 196.4	1 301.5	1 359.1
Net balance for primary and secondary income: of which government transfers (million euro)		:	48.6	31.4	20.3	18.9	18.1
*3 year backward moving average of the current account balance relative to GDP (%)		:	- 8.0	- 7.4	- 4.9	- 3.2	:
*Five year change in share of world exports of goods and services (%)		:	21.4	24.6	53.4	56.0	112.1

Net balance (inward - outward) of foreign direct investment (FDI) (million euro)		:	988.8 i	C	1 253.6 i	1 337.3 i	:
Foreign direct investment (FDI) abroad (million euro)		:	53.3	C	244.9	242.2	:
of which FDI of the reporting economy in the EU-27 countries (million euro)		:	27.3	C	98.9	99.1	:
Foreign direct investment (FDI) in the reporting economy (million euro)		953.2 w	1 043.3 w	1 361.9 w	1 500.4 w	1 581.4 w	1 633.2 w
of which FDI of the EU-27 countries in the reporting economy (million euro)		:	679.8	736.3	912.3	861.6	:
*Net international investment position, relative to GDP (%)		:	- 50.2	- 47.3	- 42.1	- 40.9	:
Year on year rate of change in gross inflow of remittances (in national currency) from migrant workers (%)		5.7 i	5.0 i	4.6 i	4.3 i	4.2 i	:

Public finance	Note	2013	2021	2022	2023	2024	2025
General government deficit / surplus, relative to GDP (%)		- 3.2 wd	-2.8 wd	-3.0 wd	-0.8 wd	-0.3 wd	-1.1 wd
General government gross debt relative to GDP (%)		63.7 wd	70.1 wd	60.0 wd	54.6 wd	51.5 wd	49.7 wd
Total government revenues, as a percentage of GDP (%)		25.7 wd	30.0 wd	28.5 wd	29.0 wd	29.6 wd	30.2 wd
Total government expenditure, as a percentage of GDP (%)		28.9 wd	32.9 wd	31.4 wd	29.8 wd	29.9 wd	31.3 wd

Financial indicators	Note	2013	2021	2022	2023	2024	2025
Gross external debt of the whole economy, relative to GDP (%)		:	64.0 i	54.0 i	46.3 i	40.7 i	38.0 i
Gross external debt of the whole economy, relative to total exports (%)		228.9 w	205.3 w	145.0 w	119.8 w	111.6 w	102.3 w
Money supply: M1 (banknotes, coins, overnight deposits, million euro)		2 109.4 w	5 727.5 w	6 184.6 w	7 436.6 w	8 616.0 w	10 000.9 w
Total credit by monetary financial institutions to residents (consolidated) (million euro)		7 256.3	12 220.4	13 659.5	:	:	:
*Annual change in financial sector liabilities (%)		:	11.6	- 3.4	:	:	:
*Private debt, consolidated, relative to GDP (%)		71.7	54.5	48.8	:	:	:
Interest rates: day-to-day money rate, per annum (%)	2)	3.80 w	0.65 w	1.55 w	3.20 w	2.90 w	2.62 w
Euro exchange rates: average of period (1 euro = … national currency)		140.260	122.460	118.980	108.800	100.710	97.820
Trade-weighted effective exchange rate index, 42 countries (2015 = 100)		:	:	:	:	:	:
*3 year change (T/T-3) in the trade-weighted effective exchange rate index, 42 countries (2015 = 100)		:	:	:	:	:	:
Value of reserve assets (including gold) (million euro)		:	938.9	- 71.8	911.5	262.5	1 129.9

External trade in goods	Note	2013	2021	2022	2023	2024	2025
Value of imports: all goods, all partners (million euro)		3 699	6 545	8 002	8 038	8 889	9 070
Value of exports: all goods, all partners (million euro)		1 761	3 012	4 090	4 044	3 698	3 537
Trade balance: all goods, all partners (million euro)		- 1 938	- 3 533	- 3 912	- 3 994	- 5 191	- 5 533
Terms of trade (export price index / import price index * 100) (number)		:	100.0 iw	95.3 iw	103.2 iw	95.3 iw	95.3 iw
Share of exports to EU-27 countries in value of total exports (%)		76.2 iw	72.2 iw	73.4 iw	70.8 iw	71.6 iw	:
Share of imports from EU-27 countries in value of total imports (%)		63.5 iw	54.4 iw	51.6 iw	50.9 iw	51.4 iw	:

Demography	Note	2013	2021	2022	2023	2024	2025
Crude rate of natural change of population (natural growth rate): number of births minus deaths (per thousand inhabitants)		5.3	- 1.2	0.2	0.9	0.5	0.5
Infant mortality rate deaths of children under one year of age (per thousand live births)		7.9	8.4	6.5	6.1	:	:
Life expectancy at birth: male (years)		76.0	73.6	77.4	:	78.4 b	:
Life expectancy at birth: female (years)		80.1	77.7	80.9	:	82.4 b	:

