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## **BACHELOR THESIS**

**ALBANIA FROM 1990 AND CRITERIA FOR EU INTEGRATION**

Prepared for the Degree “Bachelor” in Law, Political Science and  
Diplomacy

Supervised by Prof. Dr. Ernst Florian Winter

by

Fatmire Mulaj

**February 2009**

## ACKNOWLEDGMENTS

I believe that this bachelor thesis is just the beginning of my contribution to my country to be a good example for further EU enlargement; also it has served to me as a good basis for further studies the EU integration and in the future.

Anyhow I tried to gather the key point to present some of the challenges and results that Albania has done from the 90<sup>th</sup> year to fulfill the criteria to be a member of European countries.

Therefore, I would like to use the chance and to thank at the introductory part of the thesis all those who helped me on preparation of this important work for me.

I have to thank all colleges and friends which have helped and given advice to me for preparing and finalizing this bachelor thesis. Thanks I have to start from: My family, Prof. Dr. Paskal Milo, Mr. Valon Murtezaj, and ICMM Management: for providing me financial support, and everyone else who has supported me with information's and advice to prepare this bachelor thesis.

**Fatmire Mulaj**  

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**Prishtina, Kosova  
February 2009**

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## 1. PROBLEM FORMULATION

The idea to choose this topic to study the implementation of criterias for EU integration came out as a result of needs for changing and showing the advantage, disadvantage, challenges that Alania had specially from the 90th years.

Albania is one of the smallest countries in Europe. However, thanks to its location on the Adriatic coast of the Balkans, it has a favourable geopolitical position, which makes Albania an important factor of stability in the South-East Europe. In its road towards European integration, Albania lost much time. The reasons come from inherited backwardness and poverty to regional conflicts and internal crisis. During the difficult years of transition, Albania had to face the challenges of turning an ineffective planned economy into a market economy with social responsibility, of creating stable constitutional system, of regaining public confidence and social cohesion. The society has to face as well the realities of the domestic agendas of all democratic western countries: envirenmment concerns, unemployment, migration, demographic issues, social decomposition and educational deficiencies

New challenges lay ahead of the new government in accelerating the progress on the country's reforms in conformity with the requirements of Stabization and Association process. Albania has already passed the state of post-crisis and emergency management and has embarked on the road of medium and long-term development. The government has clearly shown its strong commitment to continue to go towards the irreversible way of democracy, free market economy and prosperity.

During these years of transition, Albania's history of relationship with EU can be seen indeed as the history of building the state of law, public order, justice and infrastructure. We are fully aware that the key to integration process is to build a sustainable democracy that respects the institutions and the state of law based on a sustainable free market economic development.

## 1. INTRODUCTION

The official opening of negotiation with the EU for the Stabilization and Association Agreement on 31 January 2003 constitutes a new more advanced phase of the contractual relations between Albania and EU. This constitutes as well a bigger challenge in the long road of integration into EU.

The Albanian government has explicitly expressed in its program that country's integration in EU remains its main priority. Integration in EU is an absolute priority not only for the government, but also for the political spectrum and Albanian society in general. We have also aimed at increasing the participation and contribution of all the other actors of society and of the civic society in this process.

## 1.1 The ravage of the Communist System in Europe and the Balkan region.

**Communist state** is a term used by many political scientists to describe a form of government in which the state operates under a one-party system and declares allegiance to Marxism-Leninism or a derivative thereof. Communist states may have several legal political parties, but the Communist Party is constitutionally guaranteed a dominant role in government. Consequently, the institutions of the state and of the Communist Party become intimately entwined. A form of government is a colloquial term that refers to the set of political institutions by which a state is organized in order to exert its powers over a political community. A state is a set of institutions that possess the authority to make the rules that govern the people in one or more societies, having internal and external sovereignty over a definite territory.

In modern usage, a communist party is a political party which promotes communism; the sociopolitical ideology based on Marxism.

Communism is an ideology that seeks to establish a classless, stateless social organization, based upon common ownership of the means of production

In multi-party liberal democracies, the system of government (executive, legislative and judicial) operates independently of any political party, with each party competing for a right to control the system of government for a specific tenure. In communist states, however, state institutions and party institutions depend on each other to function effectively. Institutions are structures and mechanisms of social order and cooperation governing the behavior of two or more individuals.

What separates communist states from other one-party systems? The fact is that ruling authorities in a communist state claim to base all their actions on Marxist-Leninist ideology. The state and the Communist Party claim to act in accordance with the wishes of the working class; they claim to have implemented a democratic dictatorship of the proletariat, and they claim to be moving towards the gradual abolition of the state and the implementation of stateless communism. These claims have been strongly disputed by opponents of the historical communist states, including both anti-communists and communists who do not subscribe to Marxism-Leninism. The term working class is used to denote a social class. Democracy (literally rule by the people, from the Greek demokratia demos, people, and kratos, rule) is a form of government. The dictatorship of the proletariat is a term employed by Karl Marx in his 1875 Critique of the Gotha Program that refers to a transition period between capitalist and communist society in which the state can be nothing but the revolutionary dictatorship of the proletariat. The term refers to a

Communism is an ideology that seeks to establish a classless, stateless social organization, based upon common ownership of the means of production.

<sup>1</sup>The Cold War divides Europe into the Eastern/Western blocs

During the final stages of WWII the future of Europe was decided between the Allies in the 1945 Yalta Conference, between the Prime Minister of the United Kingdom Winston Churchill, the President of the United States Franklin Delano Roosevelt, and the Premier of the Soviet Union Joseph Stalin. Post-war Europe would be divided into two major spheres:

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<sup>1</sup> [http://www.bookrags.com/wiki/Western\\_Europe](http://www.bookrags.com/wiki/Western_Europe)

the "West" mainly influenced by the USA, and the Eastern Bloc dominated by the Soviet Union. With the onset of the Cold War, Europe was divided by the Iron Curtain. From Stettin in the Baltic to Trieste in the Adriatic an iron curtain has descended across the Continent. Behind that line lie all the capitals of the ancient states of Central and Eastern Europe. Warsaw, Berlin, Prague, Vienna, Budapest, Belgrade, Bucharest and Sofia; all these famous cities and the populations around them lie in what I must call the Soviet sphere, and all are subject, in one form or another, not only to Soviet influence but to a very high and in some cases increasing measure of control from Moscow.

Although some countries were officially neutral, they were classified according to the nature of their political and economical systems. This division largely defined the popular perception and understanding of Western Europe and its borders with Eastern Europe till this day.

When the German Army occupied Albania in 1943, a bitter struggle for supremacy began between partisan groups backed by both the Axis and Allied powers. The Communists finally took control in 1944 and the People's Republic of Albania was proclaimed in 1946 under the leadership of former schoolteacher and Stalin devotee, Supreme Comrade Enver Hoxha. Under Hoxha's harsh totalitarian leadership the country formed close but short-lived alliances with Yugoslavia, the Soviet Union and, finally, China.

