

Official Journal

of the European Union

L 80

Volume 51

English edition

Legislation

19 March 2008

Contents

II Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory

DECISIONS

Council

2008/210/EC:

- ★ **Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Albania and repealing Decision 2006/54/EC** 1

2008/211/EC:

- ★ **Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Bosnia and Herzegovina and repealing Decision 2006/55/EC** 18

2008/212/EC:

- ★ **Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the Accession Partnership with the former Yugoslav Republic of Macedonia and repealing Decision 2006/57/EC** 32

2008/213/EC:

- ★ **Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Serbia including Kosovo as defined by United Nations Security Council Resolution 1244 of 10 June 1999 and repealing Decision 2006/56/EC** 46

Price: 18 EUR

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

DECISIONS

COUNCIL

COUNCIL DECISION

of 18 February 2008

on the principles, priorities and conditions contained in the European Partnership with Albania and repealing Decision 2006/54/EC

(2008/210/EC)

THE COUNCIL OF THE EUROPEAN UNION,

(3) On 30 January 2006 the Council adopted the second European Partnership with Albania ⁽²⁾.

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 533/2004 of 22 March 2004 on the establishment of partnerships in the framework of the Stabilisation and Association Process ⁽¹⁾, as amended, and in particular Article 2 thereof,

(4) The Commission's Paper on enlargement strategy and main challenges 2006-2007 indicated that the partnerships would be updated at the end of 2007.

Having regard to the proposal from the Commission,

Whereas:

(5) On 17 July 2006 the Council adopted Regulation (EC) No 1085/2006 ⁽³⁾ establishing an Instrument for Pre-accession Assistance (IPA), which renews the framework for financial assistance to pre-accession countries.

(1) The Thessaloniki European Council of 19 and 20 June 2003 endorsed the introduction of the European Partnerships as a means to materialise the European perspective of the Western Balkan countries.

(2) Regulation (EC) No 533/2004 provides that the Council is to decide on the principles, priorities and conditions to be contained in the partnerships, as well as any subsequent adjustments. It states also that the follow-up to the European Partnerships will be ensured through the mechanisms established under the Stabilisation and Association Process, notably by the annual progress reports.

(6) It is therefore appropriate to adopt a revised European Partnership which updates the current partnership in order to identify renewed priorities for further work, on the basis of the findings of the 2007 Progress Report on Albania's preparations for further integration with the European Union.

⁽¹⁾ OJ L 86, 24.3.2004, p. 1. Regulation as amended by Regulation (EC) No 269/2006 (OJ L 47, 17.2.2006, p. 7).

⁽²⁾ Council Decision 2006/54/EC of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with Albania and repealing Decision 2004/519/EC (OJ L 35, 7.2.2006, p. 1).

⁽³⁾ OJ L 210, 31.7.2006, p. 82.

(7) In order to prepare for further integration with the European Union, the competent authorities in Albania should develop a plan with a timetable and specific measures to address the priorities of this European Partnership.

stabilisation and association process, notably the annual progress reports presented by the Commission.

Article 3

Decision 2006/54/EC shall be repealed.

Article 4

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

(8) Decision 2006/54/EC should therefore be repealed,

HAS DECIDED AS FOLLOWS:

Article 1

The principles, priorities and conditions in the European Partnership with Albania are set out in the Annex.

Done at Brussels, 18 February 2008.

Article 2

The implementation of the European Partnership shall be examined through the mechanisms established under the

For the Council

The President

D. RUPEL

ANNEX

ALBANIA 2007 EUROPEAN PARTNERSHIP**1. INTRODUCTION**

The European Council endorsed the introduction of the European Partnerships as a means to realise the European perspective of the Western Balkan countries. The proposed revised partnership updates the second one, on the basis of the findings of the 2007 Commission Progress Report on Albania. It identifies new and remaining priorities for action. The new priorities are adapted to the country's specific needs and stage of preparation and will be updated as necessary. Albania is expected to develop a plan including a timetable and specific measures intended to address the European Partnership priorities. The partnership also provides guidance for financial assistance to the country.

2. PRINCIPLES

The Stabilisation and Association Process remains the framework for the European course of the Western Balkan countries, all the way to their future accession. The priorities identified for Albania relate to its capacity to meet the criteria defined by the Copenhagen European Council of 1993 and the conditions set by the Stabilisation and Association Process, notably the conditions defined by the Council in its conclusions of 29 April 1997 and 21 and 22 June 1999, the final declaration of the Zagreb Summit of 24 November 2000 and the Thessaloniki Agenda.

3. PRIORITIES

The priorities listed in this European Partnership have been selected on the basis that it is realistic to expect that Albania can complete them or take them substantially forward over the next few years. A distinction is made between short-term priorities, which are expected to be accomplished within one to two years, and medium-term priorities, which are expected to be accomplished within three to four years. The priorities concern both legislation and its implementation.

In view of the need to set priorities, clearly there are other tasks for Albania to complete which may become priorities in any future partnership, also taking into account future progress made by Albania.

Among the short-term priorities, the key ones have been identified and grouped together at the beginning of the list. The order of these key priorities does not imply a ranking of their importance.

3.1. SHORT-TERM PRIORITIES**Key priorities**

- Strengthen administrative capacity in preparation for implementing Stabilisation and Association Agreement (SAA) and Interim Agreement (IA) commitments.
- Promote constructive dialogue between political parties and with stakeholders on the implementation of reforms.
- Increase the independence, accountability and transparency of the justice system, including by fostering the constitutional protection of judges, appointing judges and prosecutors on the basis of competitive examinations, establishing merit-based performance evaluation for prosecutors and setting objective rules for allocation of cases to judges.
- Implement the 2007-2013 anti-corruption strategy and the recommendations made in the 2005 evaluation report by the Council of Europe Group of States Against Corruption and investigate and prosecute cases of corruption in the police and the judiciary with due vigour.
- Implement the recommendations made by the OSCE Office for Democratic Institutions and Human Rights on elections, in particular by improving voters' lists and amending the electoral code in line with the Venice Commission recommendations, in good time for the next parliamentary elections.
- Further strengthen public-sector governance by improving the quality and impartiality of public administration staff and strengthening the Department of Public Administration.

- Complete the unbundling of the State electricity company KESH, and privatise its distribution arm. Stabilise KESH's financial position by raising collection rates and bringing prices to cost-recovery levels and increase electricity generation and interconnection capacity.
- Achieve further tangible results in the fight against organised crime, in particular by making full use of intelligence-led policing and ensuring effective judicial follow-up.

Political criteria

Democracy and the rule of law

Government

- Adopt the national strategy for development and integration in time to inform the 2008/2009 budget process, ensuring it reflects European integration commitments and is adequately costed, and begin to implement it.
- Make full and effective use of the integrated planning system to strengthen links between policy objectives and budget planning and execution.
- Improve government-wide coordination of EU integration work by means of wider and more consistent consultation of ministries, including stakeholders and EU experts on related legislation.
- Ensure the availability of appropriate equipment and trained staff for the Ministry of European Integration and for line ministries' EU integration offices.
- Ensure that improvement of the civil registry and address system is properly coordinated with the introduction of electronic identity cards and biometric passports.

Public administration

- Ensure enforcement of the Civil Service Law and related rules in the public administration.
- Ensure that recruitment, appointments, promotion, transfers and dismissals are conducted according to the established rules in order to build an accountable, efficient civil service, based on professional career development criteria.

Judicial system

- Finalise, adopt and implement the draft law on judicial reform and improve the infrastructure for the judicial sector.
- Improve coordination between prosecutors and police, in particular by means of the case management system.
- Ensure that the appropriate legislation and resources are in place for adequate witness protection.

Anti-corruption policy

- Harmonise the civil, commercial and administrative Codes with the Council of Europe Civil Law Convention on Corruption.
- Strengthen the institutional capacity to investigate and prosecute corruption.
- Implement legislation on preventing bribery with due regard for inter-institutional coordination.
- Strengthen mechanisms to enforce the Law on declaration of assets.
- Clarify rules related to the prevention of conflicts of interest in the exercise of public functions.

- Clarify rules related to the public access to information in line with international standards.
- Reduce the list of officials covered by immunity and grant immunity only where strictly appropriate.

Human rights and protection of minorities

Observance of international human rights law

- Ensure that all law enforcement bodies are aware of their human rights obligations and implement them rigorously in accordance with the code of ethics for the prisons system and with international conventions ratified by Albania, in particular the European Convention on Human Rights.
- Guarantee that human dignity and personal safety are respected in detention centres, prisons and mental institutions, in accordance with international conventions.

Civil and political rights

- Address cases of ill-treatment by law enforcement bodies by means of appropriate prosecution of perpetrators.
- Strengthen access to justice.
- Ensure that the relevant international conventions are observed in establishing and running new penitentiary facilities.
- Bring Albania's legislation on defamation into line with European standards and implement it.
- Expedite effective legislation to ensure transparency on media ownership.
- Fully implement current legislation on print media and journalists' independence, coordinate new legislation on freedom of expression and develop comprehensive electronic media legislation in line with European standards.

Social and economic rights

- Make further efforts to prevent domestic violence.
- Take further measures to address child labour, including adopting adequate legislation and providing resources to guarantee children's rights.
- Develop community-based services and aid to dependent persons, including in the field of mental health.
- Ensure full protection against discrimination on all grounds, including through implementing legislation and strengthening of structures to address gender equality.
- Further accelerate both the first registration of properties and the processing of restitution claims and ensure that mechanisms for compensation are sustainable and that these processes are properly coordinated with the property legalisation initiative.

Minority rights, cultural rights and protection of minorities

- Implement the commitments under the Council of Europe Framework Convention for the Protection of National Minorities throughout Albania, in particular as regards use of minority languages with the authorities, display of traditional local names and making adequate provisions for minority language education.
- Implement the national strategy for the Roma and ensure appropriate funding, as part of the government's strategy for combating poverty and social exclusion.

- Foster registration, including birth registration, of members of the Roma minority.
- Provide sound data on minorities in Albania.

Regional issues and international obligations

- Comply with the stabilisation and association process commitments in terms of regional cooperation and good neighbourly relations, including by promoting the transition from the Stability Pact to a more regionally owned cooperation framework and effective implementation of the Central European Free Trade Agreement (CEFTA).
- Conclude and implement agreements with neighbouring countries and ensure effective implementation, notably on cross border cooperation, the fight against organised crime, trafficking and smuggling, judicial cooperation, border management, readmission, the environment, transport and energy.

Economic criteria

- Continue implementing a stability-oriented fiscal policy which aims at fiscal consolidation and is conducive to low inflation and external sustainability.
- Continue with fiscal reform with the aim of strengthening revenue administration and improving debt management capacity.
- Pursue a monetary policy conducive to the objective of achieving and maintaining price stability to reduce and anchor inflation expectations.
- Complete the creation of a credit information bureau to help safeguard the rapidly growing credit portfolio of the banking system.
- Reduce the grey economy by effective and non-discriminatory enforcement of tax legislation and intensifying the fight against fiscal fraud.

European standards

Internal market

Free movement of goods

- Further increase awareness of economic operators in relation to the concepts of standards and certification and their importance in international trade.
- Adopt and start to implement the national market surveillance strategy for industrial products and food.
- Adopt new legislation on consumer protection compatible with the *acquis*. Strengthen the consumer protection department.

Movement of persons, services and right of establishment

- Ensure a clear distinction between the temporary and permanent provision of services and compatibility with Stabilisation and Association Agreement requirements.
- Strengthen the regulatory framework for banking and non-banking financial supervision and the capacity of the Financial Supervision Authority.

Free movement of capital

- Authorise acquisition of real estate by EU nationals within the limits provided for in the Schedule of Specific Commitments under the General Agreement on Trade in Services (GATS).

Customs and taxation

- Further align customs legislation and procedures with EU practices; in particular, ensure approximation of rules and procedures for transit, customs warehouses, customs valuation, physical controls and risk analysis to EU standards. Ensure that national tariff is timely updated on the basis of the most recent Combined Nomenclature.
- Fully implement the computerised system for customs declaration and customs data processing in all customs offices.
- Further approximate tax legislation with the EU *acquis*, notably in the field of excise duties, and commit to the principles of the Code of Conduct for business taxation, ensuring that new tax measures also comply with these principles.
- Reinforce the capacity of the tax administration, in particular in the fields of tax controls and audit, in order to increase compliance and reduce tax evasion.
- Complete the process of computerising tax offices.

Competition

- Improve and approximate to the *acquis* the existing anti-trust legislation to reinforce competition control.
- Strengthen the administrative capacity of the competition authority and provide adequate staff and training.
- Adopt implementing legislation on State aid.
- Continue updating the inventory of State aid schemes.

Public procurement

- Enforce public procurement legislation and take steps to bring it fully up to EU standards, especially as regards utilities sector and remedies.
- Further strengthen the administrative capacity of the Public Procurement Agency, public procurement entities in line ministries and local government and courts dealing with public procurement.
- Ensure investigation and criminal prosecution of procurement-related offences.

Intellectual property law

- Prepare a national strategy and an action plan for further legislative developments and strengthening of intellectual property rights (IPR).
- Strengthen the administrative and judicial capacity for protection of IPR.
- Intensify enforcement against piracy and counterfeiting.
- Further increase awareness of IPR issues amongst the business community and law enforcement bodies, including the judiciary.
- Improve industrial property legislation.

Employment and social policies

- Improve social protection systems and combat social exclusion.
- Adopt measures to increase school enrolment rates at secondary level and among children in rural areas, in particular girls, and in vocational schools.
- Develop adequate administrative structures and capacity in the field of consumer and health protection.

Education and research

- Continue efforts to improve the governance of the education system, teacher training and education infrastructure.
- Implement the new law on higher education. Step up efforts to promote a better involvement in the Tempus programme.

WTO issues

- Strengthen the administrative capacity of the WTO Relations and Economic Cooperation Department in the Ministry of Economic Affairs.

Sectoral policies*Industry and SMEs*

- Accelerate progress on implementing the European Charter for Small and Medium-sized Enterprises.
- Further implement the action plans to remove administrative barriers to business and investment and to address the informal economy and ensure proper, non-discretionary, non-discriminatory implementation of business-related legislation, rules and procedures. Reduce obsolete and inefficient regulations through regulatory guillotine procedures.
- Increase policy research in innovation and competitiveness issues for small companies and implement support programmes.

Agriculture and fisheries

- Adopt a new law on food in line with EU standards, strengthen the food safety system and related control systems.
- Reinforce laboratory capacity in the food safety, and veterinary and phytosanitary domain.
- Improve food safety, phytosanitary and veterinary legislation, and start its implementation.
- Improve the system of identification of bovines and registration of their movements, and start the implementation of a system of identification and registration of movements for pigs, sheep and goats.
- Improve control of animal diseases, including sampling and reporting.

Environment

- Strengthen administrative capacity and coordination at national and local level.
- Fully implement legislation on environmental impact assessment.
- Adopt a strategy further to approximate environmental legislation with the *acquis* and implement existing legislation properly, especially as regards enforcement.
- Continue to address the environmental hot spots at the Sharra solid waste landfill and the Patos-Marinez oil extraction area.
- Further develop and implement the national water and sanitation strategy and the rural strategy for water supply and sewerage and develop and start implementing a strategy for progressive approximation to the *acquis* in the area of water supply and sanitation.
- Implement international conventions to which Albania is party in the field of nature protection.

Transport policy

- Implement the national transport plan, including the planning and budgeting of transport asset maintenance, and adopt and implement the national transport strategy, including the strategy for the railway sector.

- Continue implementation of the memorandum of understanding on the development of the South East Europe (SEE) core regional transport network and strengthen cooperation with the South East Europe Transport Observatory.
- Take measures to improve road safety conditions, including approximation to the EU *acquis* on weights and dimensions, roadworthiness tests, technical roadside inspections, driving licences, tachographs and vehicle registration documents.
- Take measures to prevent illegal construction along new roads, in particular dangerous privately constructed access roads.
- Prepare railway network statement for open access to infrastructure use and adopt and implement a railway business plan.
- Implement Albania's commitments under the first transitional phase of the European Common Aviation Area Agreement, including the implementation of the relevant aviation legislation.
- Implement the action plan to address the deficiencies identified within the civil aviation authority as regards safety oversight of the country's airlines.
- Improve maritime safety conditions, particularly the detention rate of Albanian ships under the Paris Memorandum of Understanding.

Energy

- Approve and implement the revised national energy strategy, having continuing regard to the importance of environmental impact assessments (EIA).
- Meet the requirements of the Energy Community Treaty in the area of gas and electricity.

