



ALBANIAN REFORM AGENDA: PROGRESS REPORT

October 2024 – June 2025

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FOREWORD

This first monitoring report on Albania's Reform and Growth Facility (RGF) comes at a pivotal moment. Albania is transitioning from a phase of designing ambitious reforms to the real test - making them work in practice and deliver tangible benefits for citizens. The progress recorded in the period October 2024 - June 2025 shows determination and consistent effort across institutions. Yet, it also reveals challenges in the administrative capacity and the need for a more transparent, participatory, and result-oriented reform process.

Reforming is not only about adopting laws and setting up institutions; it is about whether these changes reach citizens and businesses, improve country's governance, and strengthen trust in its European path. But the rapid reform pace, while driven by the clear "Albania 2030 Agenda", risks creating a disconnection between legislative adoption and effective implementation. As this report underscores, setting up an institution is only the first step - what ultimately matters are its operational capacity and ability to deliver results.

The RGF Regulation allows the European Commission to disburse funds *"in whole or in part"* based on the fulfilment of payment conditions, which are expressed as *"observable and measurable qualitative or quantitative actions"* carried out by the beneficiary. A basic guidance exists for partially achieved quantitative steps, but for qualitative steps or sub-steps, partial achievement is not possible.

Most steps under the Albanian Reform Agenda are qualitative, meaning that eventual partial payments would be the exception. The observed limited clarity in the defined payment conditions, sources of verification, and reporting indicators could lead to slower fund absorption at the start of implementation, with acceleration expected toward the end of the RGF implementation period. Without clear and comprehensive guidance criteria on what constitutes *"satisfactory fulfilment"* - beyond the mere adoption of a law - the administration and the public remain uncertain about how reform progress is assessed. Does a reform succeed and respective funding disbursed when a draft law is approved, or only when it is delivering results?

Due to the complex political nature of EU enlargement - where flexibility and political dialogue are traditionally prioritized - the report draws the attention on the less comprehensive and formalized guidance under the RGF, compared for example to the Recovery and Resilience Facility (RRF). Based on the concluded reporting exercise, we underline the need for a clear and public methodology to be used for the future assessments. This is all the more relevant in light of Membership preparation and of the upcoming Multi-annual Financial Framework 2028 - 2034, in which the performance-based approach will be a main tool in the External Action toolbox.

A significant portion of RGF funds is channeled through the Western Balkans Investment Framework (WBIF), in which the RGF beneficiary countries participate as observers. We could

not ascertain the progress of any WBIF-supported investment project financed through RGF. The absence of a comprehensive monitoring framework, as well as the lack of public access to the detailed priority projects pose a concern, particularly when these investments are ultimately supported by sovereign guarantees.

For the RGF to successfully deliver, a clear and predictable assessment process that supports all stakeholders to prepare for future Membership obligations is required. Simultaneously, domestic efforts are needed to enhance public oversight, to systematically engage stakeholders, and to fortify country's administrative capacity. The adopted legislative texts should translate into a lasting reform legacy for all Albanian citizens.

Albania's accession journey is, above all, a reform journey. This report covers the first miles of that journey.

Through the initiative "Increasing Albanian civic engagement footprint in the Growth Plan" CDI is committed to contribute RGF good governance - by drawing on EU standards with RRF, best participatory governance standards, and risk mitigation practices in performance-based funding instruments. How Albania performs today under RGF will determine how quickly the country advances in accession reforms and how ready it will be tomorrow to seize the benefits of EU membership.

By Krisela Hackaj

Executive Director, Cooperation and Development Institute

EXECUTIVE SUMMARY

Progress in Institutional Setup and Financial Control

Significant strides have been made toward establishing the governance and monitoring frameworks for Albania's Reform and Growth Facility (RGF) in line with RGF Regulation. However, it is crucial that these structures are effectively operationalized. Key coordination bodies, such as the National Coordinator Support Office (NCSO), are expected to be fully operational soon. The RGF Monitoring Committee had its first official meeting on September 24, 2025. These efforts are intended to enhance oversight and transparency. Delays may risk undermining quality of coordination, reporting, public accountability and stakeholder engagement, which are essential for the reform process.

The first official report on the National Reform Agenda (NRA) was submitted to the EU in July 2025. Institutions have been tasked with developing detailed plans for reforms due in December 2025 and beyond. The rollout of the REGFIS platform is a key step to strengthen the monitoring, reporting, and audit infrastructure.

In July 2025, the Ministry of Finance introduced internal control and audit guidelines to ensure integrity and transparency in RGF fund management. These are foundational for preparing the Declaration of Assurance required for EU funding disbursement and for coordination with OLAF and EPPO.

Reforms Implementation Update

Pillar 1: Business Environment

- While direct business benefits have yet to materialize, foundational reforms are being laid to improve tax administration, SOE governance, and export frameworks.
- The Medium-Term Revenue Strategy (MTRS) is a cornerstone reform but faces capacity-related implementation delays.
- SOE governance improvements are inconsistent, with gaps in data and coordination.
- Export-oriented legislation and systems (e.g., Animal Health Laws, Plant Passport System) are aligning Albania with EU standards.
- The draft Law on Concessions and PPPs, was approved within June 2025 by the Council of Ministers but remains pending before the Assembly of Albania.

Pillar 2: Human Capital

- Albania has adopted the Smart Specialization Strategy (S3) as a national roadmap for innovation-led development, engaging over 1,600 stakeholders and aligning closely with EU integration objectives. The key challenge, as with other reforms, will be to translate this policy into tangible economic diversification.

Pillar 3: Digital Transformation

- The National Strategy for Innovative Entrepreneurship (2024–2030) has been approved with a €22 million investment. While strategically strong, execution risks persist due to ecosystem limitations and past implementation challenges.

Pillar 4: Energy and Green Transition

- Progress is noted with eight of ten actions completed. A new regulation on guarantees of origin for renewables and partial alignment with RED II have been achieved. However, key legal amendments to align with EU electricity market integration remain pending.

Pillar 5: Rule of Law and Fundamentals

- Legal and strategic frameworks to address money laundering and asset recovery have been approved, but operational gaps (e.g., full-functional Asset Recovery Office is underway) remain.
- Improvements in justice system statistics are underway via newly approved methodologies to boost transparency and institutional accountability.
- Efforts related to judicial vetting processes continue, but a lack of published data and evaluation metrics hinders progress assessment.

Overcoming Capacity Constraints to Secure a Reform Legacy

The ambitious National Reform Agenda faces a critical implementation challenge. While there is strong political will to advance, the rapid pace of reforms - intensified by the demands of EU integration - is placing immense strain on the public administration. The success of the Reform Agenda is directly contingent on overcoming these significant capacity constraints, including the management of limited human and technical resources.

These capacity limitations have a direct impact on governance. Although the necessary structures exist, delays in public oversight undermining accountability. To sustain the reform momentum, it is essential to enhance transparency, foster public trust, and ensure active stakeholder engagement. A key step in this process is the implementation of systematic consultations with government, social, and economic stakeholders. As reforms intensify

towards 2026, Line Ministries must prepare a clear and predictable consultation calendar, complemented by targeted communication plans for each policy area. This will foster the understanding, awareness, and ownership needed for genuine transformation.

Beyond administrative capacity, the reform process must navigate complex political and economic realities. Reform efforts are often influenced by the electoral cycle, creating a tension between short-term political priorities and the nation's long-term structural goals. This is particularly evident in private sector development, which faces the dual challenge of adapting to competitive pressures and preparing for the rigorous demands of EU Single Market integration. Aligning these competing forces is paramount for the enduring success of the entire reform program.

The Need for a Clear RGF Evaluation Framework

The RGF Regulation establishes a general framework for assessing the fulfilment of payment conditions based on both quantitative and qualitative benchmarks outlined in the Reform Agenda. However, the European Commission's precise assessment methodology for deeming a reform "implemented" remains not publicly available. For instance, is a reform complete with the adoption of a draft law (such as legislation on Concessions and Public-Private Partnerships), or the establishment of an institution (such as the Asset Recovery Office)? Or must the Commission also see proof of functional capacity and implementation quality? These risks ending into a maximalist approach applied to the assessment process.

While some uncertainty is expected in early-stage reforms and during the roll-out of the new Enlargement financial instrument, a consistent and transparent evaluation framework is crucial. It ensures stakeholder trust, supports effective planning, and maintains engagement throughout the reform process.

I. INTRODUCTION

National Reform Agenda 2024–2027 (“NRA”) is structured around 31 reforms across five priority areas and is financially backed up to €922 million in EU support. Implementation of the reforms and actions outlined in the NRA is currently underway, supported by pre-financing arrangements, institutional mechanisms, early progress milestones, and stakeholder participation, including civil society organizations (CSOs) and the Albanian Assembly in the monitoring processes.

Both Regulation (EU) 2024/1449¹ and Albania’s Facility Agreement² establish a multi-layered monitoring framework that integrates public transparency, structured reporting, financial controls, audit oversight and inclusive governance. This framework ensures that the implementation of Albania’s Reform Agenda is rigorously monitored, remains credible, and contributes meaningfully to the country’s EU accession path.

In addition to the formal mechanisms for monitoring, reporting, and evaluation outlined in the Regulation³, the EU emphasizes the need for democratic oversight, stakeholder engagement, and inclusivity throughout the implementation process. Specifically, Article 4 of the Regulation explicitly calls for the consultation and active involvement of civil society in the design, monitoring, and evaluation of reforms. Furthermore, under the ratified Facility Agreement, Albania has committed to ensuring inclusive oversight mechanisms, facilitating access to monitoring data, and recognizing CSOs as legitimate and integral stakeholders in the reform process.