By the late 1970s, Albania was one of the most isolated and backward countries of the Balkans and, following Hoxha's death in 1985, it began a slow descent into a period of economic hardship of a severity previously unknown.

Following Hoxha's death in 1985 and the subsequent fall of Communism in 1991, Albanian society struggled to overcome its historical isolation and underdevelopment. During the initial transition period, the Albanian Government sought closer ties with the West in order to improve economic conditions and introduced basic democratic reforms, including a multi-party system.

In 1991, hundreds of desperate Albanians sought asylum by occupying foreign embassies in Tirana or commandeering ships on the coast to sail to Italy. Hoxha's statue was uprooted in the heart of the capital and then, in a final cruel twist, many citizens lost their savings overnight when a deeply fraudulent pyramid scheme collapsed.

Albania awakes: isolated for decades by its paranoid Communist leader, then ravaged civil unrest and economic collapse, this forgotten corner of Europe is making a remarkable recovery.

There is a good news story in the Balkans--and it's coming from one of the least expected quarters. Albania, for so long synonymous with corruption and organized crime, is undergoing a remarkable but practically unnoticed transformation.

Less than a decade ago, the fabric of the state had collapsed, anarchy ruled and those who could were fleeing the country. Now, the economy is growing, serious work is underway on the neglected power network and transport infrastructures and there is a new air of optimism among Albanians.

## **2. THE EUROPEAN UNION AND ITS MAIN INSTITUTIONS BACKGROUND**

The cornerstone for the creation of the European Union was laid by the French Foreign Minister, Robert Schuman, in his statement of 9 May 1950, where he presented an idea previously discussed with Jean Monnet, on the unification of European coal and steel industries. According to him, this would constitute an historical initiative for the construction of an “organized and vital Europe,” without which peace in the world would be impossible. The Schuman plan became a reality after the signing of the Treaty for the Foundation of the European Coal and Steel Community in Paris, on 18 April 1951. The treaty was signed by Germany, France, Belgium, Italy, the Netherlands, and Luxembourg. Another important development occurred a few years later, with the Treaty of Rome, on 25 March 1957, which founded the European Economic Community and the European Atomic Energy Community (EUROATOM). These communities started functioning after the treaties came into effect on 1 January 1958.

The creation of the European Union with the Treaty of Maastricht marked another step forward on the path to the political unification of Europe. Although this treaty was signed on 7 February 1992, a number of difficulties in the ratification process (its approval by citizens of Denmark only after a second referendum; the court case in Germany on whether its adoption was anti-constitutional or not) delayed the Treaty's coming into effect until 1 November 1993. The Treaty of Maastricht refers to itself as “a new phase in the process for the creation of an even closer union among the peoples of Europe.” In addition to a number of changes to the European Community and Euroatom Treaties, it also contains an instrument for the establishment of the European Union, as the process was considered to be incomplete at the time. The treaty was the first step on the path towards the development of a European Constitutional system, where the communities themselves would be involved.

A further development for the European Union was the Treaty of Amsterdam, which was signed on 1 October 1997 and came into effect on 1 May 1999, following ratification by all member states. The Treaty of Amsterdam amended the content of the Treaty of Maastricht in five major areas:

- Freedom, security and justice
- Citizenship of the Union
- Foreign Policy
- Institutions of the European Union
- Cooperation among the countries

In the Summit of Nice held from 7-11 December 2000, Heads of States and governments as well as Foreign Ministers of member states, after a long marathon of talks, agreed on the approval of a constitution for the European Union. The Treaty of Nice contains provisions on the division of powers and decision-making procedures of the EU. The treaty was initially approved by the governments of the member states on 26 February 2001, when it was signed by the respective foreign ministers. After this, it came into effect on 1 February 2003, following ratification by the parliaments of all member communities, together with the countries that joined later. Thus, on 1 January 1973 the United Kingdom, Ireland and Denmark joined (with the exception of Greenland, when it voted to withdraw from the European Community in a referendum in 1982). On 1 January 1981 Greece joined, followed by Spain and Portugal on 1 January 1986. On 1 January 1995 Austria, Finland,



and Sweden joined. The largest increase of European Union membership took place only recently, when ten new countries joined, namely Latvia, Lithuania, Estonia, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Cyprus and Malta. Presently the European Union is made up of 25 member states.

## **THE STRUCTURE OF THE EUROPEAN UNION**

### *The First Pillar: The European Communities*

The first pillar consists of the three European Communities (The European Community, The European Coal and Steel Community, and Euroatom). Upon creation of the European Union, the European Economic Community changed its name into the European Community. This change in name signified the transition from a wholly economic union to a political union. However, the inclusion of these three communities in one single pillar does not imply any kind of unification.

The first pillar represents community jurisdiction in its highest form. Within the framework of the European Community, community institutions can develop community norms in their respective fields of activity, which apply directly to the member states and take priority over internal law. At the heart of the EC is a market with four fundamental freedoms (free movement of people, goods, services and capital) as well as competition rules and regulations.

### *The Second Pillar: Foreign Policy and Common Security*

Before the Treaty on European Union came into effect, political collaboration among the states was regulated by the 1970 agreements "On Political Cooperation in Europe" and the Single European Act. These agreements foresaw regular consultations among foreign ministers and constant contact among governmental departments, and all decisions were made unanimously. With regard to security issues, cooperation was limited to political and financial collaboration. However, the international crises of the 1990s (The Gulf War, the civil war in former Yugoslavia) showed that such instruments of foreign policy were not able to ensure the European Union the influence it deserved in the international arena.

Under the Treaty on European Union, Heads of States and Governments agree to have a common foreign and security policy. Under this policy, the majority of the decisions are still made cooperatively among the states. A number of new instruments were introduced, however, such as common positions, measures and actions as well as framework decisions.

### *The Third Pillar: Cooperation in the Areas of Justice and Home Affairs*

Cooperation among the judiciary and police authorities of the member states aims to offer European citizens freedom, security, and justice, by preventing and combatting crime, racism and xenophobia. Cooperation of the judiciary is also related to the facilitation and acceleration of cooperation in areas such as enforcement of penal decisions, facilitation of extradition among the member states, the introduction of uniform penal norms in the fight against organized crime, terrorism and drug trafficking.

Similar to cooperation in foreign policy and security, cooperation in the areas of justice and home affairs is done outside the decision-making framework of the European Union.

## **INSTITUTIONS OF THE EUROPEAN UNION**

### **a) THE EUROPEAN COUNCIL**

The European Council was born from the Summits of the Heads of States and Governments of the member states. The Summit of Paris, in December 1974, decided that these meetings would be held three times a year and would be known as the European Council. In 1987, the Single European Act made the Council part of the institutional structure of the Community. Now it forms part of the European Union.

