



**Government of Albania
Republic of Albania**

Action Plan

On

Albanian Anti Corruption National Strategy

(Spring 2002)

**Tirana, Albania
June 2002**

**Comprehensive Action Plan
on
Albanian national anti-corruption strategy for 2002**

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1 POLICY STATEMENT

1.1 Political commitment

Corruption undermines political stability of Albania, the confidence of the people in the political and judicial system, rule of law, economic development, foreign investments, European integration.

The fight against corruption is therefore a top priority of the government, the objective being to reduce corruption to the point of where it no longer undermines what Albania tries to achieve.

1.2 Legal basis

Albania has acceded to most of the relevant European conventions (such as the Criminal and Civil Law Conventions on Corruption of the Council of Europe, the Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime, etc.)

Albania has created the legal basis for anti-corruption measures (amendments to the the Criminal Code and the Criminal Procedure Code etc.). Although work to improve and complete the legislation will continue, the legal framework to a large extent is now in place. The challenge is the implementation of the legislation.

1.3 Anti-corruption strategy

The Government, in close cooperation with all other State institutions and civil society, is determined to pursue a nationwide anti-corruption strategy embracing the whole community and consisting of the following three elements :

1. Enforcement of the laws against corruption
2. Prevention of corruption by eliminating opportunities for corruption that exist in the systems of the public administration
3. Raising awareness about the dangers of corruption and developing public support for fighting against corruption

To this effect, all Ministries and other Government institutions will cooperate in:

1. Carrying out public administration reforms and strengthen administrative control mechanisms
2. Strengthening legislation and the rule of law (criminal legislation, judiciary, police, prosecution service, prevention and control of money laundering)
3. Improvement of the management of public finances (budget, taxes, customs, internal audits, public procurement)
4. Enhancing transparency and integrity in business transactions
5. Promoting public awareness and public support.

The details of these actions are specified in the anti-corruption plan (matrix) which is currently being updated and which determines the minimum actions to be taken by different institutions.

All Government institutions take responsibility to ensure that:

- Laws are effectively implemented in their respective services
- Institutions and procedures (that is, systems) are examined with regard to risks of corruptive practices and improved to reduces these risks
- Control mechanisms (internal oversight, audits) are applied effectively
- Conflicts of interests are identified

- Disciplinary measures are taken against corrupt officials and files are forwarded to the prosecution.

Each institution will report to the Anti-corruption Monitoring Group progress in the implementation of the anti-corruption plan, and cooperate in the identification of risks and solutions.

The Inter-ministerial Anti-corruption Commission will be convened on a regular basis to review progress and decide on additional measures to be undertaken.

The Government will furthermore make every effort to support relevant independent institutions (such as Ombudsman, High Council of Justice, Prosecution) and make financial resources available to permit an effective investigation, prosecution and trial of corruption.

The Government intends to fully cooperate with the international community and meet its commitments under relevant international agreements and undertakings.

2 THE NATIONAL ANTI-CORRUPTION PLAN (THE MATRIX)

The anti-corruption strategy of the Government is reflected in its Anti-corruption Plan which takes the form of a matrix comprising a comprehensive set of measures in five areas. The plan is considered a living document which is continuously updated and monitored during its course of implementation.

2.1 Background

The first document reflecting the national strategy on anti-corruption, had been prepared with World Bank assistance in July 1998, and which had focused primarily on the prevention of corruption through public administration reform. As the original plan lacked implementation, then it was reviewed with inputs from the World Bank, OSCE Presence in Albania, Council of Europe, and the European Commission in late 1999.

As another revision was made to the draft of late 1999, new approaches were taken into account: the requirements of the Stability Pact Anti-corruption Initiative (SPAI) to which the Albanian government had committed itself in February 2000. In April 2000, a revised Anti corruption plan was adopted with the following structure.:

6. Institutional Reform
 - Civil Service Reform
 - High State Control
7. Strengthening of legislation and consolidation of the rule of law
 - Strengthening of Legislation
 - Judicial reform
 - Police reform
8. Public Finance Management
 - Budget
 - Taxation
 - Customs
 - Public Procurement
9. Promotion of Transparency and integrity in business transactions
10. Public Information

In substance this Plan emphasized heavily public administration reform and the drafting of new legislation and the filling of gaps in the legal framework.