In this context, Cooperation and Development Institute (“CDI”) launched the [Reform Tracker](#) in April 2025 - the first Growth Plan Scoreboard in the Western Balkans region. The Scoreboard complements the European Commission’s official monitoring tool by providing a bottom-up perspective, accessible and easy-to-understand data and insights, and regular updates. It serves as the primary public platform for tracking Albania’s progress on reforms and investments under the Growth Plan, while also fostering greater transparency, civic engagement, and accountability throughout the implementation of the NRA.

This Monitoring Report seeks to add value to existing quantitative monitoring and reporting instruments by assessing the implementation status of the reforms envisioned under the NRA. Where possible, it includes factual updates and analyzes the quality of reform implementation. The report examines progress against defined timelines and milestones - **Phase I (Deadline: end of December 2024)** and **Phase II (Deadline: 30 June 2025)** -

¹ <https://eur-lex.europa.eu/eli/reg/2024/1449/oj/eng>

² The Law No. 19/2025 on “the ratification of the Facility Agreement between the Republic of Albania, represented by its Council of Ministers, and the European Union, also represented by the Commission, outlining the specific arrangements for implementing the EU’s financial and technical support to Albania within the framework of the Reform and Growth Facility”

³ Chapter V, Articles 25–29 of the RGF Regulation

providing a detailed overview of achievements, challenges encountered, and actionable recommendations to enhance impact.

This Monitoring Report is divided into three sections: (i) RGF Governance Diagnostic, (ii) RA Steps Implementation Status, and (iii) RGF Investments in Albania.

The RGF Governance Diagnostic - **Table 1** focuses on the actions and measures undertaken by Albania to strengthen its governance and legal frameworks. It covers the definition of roles and responsibilities within the management and control systems, inter-ministerial coordination mechanisms, and stakeholder engagement processes. Additionally, the section identifies key governance risks that may affect the delivery of reforms or undermine transparency.

The RA Steps Implementation Status section tracks progress on 36 reform steps from Albania's National Reform Agenda, grouped under designated Policy Areas and Reform Pillars. The progress of these reforms is detailed in **Table 2 – 16 Reform steps due by December 2024** and **Table 3 – 20 Reform steps due by June 2025**. Each table provides detailed progress and supporting evidence for each measure and its status.

These findings aim to guide policymakers and stakeholders in advancing Albania's reform priorities.

II. METHODOLOGY

This Monitoring Report is based on a structured and participatory methodology that integrates both quantitative and qualitative data collection methods to assess the implementation of reform measures under NRA. To ensure the accuracy and reliability of the findings in this report, only officially published or institutionally provided information that could be independently verified was used. The final date of the monitoring process is October 15th.

The following comprehensive methodology was applied:

- **Desk research and document review**, including but not limited to legal acts, draft laws, official reports, and policy strategies published in the Official Gazette and/or on the official websites of the Albanian Assembly, Prime Minister's Office, Ministry of Justice, Ministry of Economy, Culture and Innovation (MECI), Ministry of State for Entrepreneurship and Business Climate (MSCEBC), Ministry of State for Public Administration and Anti-Corruption and other relevant institutions such as the High Prosecutorial Council, High Judicial Council, AKSK, ERE, AMA, Electronic Register on Notification and Public Consultation etc.
- **Assessment of reform progress** through analysis of the implementation status of reform steps, measuring whether the reform targets have been met. This included a comparison between planned and actual progress, based on official documents and respective timelines. Determination of the reform step's status was guided by the verification of each step's 'source of verification,' as specified in the NRA matrix.
- **Stakeholder consultations** via semi-structured interviews conducted during June–July 2025 with key institutional and non-institutional stakeholders, including MECI, State MSEBC, as well as several representatives from the private sector and business associations. Where necessary, progress was verified through communication with contact people in the respective institutions as in the case of MEI.
- **Formal requests for information** were submitted to relevant institutions in accordance with Law No. 119/2014 on the Right to Information. The official response from the State Agency for Strategic Programming and Aid Coordination ("SASPAC") was instrumental in assessing progress related to the governance and legal frameworks of the Reform Governance Framework (RGF).
- **Verification of findings** was ensured by triangulating interview data with official reports and by reviewing relevant legal documents and reform outputs, such as laws, strategies, service portals, and other deliverables.

Despite best efforts to ensure the completeness and accuracy of the data, several limitations were encountered:

1. Lack of publication of official progress reports submitted to the European Commission by the Government.

2. Absence of periodic reporting on the implementation of the National Reform Agenda by the responsible institutions.
3. Limited responsiveness from certain public institutions, despite formal engagement efforts.

To address these challenges, the team relied on independent sources, cross-validation of data, and repeated follow-up with institutions for key information requests.

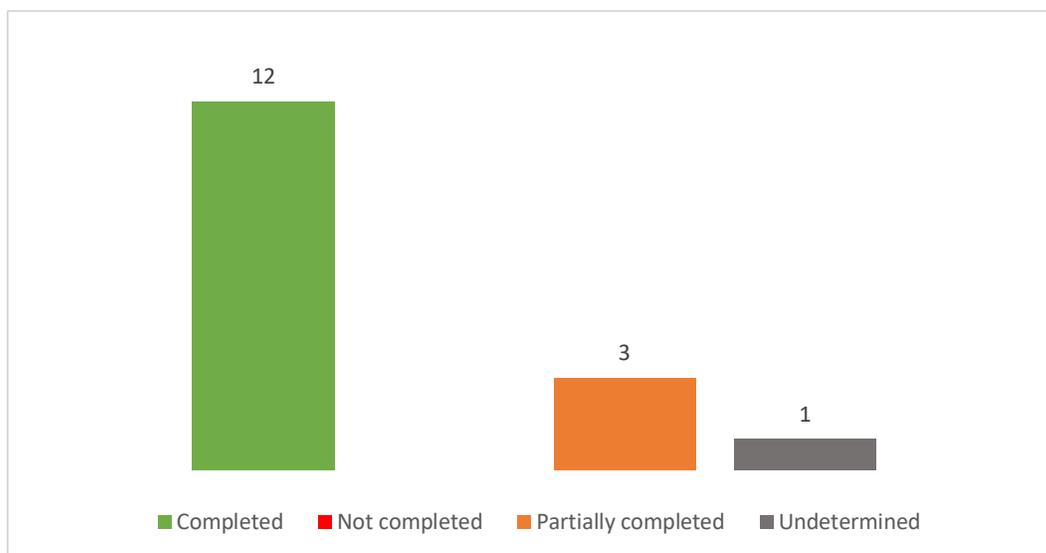
For clarity and ease of reference, each reform step is marked as **Completed**, **Partially Completed**, or **Not Completed**, based on the performance metrics and benchmarks set out in the National Reform Agenda. Additionally, certain reform steps in the NRA were found to be vaguely defined, lacking clear quantitative benchmarks or measurable indicators. This lack of precision hindered objective assessment. In such cases, and when the evidence lacks or the evidence gathered could not support any other classification, the reform step was marked with **Undetermined Progress / Unverifiable**. The same principles are applied to determine the status of actions related to RGF Governance.

Finally, in the monitoring report, we highlight actions already taken concerning reforms initially scheduled for completion by the end of 2025. These *best practices* demonstrate the respective institution's proactive approach in accelerating the reform pace, addressing these reforms with urgency and foresight. Such measures underscore a commitment to maintaining momentum, ensuring timely progress, early frontloading difficult tasks and reinforcing accountability.

III. MONITORING RESULTS

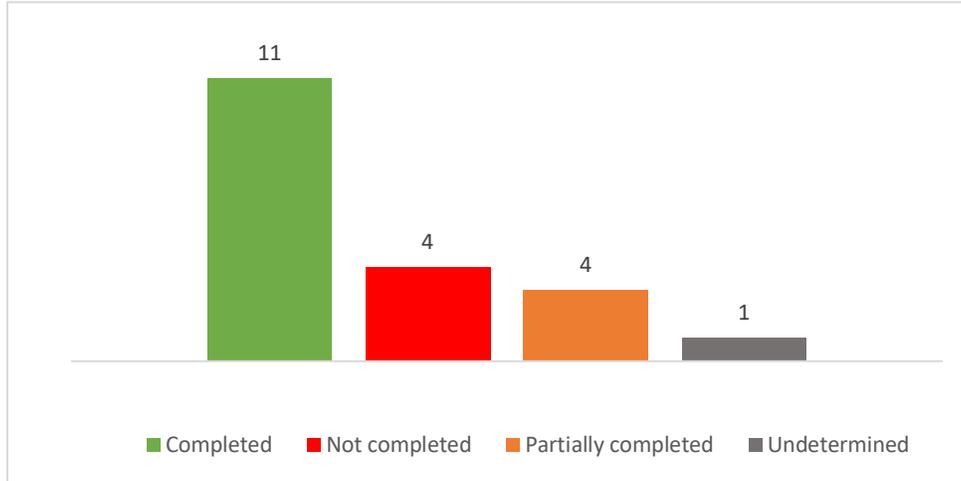
From our monitoring, from 16 reforms steps with due date end of December 2024, Albania has fully completed 12. 3 more were considered partially completed, and for one step the status/progress of the reform could not be determined. There are no reforms considered as not initiated / not completed.