The Heads of States and Governments and the President of the Commission meet regularly at least twice a year. They are accompanied by their Foreign Ministers and Members of the Commission.

The main function of the European Council is to determine the main policy directions for European integration. It does this by making major political decisions and by instructing the Council or the Representatives of member states. Thus, The European Council led the work for an economic and monetary union, a directly elected Parliament and a number of accession applications.

### **b) 3. THE EUROPEAN PARLIAMENT**

The origins of the European Parliament go back to the 1950s and the founding treaties. The European Parliament is made up of 730 members, who are directly elected by the citizens of the member states. This means that the European Parliament enjoys democratic legitimacy and that it is the only body representing the citizens of the Union. Parliamentary elections are held once every five years and every European citizen who has registered as a voter enjoys the right to vote. With regard to directly elected representatives, according to the founding treaties, Members of Parliament “are representatives of the peoples of the countries that are part of the Communities.”

However, for a long time they were delegates of the member states and were elected according to special procedures in each country. This kind of election did not ensure equate representation of the opposition groups in the parliaments of the member states, thus eading to a “democratic deficit.” In 1976, the Council issued a decision on the election of epresentatives to Parliament by general direct election. The first general and direct lections were held in 1979. From that time, Parliament has expressed the political will of 374 million citizens of the Union and has represented their interests in other institutions of the European Union.

The European Parliament works from France, Belgium and Luxembourg. The plenary sessions, attended by all Euro-MPs are held in Strasbourg, which is considered the seat of the European Parliament. The meetings of parliamentary committees and any additional plenary sessions are held in Brussels, while Luxembourg is the administrative centre of Parliament (Secretariat General).

The Parliament exercises three main functions:

1. It exercises legislative power in cooperation with the Council. Being a directly elected body, Parliament guarantees the legitimacy of European Law.

2. The Council of the European Union and the European Commission are required to ask the opinion of the Parliament before they adopt a legislative act, on all occasions where the Treaties expressly provide for this. Such consultations can also be optional.

3. Parliament exercises democratic control over all the European Union institutions, especially over the Commission. It enjoys the right to accept or reject nominations of commissioners; it can present motions of censure against the Commission as a whole and the Commission is obliged to answer questions posed by Parliament.

Together with the Council, it has authority over the budget of the European Union, influencing funding and expenditures in the Union. Parliament has the right to adopt or turn down the budget as a whole.

The activity of Parliament consists of two main phases:

- Preparation of plenary sessions. This is done by Members of Parliament in Parliamentary Committees focusing on specific areas of parliamentary activity.

The issues to be debated are also discussed by the political groups.

- Plenary sessions. In the course of these sessions Parliament examines legislative proposals and votes and proposes amendments before voting on the text as a whole.

The activities of the European Parliament also include "communications" with the Council and the Commission as well as a question period on the state of the Union and situation in the world.

### **c) 2. THE COUNCIL OF THE EUROPEAN UNION**

The Council is the main decision-making body of the Union. Just like the European Parliament, the Council was created by provisions in the Treaties of the 1950s. It represents the member states and its meetings are attended by one minister from each of the governments of the European Union member states, depending on the nature of the issues to be discussed. The relations of the European Union with the rest of the world are a responsibility of the General Affairs and External Relations Council. The council also has broad responsibilities on general policy issues, and that is why its meetings can be attended by each of the ministers of the member states, as chosen by the governments themselves. In total there are nine different areas of Council responsibility:

- General and External Relations
- Economic and Financial Issues (ECOFIN)
- Justice and Home Affairs
- Employment, Social Policies, Health and Consumer Affairs
- Competition (Internal Market, Industry and Research)
- Transport, Telecommunications and Energy
- Agriculture and Fisheries
- Environment
- Education, Youth and Culture

Each of the ministers in the Council has full representational powers. That means that his/her statements and actions are fully capable of engaging the government he/she represents. In other words, the signature of the minister is the signature of the government he/she represents. In addition, every minister of the Council is accountable to the

parliament of his/her country and the citizens it represents, ensuring the legitimacy of the decisions of the Council.

The Council's six fundamental functions are to:

1. Adopt community norms. In certain areas it shares this power with the European Parliament.
2. Coordinate general economic policies of the member states.
3. Make international agreements on behalf of the European Union, with states or international organizations.
4. Adopt the budget of the Union, a shared responsibility with the European Parliament.
5. Develop Foreign and Common Security Policies of the Union, based on directives of the European Council.
6. Coordinate cooperation among courts and police forces of the member states, in penal cases.

Most of the responsibilities of the Council are related to areas of community action, where member states have pooled their sovereignty by delegating decision-making powers to the European Union institutions. This area of activity forms the "first pillar" of the European Union. However, the last two functions are related to areas where member states have not given up their sovereignty, but have simply agreed to work together. This is called "intergovernmental cooperation" and forms the second and third pillars of the Union.

The Council of the European Union is organized as follows:

- COREPER. The whole work of the Council is arranged and coordinated by the Committee of Permanent Representatives (COREPER), composed of permanent representatives of all member states and their aides to Brussels. The work of COREPER itself is prepared by 250 committees and working groups, made up of delegates from member countries.
- Presidency of the Council. Each of the member states chairs its meetings for a period of six months, promoting the political and legislative decisions of the Union and working towards achieving a compromise among the member states.
- Secretariat General. This is an auxiliary body to the Presidency and its duty is to ensure the normal functioning of Council proceedings at all levels.

#### **d) 4. THE EUROPEAN COMMISSION**

The Commission is a politically independent body that represents and protects the rights of the European Union as a whole. It is the driving force behind the European Union. The European Commission is made up of 25 members, who are appointed every five years, within six months of the election date of the European Parliament. The appointment procedure is as follows:

- The governments of the member countries agree on the name of the person who will chair the Commission for the next five years.
- The President of the Commission nominates, in cooperation with the member states, the rest of the members of the Commission.
- The European Parliament accepts the composition of the new Commission, as a whole. If accepted, the Commission starts its work the next January.

The seat of the European Commission is in Brussels, but it also has a number of offices in Luxembourg, representatives in all the European Union countries and delegations to some of the world's capitals.

The European Commission's four main functions are to:

1. Propose normative acts to Parliament and the Council
2. Administer and implement European Union budget and policies
3. Serve as a "guardian" of the Treaties (together with the Court of Justice);
4. Represents the European Union in the international arena

The Commission itself decides the area of responsibility for each Commissioner and the distribution of responsibilities as necessary. The staffs of the Commission are organized in departments, also known as "Directorates General." Each of these directorates is responsible for a specific area of EU activities and is headed by a Director General, who answers to one of the Commissioners.

### **e) THE COURT OF JUSTICE**

The Court of Justice of the European Communities was set up in 1952 under the Treaty of the European Coal and Steel Community. Its task is to ensure that European Union laws are interpreted and applied uniformly across member states. In addition, the Court has the authority to settle legal disputes among the member countries, institutions of the Union and natural and legal persons.