Labour market	Note	2013	2021	2022	2023	2024	2025
Economic activity rate for persons aged 20–64: proportion of the population aged 20–64 that is economically active (%)		67.6 ew	75.1 ew	79.1 ew	81.4 w	81.6 w	82.3 w
Employment rate for persons aged 20–64: proportion of the population aged 20–64 that are in employment (%)		56.7 ew	66.3 ew	70.4 ew	73.4 w	74.1 w	74.9 w
Male employment rate for persons aged 20–64 (%)		64.8 ew	74.6 ew	77.4 ew	79.6 w	81.2 w	82.1 w
Female employment rate for persons aged 20–64 (%)		49.3 ew	58.3 ew	63.7 ew	67.5 w	67.4 w	68.0 w
Employment rate for persons aged 55–64: proportion of the population aged 55–64 that are in employment (%)		51.1 ew	60.0 ew	67.4 ew	70.9 w	70.8 w	72.8 w
Employment by main sectors							
Agriculture, forestry and fisheries (%)		44.0 ew	33.8 ew	33.9 ew	37.2 w	36.7 w	33.8 w
Industry (%)		9.7 ew	13.8 ew	14.3 ew	12.2 w	12.5 w	12.9 w
Construction (%)		7.1 ew	8.1 ew	7.6 ew	7.4 w	7.9 w	7.4 w

Services (%)		39.2 ew	44.3 ew	44.2 ew	43.2 w	42.8 w	45.9 w
People employed in the public sector as a share of total employment, persons aged 20–64 (%)		17.8 ew	17.1 ew	16.1 ew	18.2 w	19.0 w	18.0 w
People employed in the private sector as a share of total employment, persons aged 20–64 (%)		82.2 ew	82.9 ew	83.9 ew	81.8 w	81.0 w	82.0 w
Unemployment rate: proportion of the labour force that is unemployed (%)		15.9 ew	11.6 ew	11.0 ew	9.6 w	8.5 w	8.6 w
Male unemployment rate (%)		17.8 ew	11.4 ew	10.6 ew	9.3 w	8.0 w	7.5 w
Female unemployment rate (%)		13.5 ew	11.8 ew	11.4 ew	9.9 w	9.2 w	9.8 w
Youth unemployment rate: proportion of the labour force aged 15–24 that is unemployed (%)		31.4 ew	27.1 ew	24.9 ew	24.5 w	22.8 w	21.5 w
Long-term unemployment rate: proportion of the labour force that has been unemployed for 12 months or more (%)		11.5 ew	7.3 ew	7.4 ew	6.8 w	6.5 w	6.2 w
Unemployment rate for persons (aged 25–64) having completed at most lower secondary education (ISCED levels 0-2) (%)		13.6 ew	9.8 ew	9.3 ew	8.3 w	8.3 w	9.3 w
Unemployment rate for persons (aged 25–64) having completed tertiary education (ISCED levels 5-8) (%)		:	8.4 ew	8.4 ew	7.3 w	5.5 w	4.8 w

Social cohesion	Note	2013	2021	2022	2023	2024	2025
Average nominal monthly wages and salaries (national currency)	3)	52 150 ew	57 190 ew	61 898 ew	70 539 ew	77 485 ew	83 878 ew
Index of real wages and salaries (index of nominal wages and salaries divided by the inflation index) (2016 = 100)		:	104 ew	106 ew	115 ew	124 ew	131 ew
Gini coefficient		:	33	31	30	:	:
Poverty gap		:	25.5	24.6	25.2	22.5	:

Standard of living	Note	2013	2021	2022	2023	2024	2025
Number of passenger cars relative to population size (number per thousand population)		118.0	212.0	232.0	292.0	328.0	:

Infrastructure	Note	2013	2021	2022	2023	2024	2025
Density of railway network (lines in operation per thousand km²)		:	7.8 i	7.1 i	8.8 i	8.8 i	:
Length of motorways (kilometres)		0	25	25	25	49	:

Education, Innovation and Research	Note	2013	2021	2022	2023	2024	2025
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8)		15.7 ew	32.1 ew	38.4 ew	36.5 w	37.8 w	38.6 w
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), males		12.7 ew	25.4 ew	31.9 ew	31.2 w	34.0 w	33.7 w
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), females		18.3 ew	39.3 ew	45.5 ew	42.0 w	42.5 w	44.3 w
Participation in early childhood education (children aged 3 and over)		:	76.9 w	82.2 w	82.9 w	94.2 w	97.5 w
Participation in early childhood education (children aged 3 and over), males		:	78.5 w	83.1 w	84.3 w	93.8 w	98.0 w
Participation in early childhood education (children aged 3 and over), females		:	75.2 w	81.1 w	81.5 w	94.6 w	97.0 w
Low achieving 15-year-olds in reading (%)		:	:	73.7	:	:	:
Low achieving 15-year-olds in mathematics (%)		:	:	73.9	:	:	:
Low achieving 15-year-olds in science (%)		:	:	67.4	:	:	:
Early leavers from education and training: proportion of persons aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		30.6 ew	16.8 w	15.5 w	15.7 w	15.4 w	12.0 w
Early leavers from education and training: proportion of men aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Early leavers from education and training: proportion of women aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks)		1.5 w	0.8 w	0.6 w	0.7 w	1.6 w	2.1 w
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), men		1.7 w	0.8 w	0.7 w	0.6 w	1.3 w	2.1 w
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), women		1.4 w	0.8 w	0.6 w	0.8 w	1.9 w	2.2 w
Exposure of vocational education and training (VET) graduates to work-based learning (% of population aged 20-34)		:	2.5 w	2.4 w	1.6 w	1.9 w	3.9 w
Share of individuals having at least basic digital skills (% of population aged 16-74)		:	23.8	:	23.3	:	27.7
Share of individuals having at least basic digital skills (% of population aged 16-74), males		:	24.2	:	25.1	:	28.1
Share of individuals having at least basic digital skills (% of population aged 16-74), females		:	23.5	:	21.6	:	27.2
Public expenditure on education relative to GDP (%)		3.3 iw	3.1 iw	2.9 iw	2.9 iw	3.0 piw	:

Gross domestic expenditure on R&D relative to GDP (%)		:	0.19	0.20	:	:	:
Government budget appropriations or outlays on R&D (GBAORD), as a percentage of GDP (%)		:	:	0.17 e	0.24 e	0.30	:
Percentage of households who have internet access at home (%)		:	90.9	98.4	97.7	98.2	99.3

Environment	Note	2013	2021	2022	2023	2024	2025
Index of greenhouse gas emissions, CO_2 equivalent (1990 = 100)		:	:	:	:	:	:
Energy intensity of the economy (kg of oil equivalent per 1 000 euro GDP at 2015 constant prices)		241.2	188.1	172.7	165.7	160.9	:
Electricity generated from renewable sources relative to gross electricity consumption (%)		62.7	94.4	103.0	105.4	105.2	:
Road share of inland freight transport (based on tonne-km) (%)		:	:	:	:	:	:

Energy	Note	2013	2021	2022	2023	2024	2025
Primary production of all energy products (thousand TOE)		2 034	1 823	1 607	1 799	1 682	:
Primary production of crude oil (thousand TOE)		1 207	712	657	642	621	:
Primary production of solid fuels (thousand TOE)		1	131	148	188	119	:
Primary production of gas (thousand TOE)		15	44	38	38	42	:
Net imports of all energy products (thousand TOE)		604 i	553 i	705 i	488 i	613 i	:
Gross inland energy consumption (thousand TOE)		2 365	2 298	2 209	2 202	2 236	:
Gross electricity generation (GWh)		6 959	8 963	7 003	9 006	8 256	:

Agriculture	Note	2013	2021	2022	2023	2024	2025
Agricultural output volume index (at producer prices) (2015 = 100)		:	:	:	:	:	:
Utilised agricultural area (thousand hectares)		:	1 165.6	1 164.4	1 044.6	1 126.5	:
Livestock numbers: live bovine animals (thousand heads, end of period)		:	336.8	297.7	263.4	272.0	275.0
Livestock numbers: live swine (thousand heads, end of period)		:	159.2	137.3	114.8	104.0	74.7
Livestock numbers: live sheep and live goats (thousand heads, end of period)		:	2 255.8 i	2 093.3 i	1 846.5 i	1 791.7 i	1 735.7 i
Raw milk available on farms (thousand tonnes)		:	:	:	:	:	:

Harvested crop production: cereals (including rice) (thousand tonnes)		:	691.4	690.9	701.3	649.9	:
Harvested crop production: sugar beet (thousand tonnes)		:	24.4	21.3	20.4	17.8	17.8
Harvested crop production: vegetables (thousand tonnes)		:	:	:	:	:	:

Source: Eurostat and/or the statistical authorities in Albania

: = not available

b = break in time series

C = confidential value

d = definition differs

e = estimated

p = provisional

i = Eurostat estimate

w= data supplied by and under the responsibility of the national statistical authority and published on an "as is" basis and without any assurance as regards their quality and adherence to EU statistical methodology

* = Macroeconomic Imbalance Procedure (MIP) indicator

Footnotes:

1) Based on NACE Rev. 2. Coverage is Sections B to D.
2) Annual average of the Tribor rate – interbank rate for overnight loans.
3) Public sector only.