Chart 1: The status of 16 reforms with due date scheduled end of December 2024



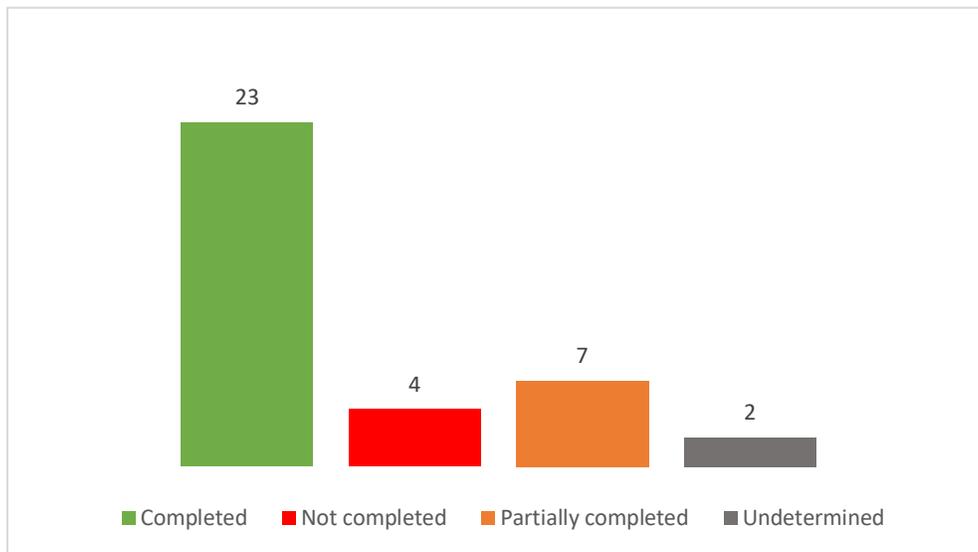
Out of 20 reforms and measures with due date scheduled June 30th, 2025, Albania has fully completed 11, 4 more were considered as partially completed, and for 1, the status/progress of the reform could not be determined. There are 4 reforms considered as not initiated / not completed.

Chart 2: The status of 20 reforms with due date scheduled end of June 2025



In total for the period October 2024 - 30 June 2025, it resulted that out of 36 reforms and measures Albania has fully completed 23 of them, while for 7 reform partial progress was noted. The status of the reform could not be determined for 2 of them. There are 4 reforms considered as not initiated / not completed.

Chart 3: The status of total 36 reforms from October 2024 - June 2025



IV. RGF GOVERNANCE DIAGNOSTIC

The implementation of the Reform Governance Framework is supported by a series of governance actions that establish the foundational principles and prerequisites for accessing RGF funding through loan instruments. These actions are derived from Regulation (EU) 2024/1449 and are transposed into national legislation through a set of laws and by-laws that collectively constitute the domestic legal framework for the RGF. These measures represent mandatory criteria for initiating the reform financing process.

In addition to the legal prerequisites, the following actions are identified as directly relevant to the practical implementation of the RGF. For each action, a brief commentary is provided, along with supporting evidence and an indication of the current implementation status.

Table 1: RGF Governance Diagnostic

No.	ACTION	PROGRESS	STATUS
1.	ADOPTION OF THE NATIONAL REFORM AGENDA	The Albania Reform Agenda (RA) was formally adopted through Council of Ministers Decision No. 61, dated 10 October 2024 .	COMPLETED
2.	ENDORSEMENT AND APPROVAL OF THE NATIONAL REFORM AGENDA BY THE EUROPEAN COMMISSION	On 23 October 2024, the European Commission approved the Reform Agendas of Albania, Kosovo, Montenegro, North Macedonia, and Serbia , thereby enabling the commencement of disbursements under the Reform and Growth Facility.	COMPLETED
3.	RATIFICATION OF THE LOAN AGREEMENT	The Assembly of Albania ratified the Loan Agreement through Law No. 18/2025, "On the Ratification of the Loan Agreement between the Republic of Albania, as Borrower, the Bank of Albania as the Borrower's Agent, and the European Union, represented by the European Commission as Lender, under the 'Reform and Growth Facility for the Western Balkans.'" The law entered into force immediately on 17 March 2025, following Presidential Decree No. 99, dated 17.03.2025, "On Promulgation of the Law and Granting Consent for the Immediate Entry into Force of the Law."	COMPLETED
4.	RATIFICATION OF THE FACILITY AGREEMENT	The Assembly of Albania ratified the Facility Agreement through Law No. 19/2025, "On the Ratification of the Facility Agreement between the Republic of Albania, represented by its Council of Ministers, and the European Union, also represented by the European Commission, Outlining the Specific Arrangements for Implementing the EU's Financial and Technical Support to Albania within the Framework of the Reform and Growth Facility." The law entered into force immediately on 17 March 2025, following Presidential Decree No. 100, dated 17.03.2025, "On Promulgation of the Law and Granting Consent for the Immediate Entry into Force of the Law."	COMPLETED
5.	APPOINTMENT OF THE NATIONAL COORDINATOR FOR THE REFORM AND GROWTH FACILITY (RGF)	The Executive Director of the State Agency for Strategic Programming and Aid Coordination (SASPAC) was officially appointed as the National Coordinator for the Reform and Growth Facility through Council of Ministers Decision No. 252, dated 2 May 2025, titled "On the Determination of Functions, Responsibilities, and Relations Between Authorities and Structures Responsible for Coordination and Reporting, According to the Provisions of the Facility Agreement, Ratified by Law No. 19/2025."	COMPLETED

6.	DESIGNATION OF THE NATIONAL COORDINATOR SUPPORT OFFICE (NCSO)	Pursuant to Council of Ministers Decision No. 252, Article 3, the National Coordinator for the Reform and Growth Facility (RGF) shall be supported by a dedicated office established within the State Agency for Strategic Programming and Aid Coordination (SASPAC). To operationalize this provision, the National Coordinator issued Internal Order No. 205, dated 17 June 2025, titled "On the Establishment of the Working Group Within the Framework of the Second Reporting on the Reform and Growth Facility" with a mandate extending until July 2025. In implementation of this order, a temporary support structure has been established within SASPAC, organized in alignment with the reporting responsibilities of respective institutions. However, the full establishment of the NCSO remains in progress and is part of the upcoming organizational restructuring of SASPAC. The new organigram, which will include the allocation of additional full-time equivalents (FTEs) required by the National Coordinator, is expected to be approved by September 2025.	PARTIALLY COMPLETED
7.	DESIGNATION AND ESTABLISHMENT OF THE RGF MONITORING COMMITTEE	Articles 3 and 7 of Council of Ministers Decision No. 252 mandate the establishment of the Reform and Growth Facility (RGF) Monitoring Committee. The Monitoring Committee (MC) held its first meeting on September 24, 2025. This MC is co-chaired by the RGF National Coordinator and a representative of the European Commission. The first meeting saw the participation of civil society, development partners and business community representatives. Rules of Procedures were approved during the first meeting, but are not published. To assess fulfilment of MC tasks and functions is not possible at this early stage of operations of this structure.	PARTIALLY COMPLETED
8.	DESIGNATION OF RESPONSIBLE OFFICIALS FOR THE IMPLEMENTATION AND REPORTING OF THE RGF	The National Coordinator has formally notified all relevant institutions in accordance with Council of Ministers Decision No. 621, dated 10 October 2024, "On the Approval of the Policy Document 'National Reform Agenda 2024-2027,' within the Framework of the European Union Instrument 'Facility for Reforms and Growth for the Western Balkans.' Each ministry and institution have appointed, through internal orders, the structures responsible for implementing and reporting on reform measures. At the ministerial level, deputy ministers have been designated as the responsible officials, as they also serve as negotiators for the respective chapters of the EU accession reforms. These deputy ministers are supported by technical staff tasked with the day-to-day implementation of the reforms.	COMPLETED
9.	DESIGNATION OF THE INTERNAL AUDIT COORDINATION SERVICE	The Ministry of Finance has been designated as the coordinating institution for the internal audit function related to the Reform and Growth Facility (RGF). In support of this role, the Ministry approved Instruction No. 21, dated 14 July 2025, titled "On Internal Control and Verification of Measures for Implementation of the Instrument of the Reform and Growth Facility." This instruction establishes the framework for internal control and audit	COMPLETED

		mechanisms, ensuring the integrity, transparency, and effectiveness in the utilization of funds under the RGF instrument.	
10.	ADOPTION OF THE COMMUNICATION AND VISIBILITY PLAN	The National Coordinator, in collaboration with EU, has prepared the Communication and Visibility Plan for the Reform and Growth Facility. The plan outlines strategic communication objectives, planned activities, dedicated budget allocations, key projects, coordination agreements with the EC, as well as monitoring and evaluation mechanisms. This communication plan served as one of the two prerequisites for receiving pre-financing under the RGF. Currently, the National Coordinator is consulting with reporting institutions to develop their specific communication plans within the framework of the RGF instrument.	COMPLETED
11.	TECHNICAL INFRASTRUCTURE FOR MONITORING AND REPORTING	According to the article 7 par. 9 of the CoM Decision no.252, the National Agency for Information Society, in cooperation with the National Coordinator, will design, develop and maintain a software module (REGFIS – Reform and Growth Facility Information System) for the management, monitoring, reporting and overall control of the RGF process. REGFIS will provide an efficient system for storing all information and documents necessary for auditing, related to the implementation of the Reform steps. REGFIS will, among other things, generate the information necessary for the publication of data on final beneficiaries and transmission to the EC, in accordance with Art. 21 of the Facility Agreement. The REGFIS system is not yet operational.	NOT COMPLETED
12.	DESIGNATION OF COORDINATORS FOR COMMUNICATION, IMPLEMENTATION, AND REPORTING OF THE ALBANIA REFORM AGENDA	The National Coordinator has notified the line ministries and public institutions referenced in the National Reform Agenda to establish internal working groups responsible for coordinating and implementing the defined measures. Ministries have designated officials at the deputy minister level to oversee implementation and reporting of the Reform and Growth Facility (RGF), while public institutions have appointed management-level officials to serve as contact points for the relevant measures. Additionally, each institution has appointed an information coordinator responsible for implementing, monitoring, and reporting on the Communication and Visibility Plan of the RGF.	COMPLETED

Key takeaways

Frameworks for governance and monitoring of the Reform and Growth Facility (RGF) are largely established; however, final efforts are necessary to ensure their full implementation and optimization. The functions, responsibilities, and relations among authorities and structures responsible for coordination and reporting of the RGF were defined only in May 2025. Furthermore, the full establishment of the National Coordinator Support Office (NCSO), initially planned for July 2025 under Council of Ministers Decision No. 252 dated 2 May 2025, was expected to be finalized by September 2025. Consequently, additional time is required to consolidate processes, particularly those related to monitoring and efficient coordination among multiple stakeholders, which necessitate dedicated human resources.