Information society and media

- Ensure that electronic communications legislation is in line with the *acquis* and is enforced and take measures to achieve a competitive market for electronic communications networks and services.
- Strengthen the expertise and capacity of the Telecommunications Regulatory Entity.
- Align Albanian legislation with the European Convention on Transfrontier Television and the Television without Frontiers Directive.
- Strengthen the administrative capacity of the National Council on Radio and Television and adopt the strategy for development of the radio and television sector and an updated national analogue and digital frequency plan for radio and television.

Financial control

- Review the public internal and financial control policy paper and action plan and clearly define the internal audit function, separate from other control and inspection functions. Develop an appropriate inspection service to combat fraud.
- Ensure that the Internal Audit Law and the draft organic Budget Law are in line with internationally recognised standards.
- Strengthen the independence of the Supreme Audit Institute.

Statistics

- Strengthen the capacity of the Statistical Office.

Justice, freedom and security

Visa, border control, asylum and migration

- Issue travel documents in accordance with international standards, ensure the required administrative capacity to do so, and establish a centralised IT network for administration of visas.

- Adopt amendments to the Law on foreigners to bring visa legislation closer to EU standards.
- Implement the integrated border management strategy and action plan, paying particular attention to cooperation at the border between customs and the border police.
- Ensure that border management at all border crossing points, in particular at the ports of Durrës and Vlorë complies with EU standards.
- Implement the EC/Albania readmission agreement and negotiate readmission agreements with the countries of origin of transiting migrants.
- Focus sufficient administrative and financial capacity on implementing legislation on asylum and migration and the related national strategies and action plans.

Money laundering

- Take the necessary measures to enforce anti-money laundering legislation better in terms of prevention, convictions, confiscations, seizures and freezing assets.
- Enhance the capacity of the financial intelligence unit, the prosecutor's offices and the police Economic Crimes Unit by ensuring appropriate financial and IT resources and improving working-level cooperation.
- Bring the Law on the prevention of money laundering into line with the *acquis* and with the Financial Action Task Force's and Council of Europe's Moneyval recommendations.
- Strengthen the capacity of the agency for the administration of seized and confiscated assets.
- Further improve cooperation with the authorities of other countries.
- Ensure proper enforcement of reporting obligations and examine transaction reporting thresholds.
- Take more effective measures to reduce use of cash in the economy.

Drugs

- Implement the national anti-drug strategy, the related action plan and the mini-Dublin Group recommendations.
- Improve the training, equipment and continuity of management of police officers involved in the fight against drugs and take further steps to ensure better coordination, both domestically and with partners in other countries, in the fight against drugs.
- Identify and prosecute those responsible for corruption related to the drugs trade at all levels in the public administration.
- Ensure greater transparency in seizure figures and take measures to dispose properly of drugs seized in old cases.
- Implement a balanced overall strategy to address drug demand, including prevention, treatment and rehabilitation of drug addicts.

Police

- Ensure full implementation of the provisions on ranks in the new State Police Law.
- Improve the management capacity of the Albanian State police.
- Strengthen the police internal affairs unit and ensure proper prosecution of police officers for criminal offences.
- Establish and put into operation a consolidated manual of procedures for all criminal police officers.
- Implement the strategy on community policing.

Fighting organised crime and terrorism

- Take further measures to enhance cooperation between the various State bodies involved in the fight against organised crime and terrorism and, in particular, between the judicial authorities and the police.
- Take further measures to establish coherent and coordinated intelligence gathering and processing systems.
- Enhance use of special investigative means, interception of telecommunications and use of intelligence information.
- Urgently put in place practical measures to guarantee witness protection.
- Strengthen domestic and international cooperation on preventing trafficking in human beings and the staffing of the police anti-trafficking unit.
- Take measures to provide counter-terrorist analysts and investigators with better equipment and training.

Protection of personal data

- Align the current law on personal data protection with the *acquis*, and the Council of Europe Convention on the protection of personal data.
- Establish an independent data protection supervisory authority with sufficient powers over the public and private sectors and sufficient financial and human resources.

3.2. MEDIUM-TERM PRIORITIES**Political criteria*****Democracy and the rule of law****Governance*

- Ensure effective implementation and monitoring of the national strategy for development and integration.

Public administration

- Ensure that the sectors of the administration responsible for implementation of the SAA provisions and those involved in implementation of the EC financial assistance are adequately trained and equipped to carry out their duties.
- Introduce results-oriented management and training for civil servants.
- Design and implement a civil service salary structure which allows both proper budgetary planning and a motivating career structure.
- Ensure the sustainability of reforms in the public administration.

Judicial system

- Ensure prosecution of serious crimes, especially organised crime, with particular attention to cross-border cooperation mechanisms.
- Enforce legislation on witness protection.
- Ensure continued and appropriate training of judges and prosecutors, including on human rights, ethics and commercial and corporate matters and SAA-related issues.
- Ensure the financial sustainability of the magistrates' school.
- Review the role and qualifications of judicial administrators and progressively incorporate them into the civil service, ensuring pay parity with ministry staff.

Anti-corruption policy

- Implement the European Conventions on Corruption in Criminal and Civil Matters ratified by Albania and the relevant UN conventions.
- Achieve significant results in the fight against corruption, at all levels and in all fields, by enforcing adequate legislation.

Human rights and protection of minorities*Observance of international human rights law*

- Ensure that detainees and prisoners on remand are treated in accordance with international standards.

Civil and political rights

- Improve the juvenile justice system.
- Ensure compliance with the Council of Europe Convention for the Prevention of Torture and Inhuman and Degrading Treatment or Punishment.
- Adopt comprehensive anti-discrimination legislation, and ensure appropriate institutional support for victims including by existing institutions in charge of human rights.
- Enforce legislation on restitution/compensation of properties confiscated during the communist period.
- Complete the process of land registration.
- Ensure that transfers of property are carried out in accordance with the law and ensure the proper functioning of all bodies involved in the process (notaries, property register, etc.).
- Enforce legislation on printed and electronic media, taking into account European standards.
- Ensure that TV frequency is allocated in a fair and non-discriminatory manner, in accordance with the national plan, and that requirements are fully respected by broadcasters, Improve the neutrality of the public service broadcaster.
- Encourage the active participation of NGOs and other civil society organisations in the government decision-making process and the continued improvement of the quality of journalism.

Regional issues and international obligations

- Further promote regional dialogue, stability, good neighbourliness and cooperation.
- Bring the agreement concluded with the USA regarding the conditions of surrender of people to the International Criminal Court into line with the EU guiding principles adopted by the European Council in September 2002.

Economic criteria

- Reduce the tax wedge on wages and improve incentive structures and flexibility in the labour market to increase the participation and employment rates, while securing tax resources by broadening the tax base and improving compliance, at a measured and prudent pace to ensure sustainable public finances.
- Improve the education system with the aim of increasing the supply of sought-after skills, fostering employment and long-term economic growth.
- Upgrade the country's infrastructure, in particular in energy and transport, in order to strengthen the competitiveness of the economy at large.
- Speed up the privatisation of publicly owned enterprises to strengthen corporate governance and reduce quasi-fiscal losses.
- Improve the business environment to increase greenfield foreign direct investment.

- Establish effective procedures for detecting, dealing with and following up cases of (suspected) fraud and other irregularities affecting national and international funds.

European standards

Internal market

Free movement of goods

- Ensure administrative capacity to implement SAA and IA requirements in this area.
- Make further progress on adopting European standards and speed up efforts to become a full member of the European standardisation organisations.
- Make progress on transposing new and global approach and old approach directives.
- Fully establish a market surveillance system.
- Ensure improved functioning of the bodies responsible for standardisation, accreditation and certification and of those responsible for metrology and calibration, taking into account EC best practices.
- Ensure Albania's membership of the European Cooperation for Accreditation organisation.

Movement of persons, services and right of establishment

- Approve legislation on employment of foreigners and take measures to coordinate social security services.
- Ensure that the legislation on the right of establishment is implemented fairly and impartially.

Free movement of capital

- Make progress towards fulfilling Albania's SAA commitments on full liberalisation of the movement of capital, including ensuring the same treatment to EU and Albanian nationals regarding portfolio investments and financial loans and credits with maturity of shorter than one year.

Customs and taxation

- Ensure continued approximation of Albanian customs and taxation legislation to the EU *acquis* and further increase administrative capacity to implement customs and tax legislation and to fight corruption, cross-border crime and fiscal evasion.
- Improve transparency and the exchange of information with EU Member States in order to facilitate enforcement of measures to prevent avoidance or evasion of taxes.

Competition

- Further improve the enforcement record in the areas of anti-trust and State aid control.
- Complete alignment of State aid schemes with EU competition rules, as Stated in the interim agreement.

Public procurement

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

Intellectual property law

- Fully implement international conventions ratified in the field of intellectual, commercial and industrial property rights.
- Implement intellectual property rights legislation properly and achieve improved results in the fight against piracy and counterfeiting.
- Guarantee sufficient administrative capacity to comply with SAA requirements in this area.

Employment and social policies

- Facilitate women's inclusion in the labour market and their participation in the decision-making process.
- Integrate employment and vocational training strategies into social, educational, tax, enterprise and regional policies. Address implementation of international commitments in health in particular the international health regulations.
- Progress with alignment of quality standards for transfusion of blood and blood components with EU legislation.
- Start implementing the National Health System Strategy 2007 to 2013.

Education and Research

- Continue efforts to improve the quality of education and to create a modern vocational education and training system, promote regional cooperation in the field of higher education.

Sectoral policies*Industry and SMEs*

- Enforce improved commercial legislation.
- Ensure that the strategy to combat the informal economy keeps pace with developments in the sector.
- Further develop specialised business support structures (e.g. incubators and clusters) and examine the feasibility of a business/technology park.
- Start designing and applying an integrated research policy and further develop measures to boost innovation and competitiveness in small companies.
- Introduce disclosure and financial reporting standards in line with EU standards and ensure effective enforcement.
- Continue implementing the European Charter for Small Enterprises.

Agriculture and fisheries

- Develop strategies for land use, the land market, rural development, diversification of farm activities and enhancing agricultural competitiveness.
- Achieve substantial improvements in terms of food safety and phytosanitary and veterinary conditions, in compliance with EC requirements.
- Assess the compliance of agri-food establishments with EU requirements, prepare a programme for their upgrading and start its implementation.
- Start action with a view to ensuring efficient control of domestic plant production, in particular for products with specific EU requirements, and set up analytical capacity in the phytosanitary sector.
- Take measures to ensure that Albanian fisheries policy moves closer to EU standards, in particular in the areas of resource management, inspection and control and in market and structural policies.

Environment

- Establish a full inventory of hot spots and continue efforts to address hot spots already identified.
- Reduce pollution produced by the Balsh refinery, including discharges into the River Gjanica, and take measures to tackle water pollution in general.
- Strengthen environmental monitoring and ensure sufficiently dissuasive sanctions against polluters.
- Continue to implement regional and international environmental commitments.

Transport policy

- Continue implementation of the Albanian transport master plan.
- Complete the necessary institutional reforms to improve transport asset management, prioritisation of investments, policy-making and involvement of the private sector.
- Make substantial progress on rehabilitation of the ports of Durres and Vlora and consolidate port operations there.
- Achieve improved results in terms of road safety (including the implementation of the digital tachograph) and take additional steps towards further approximation to the *acquis* on market access (occupation) and social rules.
- Continue implementation of the Memorandum of Understanding on the development of the south-east Europe (SEE) core regional transport network, and cooperation with the SEE transport observatory.
- Create conditions for competition in the rail transport sector, including the establishment of regulatory and safety bodies.
- Implement commitments taken on under the second transitional phase of the European Common Aviation Area Agreement.
- Achieve significant results in improving maritime safety conditions, including port State control facilities and performance of the register of shipping pursuant to the Paris memorandum of understanding.

Energy

- Continue to ensure proper implementation of action plans in relation to the electricity and gas sector and make further progress with implementation of the Albanian energy strategy.
- Ensure timely implementation of the various projects aimed at improving the infrastructure for electricity production, transmission and distribution.
- Continue to implement regional and international commitments in the energy field with a view to establishing a competitive regional energy market.
- Improve implementation of the Energy Efficiency Law.

Information society and media

- Further transpose and implement the EU framework for electronic communications.
- Continue the process of alignment with the European Convention on Transfrontier Television and the Television without Frontiers directive.

Financial control

- Develop and implement the principles of decentralised managerial accountability and functionally independent internal audit, in accordance with international standards and EU best practice.
- Develop procedures and administrative capacity to ensure effective protection of the EU's financial interests.

- Ensure that the Law on external audit complies with the guidelines of the Organisation of Supreme Audit Institutions.
- Further strengthen capacity for external audit, financial control management and internal audit.

Statistics

- Improve agricultural statistics and macroeconomic statistics, develop social statistics, including education and health statistics, and make progress towards implementing all European classifications, including the classification of statistical regions.

Justice, freedom and security

Visa, border control, asylum and migration

- Ensure that all Albanian travel documents fully comply with international standards.
- Implement all international commitments undertaken by Albania in the area of border management.
- Enforce asylum-related legislation and establish a fully-fledged asylum system, in compliance with international standards, including reception of asylum seekers.
- Implement Albania's national strategy on migration and national action plan on asylum.
- Ensure that Albania is in a position to meet the SAA requirements regarding EU citizens working and/or residing in Albania.
- Progressively conclude, ratify and implement all the main international conventions in the field of migration.

Money laundering

- Step up the fight against economic and financial crime, including money-laundering and counterfeiting of currencies.
- Achieve tangible results in the fight against money-laundering, both within and outside the financial sector.

Drugs

- Ensure substantially improved results in the fight against drug trafficking, especially as regards synthetic drugs, heroin and cocaine.

Police

- Continue to bring police services up to European standards, most notably by means of adequate training and equipment.
- Achieve significant results in the fight against crime and in fighting corruption and other criminal behaviour within police ranks.

Fighting organised crime and terrorism

- Further increase international cooperation in the fight against organised crime and terrorism.
- Make major progress on the rate, number and quality of prosecutions in relation to offences connected with organised crime and trafficking and also in terms of seizure of the proceeds of crime.
- Fully incorporate into domestic legislation and implement the international conventions and protocols on prevention of terrorism to which Albania is party.

Protection of personal data

- Ensure the efficient monitoring and enforcement of national personal data protection legislation.

4. PROGRAMMING

Community assistance under the stabilisation and association process to the Western Balkan countries will be provided under the existing financial instruments, in particular by Regulation (EC) No 1085/2006 (IPA), and for programmes adopted before 2007, Council Regulation (EC) No 2666/2000 (CARDS Regulation) ⁽¹⁾. The financing agreements serve as legal basis for the implementation of the concrete programmes. Accordingly, this Decision will have no financial implications.

Albania can also have access to funding from multi-country and horizontal programmes.

5. CONDITIONALITY

Assistance to the Western Balkan countries is conditional on progress on satisfying the Copenhagen criteria and on meeting the specific priorities of this European Partnership. Failure to respect these conditions could lead the Council to take appropriate measures on the basis of Article 21 of Regulation (EC) No 1085/2006 or, in the case of pre-2007 programmes, on the basis of Article 5 of Regulation (EC) No 2666/2000. The assistance is also subject to the conditions defined by the Council in its conclusions of 29 April 1997, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms. Specific conditions are also included in individual annual programmes. The financing decisions will be followed by a financing agreement signed with Albania.

6. MONITORING

Implementation of the European Partnership will be examined by the mechanisms established under the Stabilisation and Association Process, notably the annual reports presented by the Commission.

⁽¹⁾ OJ L 306, 7.12.2000, p. 1. Regulation as last amended by Regulation (EC) No 2112/2005 (OJ L 344, 27.12.2005, p. 23).

COUNCIL DECISION**of 18 February 2008****on the principles, priorities and conditions contained in the European Partnership with Bosnia and Herzegovina and repealing Decision 2006/55/EC**

(2008/211/EC)

THE COUNCIL OF THE EUROPEAN UNION,

- (4) The Commission's Paper on enlargement strategy and main challenges 2006-2007 indicated that the partnerships would be updated at the end of 2007.

Having regard to the Treaty establishing the European Community,

- (5) On 17 July 2007 the Council adopted Regulation (EC) No 1085/2006 ⁽³⁾ establishing an Instrument for Pre-accession Assistance (IPA), which renews the framework for financial assistance to pre-accession countries.

Having regard to Council Regulation (EC) No 533/2004 of 22 March 2004 on the establishment of partnerships in the framework of the Stabilisation and Association Process ⁽¹⁾, as amended, and in particular Article 2 thereof,

- (6) It is therefore appropriate to adopt a revised European Partnership which updates the current partnership in order to identify renewed priorities for further work, on the basis of the findings of the 2007 Progress Report on Bosnia and Herzegovina's preparations for further integration with the European Union.