2.2 Current structure of the matrix

2.3 Monitoring the implementation of the plan (Monitoring Institutions)

In order to ensure the implementation of the Anti corruption plan, the Government established the Anti Corruption Monitoring Group (ACMG). In January 2001, the government began to strengthen the ACMG by following the advise of an earlier Council of Europe mission, and support by other organizations such as: World Bank and OSCE/Friends of Albania, MSI/USAID. Since then, the Council of Europe has been supporting this efforts through the PACO Albania project which is funded by the Swedish International Development Agency.

The ACMG now consists of a Board of Directors and a Permanent Unit.

The ACMG Board meets about once per two months. It presently has 11 full members, from Government and institutions as well as invited representatives from independent State institutions (Office of the Prosecutor's General, High Council of Justice, Ombudsman,) and the civil society. According to the Prime Minister Order No. 238, dated 13 November 2000 (as amended on 11 April 2001), the functions and responsibilities of the Board are:

- To encourage and support the cooperation and coordination among the institutions on the implementation of the anti corruption plan.
- Advising and supporting the institutions which are involved in the anti corruption plan.
- Reporting to the anti corruption Inter-Ministerial Commission and the Council of Ministers through the Minister of State at the Office of the Prime Minister.

The Permanent Unit is to be composed of six civil servants (including a director) who are attached to the Office of the Minister of State to the Prime Minister. According to the same Prime Minister Order as stated above, and further up established by the Manual of Operations for ACMG, the duties of the Permanent Unit are:

- Gathering and processing the fate on the status of the work of the anti corruption plan:
 - to conduct data classification;
 - to evaluate the work done, and the realistic impact on it;
 - to propose the strategy, methodology and operational changes for the anti corruption plan;
 - to set up priorities.
- Coordinates the implementation of the anti corruption plan:
 - through the institutions of the central administration;
 - through the government and the independent institutions;
 - through the government and the civil society;
 - through the government and media.
- Conduct preventive activities
 - to propose measures which need to be taken to increase the public awareness;
 - to propose measures which need to be taken to increase the transparency in regard to the activity of the public administration and cooperation with other central institutions.

The ACMG thus depends to a large extent on the cooperation from other State institutions. In order to facilitate such cooperation, and to ensure reporting to the ACMG, a network of contact points has been set up. These *contact points* are 2-3 civil servants in different institutions and serve as the main interlocutors between their institutions and the ACMG.

The progress on strengthening the ACMG in 2001 can be summarised as following:

- through the ACMG and the Minister of State office, the Albanian government has taken ownership of the anti corruption effort;
- the performance of the ACMG Board has improved considerably;
- the Manual of Operations (while monitoring) has been drafted and enforced by the ACMG Board and Permanent Unit;
- the Permanent Unit has been established and started functioning in March 2001. (Advice, training and equipment has been provided by the Council of Europe through PACO project, however two of the six positions are still vacant and need to be filled urgently);
- Several reports (monitoring reports, system study and ad hoc reports) have been produced by the Permanent Unit, and discussed by the ACMG Board;
- cooperation between the Government and the civil society in the anti corruption has improved through the ACMG.

In February 2002, the PACO Albania project was evaluated. The evaluators also made a number of recommendations as to the way ahead for the ACMG:

- Implementation of the national anti corruption action plan
 - the ACMG should increase the number of system studies by determine a list of studies in advance to be carried out and set a work programme for the next twelve months;
 - while the ACMG presently focuses on the prevention side, it should ensure that all three elements for the anti-corruption strategy (law enforcement, prevention, public education) move forward together, for example by devising a long term programme for public education with the Albanian Coalition against Corruption, and –while recognising that the investigation and prosecution of allegations of corruption are the responsibility of the constitutionally independent Prosecutor General—by studying with the Office of the Prosecutor General the systems by which corruption allegations are received, processed and disposed of;
 - all ministries and institutions should refer without investigation and without delay all allegations and suspicions of criminal acts of corruption to the Prosecutor General;
 - Regular public perception and attitude surveys should be instituted;
- Strengthening of the ACMG Board
 - the composition of the Board could be enhanced by two or three members appointed as *personam* from the business and professional sectors of civil society for a limited period of time;
 - Rather than issuing a general invitation to civil society and international community, as *personam* invitations should be issued to endure more consistent participation and have a proper control of confidential material;
 - The management and visibility of Board meetings could be improved by fixing times for meetings for a twelve month period, by circulating the agenda well in advance, by improving the presentation of the matrix including highlighting progress made changes proposed, and by issuing press releases after the Board meetings.