Regarding the implementation and reporting framework for the National Reform Agenda, the National Coordinator has provided continuous support to reporting institutions during the preparation of the first official report. This report was completed on 15 July 2025 and submitted to the European Union, though it has not yet been published. Institutions have been requested to prepare detailed implementation and reporting plans for the reform measures scheduled for December 2025, with similar processes planned for measures due in 2026 and 2027.

The quality of monitoring and reporting on the Albania Reform Agenda is expected to improve substantially with the development of the REGFIS platform, which, although currently not operational, will manage all data and documentation related to monitoring, reporting, and auditing. Publishing accessible qualitative and quantitative information is essential for transparency and public trust. The REGFIS platform can be tailored to generate directly reports for stakeholders and researchers.

In July 2025, the Ministry of Finance approved guidelines establishing the framework for internal control and audit mechanisms. These guidelines are designed to ensure the integrity, transparency, and effectiveness in the use of funds under the RGF instrument. They also support the preparation of the Declaration of Assurance, a key component of the payment request under the Facility Agreement, and facilitate coordination protocols with the European Commission, OLAF, and EPPO.

Finally, the RGF Monitoring Committee is anticipated to create a platform for oversight of the RGF implementation by civil society and community representatives. Additionally, the Communication Plan for the Reform and Growth Facility has been prepared and shared during the first meeting of the MC. These measures are expected to enhance transparency, visibility, and accountability towards relevant stakeholders.

V. RA STEPS IMPLEMENTATION STATUS

V.1 Reporting Period -December 2024

Table 2: 16 Reforms due by December 2024

POLICY AREA	REFORM NAME	MEASURE	PROGRESS	STATUS
IMPROVEMENT OF BUSINESS ENVIRONMENT	1.1.1 Increasing domestic revenue mobilization and the tax system, particularly through the adoption and implementation of the Medium-Term Revenue Strategy (MTRS)	Step 1 - MTRS updated and adopted.	MTRS was adopted in late 2024, via CoM Decision no.847 dated 26 December 2024 and was subsequently published in the Official Gazette no.2 on 09 January 2025. The strategy and its action plan were initially launched for public consultation on September 20 th , 2024. The process benefited from 47 comments in total, out of which comments accepted and reflected in the final draft 34 or 72.4%, while comments rejected were 13 or 27.6% ⁴ .	COMPLETED
	1.1.3 Increasing Investment Attractiveness and Transparency in Line with EU Practices, Improving Governance of State-Owned	Step 3 - Ensure that all new board members of SOEs are appointed through transparent and merit-based procedures.	The key indicator for this reform is the degree of transparency in appointing new board members of SOEs. By December 2024, it was expected that all new board members of public companies would be appointed through transparent and merit-based procedures. Our verification based on information from the Ministry of Economy, Tourism, Development, and Entrepreneurship (MECI) ⁵ , indicates that the appointment process for SOE board members has commenced in accordance	PARTIALLY COMPLETED

⁴ Individual Consultation Report

⁵ Interview date 10.07.2025 with Ms. Ami Çarçani - Director of the Directorate of Conception and Feasibility of Projects for Economic Development Issues (MECI); Interview date 02.07.2025 with Ms. Eralda Shtylla - Department of Business Policies Development - (MECI)

	Enterprises (SOEs) and State Aid		with the existing provisions of CoM Decision no. 570, date 3 October 2018, "On Supervisory Councils of State Joint Stock Companies." Further amendments were introduced through CoM Decision no. 363, dated 30 June 2025 , which amended and supplemented CoM Decision no. 570. Additionally, MECI's Minister issued Internal Order no. 1107, dated 16 December 2024, "On the Announcement of Procedures for Vacancies on the Supervisory Boards of Companies in Sectors of Particular Importance." This order establishes criteria for members of Supervisory Councils of State Joint Stock Companies under MECI's jurisdiction. Some vacancies were also published officially by MECI ⁶ . However, challenges persist, as other ministries responsible for SOEs have neither finalized their appointment processes nor reported on progress, to the best of our knowledge. Furthermore, no comprehensive analysis on this matter has been identified.	
	1.1.4 Improve the investment attractiveness framework and in particular the FDI framework and business environment by deregulation and modernization of business services.	Step 1 - Adopt legal amendments to facilitate administrative procedures for businesses.	MSEBC has published the Business Services Deregulation Analysis Report . This document provides for a list of de-regulatory acts approved by 6 Ministries including key results (reduction of documents and shortening of deadlines) for each of them. However, it should be noted that the deregulation of procedures is an ongoing process of reform rather than a one-time event.	COMPLETED

⁶ <https://meki.gov.al/newsrooms/vende-vakante/>

HUMAN CAPITAL	2.3.1 Strengthening the national research and innovation environment, by adopting the strategic enabling framework	Step 1 - Adopt the S3 Strategy.	The National Strategy on Smart Specialization (S3), along with its Action Plan was approved through CoM Decision no. 824, dated 26 December 2024 , and subsequently published in the Official Gazette no.52 on 13 March 2025. The strategy was initially launched for public consultation on November 15 th , 2024. No comments were received in the electronic register during the consultation period. However, it should be noted that the drafting phase of the strategy benefited from stakeholders' comments received during 33 national activities that were organized until October 2023 and 3 regional (bilateral) activities. Additionally, 120 individual or group meetings were held during the drafting phase of the strategy, where specific measures and activities included in strategy design were discussed ⁷ .	COMPLETED
DIGITAL TRANSFORMATION	3.2.1 Improving the enabling environment for innovative businesses and their exploitation of the potential of the green and digital agenda, including respective financial support opportunities	Step 1 - Adopt the Innovative Entrepreneurship Strategy (National Strategy for the Development of Innovative Entrepreneurship 2024–2030 and its Action Plan 2024-2030).	The National Strategy for the Development of Innovative Entrepreneurship 2024–2030 and its Action Plan was approved via CoM Decision no.860 date 26.12.2024 and published in the Official Gazette no. 2 date 09.01.2025. The strategy was initially launched for public consultation on March 27 th , 2024. In addition, the process benefited from comments received during direct meetings with around 45 entrepreneurs from across the country and 20 Albanian and foreign corporations operating in the country were consulted ⁸ .	COMPLETED

⁷ Individual Consultation Report

⁸ Individual Consultation Report

	3.2.1 Improving the enabling environment for innovative businesses and their exploitation of the potential of the green and digital agenda, including respective financial support opportunities	Step 4 - Prepare a grants scheme with focus on SMEs and/or start-ups, where 30% of the grant is earmarked for SMEs and/or startups, aiming at green and/or digital solutions.	On December 2 nd , 2024, MSEBC has announced in its official website the “Call for Support of Startup Companies and Startup Facilitators Through Grants and Support Measures 2025”, along with the grant documents ⁹ . In addition, State Aid Commission, with decision no. 122, dated 27. 11.2024 “Grants For Start Ups and Start Up Facilitators for the Year 2025” authorized the state aid grant scheme based on State Budget 2025 provisions. The above measures followed an earlier CoM Decision no. 61, dated 7.2.2024 “On the Approval of the Requirements and Criteria that Startups and Startup Facilitators must fulfill, the Procedures and Deadlines, as well as the Rules for the Composition of the Evaluation and Appeal Commission, the Criteria, the Selection Procedure and the Reward of their Members”. The Agency for Start-Ups has published ¹⁰ the list of beneficiaries of the grants. Due to the form of published data and official reports, it was not possible to verify whether the above-mentioned support measures have been effectively delivered/disbursed to SMEs and/or startups, and whether the percentage of 30% for those targeting green and/or digital solutions has been fulfilled in the award decision.	PARTIALLY COMPLETED
ENERGY AND GREEN TRANSITION	4.1.1 Alignment with the electricity integration package, to enable	Step 2 - Continue implementation of the electricity integration	The day-ahead market in Albania is operated by the power exchange ALPEX as of 12 April 2023 and as of 31 January 2024 market coupling with Kosovo	

⁹ <https://www.sipermarrja.gov.al/newsroom/thirrja-per-mbeshtetjen-e-kompanive-startup-dhe-lehtesuesit-e-start-up-eve-nepermjet-granteve-dhe-masave-mbeshtetese-2025/>; and <https://www.sipermarrja.gov.al/dokumentet-e-aplikimit-2025/>