Having regard to the proposal from the Commission,

Whereas:

- (1) The Thessaloniki European Council of 19 and 20 June 2003 endorsed the introduction of the European Partnerships as a means to materialise the European perspective of the Western Balkan countries.

- (7) In order to prepare for further integration with the European Union, the competent authorities in Bosnia and Herzegovina should develop a plan with a timetable and specific measures to address the priorities of this European Partnership.

- (2) Regulation (EC) No 533/2004 provides that the Council is to decide on the principles, priorities and conditions to be contained in the partnerships, as well as any subsequent adjustments. It states also that the follow-up to the European Partnerships will be ensured through the mechanisms established under the Stabilisation and Association Process, notably by the annual progress reports.

- (8) Decision 2006/55/EC should therefore be repealed,

HAS DECIDED AS FOLLOWS:

- (3) On 30 January 2006 the Council adopted the second European Partnership with Bosnia and Herzegovina ⁽²⁾.

Article 1

⁽¹⁾ OJ L 86, 24.3.2004, p. 1. Regulation as amended by Regulation (EC) No 269/2006 (OJ L 47, 17.2.2006, p. 7).

⁽²⁾ Council Decision 2006/55/EC of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with Bosnia and Herzegovina and repealing Decision 2004/515/EC (OJ L 35, 7.2.2006, p. 19).

The principles, priorities and conditions in the European Partnership with Bosnia and Herzegovina are set out in the Annex.

⁽³⁾ OJ L 210, 31.7.2006, p. 82.

Article 2

The implementation of the European Partnership shall be examined through the mechanisms established under the stabilisation and association process, notably the annual progress reports presented by the Commission.

Article 3

Decision 2006/55/EC shall be repealed.

Article 4

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

Done at Brussels, 18 February 2008.

For the Council

The President

D. RUPEL

ANNEX

BOSNIA AND HERZEGOVINA 2007 EUROPEAN PARTNERSHIP**1. INTRODUCTION**

The European Council endorsed the introduction of the European Partnerships as a means to realise the European perspective of the Western Balkan countries. The proposed revised partnership updates the second one, on the basis of the findings of the 2007 Commission Progress Report on Bosnia and Herzegovina. It identifies new and remaining priorities for action. The new priorities are adapted to the country's specific needs and stage of preparation and will be updated as necessary. Bosnia and Herzegovina is expected to develop a plan including a timetable and specific measures intended to address the European Partnership priorities. The partnership also provides guidance for financial assistance to the country.

2. PRINCIPLES

The Stabilisation and Association Process remains the framework for the European course of the Western Balkan countries, all the way to their future accession. The priorities identified for Bosnia and Herzegovina relate to its capacity to meet the criteria defined by the Copenhagen European Council of 1993 and the conditions set by the stabilisation and association process, notably the conditions defined by the Council in its conclusions of 29 April 1997 and 21 and 22 June 1999, the final declaration of the Zagreb Summit of 24 November 2000 and the Thessaloniki Agenda.

3. PRIORITIES

The priorities listed in this European Partnership have been selected on the basis that it is realistic to expect that Bosnia and Herzegovina can complete them or take them substantially forward over the next few years. A distinction is made between short-term priorities, which are expected to be accomplished within one to two years, and medium-term priorities, which are expected to be accomplished within three to four years. The priorities concern both legislation and its implementation.

In view of the need to set priorities, clearly there are other tasks for Bosnia and Herzegovina to complete which may become priorities in any future partnership, also taking into account future progress made by Bosnia and Herzegovina.

Among the short-term priorities, the key ones have been identified and grouped together at the beginning of the list. The order of these key priorities does not imply a ranking in their importance.

3.1. SHORT-TERM PRIORITIES**Key priorities**

- Adopt and begin to implement police reform legislation at State and Entity levels in line with the three EU principles.
- Fully cooperate with the International Criminal Tribunal for the former Yugoslavia (ICTY), including by playing a proactive role in apprehending all ICTY indictees at large.
- Adopt the required public broadcasting legislation at the level of the Federation of Bosnia and Herzegovina. Implement public broadcasting reform.
- Implement the 2006 strategy for public administration reform and ensure that State-level ministries and institutions are adequately financed, operational and properly equipped, especially in terms of premises and staff.
- Strengthen administrative capacity in preparation for implementing Stabilisation and Association Agreement (SAA) and Interim Agreement (IA) commitments.
- Pursue efforts aimed at reconciliation between citizens of the countries in the region and enhance efforts to find definitive solutions to pending bilateral issues, in particular border issues.
- Make substantial progress on creating a single economic space in Bosnia and Herzegovina supporting the free movement of goods, capital, services and persons.

- Reduce structural rigidities that distort the functioning of the labour market, in particular the taxation of labour, levels of social transfers and wage-setting mechanisms in order to increase the participation and employment rates.
- Take measures to achieve more functional and sustainable institutional structures and better respect for human rights and fundamental freedoms, including by agreeing and adopting changes to the constitution of Bosnia and Herzegovina, as necessary.

Political criteria

Democracy and the rule of law

Constitution/governance

- Take further steps to provide Bosnia and Herzegovina's parliamentary assembly with sufficient technical resources and personnel.
- Ensure structured and institutionalised State/Entity coordination by establishing functioning mechanisms for political, legislative and technical coordination between the State and the Entities.
- Ensure due follow-up to the reports issued by Bosnia and Herzegovina's supreme audit institutions and take measures against those responsible for irregularities.

Parliament/elections

- Amend electoral legislation regarding members of the Bosnia and Herzegovina Presidency and House of Peoples delegates to ensure full compliance with the European Convention on Human Rights and the Council of Europe post-accession commitments.

Public administration

- Provide the Public Administration Coordinator's Office with the human and material resources necessary to carry out its work.
- Further improve recruitment procedures based on objective and merit-based criteria, ensuring transparency and prompt appointment of sufficiently qualified civil servants.
- Harmonise the civil service laws in order to build an accountable, efficient civil service, based on professional career development criteria.
- Complete the merger of the State and Entity ombudsmen and ensure that the State-level office has the resources necessary to function properly.

Judicial system

- Reinforce the independence and accountability of the judicial system and improve its effectiveness, including by reducing the backlog of cases.
- Adopt and start implementing a strategy for development of the judicial sector.
- Ensure adequate training of the judiciary, in particular as regards human rights legislation and issues related to implementation of the Stabilisation and Association Agreement.

Anti-corruption policy

- Adopt and implement a detailed action plan against corruption, based on the national anti-corruption strategy.
- Implement the recommendations made by the Group of States against Corruption (GRECO) and the obligations resulting from international conventions on corruption.
- Prosecute corruption vigorously and adopt a zero-tolerance policy towards corruption.
- Ensure proper implementation of the law on conflict of interests.

Human rights and protection of minorities

- Remove provisions on the death penalty from the Republika Srpska constitution.
- Improve implementation of the international conventions ratified by Bosnia and Herzegovina, including reporting requirements.
- Enhance access to justice.
- Strengthen the protection of the rights of women and children.
- Agree on a comprehensive penitentiary reform and ensure construction of a State level prison.
- Further improve the legal framework on minorities so that it fully meets the requirements of the Council of Europe Framework Convention on National Minorities and ensure implementation throughout Bosnia and Herzegovina.
- Ensure proper operation of the Council of National Minorities of Bosnia and Herzegovina and the corresponding bodies at Entity level.
- Develop and implement all the sectoral action plans under the national strategy for Roma as part of a comprehensive strategy on poverty alleviation and social inclusion.
- Continue de-institutionalisation, community-based services and aid to dependent persons, including in the field of mental health.

Regional issues and international obligations

- Contribute to strengthening regional cooperation, reconciliation and good neighbourly relations, including by promoting the transition from the Stability Pact to a more regionally owned cooperation framework and effective implementation of the Central European Free Trade Agreement (CEFTA).
- Enhance cooperation with neighbouring countries, notably on cross-border cooperation, the fight against organised crime, trafficking and smuggling, judicial cooperation and border management.
- Contribute to solution of the outstanding border issues with neighbouring countries.
- Ensure that the refugee return fund is properly funded and fully operational; contribute to full implementation of the Sarajevo Declaration; complete the process of refugee return and achieve significant progress towards their economic and social integration.

Economic criteria

- Strengthen macroeconomic stability by ensuring a sustainable fiscal stance and using prudential policy instruments to preserve financial stability in the light of rapid development in financial intermediation.
- Accelerate the privatisation process, with the objective of transferring 5-10 % of the publicly owned capital to the private sector, with the Federation targeting the upper limit.
- Develop fiscal surveillance mechanisms based on fiscal rules and institutional cooperation that promote fiscal discipline within Entities and between Entities and State institutions; ensure the adequate environment for institutional cooperation within the framework of a properly functioning National Fiscal Council.
- Finalise the reconciliation of domestic claims in line with the repayment capacity of the budget and put public debt on a sustainable and declining trend.
- Improve corporate governance by achieving substantial progress with the restructuring and liquidation of loss-making publicly owned enterprises.

- Ensure that the commercial courts function properly and, in particular, enhance the capacity of courts to process corporate bankruptcy/liquidation procedures more efficiently.
- Strengthen legal certainty for local and foreign economic operators and improve business environment.

European standards

Internal market

Free movement of goods

- Improve and implement the legal framework for standardisation, metrology, accreditation and certification of products to bring it into line with EU standards and best practice; further approximate technical regulations with those of the *acquis*; enhance the capacity of the quality infrastructure and institutions, and create the legal basis for conformity assessment procedures.
- Ensure continuing progress in adopting European standards (ENs).
- Establish an internal consultation and notification mechanism for new technical regulations prior to adoption of measures with an impact on trade.
- Ensure that the market surveillance agency is fully functioning and continue to take steps to establish a market surveillance structure responding to the requirements of the *acquis* on free movement of goods.
- Adopt the State law on pharmaceutical and medical devices and establish the State Pharmaceutical Agency.

Movement of persons, services and right of establishment

- Bring banking supervision to State level (together with the ancillary supervision activities) and ensure that this supervisory authority functions effectively, in line with the Basel core principles for effective banking supervision.
- Adopt the State level laws on obligations.
- Ensure that the insurance agency of Bosnia and Herzegovina functions properly and guarantees the existence of a single internal insurance market.
- Create a consistent legislative and regulatory framework for the capital markets to ensure the existence of a single economic area and create an adequate institutional setting for coordination of capital markets policies and legislation.

Free movement of capital

- Make further progress on the elimination of restrictions on outward transfers of capital.

Customs and taxation

- Further approximate customs and tax legislation and procedures with the *acquis* and ensure that the Bosnia and Herzegovina tariff is timely updated on the basis of the most recent Combined Nomenclature.
- Ensure that the legal framework for free zones is compatible with EU standards and guarantees adequate supervision of free zones.
- Ensure proper implementation of rules of origin, including diagonal cumulation.
- Implement customs valuation rules in accordance with international standards and practices.
- Dismantle taxes with an effect equivalent to a customs duty (customs fees for the processing of customs declarations).
- Further improve the administrative capacity to implement customs and tax legislation and to fight against corruption, cross-border crime and fiscal evasion.

- Agree on a permanent formula for allocation of indirect tax revenue between the State, Entities and Brčko district.
- Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures are in compliance with these principles.

Competition

- Improve existing anti-trust legislation in line with the requirements of the Stabilisation and Association Agreement and strengthen the administrative capacity of the Competition Council.
- Accelerate preparations in the field of State aid, notably by adopting the necessary legislation, by establishing an operationally independent public State aid monitoring authority and by ensuring the transparency of all aid granted in Bosnia and Herzegovina.

Public procurement

- Ensure that the single public procurement system functions properly and implement public procurement legislation and procedures. Continue developing administrative capacity.

Intellectual property law

- Make the Institute for Intellectual Property fully operational so that it can carry out its tasks effectively and implement and enforce the current legal framework.
- Prepare an action plan for building the necessary capacity to implement and enforce intellectual property laws, with particular focus on the need to provide specialised training for law enforcement bodies, judges, prosecutors and customs officials.
- Improve cooperation among law enforcement bodies and between all relevant stakeholders with the aim of strengthening enforcement and start developing public awareness campaigns.

Employment and social policies

- Further develop social inclusion and social protection policies.
- Develop mechanisms for a social dialogue.
- Make further efforts improve the situation of persons with disabilities.
- Develop adequate administrative structures and capacity in the field of consumer and health protection.

Education and research

- Implement the State level Law on higher education, paving the way for implementation of the main components of the Bologna process and the Lisbon Recognition Convention.
- Resolve fragmentation of the educational system and the overlap of functions between different levels of organisation. Strengthen policy development and strategic planning to improve the quality of education.
- Take measures to prevent segregation of children along ethnic lines at school.
- Sign and ratify the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.
- Start designing an integrated research policy.

WTO issues

- Continue the reforms necessary to comply with WTO rules and obligations and continue the work towards achieving WTO accession.

Sectoral policies*Industry and SMEs*

- Create a coherent legal and institutional framework for SMEs in order to implement the SME Charter properly.
- Adopt the proposed country-wide strategy on SMEs and set in place the required minimal capabilities at the State level to ensure a coherent and coordinated SME policy in the whole country, including a national SME Agency and a forum for dialogue and consultation with SMEs.
- Develop a comprehensive industrial policy.

Agriculture and fisheries

- Adopt the Law on Agriculture, Food and Rural Development and ensure an adequate legal framework for harmonised implementation of agricultural, food and rural development policies. Develop a comprehensive agricultural strategy at State level.
- Strengthen administrative capacity at State level as regards agriculture, food and rural development in order effectively to coordinate implementation of market and rural development policies throughout the whole country. Work towards the establishment of a State level Ministry of Agriculture, Food and Rural Development with sufficient resources to implement its tasks.
- Ensure adoption of legislation compliant with the European standards in the food safety, veterinary and phytosanitary sectors and start to implement it.
- Enhance laboratory and inspection capacity in the food safety, veterinary and phytosanitary sectors, establish reference laboratories and develop sampling procedures in compliance with EU requirements.
- Improve the system for identification of bovines and registration of their movements and start identification of pigs, sheep and goats and registration of their movements.

Environment

- Adopt a State environmental law to create the framework for nationwide harmonised environmental protection.
- Further implement legislation on environmental impact assessment.
- Ratify and start implementing relevant international conventions, including the Aarhus and Espoo Conventions.
- Establish and ensure proper functioning of the State Environment Agency.
- Further strengthen the administrative capacity of the environment-related institutions, in particular at State level, and improve communication and coordination between those institutions.

Energy

- Fulfil the obligations arising from the Energy Community Treaty since 1 July 2007 as regards the full implementation of the *acquis* on the internal gas and electricity market and on cross-border exchanges in electricity.
- Develop and adopt a comprehensive energy strategy.

Transport policy

- Continue the implementation of the requirements of the Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network, including the Addendum on a SEE Rail Transport Area Coordinate and consolidate at State and Entities level the transport infrastructure planning in view of a consistent prioritisation of transport projects along the South East Europe Core Regional Transport Network.
- Approximate to the road transport *acquis* (technical and safety standards, social rules and access to the market).

- Fully implement the State Law on Railways. Prepare railway network statement for open access to infrastructure use.
- Implement commitments taken under the first transitional phase of the European Common Aviation Area Agreement, including the implementation of the relevant aviation legislation.

Information society and media

- Adopt the Law on the Information Society Agency and establish the Agency.
- Implement and enforce the regulations on telecommunications/electronic communications aiming at a fully liberalised and competitive market. Introduce the necessary competitive safeguards in the market.
- Maintain the independent position of the Communications Regulatory Authority. Strengthen its administrative capacity.

Financial control

- Develop and adopt a public internal financial control strategy.
- Adopt and implement legislation on public-sector internal control and audit.

Statistics

- Implement the agreement between the Entities in the statistical system on improvement of the work of the Central Statistical Agency in Bosnia and Herzegovina and improve the range and quality of statistics, in particular at State level.
- Improve the collection and processing of agriculture statistics in line with EU standards and methodology.
- Improve the quality and coverage of statistics on consolidated government accounts.
- Establish the legislative framework necessary for carrying out the population census. Agree on a target date for the census and start preparations for implementing it.