The Court is composed of one judge from each member country, ensuring the representation of all legal systems of European Union member states. The Court is aided by eight "advocates general," who each provide an opinion on the cases appearing before the court. Their opinions are public and must be impartial. The judges and the general advocates are appointed by joint agreement of all the member states. Each is appointed for a term of six years, after which they may be reappointed for one or two further periods of three years.

The main types of cases appearing before the Court:

1. Demands for preliminary judgements
2. Violation of obligations stemming from the treaties
3. Actions requiring the annulment of a ruling
4. Actions against failure to act

To help the Court of Justice resolve the great number of cases, and in order to ensure better legal protection for the citizens of the Union, "The Court of First Instance" was set up in 1989. This court is responsible for giving rulings on a certain number of cases, particularly actions brought to court by private individuals and cases of dishonest competition among enterprises. The European Court of Justice and the "The Court of First Instance" each have a President, elected from among the judges for a three-year mandate.

### **3. DEVELOPMENT OF RELATIONS BETWEEN ALBANIA AND THE EUROPEAN UNION**

Diplomatic relations between Albania and the European Union were established in 1991. The most important event in the relations between Albania and the European Union came a year later, on 11 May 1992, with the signing of the Trade and Cooperation Agreement, including a joint statement on political dialogue, which came into force on 1 December 1992.

In spite of its limited scope and content, this agreement is one of the most important contractual documents Albania has signed in the past decade, and brought Albania closer to the European Union. During the same period, Albania was included in the General System of Preferences (GSP), which represents a general regime of trade preferences that the European Union offers to a large number of countries with which it has contractual agreements.

### **4. 1992-1996 TRADE AGREEMENT AND ECONOMIC CORPORATIONS (7 MAY 1992)**

<sup>2</sup>The Trade and Cooperation Agreement of 11 May 1992 enabled Albania to benefit from the funds of the PHARE programme, marking an important step forward in the restructuring of EU assistance to Albania, in a number of areas that coincided with the reforms that were under way in the country. In the period from 1992 to 2000 Albania was given substantial aid and assistance in the framework of this programme.

<sup>3</sup>In 1992, after the sweeping electoral victory of the Democratic Party, Sali Berisha became the first democratically elected President of Albania. Berisha began a more deliberate program of economic and democratic reform but progress on these issues stalled in the mid-1990s, due to political gridlock.

### **5. THE 1997 SPRING “STRIKE” AND THE COLLAPSE OF PYRAMID SCHEME**

At the same time, unscrupulous investment companies defrauded investors all over Albania using pyramid schemes.<sup>4</sup> In early 1997, several of these pyramid schemes collapsed, leaving thousands of people bankrupt, disillusioned, and angry. Armed revolts broke out across the country, leading to the near-total collapse of government authority. During this time, Albania's already inadequate and antiquated infrastructure suffered tremendous damage, as people looted public works for building materials. Weapons depots all over the country were raided. The anarchy of early 1997 alarmed the world and prompted intensive international mediation.

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<sup>2</sup> Institution for International Study-2008, Tirana, p. 107,108, 109,119 1-8

<sup>3</sup> Albania and EU-Prof.Dr. Paskal Milo , p 1-8

<sup>4</sup> <http://www.infoplease.com/country/profiles/albania.html>

## **5.1 Power approach of socialist party**

A UN Multinational Protection Force restored order, and an interim national reconciliation government oversaw the general elections of June 1997, which returned the Socialists and their allies to power at the national level. President Berisha resigned, and the Socialists elected Rexhep Meidani as President of the Republic.

During the transitional period of 1997-2002, a series of short-lived Socialist-led governments succeeded one another as Albania's fragile democratic structures were strengthened. Additional political parties formed, media outlets expanded, non-governmental organizations and business associations developed.

## **5.2 -Government institution and re-establishment of relationship with EU**

In 1996, Albania was close to signing a new contractual agreement with the European Union, which would open the way to a classic association agreement. But the contested parliamentary elections of May 1996 and the profound financial and social crisis in the early months of 1997 following the collapse of the pyramid investment schemes caused all initiatives of this kind to fail.

The political developments of that period in various countries of the region, the disintegration of the former Yugoslavia and the emergence of a series of new states with different parameters from those of Central Europe, caused the European Union to adopt a special approach to the Balkan countries in 1996, called the "Regional approach."

At that time, the General Affairs Council defined a series of political and economic preconditions that the Balkan countries needed to meet to develop and strengthen their relations with the EU. These criteria are related to respect for democratic principles, human rights and freedoms, setting up and strengthening the rule of law, protection of minorities, development of a market economy, and regional cooperation.

Although oriented to help strengthen democracy and reforms in the respective Countries.

## **6. ALBANIA 1998-2008**

In 1998, Albanians ratified a new constitution via popular referendum, guaranteeing the rule of law and the protection of fundamental human rights and religious freedom. Fatos Nano, Chairman of the Socialist Party, emerged as Prime Minister in July 2002.

### **6.1-Kosovo conflict and the EU shifting in the regional treatment**

The EU policy failed to achieve the predicted results. Dramatic developments in the region and tragic events in Kosovo, which "traumatized" the international relations system and increased the pressure to find new ways and means to accelerate the integration of South Eastern Europe into European Union structures.

the Kosovo War for the European Union. It was the major political and institutional response to the Balkan crisis. The Pact, initiated by the EU on the basis of a German proposal, is likely to remain a framework organization. The Stability Pact can look back at previous concepts, which have been developed by the EU: the regional approach and the

principle of conditionality. The Stability Pact is neither the first nor the only initiative of this type to attempt to contribute towards resolving the regions' problems. The "Central European Initiative" (1989), the "Central European Free Trade Area" (1991), the "Black Sea Economic Cooperation" (1992), the so-called "Royaumont Process" (1995), the "South-East Co-operation Initiative" (1996) and the "Multinational Peace Force in South Eastern Europe" (1997), to name the major ones, are all working towards establishing stability, security and prosperity in the region on the basis of enhanced cooperation, good neighborliness, mutual understanding and regional solidarity. As a consequence of the Kosovo War all of these organizations have increased their activities, which are generally aimed at achieving cooperative security and stability.

The European Union's regional approach for the Southeastern European states (the successor states of Yugoslavia without Slovenia, plus Albania) was originally developed after the conclusion of the Dayton Peace Treaty in 1995. The cooperation was determined by the following principles.

The Stability Pact itself, caused by the Kosovo War, was developed in at least four stages and during this process went through fundamental changes. During the European Council meeting in Vienna in December 1998 the implementation of a donor conference and the development of a joint strategy for the Balkans in connection with the CFSP were decided. The so-called "Fischer-Plan," which connected positive incentives with the fulfillment of concrete conditions, was presented at the beginning of April 1999. The EU holds out the prospect of an enhanced contribution to the stabilization of the Balkans.