- Further strengthening the Permanent Unit
 - the Permanent Unit should be urgently strengthened in terms of staffing, working, conditions of present staff need to be improved and the vacant positions need to be urgently filled;
 - office accommodation and space, and equipment need to be increased to meet the needs of extra staff
- Training for ACMG and Contact Points
 - there is a further need to Board members, Permanent Unit staff and Contact Points to be instructed in their respective roles and in specific techniques of corruption prevention
 - joint training by means of a retreat session is recommended. This would also enhance the cooperation among contact points
 - a workshop involving the Chairman of the Board, the staff of the Permanent Unit, and the Albanian Coalition against Corruption should be held to devise a national public education and support strategy, and could initiate a series of national for a and governmental monitoring bodies with respect to anti corruption efforts.

2.4 Summary of achievements for 2001 according to Matrix of 2000

The progress on the implementation of the anti-corruption national plan is summarised as following according to the previous division of the components as foreseen in the Matrix of 2000.

2.4.1 Legal and Institutional Development

Albania passed substantial reforms regarding the judicial police system and established, among other things, :

- Judicial inspectorate at the high council of justice and
- Specialized section of economic and financial crime at the Ministry of Public Order.
- Inter-ministerial Anti-Corruption Commission has also been established

Anti-Corruption Monitoring Group (the ACMG) has been established in the Office of the Minister of State. Office of the Permanent Unit has been established since March 2001, and is operational now. Both these bodies represent a state mechanism that is now in place to monitor, prevent and combat corruption.

2.4.2 Accession to International Agreements

Since 2000, Albania undertook efforts to accede to relevant international agreements and to participate in international co-operation and evaluation mechanisms.

- Ratification of the Council of Europe Civil Law Convention on Corruption in September 2000.
- Ratification of the Council of Europe Criminal Law Convention on Corruption is July 2001.
- The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of Proceeds of Crime was ratified in October 2001.
- Accession to the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances is under discussion.
- Membership in Group of States for Anti Corruption (GRECO) in May 2001.
- GRECO evaluation conducted in April 2002 (report to be prepared by GRECO evaluators)
- PC-R-EV Evaluation in December 2001

2.4.3 Strengthening the Anti-corruption Judiciary Capacitates

Adoption of law “On the High Council of Justice”. When credibly implemented, to rid the judiciary of corruption unethical and illegal behaviours.

2.4.4 Mutual Assistance in Criminal Matters

In the field of international legal assistance Albania is party to some key international instruments:

- European Convention on International Mutual Assistance in Criminal Matters,
- the European Convention on Extradition,
- European Convention for the Transfer of Proceedings in Criminal Matters,
- the European Convention on the Transfer of Sentenced Persons and
- Additional Protocols to these Conventions.
- Bilateral agreements concluded with Greece, “The Former Yugoslav Republic of Macedonia”, Turkey, Italy, Egypt and Croatia contain provisions on mutual legal assistance in criminal matters.

2.4.5 International cooperation in Financial Investigations and Money Laundering

The main institutions (legal provisions providing) responsibility for the investigation of economic crime exist: the prosecution office, the judicial police, and finance police.

Nevertheless, it is not clear information on their ability and capacity to co-operate with other international partners in financial investigations and money laundering cases. The law on money laundering contains provisions promoting closer international co-operation between the Financial Intelligence Unit and other relevant international bodies in this field.

2.4.6 Public Sector External Audit System

Following the latest amendment of the 1997 Audit Act in April 2000, the State Audit Institution is now a monocratic, office model, audit institution. Internal reorganisation took place accordingly. The audit activities are being led by the heads of the four audit departments.