Justice, freedom and security

Visa, border control, asylum and migration

- Provide adequate staffing for the migration section within the Ministry of Security and adequate facilities, equipment, staffing and training for the Department for Foreigners Affairs.
- Adopt a State level migration strategy and the new Law on movements and stays of aliens.
- Implement the EC/Bosnia and Herzegovina readmission agreement and negotiate readmission agreements with the countries of origin of transiting migrants.
- Ensure that reception centres meet international standards and assume full ownership of their financing and management.
- Adopt and implement the revised national strategy on integrated border management (IBM), based on the IBM guidelines for the Western Balkans, plus the corresponding national action plan.
- Further improve border crossing points.

Money laundering

- Fully staff the Financial Intelligence Unit.
- Further improve legislation against money-laundering, including implementation and enforcement.

Drugs

- Develop a State level drugs policy in compliance with European standards.
- Ensure full functioning of a State level office for narcotics.

Police

- Further strengthen the State Investigation and Protection Agency, notably by completing recruitment of its staff.

Fighting organised crime and terrorism

- Prepare and implement all the action plans provided for by the national strategy to combat organised crime.
- Update and implement the national action plan for combating trafficking of human beings.
- Ratify the Council of Europe Convention on action against trafficking in human beings.
- Reinforce the fight against organised crime and international cooperation with law enforcement agencies.
- Take additional measures to protect victims of trafficking and ensure adequate implementation of the witness protection legislation.
- Enhance the capacity of the State Investigation and Protection Agency in the fight against terrorism and reinforce international cooperation in this area, including by means of proper implementation of international conventions.

Protection of personal data

- Establish an independent supervisory authority (data protection agency) with sufficient powers and sufficient financial and human resources.

3.2. MEDIUM-TERM PRIORITIES**Political criteria*****Democracy and the rule of law****Constitution/governance*

- Continue the process to agree on and adopt changes to the constitution of Bosnia and Herzegovina that will contribute to creating more functional and fiscally sustainable institutional structures, improving respect for human and fundamental rights and supporting the process of European integration.
- Ensure continued progress with taking full national responsibility for policy formulation and decision-making.

Public administration

- Implement the public administration reform and ensure its sustainability. Increase the capacity for progressive legal harmonisation and implementation of the *acquis*.

Judicial system

- Implement the strategy for development of the justice sector, consolidate an independent, reliable and efficient judiciary that guarantees the rule of law and equal access of citizens to justice and guarantee that courts have the technical equipment and financial means necessary to impart justice efficiently and properly.

Human rights and protection of minorities

- Ensure that the national legislation is fully compatible with the European Convention for Human Rights.
- Ensure protection of minorities in accordance with EU and international standards; fully implement the national strategy for Roma and its sectoral action plans; develop data that can serve as sound basis to foster further developments of social inclusion strategies, action plans and their evaluation.

Regional issues and international obligations

- Further promote regional dialogue, stability, good neighbourliness and cooperation.
- Bring the agreement concluded with the USA regarding the conditions of surrender of people to the International Criminal Court into line with the EU guiding principles adopted by the European Council in September 2002.

Economic criteria

- Improve the quality of public finances by reducing public expenditure relative to GDP, restructuring spending towards growth-enhancing categories and strengthening the economic policy planning capacity.
- Complete the privatisation process and liquidate the remaining loss-making publicly owned enterprises that cannot be sold.
- Improve participation in the formal economy by reducing social contribution rates and reforming the pension system and facilitate the mobility of labour across the country.
- Step up the unbundling of network industries in order to open up the electricity, gas and telecommunications markets to additional suppliers with a view to increasing competition and efficient allocation of resources.
- Continue reforms in the areas of registration of property, enforcement of contracts, bankruptcy procedures, registration, taxation and licensing of businesses in order to improve the business environment and promote entrepreneurship. Eliminate overlapping regulations imposed by different levels of government and inter-entity double taxation for companies.

European standards***Internal market******Free movement of goods***

- Continue with the establishment of the quality infrastructure, with the approximation of the legislation in the areas of standards, certification, metrology, accreditation and conformity assessment to the *acquis*, and with the transposition of new and global approach and old approach directives.
- Make further progress in adopting European standards and speed up efforts to become a full member of the European Committee for Standardisation, of the European Committee for Electro-technical Standardisation and the European Telecommunications Standards Institute.
- Establish a market surveillance system compliant with European standards.

Customs and taxation

- Ensure continued approximation of customs and taxation legislation to the *acquis* and further increase administrative capacity to implement this legislation and to fight corruption, cross-border crime and fiscal evasion.
- Improve the transparency and exchange of information within the region and with the EU in order to facilitate enforcement of measures preventing avoidance or evasion of taxes.

Competition

- Implement State aid legislation and ensure that the State aid monitoring authority functions effectively.
- Produce a comprehensive State aid inventory.

Public procurement

- Ensure that the legal framework for public procurement is compatible with the *acquis* and that public procurement procedures are implemented properly.

Employment and social policies

- In the area of mental health, develop community-based services as an alternative to institutionalisation, taking into account allocation of sufficient financial resources for mental health care.

Education and research

- Take measures to improve the education system, including primary education, and to create a modern vocational education and training system.
- Promote the regional cooperation in the field of higher education.

Statistics

- Develop reliable economic statistics and build up institutional capacity to produce and publish basic statistical data harmonised with European standards, in particular in the areas of national accounts, agricultural, macro-economic and business statistics, and social statistics, including education, labour and health statistics.
- Carry out the population census.

Sectoral policies*Industry and SMEs*

- Ensure implementation of the SME Charter.
- Ensure implementation of the industrial policy.

Agriculture and fisheries

- Implement the comprehensive State level agricultural strategy throughout the whole country.
- Further strengthen the State level capacity for coordination and harmonisation of agricultural, food and rural development policy, reinforce implementation mechanisms and further approximate with the *acquis*.
- Continue adoption of compliant legislation in the food safety, veterinary and phytosanitary sectors and develop an effective system of controls.
- Assess the compliance of agri-food establishments with EU requirements and prepare and start a programme for upgrading those establishments.

Environment

- Continue work on progressive transposition of the *acquis*, with particular emphasis on waste management, water quality, air quality, nature protection and integrated pollution prevention and control.
- Implement strategic plans, including investment strategies, and increase investments in environmental infrastructure, with particular emphasis on waste water collection and treatment, drinking water supply and solid waste management.
- Ensure integration of environmental protection requirements into definition and implementation of other sectoral policies.

Transport policy

- Create the conditions for competition on the railway track, including rail regulatory and safety institutions.
- Ensure further approximation of legislation to the transport *acquis*, notably as regards technical and safety standards (including the implementation of the digital tachograph), social standards and market liberalisation.
- Implement commitments taken under the second transitional phase of the European Common Aviation Area Agreement.

Energy

- Accelerate the reform of energy utilities, in particular in the power and gas sectors, implement the Entities' action plans for restructuring the power sector, develop and implement concomitant plans regarding reform of the coal sector, establish a transmission system operator and distribution system operators in the gas sector and develop the internal gas market.
- Ensure a consolidated system of regulation of power and gas, ready to include other energy sectors, in line with the Energy Community Treaty and, in parallel, ensure that issues related to socially vulnerable customers are addressed.

Information society and media

- Fully implement public broadcasting legislation and complete the structural reform of the public broadcasting sector.
- Align legislation with the EU regulatory framework for electronic communication networks and services and ensure implementation and enforcement.
- Align with the European Convention on Trans-frontier Television and the Television without Frontiers directive.

Financial control

- Implement the public internal financial control policy paper and action plan.
- Strengthen the operational and functional capacity and financial independence of the supreme audit institutions.
- Develop procedures and administrative capacity to ensure effective protection of the EU's financial interests.

Justice, freedom and security*Visa, border control, asylum and migration*

- Implement visa, asylum and migration policies in compliance with EU standards.
- Further improve border management, with special emphasis on border infrastructure and surveillance of the green border.

Money laundering

- Ensure continued improvement of the enforcement record regarding money laundering.

Drugs

- Ensure that law enforcement bodies are properly equipped to fight drug trafficking. Achieve satisfactory inter-agency and international cooperation, leading to considerably improved results in this area.

Police

- Fully implement police reform.

Fighting organised crime and terrorism

- Achieve significant results against organised crime, all types of trafficking and terrorism and ensure proper prosecution.

Protection of personal data

- Implement the national law on personal data protection in line with the *acquis* and ensure efficient monitoring and enforcement.

4. PROGRAMMING

Community assistance under the stabilisation and association process to the Western Balkan countries will be provided under the existing financial instruments, in particular by Regulation (EC) No 1085/2006 (IPA), and for programmes adopted before 2007, Regulation (EC) No 2666/2000 (CARDS Regulation) ⁽¹⁾. The financing agreements serve as legal basis for the implementation of the concrete programmes. Accordingly, this Decision will have no financial implications. Bosnia and Herzegovina can have access to funding from multi-country and horizontal programmes.

5. CONDITIONALITY

Assistance to the Western Balkan countries is conditional on progress on satisfying the Copenhagen criteria and on meeting the specific priorities of this European Partnership. Failure to respect these conditions could lead the Council to take appropriate measures on the basis of Article 21 of Regulation (EC) No 1085/2006 or, in the case of pre-2007 programmes, on the basis of Article 5 of Council Regulation (EC) No 2666/2000. The assistance is also subject to the conditions defined by the Council in its conclusions of 29 April 1997, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms. Specific conditions are also included in individual annual programmes. The financing decisions will be followed by a financing agreement signed with Bosnia and Herzegovina.

6. MONITORING

Implementation of the European Partnership will be examined by the mechanisms established under the Stabilisation and Association Process, notably the annual reports presented by the Commission.

⁽¹⁾ OJ L 306, 7.12.2000, p. 1. Regulation as last amended by Regulation (EC) No 2112/2005 (OJ L 344, 27.12.2005, p. 23).

COUNCIL DECISION

of 18 February 2008

on the principles, priorities and conditions contained in the Accession Partnership with the former Yugoslav Republic of Macedonia and repealing Decision 2006/57/EC

(2008/212/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 533/2004 of 22 March 2004 on the establishment of partnerships in the framework of the stabilisation and association process ⁽¹⁾, as amended, and in particular Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas:

(4) On 30 January 2006 the Council adopted the second Accession Partnership with the former Yugoslav Republic of Macedonia ⁽²⁾, following the proposal from the Commission of November 2005.

(5) The Commission's Paper on enlargement strategy and main challenges 2006-2007 indicated that the partnerships would be updated at the end of 2007.

(6) On 17 July 2006 the Council adopted Regulation (EC) No 1085/2006 ⁽³⁾ establishing an Instrument for Pre-accession Assistance (IPA), which renews the framework for financial assistance to pre-accession countries.

(7) It is therefore appropriate to adopt an Accession Partnership which updates the current partnership in order to identify renewed priorities for further work, on the basis of the findings of the 2007 Progress Report on the former Yugoslav Republic of Macedonia's preparations for further integration with the European Union.

(1) The Thessaloniki European Council of 19 and 20 June 2003 endorsed the introduction of the partnerships as a means to materialise the European perspective of the Western Balkan countries.

(8) In order to prepare for further integration with the European Union, the competent authorities in the former Yugoslav Republic of Macedonia should develop a plan with a timetable and specific measures to address the priorities of this Accession Partnership.

(2) Regulation (EC) No 533/2004 provides that the Council is to decide on the principles, priorities and conditions to be contained in the partnerships, as well as any subsequent adjustments. It states also that the follow-up to the partnerships will be ensured through the mechanisms established under the Stabilisation and Association Process, notably by the annual progress reports.

(9) Decision 2006/57/EC should therefore be repealed,

HAS DECIDED AS FOLLOWS:

Article 1

(3) The European Council of 17 December 2005 granted the former Yugoslav Republic of Macedonia candidate country status. Therefore, a proposal has been made to amend Regulation 533/2004 to change the name of the partnership for this country from 'European Partnership' to 'Accession Partnership'.

The principles, priorities and conditions in the Accession Partnership with the former Yugoslav Republic of Macedonia are set out in the Annex.

⁽¹⁾ OJ L 86, 24.3.2004, p. 1. Regulation as amended by Regulation (EC) No 269/2006 (OJ L 47, 17.2.2006, p. 7).

⁽²⁾ Council Decision 2006/57/EC of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with the former Yugoslav Republic of Macedonia and repealing Decision 2004/518/EC (OJ L 35, 7.2.2006, p. 57).

⁽³⁾ OJ L 210, 31.7.2006, p. 82.

Article 2

The implementation of the Accession Partnership shall be examined through the mechanisms established under the stabilisation and association process, notably the annual progress reports presented by the Commission.

Article 3

Decision 2006/57/EC shall be repealed.

Article 4

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

Done at Brussels, 18 February 2008.

For the Council

The President

D. RUPEL

ANNEX

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA 2007 ACCESSION PARTNERSHIP**1. INTRODUCTION**

The European Council endorsed the introduction of the partnerships as a means to realise the European perspective of the Western Balkan countries. The proposed Accession Partnership updates the European Partnership of January 2006, on the basis of the findings of the 2007 Commission Progress Report on the former Yugoslav Republic of Macedonia. It identifies new and remaining priorities for action. The new priorities are adapted to the country's specific needs and stage of preparation and will be updated as necessary. The former Yugoslav Republic of Macedonia is expected to develop a plan including a timetable and specific measures intended to address the Accession Partnership priorities. The partnership also provides guidance for financial assistance to the country.

2. PRINCIPLES

The Stabilisation and Association Process remains the framework for the European course of the Western Balkan countries, all the way to their future accession. The priorities identified for the former Yugoslav Republic of Macedonia relate to its capacity to meet the criteria defined by the Copenhagen European Council of 1993 and the conditions set by the Stabilisation and Association Process, notably the conditions defined by the Council in its conclusions of 29 April 1997 and 21 and 22 June 1999, the final declaration of the Zagreb Summit of 24 November 2000 and the Thessaloniki Agenda.

3. PRIORITIES

The priorities listed in this Accession Partnership have been selected on the basis that it is realistic to expect that the former Yugoslav Republic of Macedonia can complete them or take them substantially forward over the next few years. A distinction is made between short-term priorities, which are expected to be accomplished within one to two years, and medium-term priorities, which are expected to be accomplished within three to four years. The priorities concern both legislation and its implementation.

In view of the need to set priorities, clearly there are other tasks for the former Yugoslav Republic of Macedonia to complete which may become priorities in any future partnership, also taking into account future progress made by the former Yugoslav Republic of Macedonia.

Among the short-term priorities, the key ones have been identified and grouped together at the beginning of the list. The order of these key priorities does not imply a ranking of their importance.

3.1. SHORT-TERM PRIORITIES**Key priorities**

- Ensure proper implementation of all commitments undertaken in the Stabilisation and Association Agreement.
- Promote a constructive and inclusive dialogue, in particular in areas which require consensus between all political parties, in the framework of the democratic institutions.
- Ensure effective implementation of the law on police.
- Establish a sustained track record on implementation of judiciary reforms and strengthen the independence and overall capacity of the judicial system. Implement the reform of the prosecution and finalise the appointment of the Judicial Council.
- Establish a sustained track record on implementation of anti-corruption legislation.
- Ensure that recruitment and career advancement of civil servants is not subject to political interference, further develop a merit-based career system and implement fully the law on civil servants.

- Reduce impediments to employment creation and address in particular youth and long term unemployment.
- Enhance the general business environment by further improving the rule of law, strengthening the independence of regulatory and supervisory agencies, speeding up legal procedures and continuing registration of property rights.

Political criteria

Democracy and the rule of law

- Sustain implementation of the Ohrid Framework Agreement with a view, *inter alia*, to promoting inter-ethnic confidence-building.

Parliament/Elections

- Ensure that all future elections are conducted in accordance with the electoral code.
- Deliver prompt decisions on any election irregularities and impose penalties that will deter further cases.
- Enhance the capacity of Parliament, notably by increasing its resources.

Government

- Strengthen the transparency and accountability of the local administrations. In particular, strengthen internal control and audits.
- Establish a satisfactory standard of municipal tax collection throughout the country.
- Develop the capacity of municipalities to manage State-owned land.
- Ensure that the number and competence of staff of municipalities are sufficient.

Public administration

- Introduce a merit-based career system in order to build an accountable, efficient and professional public administration at central and local level.
- Ensure effective implementation of the code of ethics for civil servants.
- Strengthen administrative capacity, notably by developing the capacity for strategic planning and policy development as well as enhancing training, and develop a general strategy on training for civil servants.
- Implement effectively the measures adopted to ensure transparency in the administration, in particular in the decision-making process, and further promote active participation by civil society.
- Pursue implementation of the reforms of the law enforcement agencies.
- Ensure adequate administrative capacity to programme and manage IPA funds effectively.