## **6.2-EU strategy for a process of Stabilisation and Association in Western Balkan (procedures of agreement till in 2001)**

### **a) The Stabilization and Association process**

In May 1999, the European Union approved a new initiative involving five Balkan countries: Albania, the Former Yugoslav Republic of Macedonia, Croatia, Bosnia-Herzegovina and the Federal Republic of Yugoslavia, called the Stabilisation and Association Process (SAP). Albania was a part of this process from the beginning. This process aims at establishing closer relations between the European Union and the respective countries through Stabilization and Association Agreements (SAA).

In November 1999, the European Commission wrote a feasibility study report on starting negotiations with Albania for the signing of the Stabilization and Association Agreement, which came to the conclusion that Albania did not meet the conditions for such an agreement.

The possibility for Western Balkan countries to join the European Union was strengthened after the Feira European Council, held in June 2000, which decided that all the countries involved in the Stabilization and Association Process are potential candidates for accession to the European Union.

In November 2000, a meeting of the countries involved in the Stabilization and Association process was held in Zagreb where the European Union decided to intensify its cooperation with Albania by forming the EU-Albania High Level Group. The purpose of



this group was to assess Albania's capacity to carry out the obligations for a Stabilization and Association Agreement with the European Union. The EU-Albania High Level Group held three meetings in Tirana, at the end of which the European Commission compiled an evaluation report, identifying the process and areas for improvement. The report concluded that although there are still things to be done with regard to the fulfilment of obligations stemming from the Stabilization and Association Agreement, the potential for opening negotiations is the best way to keep up the pace of political change and economic reform in the country. For this purpose, the Commission reached the conclusion that it is time to proceed with a Stabilization and Association Agreement with Albania.

In June 2001, The Council of Ministers of the European Union approved the Commission's report and requested a draft-mandate for starting negotiations with Albania before the end of the year 2001. In conformity with the requirements of the Council, in December 2001 the European Commission submitted the draft-mandate to the Council regarding negotiations on a Stabilization and Association Agreement with Albania. The Council also decided to set up an EU-Albania Consultative Group.

The draft-mandate for negotiations, prepared and presented by the European Commission, was discussed on a technical level by the European Union member states from January to July 2002. The General Affairs Council of the European Union, in its meeting of 21 October 2002, decided to open negotiations with Albania.

The negotiations were officially opened by the President of the European Commission, Mr. Romano Prodi, on the 31 January 2003.

### **6.3 January 2003- June 2006 Agreement**

The aim of the Stabilization and Association Agreement is to establish political and economic stability in the candidate state. It is precisely for this reason that this Agreement contains favourably asymmetrical obligations.

In order to become a party to the Agreement, Albania must meet the criteria established by the European Council of Copenhagen in June 1993. These are criteria of a political and economic nature. On the one hand, they require that the state which is a candidate for integration must guarantee democracy, the rule of law, respect for human and minority rights and on the other hand, have a market economy in place able to cope with competitive pressure from the European common market. Lastly, the candidate state must be able to meet the obligations coming from the "acquis communautaire," the legislation of the European Union.

The general framework of the Stabilization and Association Agreement is made up of four pillars: political dialogue and regional cooperation, trade provisions on the progressive liberalization of exchanges until the establishment of a free trade zone among the parties, community freedoms, and lastly, cooperation in priority areas, especially in the areas of justice and home affairs.

Limited progress has been made by Albania in addressing the many challenges it has to face.

Recommendations included in the 2002 Stabilisation and Association process (SAP) report have been only partially addressed. The relative, although still fragile, political stability and renewed inter-party dialogue achieved in spring 2002 allowed the smooth election of a new President but has not yet translated into significant achievements in terms of reforms.

This new Political climate has led to some progress in the implementation of the international community's recommendations to improve Albania's electoral procedures. However, it has not been sufficient to respond to the constitutional requirements regarding the restitution of or compensation for land expropriated during the communist era. While there has been progress in developing good regional co-operation, the implementation of the rule of law remains deficient, notably due to weak law-enforcement institutions, limited administrative capacity, corruption and organised crime. Individual freedoms and human rights are guaranteed by Albanian law, but there is clear room for improvement as regards implementation. Albanian attitudes towards minorities remain generally constructive, but there has been limited ambition to strive for higher standards.

After delays due to Albania's difficulties in guaranteeing political stability and implementing reforms, negotiations for a Stabilization and Association Agreement (SAA) were officially launched at the end of January 2003. However, at the current pace of reform implementation, negotiations risk being long and drawn out. Before negotiations can be concluded, Albania will need to demonstrate its ability to implement the provisions of the future Agreement, and to address the priority issues identified by the European Union (EU) through its various reports and monitoring instruments. Albania should pay particular attention to the Justice and Home Affairs sector if it is to make meaningful progress in the Stabilisation and Association process (SAP). Some improvements have been noticed in controlling illegal migration towards the EU, but trafficking in human beings, drugs and other forms of organised crime, as well as corruption in key areas such as the judicial system, customs and police, remain matters of deep concern. Improvements in the judiciary have been limited and the prosecution of crimes poor, despite an increased number of detentions. Albania will only be able to address these difficult issues if there is real commitment by the Government, the Albanian political forces and the law enforcement bodies (including the prosecution office and the judiciary), and full determination to translate that commitment into action.

For the realization of the objectives of the Stabilization and Association process and of the Stabilization and Association Agreement, the EU offers financial support through the Community Assistance for Reconstruction, Development and Stabilization (CARDS) programme, which replaced the PHARE and OBNOVA programmes, under regulation No.2666/2000 of 5 December 2000 of the Council of the European Union. In the period 2001-2004, EU assistance to Albania in the framework of the CARDS Programme amounted to approximately € 180,000,000.

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<sup>5</sup> COMMISSION OF THE EUROPEAN COMMUNITIES  
Brussels, 26.3.2003

**a) The regional Cards programme**

The Regional CARDS programme funds projects involving two or more countries of the region. As provided in the 2002-2006 Regional Strategic Document, the priorities of the CARDS programme are as follows:

- Support for democratic stabilization
- Strengthening of institutions
- Development of regional infrastructure
- The SIGMA Programme
- “Twinning” programmes

Annual allocations of funds in the Regional CARDS Programme are as follows:

**Distribution of regional CARDS funds by priority area**

Priority areas	Budget (million Euro)				
	Budget year				Total
	2001	2002	2003	2004	
<b>REGIONAL CARDS PROGRAMME</b>	<b>14</b>	<b>43.5</b>	<b>31.5</b>	<b>0</b>	<b>89.0</b>
<b>1. Integrated border management</b>	0	1	1	0	<b>2.0</b>
<b>2. Strengthening of institutions</b>	10.2	19.9	21.8	0	<b>51.9</b>
<b>3. Democratic stabilisation</b>	0.8	7.6	5	0	<b>13.4</b>
<b>4. regional Infrastructure</b>	3	14	3.7	0	<b>20.7</b>
<b>5. Other</b>	0	1	0	0	<b>1.0</b>