2.4.7 Criminalisation of Corruption and Money Laundering

The Criminal Code of Albania (Art. 244, 245, 257-260) makes certain forms of corruption a criminal offence, including active and passive bribery of domestic public officials, trading in influence, etc. Punishments range from fines to between 3 and 5 years’ imprisonment for passive bribery to 7 years for active bribery. Cases of bribery of criminal justice officials may be punished by imprisonment between 3 and 10 years. Some other key corruption offences are however not covered.

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2.4.8 Specialised Units

- An inter-ministerial Anti-Corruption Commission has been established under the Council of Ministers.
- The Government of Albania established the Anti-Corruption Monitoring Group (ACMG and its Permanent Unit)
- In order to strengthen the investigation and prosecution of economic crime, as well as to prevent it, a specialised structure dealing with economic crime (including corruption) has been set up at the office of Prosecutor General.

Following the adoption of the Law on State Police in November 1999, in January 2001, a decision was adopted by the Government on the structure of the Ministry of Public Order and of the General Directorate of the Police. According to this new structure, there is now the Office of Economic and Financial Crime containing three responsible units to combat financial crime and money laundering, fraud, and corruption.

2.4.9 Preventing Bribery of Public Officials in Business Transactions

Preventing and deterring bribery of officials in business deals require first of all to make bribery of public officials a crime, to levy significant penalties on those who bribe, including companies, and to ensure that jurisdiction, investigation and prosecution are effective. According to the Albanian authorities, additional definition of public officials would be provided by case-law. The Civil Code establishes an additional jurisdiction in relation to criminal offences committed against the interests of Albania and its citizens by foreigners abroad; it is however unclear –in the absence of case-law- whether this additional jurisdiction applies or not to the offence of bribery of public officials.

2.5 Current priorities

Overall Priority: preventing, controlling, and combating corruption in order to reduce in maximum its undermining effects on the confidence of the people in the political and judicial system, the rule of law, economic development, foreign investments and European integration. By doing so, to assist Albania in meeting its international commitments.

2.5.1 Public Administration Reform and Administrative Mechanisms

- Establish effective and operational Internal Auditing system within the state institutions as autonomous bodies and elaborate national internal auditing guidelines;
- Strengthening the Civil Service and establishment of professional, effective and transparent levels and guidelines within the Public Administration system;
- Detection, prevention, and deterrence of public officials from dishonest conduct and corruption practices
- Increase the investigating power and supportive coordination of the High State Control especially on governmental operation transactions particularly over sensitive areas such as public procurement. Ensure that the legislative framework for audit strengthens its institutional, financial and operational independence.
- Increase the transparent and continuing Audit reporting process to the parliament through an impartial system of procedures.

2.5.2 Improvement of Legislation and Consolidation of the Rule of Law

- Promote actual application of existing international instruments on bi-and multilateral cooperation by adopting implementation laws, institutional reforms and training programs;
- Increase all means of judicial cooperation with respect to mutual legal assistance especially in bribery matters, and extradition of Albanian offenders;
- Increase at the level of being “self-operational” of the institutional capacities to investigate and prosecute corruption cases and strengthening them through an enhanced inter-agency co-operation and specialised prosecutors and judicial police;
- Provide wide scope of criminalisation of economic crime (corruption, bribery, money laundering) provisions and provide more precise and dissuasive sanctions;
- Provide analysis of the effectiveness, appropriateness, and dissuasive nature of legislation in order to improve the current primary and secondary legislation.
- Strengthen the independent activity and availability of Judiciary and Prosecution office when handling corruption cases.
- Build up effectiveness, professionalism, and public trust within the structures of state police, judicial police and finance police: provide financial investigation capacities through an entire computerised nation system to be used by prosecution office.
- Review of the Public Procurement law and its implementing regulations, in order to bring the legislation fully in line with the WTO Government Procurement Agreement and the EC Directives. Draft new guidance documentation and standard tender documents.

2.5.3 Improvement of the Management of Public Finances

- Improve budgetary planning, control, and information management procedures;
- Update and adopt the necessary secondary legislation in order to implement Organic Budget Law;
- Undertake Organizational review of the Ministry of Finance and implement the necessary changes;
- Exercise control and verification of taxpayers transactions and others by a third party analysis proves , in order to identify and reduce the level of evasion and corruption, as well as increasing sanctions.