Judicial system

- Further develop initial and continuous training in the academy for judges and prosecutors.
- Complete the setting-up of the new court structures and allocate appropriate resources to ensure that they are fully operational and enhance their efficiency.
- Ensure proper and full execution of court rulings.

Anti-corruption policy

- Ensure an adequate follow-up to the recommendations made by the State Commission Against Corruption and the State Audit Office.
- Implement fully the recommendations made by the Group of States against Corruption (GRECO).
- Strengthen the administrative capacity needed to implement the rules adopted on the financing of political parties and electoral campaigns. Impose effective sanctions in case of infringements.
- Follow up the reviews carried out of discretionary rights of certain public officials.
- Ensure full implementation of the law on public access to information.
- Further strengthen cooperation among institutions.

Human rights and protection of minorities

- Fully comply with the European Convention on Human Rights, the recommendations made by the Committee for the Prevention of Torture as well as the Framework Convention for the Protection of National Minorities.
- Implement fully the rules applying to ethics, internal control, professional and human rights standards in law enforcement agencies, the judiciary and the prison administration, including by regular training.
- Provide sufficient resources to bring prison conditions up to a higher standard.
- Set up effective mechanisms to identify, pursue and penalise all forms of discrimination by State and non-State bodies against individuals or groups.
- Further enhance the protection of women's and children's rights.
- Upgrade and implement the strategy on equitable representation of non-majority communities, notably by providing adequate resources and imposing effective sanctions for failure to meet targets.
- Promote access to education, justice and social welfare for members of minority groups.

Regional issues and international obligations

- Continue to cooperate fully with the ICTY and, in view of the possible return of files from the ICTY, meet all the necessary preconditions that would ensure due process.
- Continue to promote the transition from the Stability Pact to a more regionally owned cooperation framework and effective implementation of the Central European Free Trade Agreement (CEFTA).
- Ensure good neighbourly relations, in particular by intensifying efforts with a constructive approach to find a negotiated and mutually acceptable solution to the name issue with Greece, in the framework of UN Security Council Resolutions 817/93 and 845/93, and avoid actions which could negatively affect them.
- Foster cooperation with neighbouring countries and ensure effective implementation, notably on cross border cooperation, the fight against organised crime, trafficking and smuggling, judicial cooperation, border management, readmission and the environment.

Economic criteria

- Proceed with the registration of land and real estate and strengthen the cadastre in order to enhance legal certainty for economic operators and improve the functioning of market economy mechanisms.
- Improve the efficiency of public services, notably by providing additional funds for training and for upgrading the current infrastructure.

Ability to assume the obligations of membership*Chapter 1: Free movement of goods*

- Adopt and implement horizontal framework legislation to complete the necessary infrastructure, and ensure a segregation of tasks between the various functions (regulation, standardisation, accreditation, metrology, conformity assessment and market surveillance) for conformity assessment procedures.
- Draft a comprehensive strategy with milestones for implementation of the *acquis* for the relevant horizontal organisations (standardisation, accreditation, metrology and market surveillance) together with target dates and clear responsibilities for introducing and effectively implementing legislative measures and enhancing administrative capacity in the different sectors.
- Draft an action plan for compliance with Articles 28 to 30 of the EC Treaty with milestones for internal screening of domestic legislation and administrative practices, for introducing mutual recognition clauses and for the necessary subsequent amendments.
- Speed up the rate of adoption of European standards and step up efforts to become a full member of the European standardisation organisations.

Chapter 3: Right of establishment and freedom to provide services

- Remove the remaining barriers to establishment and to provision of cross-border services facing natural or legal persons from the EU.
- Introduce in the legislation a differentiation between provision of services through permanent establishment and provision on a temporary basis.

Chapter 4: Free movement of capital

- Further strengthen the anti-money laundering framework, in particular by raising awareness among reporting institutions and by establishing a credible enforcement record on the part of the relevant institutions. Strengthen capacity and share intelligence information between institutions.
- Make progress in the removal of remaining restrictions on capital movements.

Chapter 5: Public procurement

- Strengthen the Complaints Committee, in order to provide for an effective remedies system.

Chapter 6: Company law

- Develop effective and independent quality assurance and public oversight systems for statutory auditors and audit firms. Strengthen relevant administrative capacities.

Chapter 7: Intellectual property law

- Prepare a national strategy and action plan for building up the capacity necessary to implement and enforce the *acquis* in each area covered by this chapter, with particular focus on the need to provide specialised training for law enforcement bodies, judges, prosecutors and customs officials.
- Develop public awareness campaigns and improve cooperation among law enforcement bodies and between all relevant stakeholders.

Chapter 8: Competition policy

- Establish a credible enforcement record in the area of anti-trust and focus on the most serious infringements of competition law.
- Establish effective *ex-ante* control of State aid.
- Strengthen the administrative capacity of the Commission for Protection of Competition and provide the adequate budget and staff.
- Fully ensure the transparent and non-discriminatory application of competition law.

Chapter 9: Financial services

- Reinforce the legislation and the supervisory framework, including enforcement, for the financial sector, in particular for the insurance sector and securities markets.
- Ensure the independent supervisory authority for the insurance sector becomes operational and is properly staffed.

Chapter 10: Information society and media

- End the breach of the Stabilisation and Association Agreement by taking all necessary measures to fulfil the obligation to liberalise the electronic communications sector, including adoption of all the secondary legislation required and further strengthening of the regulatory bodies.
- Enforce competitive safeguards for operators with significant market power.
- Reinforce the independence and administrative capacity of the regulatory authorities for electronic communications and media.
- Ensure a stable and sustainable source of funding for the public service broadcaster and the Broadcasting Council.

Chapter 11: Agriculture and rural development

- Speed up the registration of agricultural land in the real estate cadastre.
- Ensure collection and processing of sound and reliable agricultural data.
- Continue preparations to establish effective and financially sound paying bodies for the management and control of agricultural funds, in line with EU requirements and international auditing standards.

Chapter 12: Food safety, veterinary and phytosanitary policy

- Continue to align legislation with the veterinary and phytosanitary *acquis*, focusing on framework legislation compatible with the *acquis*.
- Continue to reinforce the capacity of the veterinary service at both central and local levels in order to put in place an EU-compatible control system, particularly for import controls.
- Ensure the operational character of the system for identification of bovines and registration of their movements and start a system of identification of pigs, sheep and goats.
- Further align animal disease and animal health control systems with the EU legislative and institutional requirements and the contingency plans for notifiable diseases.
- Assess the compliance of agri-food establishments with EU requirements, which will serve as a basis for a future upgrading plan of those establishments.

Chapter 14: Transport policy

- Continue implementation of the Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network and strengthen cooperation with the South East Europe Transport Observatory.
- Pursue alignment with the road transport *acquis*, notably on transport of dangerous goods, access to the market, social conditions, implementation of the digital tachograph and improvement of road safety.
- In the rail sector, establish a regulatory body that is independent of the infrastructure manager and railway undertakings, establish a safety authority responsible for issuing safety certificates and align legislation with the EU rules on transport of dangerous goods by rail. Ensure financial stability by compensating for public service obligations in passenger transport and reducing debts.
- Implement commitments taken under the first transitional phase of the European Common Aviation Area Agreement including the implementation of the relevant aviation legislation.

- Strengthen the administrative capacity of the civil aviation authority.

Chapter 15: Energy

- Continue to align the legislation on the internal electricity and gas markets, energy efficiency and renewable energy sources with the *acquis* in order gradually to open up the energy market to competition.
- Continue to strengthen the independence of the Energy Regulatory Commission.
- Fulfil the obligations arising from the Energy Community Treaty as regards the full implementation of the *acquis* on the internal gas and electricity market and on cross border exchanges in electricity.
- Enhance administrative capacity in all energy sectors, including the Energy Agency in the area of energy efficiency and renewable energy resources.
- Construct an appropriate storage facility for radioactive materials.
- Ensure the proper and independent functioning of the Radiation Safety Directorate.

Chapter 16: Taxation

- Increase the administrative capacity to implement tax legislation and to fight fiscal evasion.
- Take structural measures urgently to reform control policy and improve control capacity.
- Develop an audit strategy and adequate IT systems.
- Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures comply with them.

Chapter 18: Statistics

- Strengthen the capacity of the State Statistical Office to ensure timely implementation of the next population census and to allow continuous development of national accounts and their underlying statistics; in particular, address remaining gaps in collection and processing of agricultural statistics and business statistics in line with EU standards and methodology and increase reporting of statistical data to Eurostat.
- Finalise establishment of the statistical business register and farm register, including routines to ensure that the registers contain up-to-date information.

Chapter 19: Employment and social policies

- Continue transposition of the *acquis* and strengthen the related administrative and enforcement structures, including the Labour Inspectorate.
- Ensure administrative capacity to implement social inclusion and social protection policies.
- Ensure a functioning and representative social dialogue.
- Take further efforts improve the situation of persons with disabilities.

Chapter 20: Enterprise and industrial policy

- Define and implement an industrial strategy conducive to growth and innovation.
- Introduce systematic assessment of the impact of new regulations on enterprises.
- Strengthen resources of the SME department and the SME agency and ensure implementation of SME strategy and Action Plan and the European Charter for Small Enterprises.
- Continue work on regulatory simplification, 'regulatory guillotine' and reduction of bureaucratic barriers to doing business; introduce regulatory impact assessments.

Chapter 22: Regional policy and coordination of structural instruments

- Reinforce the establishment of institutional structures and strengthen administrative capacity in the areas of programming, project preparation, monitoring, evaluation and financial management and control, particularly at the level of line ministries, to implement EU pre-accession programmes as a preparation for the implementation of the Community's cohesion policy.
- Finalise the national regional development strategy.

Chapter 23: Judiciary and fundamental rights

- Implement the national law on personal data protection. Sign and ratify the additional protocol to the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal data regarding supervisory authorities and trans-border data flow.
- See for other priorities the section on political criteria.

Chapter 24: Justice, freedom and security

- Continue to implement the integrated border management action plan, develop the main databases for border management and ensure that they are connected, upgrade equipment for document analysis and border surveillance, ensure effective implementation of requirements for delivery of high-quality travel and identity documents and provide further training for staff.
- Provide adequate funding and training for implementation of the police reform, strengthen coordination and cooperation both among police bodies and between the police and other law enforcement agencies and strengthen cooperation between the criminal police and the public prosecutors.
- Develop and implement a comprehensive human resources and training strategy for the police and upgrade their equipment.
- Further intensify the fight against organised crime, notably by making better use of special investigative measures and by promptly issuing and following up international arrest warrants (including for computer crime, with a special focus on child pornography), and create an integrated intelligence system for inter-agency use in the fight against organised crime, including trafficking in human beings, arms and drugs.
- Strengthen efforts to implement the national action plan to combat human trafficking and the capacity to investigate computer crime.
- Implement the EC/former Yugoslav Republic of Macedonia readmission agreement and negotiate readmission agreements with the countries of origin of transiting migrants.
- Intensify the process of introduction of legal instruments guaranteeing the rights of persons in need of (international) protection.
- Ensure alignment of asylum and aliens acts with the relevant *acquis*.

Chapter 25: Science and research

- Strengthen research and technological development capacity in order to ensure successful participation in the Community framework programmes.
- Start designing an integrated research policy and take actions to integrate into the European Research Area.

Chapter 26: Education and Culture

- Complete the legislative and administrative framework for the management of the Lifelong Learning and Youth in Action programmes and strengthen the implementing bodies.

Chapter 27: Environment

- Continue legislative alignment with the *acquis*, in particular in the fields of air quality, waste management and water quality, and improve significantly implementation of legislation and environmental monitoring.

- Strengthen the Environmental Inspectorate and other enforcement bodies, establish a credible enforcement record and ensure that fines and other sanctions are effectively applied and have a dissuasive effect.
- Strengthen administrative capacity at national and local levels and improve coordination between administrative bodies in charge of environment-related issues.
- Prepare strategic plans, including financial strategies, and prepare a national waste management strategy and waste management plan.
- Develop an environmental investment strategy based on estimates of the cost of alignment.
- Integrate environmental protection requirements into other sectoral policies, in particular by developing environmental impact assessments.
- Increase investments in environmental infrastructure, with particular emphasis on waste water collection and treatment, drinking water supply, tackling air pollution and waste management.

Chapter 29: Customs union

- Increase administrative capacity to implement customs legislation and to fight cross-border crime.
- Further approximate legislation and procedures to the *acquis*, in particular in the areas of transit and allocation of tariff quotas.
- Align the law on technological/industrial development zones with the *acquis*.

Chapter 31: Foreign, security and defence policy

- Implement the legislation for enforcement of the common position in the field of international restrictive measures.

Chapter 32: Financial control

- Review the public internal financial control (PIFC) policy paper and present laws on PIFC and internal audit, in order to make both the PIFC policies and current legislation comprehensive and consistent, and update the action plan for implementation of the medium-term priorities related to PIFC.
- Complete the establishment of internal audit units in central State institutions, create similar units at municipal level where appropriate and ensure adequate staff, training and equipment.
- Develop efficient management, monitoring, control and audit systems necessary for decentralised implementation of programmes under the EU pre-accession instruments.

3.2. MEDIUM-TERM PRIORITIES

Political criteria

Democracy and the rule of law

Government

- Complete the decentralisation process.

Public administration

- Further develop the capacity of the administration to implement the Stabilisation and Association Agreement.

Anti-corruption policy

- Complete the implementation of the strategy to fight corruption.
- Enforce regulations related to the prevention of conflict of interests, in line with international standards.

Human rights and protection of minorities

- Further promote respect for human rights by law enforcement bodies and in detention centres and prisons.
- Further implement the strategy on equitable representation of non-majority communities.

Regional issues and international obligations

- Promote regional dialogue, stability, good neighbourliness and cooperation.

Economic criteria

- Step up efforts to safeguard the sustainability of the electricity market, in view of the country's commitments to liberalisation, by eliminating existing distortions due to non-cost-recovery prices and by strengthening the regulatory institutions and the physical infrastructure.
- Raise the quality of public spending by strengthening the public sector's capacity for medium-term planning and improving the budgetary execution. Continue to improve the quality of education, by providing the follow-up funding for infrastructure and staffing necessary to implement thoroughly recent reforms in the education sector.
- Continue to improve the labour market performance and to reduce unemployment, in particular by taking additional measures to address youth and long-term unemployment and by modernising the social security and educational system.
- Continue efforts to integrate the informal sector into the formal economy.
- Upgrade the country's infrastructure, in particular for energy and transport, in order to strengthen the competitiveness of the economy at large.

Ability to assume the obligations of membership***Chapter 1: Free movement of goods***

- Develop a market surveillance structure in line with the *acquis*.

Chapter 3: Right of establishment and freedom to provide services

- Align with the EU *acquis* on mutual recognition of professional qualifications, including training provisions, and develop the required administrative structures.
- Align with the postal services *acquis*, including establishment of an independent national regulatory authority.

Chapter 5: Public procurement

- Achieve fully operational public procurement structures which ensure that public procurement procedures are conducted fully in accordance with the EC standards. Develop e-procurement.

Chapter 7: Intellectual property law

- Build up the capacity necessary to implement and enforce the *acquis* in each area covered by this chapter and establish a satisfactory track record on investigation, prosecution and judicial handling of piracy and counterfeiting.

Chapter 8: Competition policy

- Further align the legislation with the EU anti-trust and State aid *acquis*.
- Further improve the enforcement record in the areas of anti-trust and State aid control.
- Increase awareness among government institutions, business and the general public.

Chapter 9: Financial services

- Establish a credible enforcement record on combating uninsured driving.
- Further align with EU legislation in financial services.

Chapter 11: Agriculture and rural development

- Upgrade the capacity of the agricultural administration and complete preparations for enforcement and practical application of the management mechanisms of the common agricultural policy, in particular the integrated administration and control system (IACS), and ensure a functioning land parcel identification system (LPIS).

Chapter 12: Food safety, veterinary and phytosanitary policy

- Further align the legislation with the *acquis* regarding transmissible spongiform encephalopathies (TSE) and animal by-products, implement and control its enforcement and set up the necessary collection and treatment system.
- Establish a properly staffed plant health authority. Further align the phytosanitary legislation with the *acquis*.
- Adopt a plan for the upgrading of agri-food establishments and start its implementation.
- Strengthen the laboratory capacity in the food safety, veterinary and phytosanitary domain.

Chapter 14: Transport policy

- Continue to work towards complete alignment with the *acquis* in the area of road transport (including the implementation of the digital tachograph), continue alignment with the railway *acquis* (first and second railway packages and interoperability), achieve full alignment with the aviation legislation and ensure vigorous enforcement of the corresponding legislation.
- Implement commitments taken under the second transitional phase of the European Common Aviation Area Agreement.