<sup>6</sup> Paskal Milo-European Union,( Ideja, Integrimi, Identiteti, E ardhmja (Ballkani Perëndimor dhe PSA), p 290

### Allocation of CARDS Programme Funds by Priority Area

Priority areas	Budget (million Euro)				
	Budget year				Total
	2001	2002	2003	2004	
<b>REGIONAL CARDS PROGRAMME</b>	<b>37.5</b>	<b>44.9</b>	<b>46.5</b>	<b>58.5</b>	<b>187.4</b>
<b>1. Justice and Home Affairs</b>	16	21	20	34.5	<b>91.5</b>
<b>2. Strengthening of Administrative Capacities</b>	9	6	8	3	<b>26.0</b>
<b>3. Economic and social development</b>	12.5	12.9	17.5	11.5	<b>54.4</b>
<b>4. Environment and natural resources</b>	0	4	0	7	<b>11.0</b>
<b>5. Democratic stabilization</b>	0	1	1	2.5	<b>4.5</b>

GDP growth in Albania remained sustained and reached 4.5 to 5%, down from 6.5% in 2001. The overall economic performance has however fallen below expectations over the reporting period. The main reasons for this slowdown have been the continuing problems in the electricity sector, the generally depressed state of the world economy, limited growth in the agricultural sector and the insufficient performance of the customs and tax administrations. The authorities partly managed to cope with these adverse conditions: both the fiscal deficit and the inflation figures were within target. Progress in the privatization process and the restructuring of the financial sector has been limited.

The overall business climate has not improved significantly despite some initiatives aimed at supporting business promotion and encouraging local and foreign investment. Legal security remains insufficient and commercial laws inadequate to foster business development. Certain steps have been taken to improve the generally poor situation in the various Albanian economic sectors, such as transport, energy or agriculture, but these efforts will need to be sustained over the medium term in order to achieve any significant results.

## **6.5 Albanian Institutional Structure for European Integration and its Powers**

### a. Inter-ministerial Committee for European Integration

- The inter-ministerial Committee for European Integration is the highest institutional structure responsible for conducting and monitoring the entire integration process in Albania.

- This Committee is chaired by the Prime Minister and is composed of the Ministers and senior officials from other central institutions.
- The Inter-ministerial Committee for European Integration meets twice a month, to discuss the most important issues related to the European integration process.

b. The Ministry of European Integration

b/1 The Department of European Integration:

- Coordinates and monitors the whole Stabilization and Association process as well as the negotiations for the Stabilization and Association Agreement
- Coordinates and monitors the process of preparation and implementation of the Strategy for European Integration
- Leads the work of the EU-Albania Joint Working Groups and monitors the activities of the working groups in the context of the Stabilization and Association process
- Is responsible for negotiating, programming, coordinating, and monitoring the implementation of the CARDS Programme

b / 2 The Department of Legislative Approximation:

- Coordinates, monitors and analyzes the progress of the process of the approximation of the country's legislation with that of the European Union, keeping regular institutional contact with line ministries and other central institutions In cooperation with line ministries and other central institutions, develops the National Plan for the Approximation of the Albanian Legislation to that of the European Union, and checks the implementation of this plan as well as other programmes related to the European Partnership
- Assesses the compatibility of normative draft acts proposed by line ministries and other central institutions with EU legislation. An accompanying report must describe the degree of approximation and contain references to relevant legislation and European Community jurisprudence.
- Coordinates work and helps line ministries and other central institutions to develop the necessary legislation, with the aim of fulfilling the obligations stemming from the Stabilization and Association Agreement
- Confirms the translation of fundamental documents necessary for the process of the approximation of the local legislation to that of the European Union

c. The SAA Team of Negotiators

- The Minister of European Integration is the Chief Negotiator of the Albanian Government.
- The team of negotiators is made up of representatives from all line ministries and other central institutions.
- The team of negotiators is responsible for the coordination, monitoring and implementation, within their own institutions, of activities for all sectors related to the Stabilization and Association process.

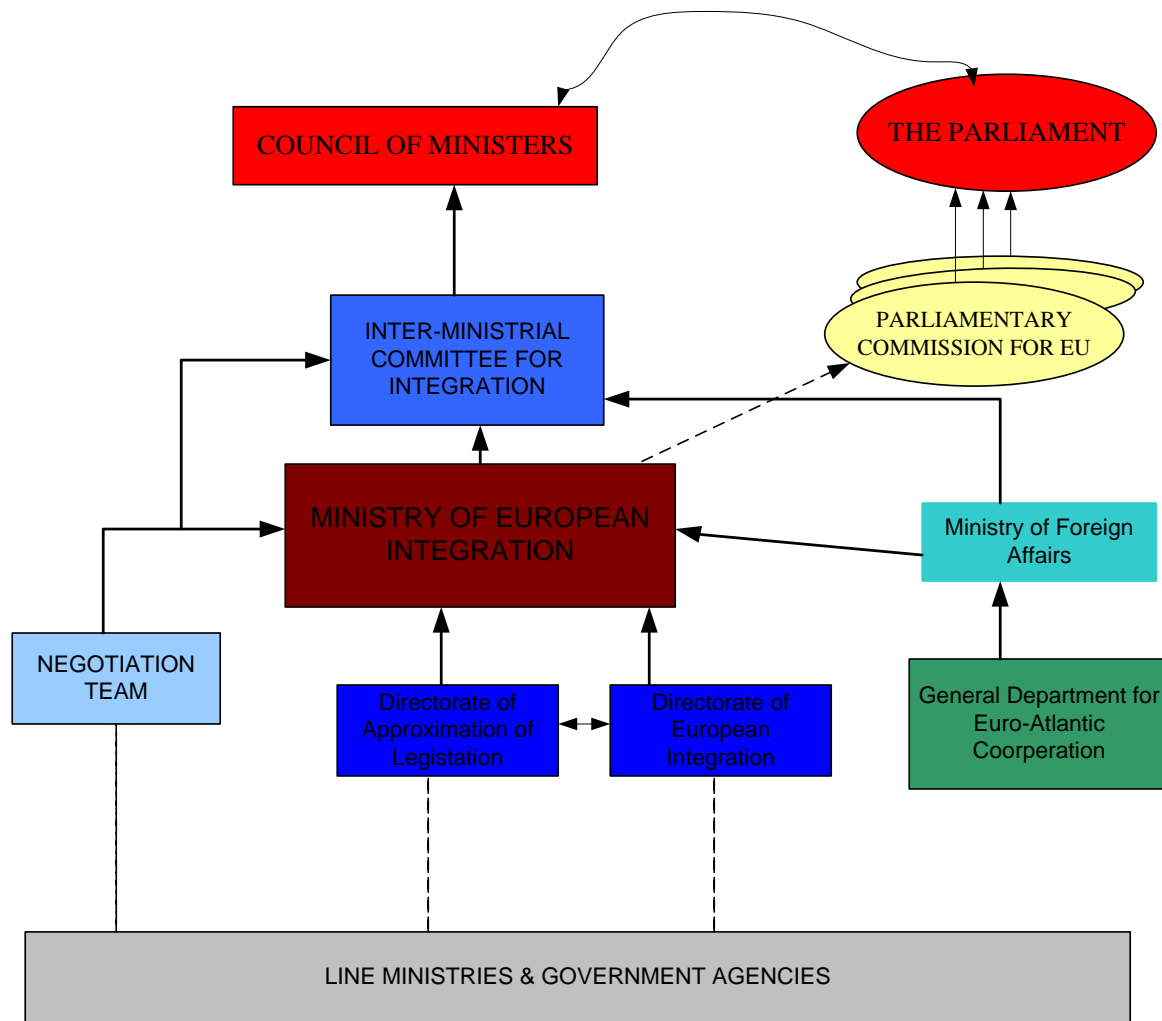
d. The Legislative Approximation Working Group