¹⁰ <https://startupalbania.gov.al/marketplace/grants/2>

	the integration of the EU and Albanian electricity markets, the creation of an intraday electricity market, the operationalization of the package in accordance with the operator integration plan for market unification by 2025	package by making operational the intra-day electricity market, in line with Energy Community requirements.	became operational ¹¹ . Further evidence: https://alpex.al/intraday-market/	COMPLETED
	4.1.2 Gradual adjustments of tariffs to market prices, accompanied by measures to address energy poverty	Step 1 - Gradual phase out of public intervention in the price-setting for the supply of electricity, through deregulation for mid and high voltage (Action Plan), in line with the law on the Power Sector.	The official annual report for the year 2024 was published by the Energy Regulatory Entity (ERE) only on October 9th. No verifiable progress could be assessed on this step in the ERE Report. in the ERE Report. Following request for information to MIE, we were provided on October 15th with the Minister of Infrastructure and Energy of Order no.322 date 30.12.2024 "Some Amendments to Order No. 28, Dated 18.01.2021 On the Approval of The Roadmap for Market Opening and Deregulation of Electricity Price" (as amended). The deregulation of prices in the energy sector is a process started in 2021 with phase 1. Order no.322 defines the next 3 phases of the market opening and price deregulation: Second phase – Starting from 1 January 2024; Third phase – Starting from 1 January 2025; Fourth phase- Starting from 1 January	COMPLETED

¹¹ Source: Annual Implementation Report Energy Community Secretariat 1 November 2024. <https://greendealukraina.org/assets/images/literature/50-annual-implementation-report.pdf>

			2026. The above-mentioned order was still not published at the Ministry's website ¹² .	
	4.2.1 Drafting a transparent and competitive quantitative action plan for renewable energy: Three-year planning approved	Step 1 - Adopt a quantity-based auction plan for at least 600 MW of new renewable energy capacities installation for the following three years (ongoing for 300MW to be considered as part of the triennial Auction plan).	According to the NRA the source of verification for this measure should be the administrative reports. No administrative report could be found on this measure. Following request for information to MIE, we were provided on October 15 th with the Minister of Infrastructure and Energy of Order no.321 date 30.12.2024 "For the Approval of the Auction for the Development of Renewable Energy Sources for the Period 2025–2027". According to the order, the legal basis for the Auction Plan is the NRA. The above-mentioned order was still not published at the Ministry's website ¹³ .	COMPLETED
	4.2.2 Implementation of the Renewable Energy Directive: adoption of RES legislation, reorganization of permits, creation of renewable energy communities, operationalization	Step 2 - System to issue serviceable guarantees of origin for renewable energy operational.	An electronic register or guarantees of origin was launched as part of an Energy Community Secretariat project . In December 2024, ERE approved a new Regulation ¹⁴ on the issuance of guarantees of origin for renewables.	COMPLETED

¹² <https://www.infrastruktura.gov.al/urdhrat-e-ministrit/#>

¹³ <https://www.infrastruktura.gov.al/urdhrat-e-ministrit/#>

¹⁴ Decision of the ERE Board no. 300 of 30 December 2024 "On the approval of the Ordinance on the Issuance, Transfer, Redemption and Cancellation of Guarantees of Origin for Electricity from Renewable Energy Sources"

	of guarantees of origin.			
	4.4.1 Adoption and implementation of a long-term building renovation strategy and energy efficiency scheme	Step 1- Long-term building renovation strategy adopted, with earmarked necessary financing for 2025 and 2026 to fulfil the 3% annual renovation goal in existing government public buildings.	The draft-strategy was prepared and launched for public consultation in the Electronic Register for Notification and Public Consultation on 18 December 2024. The draft strategy then was officially approved via CoM Decision no. 125 dated 28 February 2025 and published in the Official Gazette no. 45 date 05 March 2025.	COMPLETED IN 2025
	4.4.1 Adoption and implementation of a long-term building renovation strategy and energy efficiency scheme	Step 2- Adopt the national legislation to align with Labelling.	The law no.52/2024 "On the Labelling of Energy-Related Products" was approved on 16 May 2024 and published in the Official Gazette no. 97 date 10 June 2024. The draft was initially launched for public consultation on November 15 th , 2023. According to the Consultation Report, there were 244 readings of the draft by citizens and 248 readings by experts, but no comments or suggestions were provided.	COMPLETED
RULE OF LAW - FUNDAMENTALS	5.3.2 Ensuring a credible and stable framework for preventing and combating money laundering	Step 2 - Adopt a new National Strategy on prevention of Money Laundering and Countering Terrorism Financing and its	The National Strategy for the Prevention of Money Laundering and Terrorism Financing 2024-2030 was approved via Decision no. 1 date 24 July 2024 by the Coordination Committee for the Fight Against Money Laundering. The strategy was formulated with contributions from an interinstitutional technical working group and with the support from GIZ and a joint program "Horizontal Instrument for	COMPLETED

		Action Plan 2024-2030.	the Western Balkans and Turkey” funded by the EU and the Council of Europe.	
	5.4.1 Consolidating the independence and accountability of the judiciary through transparency	Step 1 - Vetting cases with suspicion of criminal elements finalized at first instance (Independent Qualification Commission - IQC) [with termination decision] referred to the prosecution office.	While the vetting process in the 1 st instance ended in November 2024 and data are officially published for the outcome of IQC decisions in its Official Reports , such reports do not contain similar data about the total of cases referred to the prosecution office, as suspected for criminal activity. In the lack of further published reports, statistics or intra-institutional communication, no verifiable progress could be assessed on this reform step.	UNDETERMINED PROGRESS/ UNVERIFIABLE
	5.5.1 Effective prevention of corruption, reduction of the incidence of corruption	Step 1 - Enhance the transparency, by establishment of an open data platform on national and local budget and public spending in partnership with civil society, and publication of all asset declarations on the website of the High Inspectorate of	Transparent Albania was launched on 13 December 2024, by the Minister of State for Public Administration and Anti-Corruption. It provides access to budgetary information, government spending, project details, and implementation progress, categorized by funding sources. Unfortunately, budgetary reports or any interactive feedback could not be generated from the platform. The platform also includes information links on public consultations and contacts for right-to-information officers, already accessible in institutions websites. In addition, more data on national and local budget is provided by the platform Open Data . According to the NRA, the sources of verification for this measure are: (i). The existing open data platform is updated with the	PARTIALLY COMPLETED

		Declaration and Audit of Assets and Conflicts of Interest (HIDAACI), in compliance with the law on right to information and protection of personal data.	latest national and local budget data and public expenditures; (ii). The website of HIDAACI (where asset declarations will be published). While the first part of the measure is addressed, the asset declarations are not published and freely available on HIDAACI official website as stated in the Reform Agenda.	
	5.6.1 Strengthening freedom of expression, in line with European standards	Step 4 - Adopt amendments of legal framework on transparency of media ownership	There is only one Regulation ¹⁵ approved by AMA in April 2024 regarding the ownership of OSHMA. More detailed information for the ownership of OSHMA is provided in a dedicated section of AMA website . The framework Law no. 97/2013 "On Audiovisual Media" was subject to amendments only in 2016, 2017 and 2023. It is not clear in the NRA which legal acts are expected to be approved because there is no draft law/initiative for amendments to Law 97/2013, concerning more specifically Article 62 which regulates the ownership of media.	COMPLETED

¹⁵ Approved with AMA Decision No. 40, dated 26.04.2024.

V.2 Reporting Period- June 2025

Table 3: 20 Reforms steps due by June 2025

POLICY AREA	REFORM NAME	MEASURE	PROGRESS	STATUS
IMPROVEMENT OF BUSINESS ENVIRONMENT	1.1.1 Increasing domestic revenue mobilization and the tax system, particularly through the adoption and implementation of the Medium-Term Revenue Strategy (MTRS).	Step 1 - MTRS updated and adopted, including (among others) a measure on (inter alia) an evaluation of all tax exemptions with a view to deciding whether any can be phased out, and with a view to deciding whether the use of the data sets from third parties enable unjustified wealth investigations to be possible.	MTRS was adopted in late 2024, via CoM Decision no.847 date 26 December 2024 and published in the Official Gazette no.2 date 09 January 2025, addressed the step 1 in Section II.2.2 Tax policies – Exemptions and Reduced Rates.	COMPLETED
	1.1.2 Ensuring transparency and efficiency of state cadaster services for investors and citizens and providing a clear land use policy.	Step 3 - Adopt a comprehensive Road Map to achieve tangible results to finalize the digitization processes, therefore, for previously paper-based cadastral ownership titles and cadastral maps in all cadastral zones to be	Based on our verification, the State Cadastre Agency has prepared and approved the “The Digitalization Roadmap 2025-2028” . While the NRA identifies the approval of the roadmap through a law as the source of verification for this measure, we consider this reform step to be completed. This is because, in legislative practice, road maps are typically adopted through by-laws rather than via laws. Therefore, the approved act	COMPLETED

		digitalized and first registrations to be fully completed.	sufficiently addresses the requirements of the reform step.	
	1.1.3 Increasing investment attractiveness and transparency, in accordance with EU practices, improving governance of state-owned companies and State Aid.	Step 1 - Adopt PPP/concession law in line with EU acquis and EU best practices and PPP/concessions start to be fully integrated into the National Project Pipeline.	The draft law "On Concessions and PPP" was submitted for public consultation Electronic Register for Notification and Public Consultation opened until 11 June 2025. Later, the draft-law was approved by the CoM Decision no.359, dated 30.06.2025 and submitted it for approval to the Assembly of Albania. Currently, the draft-law remains pending for further proceedings, before the Assembly of Albania ¹⁶ . According to the RA, the reform should be considered as completed upon approval through CoM Decision.	COMPLETED
	1.1.3 Increasing investment attractiveness and transparency, in accordance with EU practices, improving governance of state-owned companies and State Aid	Step 3 - Amend relevant regulations to introduce rules on the appointment of board members of SOEs, subject to open and merit-based recruitment processes.	The appointment process for SOE board members has commenced in accordance with the existing provisions of CoM Decision no. 570, date 3 October 2018, "On Supervisory Councils of State Joint Stock Companies." Further amendments to this Decision were introduced through CoM Decision no. 363, dated 30 June 2025 . Although the general framework has been approved within June 2025, there is no evidence for the further regulations (as requested by the NRA) to have been endorsed as a systemic step for all the SoEs. According to MECI, there are no	PARTIALLY COMPLETED