Chapter 15: Energy

- Continue efforts to ensure an adequate supply of energy and to develop and implement an energy policy in line with the obligations under the Energy Community Treaty.

Chapter 17: Economic and monetary policy

- Align the legal framework in order to ensure full central bank independence.

Chapter 18: Statistics

- Further develop all areas of statistics, achieve full harmonisation in key areas in terms of frequency, scope, classifications, timeliness and quality and put in place a uniform management and production system.
- Put in place a well coordinated national statistical system.

Chapter 19: Employment and social policies

- Develop permanent mechanism for social dialogue.
- Develop long term social inclusion policies and enhance access to the labour market of vulnerable groups.
- Further enhance social protection policies.
- Develop mechanisms to monitor the situation of persons with disabilities.

Chapter 20: Enterprise and industrial policy

- Further develop support mechanisms for SMEs and improve access for SMEs to financial services- Define and implement an industrial strategy conducive to growth and innovation.
- Finalise and implement the strategy development on the mainstreaming of entrepreneurship education based on successful donor supported pilot projects.

Chapter 22: Regional policy and coordination of structural instruments

- Strengthen at central level and develop at regional and local level the administrative capacity. Ensure a clear distribution of responsibilities and strengthen capacity of coordination between designated implementing authorities/structures including local authorities.

Chapter 24: Justice, freedom and security

- Ensure alignment with the relevant *acquis* in the area of asylum and immigration.

Chapter 25: Science and research

- Apply an integrated research policy.

Chapter 26: Education and Culture

- Continue efforts to improve the quality of education, including primary education, and to create a modern vocational education and training system and a higher education sector linked with the labour market and economic needs and promoting of regional cooperation in the field of higher education.

Chapter 27: Environment

- Continue to integrate environmental protection requirements into other sectoral policies, in particular by developing environmental impact assessments.
- Further increase investments in environmental infrastructure, with particular emphasis on waste water collection and treatment, drinking water supply, tackling air pollution and waste management.

Chapter 28: Consumer and health protection

- Complete alignment with the EU *acquis* in the field of consumer protection and strengthen the administrative capacity needed for effective market surveillance.
- Continue alignment with the EU *acquis* in the field of public health policy, more specifically in the fields of tobacco, blood, tissues and cells and communicable diseases. Strengthen the institutional, administrative and financial capacity in the field of public health.
- In the area of mental health, develop community-based services as an alternative to institutionalisation, and ensure allocation of sufficient financial resources for mental health care.

Chapter 31: Foreign, security and defence policy

- Bring the agreement concluded with the USA regarding the conditions of surrender of people to the International Criminal Court into line with the EU guiding principles adopted by the European Council in September 2002.

Chapter 32: Financial control

- Further develop and implement the EU's public internal financial control (PIFC) model (decentralised managerial accountability and functionally independent internal audit) by means of coherent legislation and adequate institutional capacity under the guidance of the Ministry of Financial Affairs.
- Further strengthen the operational capacity and the functional and financial independence of the State Audit Office.
- Implement procedures and administrative capacity to ensure effective protection of the EC's financial interests.

4. PROGRAMMING

Community assistance under the stabilisation and association process to the Western Balkan countries will be provided under the existing financial instruments, in particular by Regulation (EC) No 1085/2006 (IPA), and for programmes adopted before 2007, Council Regulation (EC) No 2666/2000 (CARDS Regulation) ⁽¹⁾. The financing agreements serve as legal basis for the implementation of the concrete programmes. Accordingly, this Decision will have no financial implications. The former Yugoslav Republic of Macedonia can have access to funding from multi-country and horizontal programmes.

5. CONDITIONALITY

Assistance to the Western Balkan countries is conditional on progress on satisfying the Copenhagen criteria and on meeting the requirements of the Stabilisation and Association Agreement and the specific priorities of this Accession Partnership. Failure to respect these conditions could lead the Council to take appropriate measures on the basis of Article 21 of Regulation (EC) No 1085/2006 or, in the case of pre-2007 programmes, on the basis of Article 5 of Regulation (EC) No 2666/2000. The assistance is also subject to the conditions defined by the Council in its conclusions of 29 April 1997, in particular as regards the recipients' undertaking to carry out democratic, economic and institutional reforms. Specific conditions are also included in individual annual programmes. The financing decisions will be followed by a financing agreement signed with the Yugoslav Republic of Macedonia.

6. MONITORING

Implementation of the Accession Partnership will be examined by the mechanisms established under the Stabilisation and Association Process, notably the annual reports presented by the Commission.

⁽¹⁾ OJ L 306, 7.12.2000, p. 1. Regulation as last amended by Regulation (EC) No 2112/2005 (OJ L 344, 27.12.2005, p. 23).

COUNCIL DECISION

of 18 February 2008

on the principles, priorities and conditions contained in the European Partnership with Serbia including Kosovo as defined by United Nations Security Council Resolution 1244 of 10 June 1999 and repealing Decision 2006/56/EC

(2008/213/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 533/2004 of 22 March 2004 on the establishment of partnerships in the framework of the stabilisation and association process ⁽¹⁾, as amended, and in particular Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas:

(1) The Thessaloniki European Council of 19 and 20 June 2003 endorsed the introduction of the European Partnerships as a means to materialise the European perspective of the Western Balkan countries.

(2) Regulation (EC) No 533/2004 provides that the Council is to decide on the principles, priorities and conditions to be contained in the partnerships, as well as any subsequent adjustments. It states also that the follow-up to the European Partnerships will be ensured through the mechanisms established under the stabilisation and association process, notably by the annual progress reports.

(3) On 30 January 2006 the Council adopted the second European Partnership with Serbia including Kosovo under UNSCR 1244 ⁽²⁾.

(4) The Commission's Paper on enlargement strategy and main challenges 2006-2007 indicated that the partnerships would be updated at the end of 2007.

(5) On 17 July 2006 the Council adopted Regulation (EC) No 1085/2006 ⁽³⁾, establishing an Instrument for Pre-accession Assistance (IPA) which renews the framework for financial assistance to pre-accession countries.

(6) It is therefore appropriate to adopt a revised European Partnership which updates the current partnership in order to identify renewed priorities for further work, on the basis of the findings of the 2007 Progress Reports on the preparations by Serbia as well as Kosovo under UNSCR 1244 for further integration with the European Union.

(7) In order to prepare for further integration with the European Union, the competent authorities in Serbia as well as Kosovo under UNSCR 1244 should develop a plan with a timetable and specific measures to address the priorities of this European Partnership.

(8) Decision 2006/56/EC should therefore be repealed,

HAS DECIDED AS FOLLOWS:

Article 1

⁽¹⁾ OJ L 86, 24.3.2004, p. 1. Regulation as amended by Regulation (EC) No 269/2006 (OJ L 47, 17.2.2006, p. 7).

⁽²⁾ Council Decision 2006/56/EC of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with Serbia and Montenegro including Kosovo as defined by the United Nations Security Council Resolution 1244 of 10 June 1999 and repealing Decision 2004/520/EC (OJ L 35, 7.2.2006, p. 32). Decision as amended by Decision 2007/49/EC (OJ L 20, 27.1.2007, p. 16).

The principles, priorities and conditions in the European Partnership with Serbia including Kosovo under UNSCR 1244 are set out in Annexes 2 and 3.

⁽³⁾ OJ L 210, 31.7.2006, p. 82.

Article 2

The implementation of the European Partnership shall be examined through the mechanisms established under the stabilisation and association process, notably the annual progress reports presented by the Commission.

Article 3

Decision 2006/56/EC shall be repealed.

Article 4

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

Done at Brussels, 18 February 2008.

For the Council

The President

D. RUPEL

ANNEX 1

SERBIA — INCLUDING KOSOVO UNDER UNSCR 1244 — EUROPEAN PARTNERSHIP 2007**1. INTRODUCTION**

The European Council endorsed the introduction of the European Partnerships as a means to realise the European perspective of the Western Balkan countries. The proposed revised partnership updates the second one, on the basis of the findings of the 2007 Commission Progress Reports on Serbia and on Kosovo under UNSCR 1244. It identifies new and remaining priorities for action. The new priorities are adapted to the country's specific needs and stage of preparation and will be updated as necessary. The authorities are expected to develop a plan including a timetable and specific measures intended to address the European Partnership priorities. The partnership also provides guidance for financial assistance to the country.

2. PRINCIPLES

The stabilisation and association process remains the framework for the European course of the Western Balkan countries, all the way to their future accession. The priorities identified relate to the capacity to meet the criteria defined by the Copenhagen European Council of 1993 and the conditions set by the stabilisation and association process, notably the conditions defined by the Council in its conclusions of 29 April 1997 and 21 and 22 June 1999, the final declaration of the Zagreb Summit of 24 November 2000 and the Thessaloniki Agenda.

3. PRIORITIES

The priorities listed in this European Partnership have been selected on the basis that it is realistic to expect that they can be completed or taken substantially forward over the next few years. A distinction is made between short-term priorities, which are expected to be accomplished within one to two years, and medium-term priorities, which are expected to be accomplished within three to four years. The priorities concern both legislation and its implementation.

In view of the need to set priorities, clearly there are other tasks for to be completed which may become priorities in any future partnership, also taking into account future progress made by Serbia and Kosovo under UNSCR 1244.

Among the short-term priorities, the key ones have been identified and grouped together at the beginning of the lists. The order of these key priorities does not imply a ranking in their importance.

The priorities are listed in Annexes 2 and 3.

4. PROGRAMMING

Community assistance under the stabilisation and association process to the Western Balkan countries will be provided under the existing financial instruments, in particular by Regulation (EC) No 1085/2006 (IPA) and, for programmes adopted before 2007, Regulation (EC) No 2666/2000 (CARDS Regulation) ⁽¹⁾. The financing agreements serve as legal basis for the implementation of the concrete programmes. Accordingly, this Decision will have no financial implications.

Serbia including Kosovo under UNSCR 1244 can also have access to funding from multi-country and horizontal programmes.

5. CONDITIONALITY

Assistance to the Western Balkan countries is conditional on progress on satisfying the Copenhagen criteria and on meeting the specific priorities of this European Partnership. Failure to respect these conditions could lead the Council to take appropriate measures on the basis of Article 21 of Regulation (EC) No 1085/2006 or, in the case of pre-2007 programmes, on the basis of Article 5 of Regulation (EC) No 2666/2000. The assistance is also subject to the conditions defined by the Council in its conclusions of 29 April 1997, in particular as regards the recipients'

⁽¹⁾ OJ L 306, 7.12.2000, p. 1. Regulation as last amended by Regulation (EC) No 2112/2005 (OJ L 344, 27.12.2005, p. 23).

undertaking to carry out democratic, economic and institutional reforms. Specific conditions are also included in individual annual programmes. The financing decisions will be followed by a financing agreement signed with the relevant authorities.

6. **MONITORING**

Implementation of the European Partnership will be examined by the mechanisms established under the stabilisation and association process, notably the annual reports presented by the Commission.

ANNEX 2

PRIORITIES FOR SERBIA

SHORT TERM PRIORITIES

Key priorities

- Ensure compliance with the future obligations under the Stabilisation and Association Agreement (SAA) and in particular the Interim Agreement (IA).
- Ensure full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY).
- Cooperate constructively on matters relating to Kosovo.
- Ensure that the constitution and constitutional law are implemented in line with European standards.
- Continue efforts to implement the reform of the public administration, including the civil service pay system, to ensure transparent recruitment and promotion as well as professionalism and accountability, strengthen the European integration structures, improve coordination throughout the public administration and parliament and pay particular attention to policy coordination.
- Improve the functioning of the judiciary, guarantee its independence, accountability, professionalism and efficiency and ensure that the career development and recruitment of judges and prosecutors are based on technical and professional criteria and free from political influence. Ensure proper functioning of the Constitutional Court.
- Step up the fight against corruption at all levels and develop a comprehensive public system of financial control to increase transparency and accountability in use of public finances.
- Finalise the process of privatisation or, when appropriate, liquidation of social-owned and state-owned enterprises.

Political criteria***Democracy and the rule of law****Constitution*

- Align legislation and institutions with the new Constitution.

Parliament

- Complete the reform of the legal framework on elections (including the voters' register), bring it into line with the new constitutional requirements and ensure transparency and accountability of political party financing, including revision of the existing legislation to provide for sufficient monitoring and sanctions.

Public administration

- Establish a fully functioning ombudsman's office in line with legislative requirements and ensure proper follow-up to the recommendations made by the ombudsman.

Civilian oversight of security forces

- Ensure greater democratic oversight by tightening parliamentary control and establishing more transparent financial management.

Judicial system

- Ensure the full independence of the courts and prosecution system.
- Strengthen the office of the prosecutor for war crimes.
- Implement the action plan on the judicial reform strategy.

- Adopt and implement legislation on mandatory initial and continuous training for judges, prosecutors and court support staff and strengthen the training centres.
- Rationalise the court system, modernise proceedings, introduce an effective court management system and establish administrative and appellate courts.
- Create an IT network for prosecutors at all levels, ensure enforcement of court decisions and further strengthen the capacity to try war crimes domestically in full compliance with international obligations to the ICTY.

Anti-corruption policy

- Implement the action plan on the anti-corruption strategy and establish an independent and effective anti-corruption agency.
- Ratify international conventions against corruption.
- Further clarify and enforce regulations related to the prevention of conflict of interests, in line with international standards.
- Develop and implement a transparent system of declaration of assets of public officials.

Human rights and protection of minorities

- Fulfil all obligations arising out of membership of the Council of Europe.
- Ensure compliance with the human rights provisions of the new constitution.
- Continue de-institutionalisation, community-based services and aid to dependent persons, including in the field of mental health.

Civil and political rights

- Review relevant legislation concerning religious rights to ensure that it is in line with the Constitution.
- Take action in alleged cases of ill-treatment and strengthen the internal control services dealing with ill-treatment by law enforcement agents.
- Improve prison conditions, ensure appropriate monitoring of prison conditions for long-term inmates and for inmates convicted of organised crime and ensure further training of penitentiary staff and improvement of special needs facilities.
- Improve the functioning of the Broadcasting Council in line with international standards, ensure fair and transparent allocation of regional and local broadcasting frequencies to media operators.
- Fully implement the Law on free access to information and strengthen the office of the Commissioner for Free Access to Information to ensure enforcement of decisions/recommendations.
- Adopt legislation on associations and the legal status of NGOs, encourage the development of civil society organisations and regular dialogue with civil society on policy initiatives.
- Enhance access to justice.

Social and economic rights

- Adopt comprehensive anti-discrimination legislation and ensure appropriate institutional support for victims.
- Adopt adequate legislation on the restitution of property and ensure full implementation.
- Improve the protection of women's and children's rights.

Minority rights, cultural rights and protection of minorities

- Ensure that constitutional provisions on cultural and minority rights and protection of minorities are observed and fully implement the strategies and action plans relevant to integration of Roma, including returnees.

- Continue efforts to promote good inter-ethnic relations, including measures in the field of education, strengthen the functioning of minority national councils, including adoption of pending legislation, promote participation by minorities in the judiciary and law enforcement bodies and continue awareness-raising activities, including use of minority languages.
- Adjust relevant legislation to the new constitution and ensure full implementation of minority rights, in particular on education in the mother tongue.
- Adopt new legislation on refugees and continue to implement the national strategy on refugees.

Regional issues and international obligations

- Continue to honour the Dayton/Paris Agreements.
- Take measures to abide by the February 2007 judgment of the International Court of Justice on the case brought by Bosnia and Herzegovina against Serbia and Montenegro regarding application of the Convention on the Prevention and Punishment of the Crime of Genocide.
- Contribute to strengthening regional cooperation, reconciliation and good neighbourly relations, including by promoting the transition from the Stability Pact to a more regionally owned cooperation framework and effective implementation of the Central European Free Trade Agreement (CEFTA).
- Conclude and implement agreements with neighbouring countries on cross-border cooperation, the fight against organised crime, trafficking and smuggling, judicial cooperation, border management and the environment.
- Contribute to resolving outstanding border issues with Croatia and with Bosnia and Herzegovina.
- Ensure the right to a real choice between sustainable return and integration and contribute to ensuring full implementation of the Sarajevo Declaration.