- This group was created by Order of the Prime Minister nr. 26, dated 27.02.2001, with the aim of coordinating the actions of line ministries and other central institutions, which, headed by the Department of Legislative Approximation, have the responsibility to oversee the process of legislative approximation.
- The group is responsible for the application of the methodology for the approximation of local legislation to acquis communautaire.
- The group is composed of Heads of the Legal Departments of line ministries and the other central institutions.

e. The Ministry of Foreign Affairs – The General Department of Euro-Atlantic Cooperation:

- Is responsible for promoting, recognizing and supporting the Stabilization and Association process at the highest political levels of the European Union.
- In the context of Foreign Policy, the Ministry of Foreign Affairs is responsible for increasing and strengthening political dialogue with member states and other countries, in support of the Stabilization and Association process.

Table1. Institutional Structure for the process of European Integration in Albania



**6.6-June 2006-December 2008 SAA ratification by all EU member states.**

Albania is a potential candidate for EU membership. The Stabilisation and Association Agreement (SAA) between Albania and the EU was signed in June 2006. An Interim Agreement is in force since December 2006. Albania is participating in the Stabilisation and Association Process (SAP).

The SAA provides a framework of mutual commitments on a wide range of political, trade and economic issues. Trade-related parts of the SAA are being implemented through an Interim Agreement while ratification of the SAA is being completed. Cooperation provisions of the 1992 Trade, Commercial and Economic Cooperation Agreement (TCECA) will remain in operation until the SAA is ratified. Albania also benefits from the EU's autonomous trade measures.

The EU provides guidance to the Albanian authorities on reform priorities through the European Partnership. Progress on these reform priorities is encouraged and monitored through political and economic dialogue with Albania. This dialogue is conducted through Ministerial Troika, joint committee and consultative task force (CTF) meetings at ministerial level and working party meetings at deputy minister level.

A Ministerial Troika meeting with Albania in June 2007 focused on key political priorities, including regional issues. The annual joint committee met in December 2006 to oversee the proper functioning of the Interim Agreement and the TCECA. Two CTF and five working party meetings took place between October 2006 and October 2007. CTF meetings focused on political accession criteria and rule of law issues. Each CTF meeting resulted in jointly-agreed recommendations for action by the Albanian authorities. Working party meetings focused on economic, internal market and sectoral issues and reported to the joint committee.

In September 2007, the EU and Albania signed an agreement on visa facilitation. The new arrangements are important to facilitate people-to-people contacts. They will simplify procedures for issuing visas for certain categories of citizens of Albania, including students, academics, businesspeople, journalists, and tourists. They will also keep the cost of visas at its current level and, in some cases, lead to visas free of charge. This agreement complements the EC-Albania readmission agreement which entered into force in May 2006. This will allow more interaction between citizens of the EU Member States and the citizens of Albania.

Since January, pre-accession financial assistance to Albania is provided under the new Instrument for Pre-Accession Assistance (IPA). The EC allocated a total of € 61 million in 2007. The Multi-Annual Indicative Planning Document (MIPD) 2007-2009 for Albania under IPA was adopted in May 2007. Main focus areas are justice and home affairs, administrative capacity building, economic and social development and democratic stabilisation. Ongoing CARDS and IPA assistance is implemented by the EC Delegation in Tirana.

The management of aid on a decentralised basis is a medium-term objective for Albania. As regards support to civil society dialogue, € 4 million support has been earmarked for projects to enhance the role of civil society and the media in the European integration process.

Albania received support from EU member states through the EU Monitoring and Information Centre for Civil Protection (MIC) to help deal with forest fires during the summer.

A Framework Agreement between the Community and Albania on participation in Community programmes entered into force in May 2005.

The 2007 Annual Report of the European Commission for Albania emphasizes among others that: "monitoring of implementation of SAA obligations is done exclusively by the

government”<sup>1</sup>. This quote from the European Commission Report is enough to realize that when the monitoring of the fulfilment by Albania of the obligations arising from the Stabilisation and Association Process is done by local actors it assumes a higher importance for the process itself.

The process of monitoring the commitments arising from the integration process, which is initiated by SOROS Foundation, aims at identifying the implementation of commitments undertaken by Albania in the framework of the Stabilisation and Association Process for the period of time 1 October 2007- 15 October 2008.

The monitoring report was written by a group of experts. The monitoring and evaluation process takes into consideration the following documents:

<sup>7</sup>The National Plan for the Implementation of the Stabilisation on and Association Agreement (NPISAA)  
 The Stabilisation and Association on Agreement (SAA)  
 The European Partnership  
 The Annual Report of the European Commission  
 The National Strategy for Development and Integration (NSDI)  
 The Enlargement Strategy of the European Commission  
 Sector Strategies adopted by the Council of Ministers  
 Joint Recommendations of the EU-Albania Consultative Task Force (CTF)  
 Recommendations of the Joint Committee and sector groups EU-Albania in the framework of the Interim Agreement  
 Reports and recommendations of the EU assistance missions, including the (for example EURALIUS, PAMECA).  
 Reports and recommendations of other international organisations on the monitored areas (e.g. OSCE, Council of Europe, World Bank, Transparency International, UN Agencies, SIGMA, Freedom House Nations in Transit, State Department, Europol).

The monitoring process was accomplished through a combination of research and concrete observation of commitments undertaken by Albanian institutions.

Objectivity and impartiality are the fundamental principles on the basis of which the monitoring for each area and component thereof is done. The report aims at giving professional conclusions with regard to the way the Albanian Government and central institutions have responded to the European integration priorities as well as with regard to the level of implementation of the measures taken in that connection. Thus, our assessment focuses on tangible results in connection with which planning has not been considered as a goal per se but rather as a starting point for the completion of an initiative that has been foreseen.