¹⁶ <https://www.parlament.al/dokumentacioni/aktet/fe371be0-da39-465a-a7fa-f0fb427e453c>

			expectations from the EU Commission related to new Regulation to be approved on the matter.	
	1.1.5 Deployment of Intelligent Transport Systems (ITS) and e-Transport	Step 1 - Adopt relevant legislation to align with the Regulation of EU 2020/1056 on electronic freight transport information (eFTI).	No legal act or draft concerning this step has been approved.	NOT COMPLETED
	1.1.6 Export promotion and internationalization of enterprises, including export and trade facilitation, and value chain support for selected industries with growth potential.	Step 2 - The laws on Animal Health and on Plant Health are adopted and are fully aligned with the EU acquis.	The law 40/2025 "On Plant Health" was approved by the Albanian Assembly on June 26 th , 2025, and published in the Official Gazette no.123 date 10 July 2025. The law 41/2025 "On Animal Health" was approved by the Albanian Assembly on 26 June 2025 and subsequently published in the Official Gazette no.122 date 10 July 2025.	COMPLETED
HUMAN CAPITAL	2.2.1 Strengthening the efficiency of the Employment Policy Scheme.	Step 1 - Offer diversified new ALMP targeting jobseekers' beneficiaries of economic aid, long-term unemployed jobseekers and long-term unemployed jobseekers with basic/no prior education.	We could not determine new ALMP programs targeting jobseekers. In the official website of National Agency for Employment and Skills were published only the programs for year 2020. However, it should be noted that before the approval of the RA the GoA approved the decision no. 401 dated June 19, 2024 "For the determination of procedures, criteria and rules for the implementation of the employment promotion program through social reintegration." No other information could be retrieved from online public sources.	PARTIALLY COMPLETED

DIGITAL TRANSFORMATION	3.1.2 Approximation of the regulatory framework for cyber resilience, including the requirements of the NIS2 directive and strengthening relevant institutions	Step 1 - Update the list of critical infrastructure in scope of the national law in line with the NIS2 Directive.	The Government of Albania has approved the CoM Decision no. 683, dated 6 November 2024, "On the Approval of the Methodology for the Identification of Operators of Critical and Important Information Infrastructures" , pursuant to earlier approval of the Law No. 25/2024, "On Cyber Security". The draft-methodology was shared and consulted with the stakeholders by AKSK- National Cyber Security Authority ¹⁷ . In addition, AKSK has reported the approval of the CoM Decision no. 364, dated 30.06.2025, "On the approval of the list of critical and important information infrastructures". On the above premises it has identified 215 operators at the national level, divided as follows: 133 operators are classified as critical infrastructure, and 82 operators are classified as important information infrastructure ¹⁸¹⁹ .	COMPLETED
	3.1.3 Updating the framework for a secure and resilient digital infrastructure.	Step 2 - Implement regulatory and institutional capacity measures to secure 5G infrastructures roll-out, in compliance with the EU 5G cybersecurity toolbox.	The following measures and legal acts support the progress in this reform: - Law no. 54/2024, dated 30.05.2025, "On Electronic Communications in the Republic of Albania" , published in the Official Gazette no. 102 dated 20.06.2024. The draft was initially launched in public consultation on October 31 st , 2022. No comments were received through the Electronic Register for Public Notification and Consultation, but	COMPLETED

¹⁷ <https://aksk.gov.al/takim-mbi-metodologjine/>

¹⁸ <https://rtsh.al/qeveria-perditeson-listen-e-operatoreve-te-infrastruktures-kritike-dhe-te-rendesishme-kibernetike/>

¹⁹ <https://aksk.gov.al/wp-content/uploads/2025/08/Monthly-Bulletin-July.pdf>

			<p>mainly through official letters and roundtables²⁰. The new law promotes investments in very high-capacity electronic communications networks (VHCN), both fiber optic and wireless (5G). The law revises the current regulations related to frequency spectrum, the universal service regime, consumer protection rules, numbering and emergency communications, as well as the rules for access and overall market regulation, based on a more symmetrical regulatory framework.</p> <ul style="list-style-type: none"> - Decision no. 20, dated 27.08.2024, "On the approval of the documentation for the Public Tender under the open procedure titled 'Granting the rights to use the 3400-3800 MHz frequency band' and the Public Tender Notice (Call for Offers), Ref. AKEP/3400-3800MHz/2024." - Decision no. 30, dated 25.11.2024, "On the approval of the individual authorization for the enterprise Vodafone Albania sh.a for the use of the 3400-3800 MHz frequency band." - Decision no. 29 date 25.11. 2024 "On the Approval of the Individual Authorization of the undertaking One Albania sh.a for the use of the frequencies of the 3400-3800 MHz Band (3420-3540 MHz, Unshared Spectrum)." 	
ENERGY AND GREEN TRANSITION	4.1.1 Alignment with the electricity integration package,	Step 1 - Adopt legal amendments to align with the electricity	The wholesale market in Albania continues to operate under the framework of the Third Energy Package, as the Electricity Integration	NOT COMPLETED

²⁰ Individual Consultation Report

	to enable the integration of the EU and Albanian electricity markets, the creation of an intraday electricity market, the operationalization of the package in accordance with the operator integration plan for market unification by 2025.	integration package in line with the Energy Community requirements and start implementation.	Package (EIP) has yet to be transposed into national law, despite the deadline of 31 December 2023. An infringement procedure for non-transposition has been initiated by the Secretariat. The first draft of the new Albanian Power Sector Law was planned by the Ministry to be submitted to the Secretariat for review in October 2024, however that has not happened for the time being ²¹ . The Draft Law on the Electricity Sector was released for public consultation on July 1. While approval is expected within the second quarter of 2025 according to the Annual Consultation Plan of the Ministry of Energy and Infrastructure published in the Electronic Register For Notification and Public Consultation .	
	4.2.2 Implementation of the Renewable Energy Directive: adoption of RES legislation, reorganization of permits, creation of renewable energy communities, operationalization of guarantees of origin.	Step 1 - Adopt law to align with 2018 Renewable Energy Directive on biomass/biofuels, including sustainability and greenhouse gas emissions saving criteria for biofuels.	The draft law was published for public consultation in August 2024. It has had 200 views from citizens and 131 views from experts, but no comments or suggestions were officially provided ²² . Law no. 46/2025 "On the Production, Transportation, Trade and Use of Biofuels and Other Renewable Fuels for Transport" was approved by Albanian Assembly on 26 June 2025 and published in the Official Gazette no. 119 date 08 July 2025.	COMPLETED
	4.2.2 Implementation of the Renewable	Step 3 - Adopt amendments to the in-	No amendments or acts addressing the reform have been adopted.	NOT COMPLETED

²¹ Source: Annual Implementation Report Energy Community Secretariat 1 November 2024. <https://greendealukraina.org/assets/images/literature/50-annual-implementation-report.pdf>

²² Individual Consultation Report

	Energy Directive: adoption of RES legislation, reorganization of permits, creation of renewable energy communities, operationalization of guarantees of origin.	force regulations for the permit issuance to simplify permit issuance procedures for renewables (households and large installations).		
	4.4.1 Adoption and implementation of a long-term building renovation strategy and energy efficiency scheme.	Step 4 - Legal Amendments of relevant law/ June 2025 [Implement annual rate of renovation in accordance with indicative targets [number of public buildings renovated] included into the long-term building renovation strategy]	To address this step the Law no. 37/2025 “On the Energy Performance of Buildings” was approved by the Albanian Assembly on 16 June 2025 and published in the Official Gazette no.119 date 08 July 2025. The draft was initially launched in public consultation and it benefited essentially by the comments of stakeholders like Association of Constructors of Albania, Union of Albanian Engineers and Co-PLAN, Institute for Habitat Development. ²³	COMPLETED
RULE OF LAW-FUNDAMENTALS	5.1.1 Establishing an Asset Recovery Office, as a National Coordination Unit and regional/international contact point, to contribute to improving seizures and confiscations.	Step 1 - An Asset Recovery Office is established and operational.	The Law no.44/2025 “For the Asset Recovery Office” was approved by the Albanian Assembly on 26.06.2025 and published in the Official Gazette no. 122 date 10 July 2025. According to the NRA, approval of legal acts (without further specifications which of them) shall address this reform. While the main law was approved without any substantial feedback from the public	PARTIALLY COMPLETED