Economic criteria

- Implement a stability-oriented fiscal policy, including a public sector wage policy, which aims at fiscal consolidation and is conducive to low inflation and external sustainability.
- Continue reforms of public finance management in order to strengthen control, transparency, accountability and efficiency.
- Pursue a monetary policy conducive to the objective of price stability to reduce and anchor inflation expectations.
- Improve bankruptcy procedures in order to speed up market exit of unviable enterprises and to foster structural change.
- Complete the liberalisation of remaining administered prices with the view of improving the efficiency of market mechanisms and resource allocation.
- Further strengthen financial supervision to help ensure stability of the financial sector.
- Further develop and implement the reform of the pension system and continue the reform of the health insurance system and accelerate the restructuring and privatisation of the insurance sector.
- Continue efforts to formalise the grey economy and implement a public expenditure management system and tax reforms.
- Develop a stable and functioning land/real estate market and prepare cadastre legislation.
- Continue efforts to promote employment, including by means of vocational training and labour market reforms, improve public employment services and implement the strategy on employment of people with disabilities.

European standards***Internal market****Free movement of goods*

- Continue to align the legal framework on standardisation, certification, metrology, accreditation and conformity assessment with European standards. Continue to adopt European standards and establish a national coordination body for quality infrastructure responsible for strengthening the entire area.
- Establish a market surveillance structure and ensure proper coordination among the market surveillance authorities.
- Adjust the trade regime and relevant legislation to comply with obligations stemming from the WTO, SAA and CEFTA.
- Establish internal consultation and notification mechanisms for new technical regulations prior to adoption of measures with an impact on trade.
- Strengthen the administrative capacity in the area of consumer protection.

Free movement of capital

- Continue to develop a system of international payment operations in line with international rules and establish national treatment for purchases of real estate.

Customs and taxation

- Complete the alignment of customs legislation necessary for proper implementation of the SAA, strengthen the capacity of the customs administration to fight corruption, cross-border crime and fiscal evasion and strengthen enforcement capacity, especially in the areas of risk analysis and post-clearance control.
- Continue approximation of tax legislation to the *acquis*, implement tax legislation, in particular on revenue collection and control in order to reduce tax fraud and increase enforcement capacity.
- Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures comply with these principles.

Competition

- Improve existing anti-trust legislation in line with the SAA requirements and strengthen the administrative capacity of the Competition Commission to ensure efficient and independent enforcement of the rules in line with the EU *acquis*.
- Establish an independent and fully functioning authority for monitoring state aid.
- Improve merger control procedures in order to strengthen the efficiency of the Competition Commission.
- Establish a proper legal framework for state aid in line with the SAA requirements.

Public procurement

- Implement a consistent and effective public procurement regime, ensure the independence of the public procurement bodies, ensure transparent procedures, regardless of the value of the contract concerned, and non-discrimination between Serbian and EU suppliers and strengthen enforcement capacity in this sector.

Intellectual property law

- Continue to strengthen protection of intellectual property rights (IPR) and strengthen administrative capacity for the granting of patents and sustainable implementation and enforcement of IPRs.

Employment and social policies

- Develop adequate administrative structures and capacity in the field of health protection.

Education and research

- Continue efforts to improve education system; establish better links between vocational and higher education and the labour market and economic needs; strengthen administrative capacity and improve coordination among relevant bodies.
- Ratify the Unesco Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

WTO issues

- Continue preparations for accession to the WTO.

Sectoral policies*Industry and SMEs*

- Implement the European Charter for Small and Medium-sized Enterprises and reduce administrative barriers for SME's.
- Adopt a new medium-term SME policy strategy and industrial policy, followed by an operational action plan.
- Strengthen the SME Council as an instrument for public-private and inter-ministerial cooperation to influence the design and delivery of SME policies.

Agriculture

- Strengthen the administrative capacity needed to formulate and implement agricultural and rural development policy.
- Update legislation and strengthen implementation and controls in the areas of food safety and veterinary and phytosanitary issues.
- Expand animal identification and registration to all relevant species.
- Continue to upgrade veterinary, phytosanitary, wine and sanitary laboratories, inspectorates and controls at external borders.

Environment

- Accelerate approximation of legislation and standards to the EU *acquis*.
- Implement the adopted legislation, notably on environmental impact assessment.
- Start implementing the Kyoto Protocol.
- Adopt and implement the national environmental protection strategy and a strategy for sustainable development.
- Strengthen the administrative capacity of bodies in charge of planning, permits, inspection and monitoring, and also project management, strengthen capacity at local level and ensure coordination between central and local levels.

Further develop and start to implement waste management plans and start construction of a facility for treatment and safe disposal of hazardous waste.

Transport policy

- Continue implementation of the Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network and strengthen cooperation with the South East Europe Transport Observatory.
- Adopt and implement a national transport strategy. Take measures to improve road safety conditions.
- Implement commitments taken under the first transitional phase of the European Common Aviation Area Agreement.

- Restructure the railway sector and establish railway institutions.
- Develop inland waterway transport, including by the setting-up of river information services.

Energy

- Fulfil the obligations arising from the Energy Community Treaty as regards the full implementation of the *acquis* on the internal gas and electricity market and on cross border exchanges in electricity.
- Amend and implement the Energy Law and ensure smooth functioning of the independent energy regulatory agency.
- Continue environmental audits on energy plants, addressing the worst polluters, ensure unbundling with a view to restructuring and opening up the market and make further progress towards a regional energy market, in particular by improving interconnectivity with neighbouring countries.
- Accede to the relevant international conventions relating to nuclear safety and set up the appropriate regulatory body.
- Continue the dismantling of the Vinca research reactor.
- Strengthen the administrative capacity within the relevant ministries.

Information society and media

- Ensure full liberalisation of the electronic communications sector and the independence of the regulatory bodies; ensure that the strategy adopted is put into effect, including adoption and implementation of the necessary laws and policies, and strengthen administrative capacity.
- Start approximation to the *acquis* on the audiovisual sector and improve transparency and accountability, particularly of the Republican Broadcasting Agency.
- Sign and ratify the European Convention on Transfrontier Television.

Financial control

- Adopt and implement a public internal financial control policy.
- Develop procedures and administrative capacity to ensure effective protection of the EU's financial interests.

Statistics

- Amend the Law on statistics and increase cooperation and coordination within the national statistical system.
- Conduct an agricultural census, create an agricultural register and continue the development of national accounts according to ESA 95 including improving the data sources.

Justice, freedom and security*Visa, border control, asylum and migration*

- Implement the integrated border management (IBM) strategy and strengthen cooperation between the IBM agencies.
- Improve cross-border police cooperation in line with best practices, strengthen the capacity of border police and provide modern infrastructure and equipment for the border police, particularly in the IT area.
- Align the visa regime with the *acquis* and implement the EU-Serbia agreement on visa facilitation.
- Ensure effective implementation of requirements for delivery of high-quality travel and identity documents.
- Adopt and implement asylum legislation, ensure functioning of a reception centre for asylum-seekers and ensure establishment of an operational body for asylum applications.
- Implement the EU-Serbia agreement on readmission.
- Adopt a strategy for reintegration of returnees, including addressing the socio-economic conditions.

Money laundering

- Adopt the necessary legislation and a national strategy, including a timetable, against money laundering and financing of terrorism, strengthen national bodies for the fight against money laundering and improve inter-agency and international cooperation.

Drugs

- Increase the capacity to fight drug trafficking, develop and start to implement a national drugs strategy in line with the EU drugs strategy and improve international cooperation.

Police

- Ensure full implementation of the Law on police in order to establish professionalism and accountability, improve transparency, develop a modern police force free from undue political interference and increase capacity by means of specialised training.
- Take the necessary steps to conclude a cooperation agreement with Europol.

Fight against organised crime and terrorism

- Adopt outstanding legislation, develop the capacity to seize assets, implement a national strategy against organised crime and strengthen criminal intelligence.
- Continue the fight against trafficking of human beings, including implementation of the strategy for prevention of trafficking and provision of adequate assistance and protection to victims.
- Increase the efficiency of international cooperation and implementation of the relevant international conventions on terrorism.
- Improve cooperation and the exchange of information between all branches of the security services and with other states and prevent financing and preparation of acts of terrorism.

Protection of personal data

- Revise the legal framework, sign the relevant international conventions and set up an independent supervisory authority.

MEDIUM-TERM PRIORITIES

Political criteria***Democracy and the rule of law****Public administration*

- Further strengthen European integration capacity within the public administration, embedding the necessary structures within line ministries and throughout government, and improve cooperation mechanisms with all departments dealing with European integration.
- Continue full implementation of civil service and public administration laws, implement measures to develop human resources in the civil service, strengthen the policy-making and coordination capacity of the public administration at government and local levels, establish a centralised payroll system, implement the constitutional provisions relating to decentralisation and ensure the resources for local governments.

Civilian oversight of security forces

- Continue the restructuring and reform of the armed forces and increase transparency and civilian oversight of the armed forces.

Judicial system

- Reduce the backlog in courts and further increase the efficiency and professionalism of courts.
- Introduce uniform standards in order to gather reliable data on the judiciary.

Anti-corruption policy

- Ensure full compliance with the international conventions on the fight against corruption. Further strengthen the capacity of anti-corruption bodies.

Human rights and protection of minorities

- Implement the anti-discrimination legislation.
- Continue efforts to integrate and improve the conditions for children with disabilities. Reform the childcare system and ensure mainstream education for children from minorities.

Regional issues and international obligations

- Facilitate integration of refugees who choose not to return.

Economic criteria

- Strengthen fiscal consolidation and reduce the role of the State sector, measured by expenditure in proportion to GDP, to create space for private-sector development and growth.
- Speed up privatisation and, where appropriate, liquidation of State-owned enterprises in order to strengthen corporate governance, reduce quasi-fiscal losses, contribute to fiscal consolidation and raise the share of private-sector activity.
- Reduce structural rigidities that hamper the labour market, in particular relating to labour market regulation, to increase participation and employment rates.
- Reduce State aid relative to GDP and strengthen competition policy to allow free and undistorted competition for the benefit of Serbian consumers.
- Improve the education system with the aim of increasing skills which fostering employment opportunities and long-term economic growth.
- Improve the business environment to increase greenfield foreign direct investment.

European standards***Internal market****Free movement of goods*

- Continue to develop standardisation and, prepare for full membership of the European standardisation organisations.

Free movement of capital

- Further liberalise short- and medium-term capital movements.

Customs and taxation

- Ensure continued approximation of customs and taxation as well as other fiscal legislation to the *acquis*, and continue to strengthen the administrative capacity to implement this legislation and to fight corruption, cross-border crime and fiscal evasion.
- Improve transparency and the exchange of information with EU Member States in order to facilitate enforcement of measures preventing avoidance or evasion of taxes.

Competition

- Implement State aid legislation and ensure that the authority monitoring state aid functions effectively.

Employment and social policies

- Adopt measures to increase school enrolment rates at secondary level of children of all communities.
- Further develop social inclusion and social protection policies.
- Ensure a functioning and representative social dialogue.
- Take further efforts to improve the situation of persons with disabilities.

Education and research

- Adopt a national qualification framework for vocational and education training; promote regional cooperation in the field of higher education.
- Adopt an integrated research policy.

Sectoral policies*SME and industrial policy*

- Continue the implementation of the European Charter for Small Enterprises.

Agriculture

- Continue efforts to strengthen administrative structures and capacity needed to formulate and implement agricultural and rural development policies.
- Continue strengthening veterinary, sanitary, phytosanitary and food safety legislation and controls.
- Improve waste management and reduce agricultural pollution.
- Continue to upgrade food-processing establishments to meet EU requirements.

Environment

- Ensure full implementation and enforcement of legislation approximated to the EU legislation.
- Implement the relevant international conventions and the Kyoto Protocol.
- Adopt and start implementing strategies on air pollution, waste management and nature protection.

- Implement fully the national environmental protection strategy and the water strategy.
- Strengthen further the administrative capacity of environmental institutions at national and local level.
- Implement the multi-annual plan for financing the environmental protection policy, including for investment.
- Finalise construction of a facility for treatment and safe disposal of hazardous waste.

Transport policy

- Continue implementation of the Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network and strengthen cooperation with the South East Europe Transport Observatory.
- Strengthen further administrative capacity, including project preparation for large investments and maintenance of infrastructure.
- Ensure further approximation of legislation to the transport *acquis*, notably as regards technical and safety standards (including the implementation of the digital tachograph).
- Implement commitments taken under the second transitional phase of the European Common Aviation Area Agreement.

Energy

- Adopt and implement a long-term strategy for an environmentally sustainable energy policy.
- Continue to implement regional and international commitments in this area with a view to establishing a competitive regional energy market.
- Complete the dismantling of the Vinca research reactor.

Information society and media

- Start implementation of the EU framework for electronic communications and continue alignment with the EC *acquis* for the audiovisual sector.

Financial control

- Develop and implement the principles of decentralised managerial accountability and a functionally independent internal audit system in accordance with the internationally accepted standards and EU best practice.
- Further develop procedures and administrative capacity to ensure effective protection of the EU's financial interests.

Statistics

- Further develop the quality management system; put in place agricultural statistics and further develop all sectoral statistical areas.

Justice, freedom and security

Visa, border control, asylum and migration

- Continue to strengthen the capacity of the border police and the customs services, improve facilities at border posts and enhance cooperation with neighbouring countries in the fight against human trafficking.
- Provide sustainable solutions for the integration of readmitted persons.

Drugs

- Fully implement a national strategy for the fight against drug abuse.

Police

- Continue restructuring the police services, ensure transparency and accountability, reform police education and ensure cooperation and coordination between law enforcement agencies.

Fighting organised crime and terrorism

- Ensure that an effective system of witness protection is in place, improve regional cooperation, reinforce the fight against economic and financial crime (including money laundering and counterfeiting of currencies), fraud and corruption, facilitate the placement of liaison officers, seconded from EU Member States, in the relevant state bodies involved in the fight against organised crime and implement the Palermo Convention on transnational organised crime.
 - Strengthen capacity at the Ministry of the Interior (in particular the Department for organised crime) and develop procedures and the capacity to share intelligence between agencies.
-

ANNEX 3

PRIORITIES FOR KOSOVO UNDER UNSCR 1244

SHORT TERM PRIORITIES

Key priorities

- Continue to work closely with the planning teams preparing the envisaged international/EU mission in order to be able to fully implement a settlement.
- Cooperate constructively on matters relating to Serbia.
- Ensure full cooperation with the International Criminal Tribunal for the former Yugoslavia.
- Ensure full respect for the rule of law, human rights and protection of minorities and pursue a policy of zero tolerance against corruption, organised crime and financial crime.
- Ensure democratic governance of, and delivery of public services to, all people of Kosovo, establishing a professional, accountable, accessible, representative public administration free from undue political interference.
- Advance the reform of self-government and increase administrative capacity to facilitate decentralisation, taking into account the views and interest of all communities in Kosovo, adopt the legislative framework and allocate appropriate budgetary resources.
- Create a climate for reconciliation, inter-ethnic tolerance and sustainable multi-ethnicity which is conducive to the return of displaced persons. Ensure the respect, security, freedom of movement and participation of all communities. Explicitly condemn all manifestations of anti-minority sentiment. Vigorously prosecute all inter-ethnic crime.
- Ensure the full respect of religious freedom. Ensure the protection of cultural and religious heritage and take measures to prevent and prosecute attacks on sites.
- Create a society free from discrimination of any kind and promote the integration of disadvantaged groups.
- Continue to strengthen property rights, the legal framework and the accessibility of courts, with a view to promoting a business friendly environment.

Political criteria***Democracy and the rule of law****Provisional institutions of self-government*

- Fully ensure the effective functioning of the assembly and its committees, the government and municipalities, including full respect of the respective rules of procedure and codes of conduct, and of the rights and interests of all communities.
- Increase executive oversight by, and accountability and transparency within, the assembly. Strengthen the assembly's own administrative capacity.
- Publish the Official Gazette in a timely manner and ensure that it is fully correct. Enhance checks on the respective language versions to ensure that they are identical and ensure public access to the Official Gazette.
- Further increase minority representation in all institutions and the civil service at municipal and central level.

Parliament/elections

- Hold free and fair elections. Strengthen the independent and multi-ethnic Central Election Commission to administer elections in a timely manner.
- Make sure that adequate voting sites, security and other measures are provided to all communities to exercise their voting rights. Enable internally displaced persons and refugees to participate in the elections even if their ability to return to Kosovo is limited.
- Enhance checks on EU compatibility of all new legislation.