2.5.4 Promotion of the Transparency and Integrity in Business Operations

- Provide for adequate criminal, civil or administrative responsibility for the following categories: companies bribing public officials, public officials, and foreign public officials;
- Review the effectiveness of the legislation concerning confiscation of crime proceeds, the scope of jurisdiction on anti-bribery instruments, and explore means to improve the efficiency of mutual legal assistance in bribery matters in the framework of business transactions.
- Simplify and make more transparent the administrative procedures for business to prevent and avoid any potential possibility of bribery through this process.

2.5.5 Enhancing Public Information and Promotion of an Active Civil Society

- Provide on continuing (quarterly) basis to the public all relevant information concerning the number of investigations, prosecutions, court cases and convictions;
- Increase and support activities and initiatives carried out by civil society and representative of the business community;
- Provide a stronger involvement of the civil society into governmental initiatives to prevent, and combat corruption.

3 APPENDIX: ABBREVIATIONS (ALBANIAN AND ENGLISH)

KM	Keshilli i Ministrave	Council of Ministers	CoM
MD	Ministria e Drejtesise	Ministry of Justice	MoJ
MF	Ministria e Finances	Ministry of Finance	MoF
MPCS	Ministria e Punes dhe Ceshtjeve Sociale	Ministry of Work and Social Affairs	MWSF
DAP	Departamenti i Administrates Publike	Department of Public Administration	DPA
MKRS	Ministria e Kultures, Rinise dhe Sporteve	Ministry of Culture Youth and Sports	MCYS
MBU	Ministria e Bujqesise dhe Ushqimit	Ministry of Agriculture and Food	MAF
ISSH	Instituti i Sigurimeve Shoqerore	Social Insurance Institute	SII
SHKP	Sherbimi Kombetar i Punes	National Service of Labour	NSL
APNSHS	Administrata e Pergjithshme e Ndhimes dhe Sherbimeve Sociale	General Administration of Social Aid and Service	GASAS
DPD	Drejtoria e Pergjithshme e Doganave	General Directorate of Customs	GDS
KLSH	Kontrolli i Larte i Shtetit	State Supreme Audit	SSA
MRP	Ministria e Rendit Publik	Ministry of Public Order	MoPO
BLKPP	Drejtoria e Bashkerendimit te Luftes Kunder Pastrimit te Parave	Directorate of the Coordination of the Fight against Money Laundering	DCML
MBET	Ministria e Bashkepunimit Ekonomik dhe Tregetise	Ministry of Economic Collaboration and Trade	MET
MASH	Ministria e Arsimit dhe Shkences	Ministry of Education and Science	MES
MPVD	Minsitria e Pushtetit Vendor dhe Decentralizimit	Ministry of Local Government and Decentralization	MLG
ISHP	Inspektoriati Shteteror i Punes	State Inspectorate of Labour	SIL
MSH	Ministria e Shendetesise	Ministry of Health	MoH
MT	Ministria e Transportit	Ministry of Transport	MoT
KLD	Keshilli i Larte i Drejtesise	High Council of Justice	HCJ
MPJ	Ministria e Puneve te Jashteme	Ministry of Foreign Affairs	MFA
DPT	Drejtoria e Pergjithshme e Tatimeve	General Directorate of Taxation	GDT
MM	Ministria e Mbrojtjes	Ministry of Defence	MoD

MPPT	Ministria e Puneve Publike dhe Turizmit	Ministry of Public Affairs and Tourism	MPAT
APP	Agjencia e Prokurimit Publik	Public Procurements Agency	PPA
MEPP	Ministria e Ekonomise Publike dhe Privatizimit	Ministry of Public Economy and Privatisation	MPEP
APO	Zyra e Programit te Bujqesise	Agriculture Programme Office	APO
PBA	Zyra e Planifikimit te Buxhetit Afatmesem	Office of Planning mid-term Budget	PMB
GMAK	Grupi i Monitrimit Anti-Korrupsion	Anti Corruption Monitoring Group	ACMG
GMAK/NjP	Njesia Permanente e GMAK-se	Permanent Unit of ACMG	ACMG/PU

4 APPENDIX: INVENTORY OF ACHIEVEMENTS

5 APPENDIX: MATRIX (SPRING 2002)