²³ Individual Consultation Report

			during the consultation phase ²⁴ , the rest of the by-laws addressing the institution organization and operationalization should be effective in the upcoming months. The step needs more scrutiny to further assess if that the newly established Asset Recovery Office has the needed legal, institutional and financial base, resources and capacities to fulfill its competences. Finally, in assessing the status of this measure, we have analyzed all the elements included in the NRA: (i) the reform measure (the office to be established and operational); (ii) the source of verification (legal act approval) and (iii) the reporting indicator (status of asset recovery and confiscation capacities) which is not associated with any quantitative indicator. In our view, there is lack of indicators to support the assessment of “the functionality of the Asset Recovery Office” and “the status of asset recovery and confiscation”.	
RULE OF LAW-FUNDAMENTALS	5.4.1 Consolidating the independence and accountability of the judiciary through transparency	Step 1 - Vetting cases with suspicion of criminal elements finalized at first instance (IQC) (with termination decision) referred to the prosecution office; Effective judicial follow	According to the SPAK Annual Report for 2024, 19 cases were referred to the Special Prosecutor's Office by the transitional reassessment institutions. Following preliminary assessments, the cases were referred to general jurisdiction prosecution offices due to a lack of legal competence. As of the time of reporting, no further data or statistics for the year 2025 have been made	UNDETERMINED PROGRESS/ UNVERIFIABLE

²⁴ <https://konsultimipublik.gov.al/Konsultime/Detaje/708>

		up for vetting cases resulting with suspicion of criminal elements continue to be referred to prosecution	publicly available. In the lack of further published reports, statistics or intra-institutional communication, no verifiable progress could be assessed on this reform.	
	5.4.1 Consolidating the independence and accountability of the judiciary through transparency.	Step 3 - The High Judicial and Prosecutorial Councils (HJC AND HPC) ensure high transparency, share publicly all the information related to appointments, (career periodic (evaluations), promotions and transfers, as well as the level of implementation of recommendations of thematic inspections by HJI.	HJC has implemented an open-access platform that publishes decisions related to judicial appointments, evaluations, and transfers, thereby enhancing transparency. The High Prosecutorial Council (HPC) also uploads its decisions on its official website; however, these are not disaggregated by type of administrative act, limiting clarity and accessibility for specific users. While these developments reflect a positive trend in increasing transparency toward the public, expectations remain for more disaggregated, structured, and systematically presented information, particularly to support research and monitoring efforts. The EU4Justice project is currently supporting the HPC in improving its public communication and transparency efforts. Lastly, no reports were found on the HJC official website regarding the level of implementation of recommendations issued by the High Justice Inspectorate following thematic inspections.	PARTIALLY COMPLETED
RULE OF LAW-FUNDAMENTALS	5.4.2 Increasing the efficiency of the judiciary at all levels.	Step 1 - HJC effectively adopts and implements a comprehensive road map to increase	A comprehensive roadmap to increase efficiency and reduce backlog of court cases as well as to address technological gaps (electronic management system of court cases) has been approved by HJC- “The	COMPLETED

		efficiency and reduce backlog based on the latest methodology as adopted by the CEPEJ backlog reduction tool-book, with measurable targets, statistics, and a robust monitoring structure.	National Strategy for the Reduction of the Number of Backlog Cases in Courts (2024–2027) ". In addition, more information can be found in the official reports of the HJC which includes monitoring of the strategy for reducing of pending cases ²⁵ . The step needs further scrutiny to assess the level and performance of implementation of the Strategy.	
RULE OF LAW-FUNDAMENTALS	5.4.2 Increasing the efficiency of the judiciary at all levels.	Step 4 - Improve the national judicial statistics by adopting and implementing a new instruction of Minister of Justice on national justice statistics, based on CEPEJ methodology and in consultation with the self-government justice institutions.	Minister of Justice approved the Instruction no. 2, date 26 June 2025 "On the Methodology of Collecting National Statistical Data on the Justice System" , subsequently published in the Official Gazette no.121 date 09 July 2025. The step needs further scrutiny to further assess the level and performance of implementation of the Instruction.	COMPLETED
	5.6.1 Strengthening freedom of expression, in line with European standards.	Step 1 - Increased capacities of law enforcement bodies to handle cases of violence, including on the margins of protests, and other criminal cases involving journalists, notably by ensuring	This step is linked to the Section 'Freedom of expression including media freedom and pluralism' of the Rule of Law Roadmap - Chapter 23 "Judiciary and fundamental rights". We could retrieve the following supporting evidence: (i) State Police Guideline on "The Safety of Journalists and the Contact Point" and (ii) one announcement from the General Prosecutor office regarding the approval of the <i>Circular</i>	COMPLETED

²⁵ <https://klgi.al/raportevjetoreklgi/>

		high human rights compliance in handling incidents involving journalists, through binding instructions, data collection and capacity building measures	"On the Investigation of Issues Related to the Safety of Journalists and the Media" ²⁶ . Both highlight the institutional response in adopting by-laws supporting the general compliance in handling incidents involving journalists. However, we couldn't identify concrete measures supporting the increased operational capacities through numbers (e.g. capacity building measures, or increased resources to law enforcement bodies, for the subject of this step).	
RULE OF LAW-FUNDAMENTALS	5.6.1 Strengthening freedom of expression, in line with European standards.	Step 3 - Conduct a policy impact assessment and a legal gap analysis on the Digital Service Act Regulation with the aim of aligning it into national legislation, to increase protection of user's rights and safe content; adopt legal amendments to broadly align the Digital Service Act Regulation.	The Digital Services Act (DSA) is a critical regulatory instrument designed to combat the spread of disinformation on digital platforms. It aims to address the dissemination of illegal content and mitigate social risks posed by disinformation, while safeguarding fundamental rights and fostering innovation. Currently, Albania lacks specific legislation addressing disinformation and does not have a direct legal definition or regulatory framework governing this issue. In response, the Albanian Assembly adopted Decision No. 40/2024 establishing a Special Parliamentary Commission tasked with combating disinformation and safeguarding democratic processes. The Commission's mandate includes promoting the identification of foreign interference in democratic processes through various means, including	NOT COMPLETED

²⁶https://www.pp.gov.al/Media/Njoftime_per_Shtyp/Prokurori_i_Pergjithshem_mirat_on_qarkoren_Per_hetimin_e_ceshtjeve_qe_lidhen_me_sigurine_e_gazet_areve_dhe_te_mediave.html

			disinformation propagated via traditional and social media aimed at shaping public opinion, direct and indirect financial support, malicious economic influence by public actors, and efforts to undermine civil society activities. Due to the lack of published information on a policy impact assessment and legal gap analysis carried out by the Government, we could not assess the implementation progress achieved.	
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V.3 Anticipated Reform Measures

This section includes examples of reform measures that were originally scheduled for completion by the end of 2025, but have been implemented ahead of schedule by the responsible institutions. These are examples showcasing the proactive approach of the institutions to expedite the approval of reforms originally slated for later implementation, addressing them with urgency and foresight.

MECI anticipates reforms scheduled for end year 2025 Ratification of the added Protocol to the United Nations Convention²⁷

MECI anticipated step 2 “Ratify the added Protocol to the United Nations Convention for the carriage of goods, on the “electronic consignment-note” (eCMR) for International Carriage of Goods by Road needed to deploy eFTI” of the reform Deployment of Intelligent Transport Systems (ITS) and e-Transport, scheduled in the RA to be approved by December 2025. More concretely, this step was addressed through the approval by CoM Decision no.360, dated 30.06.2025 of the draft-law "On the Accession of the Republic of Albania to the Additional Protocol to the Convention on the Contract for the International Carriage of Goods by Road (CMR), concerning the Electronic Consignment Note, done at Geneva on 20 February 2008". The draft-law has been submitted for further proceedings to the Assembly of Albania²⁸.

MSEBC anticipates reforms scheduled for end year 2025 Inspection Reform²⁹

Regarding the reform “Improve the investment attractiveness framework and in particular the FDI framework and business environment by deregulation and modernisation of business services”, MSEBC has anticipated its actions on the step “Adopt legal amendments to improve and facilitate inspection praxis for businesses” scheduled for December 2025. The following actions can be reported: (i) Approval of the Law on Inspections 99/2024 published in the Official Gazette no. 192 date 13 November 2024 which provides for an essential reorganization of the inspection functions and inspectorates. The draft law was initially launched for [public consultation](#) and benefited from more than 20 analytical comments and several round-tables with the participation of a large number of stakeholders. The draft-law was associated also by a detailed Reform Impact Assessment (RIA) document. (ii) CoM Decision no. 330 dated 11.06.2025 "On defining the rules of organization and functioning of the General Inspectorate".

²⁷ Highlighted by MECI representative Ms. Ami Çarçani during the interview.

²⁸ <https://www.parlament.al/dokumentacioni/aktet/cb8277ad-34ba-424b-a4f4-c8c772432057>

²⁹ During the 1st Meeting of the RGF Monitoring Committee on September 24th, 2025, Institutions reported 5 completed anticipated measures, originally scheduled for end of Year 2025.

VI. RGF INVESTMENTS IN ALBANIA

Albania has received €32 million in pre-financing from the EU's RGF to co-finance three investment projects with a total value of €220 million. Funded through a mix of EU grants, international financial institution loans, and national contributions, these projects are implemented under the Western Balkans Investment Framework. They are part of Albania's RA in the policy areas of green and energy transition, as well as the digital transition³⁰.

Reform Area: Energy and Green Transition

Project 1: Rehabilitation of Fierza Hydropower Plant

This investment project upgrades the electro-mechanical components and supports network of the Fierza hydropower plant, the country's second-largest facility. It will extend its operation lifespan by at least 30 years and increase output by 10%. The plant has an installed capacity of 500 MW and an average annual electricity production of 1,328 GWh.

Funds: The RGF contribution of €10.48 million supports the second phase of the project with an expanded scope, following the previous WBIF grant from IPA of €8.7 million.