Public administration

- Reinforce capacity for government coordination and define more precisely the responsibilities of the central and local authorities for ensuring consistency of policy implementation. Strengthen the efficiency of the government's functions of monitoring the performance of the public service.
- Rigorously enforce transparent procedures on recruitment, transfer, appraisal, promotion, conduct and dismissal of civil servants, including police and justice system employees, and on financial management.
- Improve the functioning and strengthen the independence of the Independent Oversight Board and the Senior Public Appointments Committee.
- Improve quality and availability of basic public services to all communities, including a contribution to reduce the demand for services provided by parallel structures.
- Advance the decentralisation process and adopt, *inter alia*, the laws on local government and municipal boundaries.

Judicial system

- Ensure effective, independent, accountable and impartial courts and prosecution offices, free from political influence.
- Strengthen the Prosecutor's Office to ensure that it is able to comply with the principles of autonomy and impartiality. Continue to strengthen the Special Prosecutor's Office. Ensure the implementation of an efficient witness protection security scheme.
- Approve laws on courts and the prosecution and implement them. Develop a system of administrative justice and streamline relevant legislation and competences.
- Implement the automated case management system fully in all courts and prosecution offices. Reduce the backlog of cases and the enforcement of civil court decisions.
- Strengthen municipal courts and police action to address, prevent and sanction illegal occupation, use and construction of property in an impartial manner.
- Further develop legal education and training, particularly for judges, prosecutors and administrative personnel. Transform the Judicial Institute into a viable institution responsible for judicial training.
- Develop the capacity in the government free from undue political influence to take on responsibilities in the areas of justice and the interior. Implement a system of appointment, dismissal and career promotion for judges and prosecutors in line with European standards, free from political interference.
- Increase efforts to meet international standards in the handling of mutual legal assistance requests in criminal matters and extradition requests.
- Strengthen the access to justice of minority communities and reinforce mechanisms such as the courts' Liaison Offices.
- Continue to take measures to facilitate an equitable ethnic representation of judges.
- Strengthen the administrative capacity, coordination and effectiveness of the judiciary and all law enforcement agencies. Ensure the viability of a comprehensive legal aid system.

Anti-corruption policy

- Implement the law on the suppression of corruption and the anti-corruption plan. Strengthen the anti-corruption agency and take measures to ensure fully its independence and functioning.
- Streamline the competencies of the Anti-corruption Agency, the Office of Good Governance and the Anti-corruption Council.

Human rights and the protection of minorities

- Complete the legislative framework and enhance the respect of mechanisms for the protection of human and minority rights in line with Council of Europe recommendations. Adopt and implement a comprehensive Human Rights Strategy.
- Strengthen the legal framework related to the freedom of expression. Provide the independent media commission with the relevant resources to respect the provisions of the legislation. Remove any legal ambiguities in relation to insult and defamation.
- Elect an ombudsperson and adopt legal provisions which ensure implementation of the ombudsperson's recommendations.
- Define and adopt a government programme to promote women's rights in Kosovo.
- Implement the anti-discrimination law effectively. In particular, make the human rights units within ministries fully operational, and ensure their independence and coordination with Ombudsperson's activities. Organise awareness campaigns to inform the private sector, civil society and academic circles about this law. Monitor the implementation of the law and report on it.
- Develop community-based services and aid to dependent persons, including in the field of mental health.
- Promote anti-discrimination policies throughout the country, addressing all groups at risk.
- Adopt and implement adequate legislation in order to ensure legal protection for children.

Minority rights, cultural rights and protection of minorities

- Fully enforce the law on official languages as well as on cultural heritage and set up an/effective mechanism to monitor its implementation.
- Regularise informal settlements. Find sustainable solutions for the housing and integration of Roma communities that are living in hazardous living conditions in camps and for internally displaced persons groups living in informal centres.
- Strengthen administrative structures and accountability mechanisms in the Ministry of Communities and Returns. Clarify the division of responsibilities regarding the return between the Ministry of Local Governance and the Ministry of Communities and Returns, at central and local levels. Further develop and implement the joint strategic framework on communities and returns, and develop mechanisms at municipal level for facilitating the sustainable integration of returnees and existing minority communities.
- Facilitate and encourage the return of refugees and displaced persons from all communities and finalise the rehabilitation of properties damaged and destroyed by the March 2004 events, including historic and religious sites.

Regional issues and international obligations

- Strengthen regional cooperation and good neighbourly relations.
- Implement the Central European Free Trade Agreement (CEFTA) and participate actively in all relevant regional initiatives, *inter alia*, under the auspices of the Stability Pact, including the process of its transition towards a more regionally owned cooperation framework.

Economic criteria

- Maintain sound fiscal policies and, in particular, ensure that social policies addressing poverty and social exclusion are compatible with the long-run sustainability of public finances.
- Establish annual targets for improved bill collection rates of public utilities and define and implement strategies to reach those targets.
- Significantly advance the privatisation of former socially-owned enterprises in accordance with the Trust Agency schedule.
- Improve the governance, efficiency and financial sustainability of publicly-owned enterprises. Further strengthen the operational and financial independence of regulatory authorities with a view to enhancing transparency and competition in the respective sectors.
- Develop and implement policies facilitating the transfer from non-registered to registered employment in order to create a functioning official labour market and to enhance the effectiveness of labour market policies.

European standards**Internal market***Free movement of goods*

- Adopt the horizontal framework legislation to establish the necessary infrastructure for the proper operation and segregation of the various functions (regulatory, standardisation, accreditation metrology, conformity assessment and market surveillance) needed to apply the *acquis* on the free movement of goods.

Free movement of capital

- Adopt appropriate prudential requirements and strengthen the supervisory process in the financial sector.

Customs and taxation

- Further approximate customs legislation with the *acquis* and continue the efforts to enhance the capacity of the customs administration to combat corruption, counterfeiting and cross-border crime. Enhance the capacity of the criminal investigation unit.
- Observe the obligations related to the implementation of preferential trade measures, in particular with regard to origin.
- Continue approximation of tax legislation to the EU *acquis* and strengthen the administrative capacity of the tax administration. Reinforce the collection capacity of the tax administration and increase tax revenue.
- Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures are in conformity with these principles.

Public procurement

- Adapt the public procurement framework by adopting the necessary implementing legislation to ensure compatibility with the *acquis*. Provide a public procurement institutional framework with the administrative capacity and independence to carry out its mission.

Intellectual property rights

- Provide the administrative and judicial capacity to implement the intellectual property law and to enforce intellectual property rights.

Employment and social policies

- Adopt an employment strategy, including improving the collection of data on employment matters.
- Improve public information on access to social security systems and enhance municipal capacities in social assistance matters.

- Amend legislation on the social insurance and pension scheme.
- Review the social benefits scheme to ensure non-discrimination of beneficiaries.

Education and research

- Increase the budget for education, in particular to improve school infrastructure, end the teaching shifts and address the lack of materials and equipments.
- Develop action plans to implement the education strategies with increased dialogue and coordination between all levels and all stakeholders and allocate necessary resources.
- Fully implement the legislation on vocational training and start implementing the law on a national qualification framework.
- Continue the development of a national framework for monitoring and evaluating the teaching.
- Ensure better involvement in the EU higher education programmes.

Sectoral policies

Industry and SME

- Implement a medium-term strategy to support the development of SMEs, including the strengthening of the SME support agency and the strengthening of the investment promotion agency. Continue implementation of the European Charter for Small Enterprises.

Agriculture and fisheries

- Determine clear responsibilities within the different services in the agricultural sector (including the veterinary and phytosanitary administration) and their relations with the Ministry of Agriculture, Forestry and Rural Development, local governments and municipal level.
- Adopt the law on food and the consequent implementing legislation, and establish the relevant agency to implement and enforce the law.
- Ensure the operational character of the system for identification of animals and registration of their movements.
- Draw up a plan to upgrade agri-food establishments.

Environment

- Implement the law on environmental impact assessment adopted by the Assembly.
- Implement the comprehensive environmental action plan, particularly relating to public health issues.
- Continue approximation with European standards in the field of environment.
- Continue efforts to increase public awareness and civil society participation in environmental matters.

Transport policy

- Continue implementing the Memorandum of Understanding on the development of the South-East Europe (SEE) Core Regional Transport network including the Addendum on a SEE Rail Transport Area.
- Implement the laws on road transport and on road safety. Develop a multi-modal transport strategy.
- Continue improving data-led asset management for the maintenance and rehabilitation of transport infrastructures. Ensure EU compatibility of the legislative framework for concessions and take measures to attract investors, including through public-private partnerships, for co-funding large and strategic infrastructure works.
- Ensure that the development of the railways sector is compatible with economic development strategy.

- Ensure that the Pristina airport operates at an adequate level of security and has sound and accountable management.
- Review and improve the system of driving licensing and technical inspection of vehicles.

Energy

- Ensure the viability and sustainability of the electricity utility, notably by substantially increasing revenue collection and promoting good governance.
- Continue implementing the commitments undertaken in the framework of the Energy Community Treaty. Continue preparation of the 'Kosovo C' project for electricity generation and supply in full compliance with the *acquis* as provided for in the Energy Community Treaty.

Information society and media

- Adopt and begin implementing policy concerning electronic communication networks and services aimed at enforcing full liberalisation and creating a stable open and competitive environment in order to attract foreign investments and improve the quality of the service.
- Strengthen the administrative capacity of the regulatory authority. Reinforce its position and ensure its operational and financial independence.
- Ensure stable and sustainable funding of the Public Service Broadcaster RTK, the Independent Media Commission and the media fund.

Financial control

- Continue efforts to implement the public internal financial control strategy and relevant laws as a basis for fulfilling the medium-term priorities in this area.

Statistics

- Strengthen the administrative capacity of the Statistical Office and improve its operational and financial independence. Ensure the reliability of the statistics including that survey respondents provide quality data to the statistical office in a timely manner, free of charge.
- Continue developing economic statistics and accelerate the development of social statistics.

Justice, freedom and security

Visas, border control, asylum and migration

- Enhance the efficiency of the control of the flow of persons at the borders/boundary and enhance the effectiveness and transparency of the department of border and boundary police.
- Strengthen the cooperation between border/boundary management agencies and with neighbouring countries.
- Establish shelters and reception facilities for asylum seekers.
- Adopt a law on migration in accordance with European standards. Draw up a strategy and action plan concerning migration, addressing in particular the readmission and reintegration of persons returned from abroad.

Money laundering

- Enhance the capacity of the Financial Investigation Unit within the Kosovo Police Service (KPS) organised crime directorate. Train specialised prosecutors and judges. Streamline competencies in the area of money laundering in the different institutions involved.

Drugs

- Develop a drug prevention strategy and a relevant plan of action to implement it. Further strengthen local capacity in the narcotics investigation section.

Police

- Adopt the law on the police.
- Improve the effectiveness of investigation of crime. Adopt and implement legislation to establish the KPS and strengthen its investigative and internal control capacities. Strengthen its leadership.
- Adopt a crime reduction strategy and implement it. Develop a strategy to collect weapons, complete and enforce small arms related legislation.
- Set up a strategy and an action plan to combat organised crime and terrorism.
- Complete the legislative framework concerning organised crime.
- Further strengthen local capacity in the organised crime directorate within the KPS.
- Implement the action plan and strengthen legislative provisions and structures to fight more efficiently against trafficking in human beings.

Protection of personal data

- Develop a comprehensive law on the protection of personal data in line with the *acquis*, in particular with the Data Protection Directive (95/46/EC), and implement it. Set up an independent data protection supervisory authority, with sufficient powers and with sufficient financial and human resources.

MEDIUM-TERM PRIORITIES

Political criteria***Democracy and the rule of law****Public administration*

- Proceed with a sustainable public administration reform while respecting budgetary constraints. Improve the capacity of local administrations to provide services to their constituencies in an equitable and effective manner.

Judicial system

- Define and consolidate a complete body of law that respects the rights and interests of all communities, drawing from all legal sources currently applicable in Kosovo.
- Develop an alternative dispute resolution mechanism.
- Improve the penitentiary system with particular attention to security, control, management, vocational training and reintegration schemes, as well as the condition of facilities.

Anti-corruption policies

- Develop sectoral action plans to fight corruption and increase awareness of the corruption problem within the public administration as well as in civil society.
- Establish a track record in the fight against corruption.

Human rights and the protection of minorities

- Ensure the viable existence of minority communities and their non-discriminatory participation in society, taking concrete measures to ensure their safety and freedom of movement, as well as the equitable provision of and access to public services.
- Implement the law on gender equality. Ensure mainstreaming of women's rights in all existing policies and legislation.

- Develop an integrated conservation policy for cultural heritage. Actively engage in increasing the general awareness of and respect for cultural heritage.
- Ensure that the Cadastral Agency and the municipal cadastral offices offer transparent and non-discriminatory access to full property records and have functioning accountability mechanisms.

Regional issues and international obligations

- Further strengthen of regional and international cooperation, including in the field of law enforcement, including by transfer of suspects and sentenced persons and mutual legal assistance.

Economic criteria

- Further strengthen property rights, rule of law, and accessibility of courts with a view to promoting a business friendly environment.
- Develop a strategy for the privatisation, and restructuring where necessary, of public-owned enterprises, with a view to strengthening corporate governance and performance of these enterprises and reducing subsidies to the enterprise sector.
- Design and implement active labour market policies in close cooperation with the local business community with a view to enhancing the matching process in labour markets, and increase the share of skilled labour in the overall labour force.
- Implement appropriate policies for an increase in the quantity and quality of education at all levels.
- Enhance the export capacity.

European standards

Internal market

Free movement of goods

- Continue approximation with the new and global approach and old approach directives.
- Adopt remaining European Standards (ENs).
- Establish a market surveillance structure.

Customs and taxation

- Continue approximation of tax and customs legislation to the EU *acquis*. Further increase the administrative capacity of tax and customs services to enforce legislation and to combat corruption, cross-border crime and tax evasion.

Public procurement

- Ensure that public procurement rules are implemented effectively by contracting authorities and entities at all levels, including through developing operational tools, providing training and strengthening the administrative capacity.

Intellectual property law

- Continue strengthening the enforcement of intellectual, industrial and commercial property rights, in line with the medium-term strategy.

Employment

- Strengthen the administrative capacity of labour inspectorates.

Education and research

- Strengthen mechanisms for quality assurance in the education sector.
- Continue efforts to link vocational education and training and the higher education sector with the labour market and economic needs.

- Promote the regional cooperation in the field of higher education.
- Start developing a policy conducive to research.

Sectoral policies

Agriculture and fisheries

- Develop a policy and a regulatory framework to support viable land reform. Support the protection of agricultural land against unplanned urban development.
- Assess the compliance of agri-food establishments with EU requirements and prepare a programme for upgrading those establishments.
- Start action for efficient control of domestic plant production, in particular for products with EU-specific requirements.
- Develop a sound forest management structure, particularly in combating illegal logging of forests and fighting against forest fires.

Environment

- Take measures to enforce spatial planning.
- Enhance the institutional capacity of the Ministry for Environment and Spatial Planning, improve coordination between administrative bodies in charge of environment-related issues.
- Streamline environmental issues in sectoral policies, in particular on energy and transport.

Transport policy

- Take measures to improve road safety.
- Plan and implement maintenance and rehabilitation of transport infrastructures, including the construction of new infrastructure through public-private partnerships, if necessary.
- Develop and implement a multi-modal strategy.

Energy

- Develop legislative and regulatory frameworks to encourage public-private partnerships and mixed investments in the power sector in line with the conclusions of the investment generation study.
- Further improve the performance of the electricity utility and integrate in the regional electricity market.

Information society and media

- Align with the regulatory framework and implement the legislation on electronic communication networks and services to create a more open and competitive environment and strengthen the position and operational and financial independence of the telecommunications regulator.

Financial control

- Under the coordination of the Ministry of Finance, develop and implement the principles of decentralised managerial accountability and functionally independent internal audit in accordance with international standards and EU best practice through coherent legislation and adequate administrative capacity.
- Strengthen the operational capacity as well as the financial and operational independence of the Supreme Audit Institution. Follow up and implement the recommendations of the latter.

Statistics

- Increase cooperation and coordination within the Kosovo statistical system, develop a quality management system and document, and standardise production and dissemination procedures.

Justice, freedom and security*Visa, border control, asylum and migration*

- Further enhance the capacity of the directorate for borders, asylum and migration within the Ministry of Interior. Further strengthen the operational capacity of the border and boundary police service within the Kosovo Police Service.

Fighting organised crime and terrorism

- Implement and update the strategy against organised crime and terrorism.
- Strengthen local capacities to investigate organised criminal activities.
- Strengthen judicial capacities to prosecute and try organised and financial crime cases.

Drugs

- Ensure inter-agency and international cooperation, to considerably improve results in the fight against drug trafficking.

Protection of personal data

- Implement the law on personal data protection in line with the *acquis* and ensure efficient monitoring and enforcement.
-