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<sup>7</sup>Commission of the European Communities, See Albania 2007 Progress Report, COM (2007) 663, Brussels, 6.11.2007.



A six month interim monitoring report (covering October 2007-March 2008) was published before this report. Its findings were discussed by local actors, European Commission services and international missions that assist Albania in the European integration process. The monitoring report focuses on priority areas of the EU-Albania relations, following this methodological division:

Democracy and rule of law  
 Fundamental human rights and freedoms  
 Home affairs

The institutional framework and administrative capacities for managing the European integration process.

As the process of ratification of the SAA reaches its end and the need for strengthening the administrative capacities becomes even clearer for Albania, the monitoring report analyze the administrative capacities that coordinate the European integration process and gives suggestions concerning measures to be taken with a view to improve the situation.

In based of the reports and information this has been published by the Albania Ministry of Integration, the process of SAA ratification and the application for candidate country status. 22 EU member states have ratified the SAA so far and it is expected that France, Greece and Germany ratify it until the end of 2008; also The Minister Bregu – (Minister of Ministry of Integration), reiterated that the application for candidate country status is not connected to the full ratification of SAA. “With the conviction that this is a bilateral process, we continue to respect the development in the EU and pinpoint the most appropriate time to submit this application. This does not mean that we are not preparing for that moment”, concluded Minister Bregu.

While Albania needs to engage in a far reaching reform process to integrate into the EU, the EU is also changing. The reform treaty signed in Lisbon in December 2007 sets out to provide the EU with modern institutions and optimised working methods. The Lisbon Treaty will define what the EU can and cannot do, and what means it can use. It will alter the structure of the EU's institutions and how they work. The target date for ratification set by Member State governments is 1 January 2009

Table 2. 8EU Financial Assistance under the Instrument for Pre-Accession Assistance (IPA) for the potential candidate countries

Pre-acc. Assistance envelopes, in € Million	2008	2009	2010	2011	2012	Total 2008-2012
Albania	70.7	81.2	93.2	95.0	96.9	437.0
Bosnia and Herzegovina	74.8	89.1	106.0	108.1	110.2	488.2
Montenegro	32.6	33.3	34.0	34.7	35.4	170.0

<sup>8</sup> <http://www.europa-eu-un.org/>

Serbia	190.9	194.8	198.7	202.7	206.8	993.9
Kosovo *	184.7	106.1	67.3	68.7	70.0	496.8
<b>Total</b>	<b>553.7</b>	<b>504.5</b>	<b>499.2</b>	<b>509.2</b>	<b>519.3</b>	<b>2585.9</b>

## 7. RECOMMENDATION AND CONCLUSION

The Western Balkans countries have a vital interest for the EU accession process to be accelerated, for its regional dimension to be enhanced and for standard pre-accession and accession instruments to be used as much as possible. Introducing the practices of cohesion in the Western Balkans is more about developing new assistance strategies, than allocating substantial new financial resources.

Alexander Stubb writes, "The main challenge, however, is to make the necessary institutional, procedural and policy changes so as to ensure the effective functioning of the enlarged Union. Since expansion leads to diversity, the Union will have to be flexible enough to embrace varying patterns of integration. Unpalatable though it may seem, the Union might have to accept the inevitability of a differentiated future – without in the process allowing its decision-making processes to become hopelessly cumbersome. Widening and deepening – enlargement and integration – will not prove easily compatible. Hence, in responding to these challenges, differentiated integration, using variants of multiple-speed and variable geometry, might provide the necessary solution".

The countries in the Balkans should be given new opportunities for expanded economic and political cooperation with the EU and other important organizations. Without stability in its southeastern part, there can be no sustainable peace in Europe as a whole. But the aim must be to broaden the EU without diluting it. Policy has to strike the right balance between "speed" and "quality." Integrating Southeastern Europe into the EU is a task that will take decades.

## **8. LITERATURE AND WEB SITE**

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<sup>9</sup> <http://www.europa-eu-un.org/>

## Appendix

### Key dates in Albania's path towards the EU

- **June 2008** - The European Commission presents a road map identifying specific requirements for visa liberalisation with Albania.
- **March 2008** - Visa liberalisation dialogue launched
- **18 February 2008** - Council decision on a revised European partnership for Albania
- **22 January 2008** - Albania and the EC sign the Financing Agreement for the instrument for Pre-Accession Assistance (IPA) 2007 National Programme
- **January 2008** - The visa facilitation agreement enters into force.
- **18 October 2007** - Albania signs the IPA Framework Agreement
- **September 2007** - Signature of a visa facilitation agreement between Albania and the EU.
- **May 2007** - Adoption of the Multi-Annual Indicative Planning Document (MIPD)
- **2007-2009** for Albania under the IPA
- **January 2007** - Entry into force of the new instrument for Pre-Accession Assistance (IPA).
- **December 2006** - Entry into force of the Interim Agreement
- **June 2006** - Signature of the Stabilisation and Association Agreement (SAA) at the General Affairs and External Relations Council in Luxembourg
- **May 2006** - Entry into force of the EC-Albania readmission agreement
- **January 2006** - Council decision on a revised European Partnership for Albania
- **June 2004** - Council decision on a first European Partnership for Albania
- **June 2003** - at Thessaloniki European Council the Stabilisation and Association Process (SAP) is confirmed as the EU policy for the Western Balkans. The EU perspective for these countries is confirmed (countries participating in the SAP are eligible for EU accession and may join the EU once they are ready).
- **January 2003** - Commission President Prodi officially launches the negotiations for a SAA between the EU and Albania.
- **October 2002** - Negotiating Directives for the negotiation of a SAA with Albania are adopted in October.
- **2001** - The Commission recommends the undertaking of negotiations on SAA with Albania. The Goeteborg European Council invites the Commission to present draft negotiating directives for the negotiation of a SAA.
- **2001** - First year of the Community Assistance for Reconstruction, Development and Stabilisation (CARDS) programme specifically designed for the Stabilisation and Association Process countries
- **November 2000** - Zagreb Summit launches the Stabilisation and Association Process (SAP) for five countries of South-Eastern Europe, including Albania
- **June 2000** - Feira European Council states that all the SAP countries are "potential candidates" for EU membership.
- **2000** - Extension of duty-free access to EU market for products from Albania.
- **1999** - Albania benefits from Autonomous Trade Preferences with the EU.

- **1999** - The EU proposes the new Stabilisation and Association Process (SAP) for five countries of South-Eastern Europe, including Albania.
- **1997** - Regional Approach. The EU Council of Ministers establishes political and economic conditionality for the development of bilateral relations.
- **1992** - Trade and Co-operation Agreement between the EU and Albania. Albania becomes eligible for funding under the EU's Phare programme.