Reform Area: Energy and Green Transition

Project 2: Tirana-Rrashbull 220 KV Double Circuit Overhead

This project will enable the construction of a reliable electricity transmission system in Tirana and neighbouring region, towards Durres. The improvements will reduce electricity losses as well as power cuts, which regularly affect 50% of the region's residents and 30% of its private businesses. Current air pollution caused by the diesel generators used during power outages is also expected to decrease.

Funds: The total expected investment is €61,05 million, composed by RGF Grant: € 8 million, KfW Loan: € 40 million, IPA Grant: € 1.15 million and national contribution: € 11.9 million

Reform Area: Digital Transition

Project 3: Digitalization of energy transmission system in Albania

This project includes the digitalization of forty (40) high voltage substations with 110 kV on high voltage and 35, 20, 10 or 6 kV on medium voltage side. The substations are in different parts of Albania: in mountainous areas, in suburban to urban areas, in coastal cities, in rural areas and remote villages, on closed factory areas and over/close to rivers. The general objective of the project is to enable the Albanian transmission system for future connection of the renewable energy-based power generation through modernization and digitalization in line with ENTSO-E requirements and the green energy policies of EU.

Funds: The total expected investment is €61,05 million, composed by RGF Grant: € 8 million, KfW Loan: € 37,2 million, national contribution: € 11.8 million and other sources € 1.6 million.

³⁰ Source: [CDI Institute](#).

VII. PROGRESS OVERVIEW AND KEY CHALLENGES

Policy Area 1- Improvement of Business Environment

The reforms and actions taken during the reporting period have not yet been unfolded, nor have they created any direct tangible benefits for business environment. At this stage, their focus is related to creating the premises for better economic governance efficiency of state operations concerning tax revenues, state-owned enterprises (SoEs), cadastre services and export promotions, rather than having a direct and tangible impact for businesses. On the above premises, the goal is to help domestic businesses being prepared to be competitive in the Single Market.

Focus for the next months and years should turn to implementation of the adopted legislation and policy framework, and to measure the social and economic impact of the NRA.

- **The approved MTRS constitute a strategic step in addressing the necessity for increasing domestic revenue in a sustainable and predictable manner, reducing reliance on external financing, reducing tax exemptions and improving tax administration.** In addition, its streamlined actions for a more stable and transparent tax system, encourage private investments. **However, the limited administrative and technical capacities as continuously demonstrated may hinder effective reform execution.** For example, the deadline for the online submission of documents necessary for the implementation of double taxation agreements to the tax system has been extended, due to the non-availability of an electronic solution which was initially expected within the first half of 2025³¹.
- **Efforts to improve the governance of state-owned enterprises and transparency in board appointments have begun, but implementation remains uneven across ministries.** In addition, monitoring this reform is challenging as there is no available public data on the level of implementation of the reform steps. According to the NRA, the institution responsible is MECI. The latter, on the other side have information only for the on-going process for the SoEs under its domain, and not for all the SoEs operating in Albania.
- **The actions with focus on export promotion have advanced. The approval of the law no. 40/2025 and law no. 41/2025 “On Animal Health” approved in June 2025 provide for greater economic stability for producers, and higher standards of safety and trust—critical for growth in both domestic and international markets.** The Plant Passport system allows businesses to participate fully in intra-EU trade, significantly expanding market reach for Albanian plant-based exports. Additionally, alignment with EU veterinary standards and institutional capacity-

³¹ The Instruction no. 11 date 23.07.2024 of the MoF “On the Implementation of Agreements for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion” was amended twice within a short of time with Instruction no.11/1 date 27.11.2024 of the MoF and Instruction no.15 date 08.07.2025 of the MoF.

building enhances Albania's ability to export animal-origin products to the EU, opening new markets for exporters and agribusinesses.

- **The draft law "On Concessions and PPP" was approved withing the June 2025 as per NRA.** The draft law is an initiative of MECl, aiming to establish the rules for the planning, award, administration and supervision of concession/public-private partnership contracts, based on the principles of transparency, non-discrimination, proportionality, efficiency and legal certainty.

Policy Area 2- Human Capital

Albania adopted the S3 as a national roadmap for innovation-driven growth, aligning Albania's unique strengths with EU integration and sustainable development. The goals are to boost innovation-driven economic development by focusing on Albania's unique strengths through a bottom-up, evidence-based, and participatory approach. Over the past year, an extensive and inclusive process has been undertaken to develop the Albanian Smart Specialization Strategy (S3). This initiative engaged over 1,600 stakeholders from the quadruple helix - central and local government, businesses, academia, and civil society - adopting a novel approach that prioritized stakeholder engagement from the outset³². The policy was steered by a high-level Inter-Ministerial Committee, with technical support from the National S3 Team and SASPAC. The S3 aligns with Albania's EU accession chapters (notably Chapters 20, 22, 25) and broader EU innovation agenda.

The S3 process engaged a wide range of stakeholders through the Entrepreneurial Discovery Process (EDP), including businesses, academia, civil society, and local authorities. Sustaining their active involvement beyond the design phase and throughout the implementation process will be essential to ensure the strategy's continued relevance and legitimacy. Looking ahead, a series of reforms and measures are planned, particularly in the field of education. Notably, revisions to the Vocational Education and Training (VET) system are scheduled for 2026 in the NRA, aimed at better aligning educational outcomes with the evolving demands of the labor market.

Policy Area 3- Digital Transformation

Approval of the Innovative Entrepreneurship Strategy (National Strategy for the Development of Innovative Entrepreneurship 2024–2030 and its Action Plan 2024-2030), is an ambitious step toward innovation-led growth in Albania. The strategy promises strong investment³³ (22 million Euro) and inclusive policies - but faces challenges in execution, ecosystem depth, and regional equity. It is structured around three pillars: the entrepreneurial ecosystem, strategic sectors, and inclusive development and aligned with the S3 and its priority sectors (e.g., agribusiness, energy, ICT, tourism,

³² <https://s3albania.org/national-s3-draft-strategy/>

³³ <https://albaniatech.org/strategy-for-innovative-businesses-the-albanian-governments-investment-plan/>

manufacturing). Stakeholder engagement has been strong, with discussion tables organized by the MSEBC³⁴.

While the strategy is robust on paper, Albania's entrepreneurial ecosystem has historically suffered from limited government follow-through and tangible impact. The ecosystem still lacks crucial players and infrastructure, such as angel investors, local funding networks and limited opportunities for scalability due to limited size market.

Policy Area 4- Energy and Green Transition

The actions and reforms in this pillar have generally advanced with 6 actions completed out of 10 for the reporting period. In December 2024, ERE approved a new regulation on the issuance of guarantees of origin for renewables³⁵. In addition, a new law to align with the EU's 2018 Renewable Energy Directive (RED II), including sustainability and greenhouse gas emissions saving criteria for biofuels, was approved in June 2025. On the other hand, legal amendments to align with the electricity integration package in line with the Energy Community requirements have not yet been adopted.

In the upcoming periods, several measures are planned to accelerate renewable energy deployment, with the goals of diversifying energy sources, reducing dependence on hydropower, and aligning with EU climate targets. However, significant challenges remain, including the need for substantial upgrades to energy transmission and distribution networks to support the increasing share of renewables and distributed generation. Additionally, advancing cross-border energy interconnections - such as projects with neighboring countries and subsea links - is essential to integrate Albania's energy system with regional and EU markets, but these initiatives require overcoming technical, regulatory, and financing hurdles.

Policy Area 5- Rule of Law- Fundamentals

As in other pillars, there is progress in approving strategic/framework documents. The Strategy on the Prevention of Money Laundering and the Countering of Terrorism Financing and the Action Plan 2024–2030, as well as the law “On Asset Recovery Office” were approved accordingly. However, according to the NRA by June 2025, the Asset Recovery Office should have been operational. A positive achievement is the approval by the MoJ of the Instruction no. 2 date 26.05.2005 “On the Methodology of Collecting National Statistical Data on the Justice System”, which seems to address the need for improvements of the national judicial statistics. The Instruction places particular focus on the collection of data essential for

³⁴ <https://fiaalbania.al/fiaa-in-the-discussion-table-regarding-the-new-strategy-for-innovation-and-entrepreneurship-2024-2030/>

³⁵ https://ere.gov.al/doc/Rregullore_per_leshimin_tranferimin_dhe_anullimin_e_garancive_te_orijines_per_Energji_e_Elektrike_te_prodhura nga_burimet_e_rinovueshme.pdf

assessing institutional capacities and determining intervention or reform needs, such as average workload of judges, efficiency rate, case turnover ratio, time to complete a case, case resolution rate, backlog status, age of cases, which are expected to increase transparency.

These statistics once gathered and published shall provide more insights also for monitoring reports, research and further analysis of the justice system accountability. As related to the reforms: *(i) vetting cases with suspicion of criminal elements finalized at first instance (IQC) [with termination decision] referred to the prosecution office (December 2024) and (ii) vetting cases with suspicion of criminal elements finalized at first instance (IQC) (with termination decision) referred to the prosecution office; Effective judicial follow up for vetting cases resulting with suspicion of criminal elements continue to be referred to prosecution we were not able to verify progress.* These reforms are depicted very generally in the NRA with lack of evaluation metrics. Therefore, and while considering the lack of published reports and statistics, their assessment was difficult at this time.

Moving forward, the operationalization of the Asset Recovery Office and the consistent implementation of judicial statistical reporting will be critical to strengthening institutional accountability and enabling evidence-based policymaking. To ensure measurable progress, future reforms should include clear evaluation metrics, transparent reporting, and effective judicial follow-up on vetting cases involving criminal suspicions.

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