

INTER-SECTORAL STRATEGY AGAINST CORRUPTION 2015-2020

Summary of the Anti-Corruption Strategy
(External translation not provided by EURALIUS)

March 2015

Table of content

List of abbreviations.....	2
Preface	4
Methodology and Drafting Process	5
CHAPTER 1 – CURRENT CONDITIONS.....	5
CHAPTER 2 – VISION, POLICIES AND POLICY OBJECTIVES.....	11
CHAPTER 3 – POLICY OBJECTIVES AND MAJOR AIMS.....	12
A. PREVENTIVE APPROACH	12
B. REPRESSIVE APPROACH	17
C. AWARENESS APPROACH.....	19
CHAPTER 4 – FINANCIAL SOURCES	20
CHAPTER 5 – ACCOUNTABILITY, MONITORING AND EVALUATING ANALYSES.....	22
Implementing institutions.....	22
Periodical reports, reporting methodology and public reports.....	24
ANNEX 1	26

List of abbreviations

AASCA	Agency for the Administration of Sequestered and Confiscated Assets
ADIPS	Agency for Delivery of Integrated Public Services
AADI	Albanian Agency for the Development of Investments
NANR	National Agency of Natural Resources
NAE	National Agency of Environment
ARCP	Agency for Restitution and Compensation of Property
NATP	National Agency of Territorial Planning
NAIS	National Agency for Information Society
NAF	National Authority of Food
ASCS	Agency for the Support of Civil Society
PA	People's Advocate
APP	Agency for Public Procurement
CTAB	Central Technical Archive of Building
SAGI	State Authority for Geospatial Information
ASPA	Albanian School of Public Administration
ATC	Agency for the Treatment of Concessions
NBI	National Bureau of Investigation
BoA	Bank of Albania
DPA	Department of Public Administration
DEDATI	Department for European Digital Agenda and Technology of Information
GDP	General Directorate of Prisons
GDC	General Directorate of Customs
GDM	General Directorate of Metrology
MEDTE	Ministry of Economic Development, Trade and Entrepreneurship
GDSP	General Directorate of the State Police
GDPML	General Directorate for the Prevention of Money Laundering
GDPS	General Directorate of Probation Service
GDRTS	General Directorate of Road Transport Service
GDS	General Directorate of Standardization
GDT	General Directorate of Taxation
CI	Central Inspectorate
HIDAACI	High Inspectorate of Declaration and Audit of Assets and Conflicts of Interest
CTI	Central Technical Inspectorate
SILSS	State Inspectorate of Labour and Social Services
CRIPPD	Commissioner for the Right to Information and Protection of Personal Data
HCJ	High Council of Justice
SSA	Supreme State Audit
CoM	Council of Ministers
CEC	Central Election Committee
MAS	Ministry of Education and Sports
MARDWA	Ministry of Agriculture, Rural Development and Water Administration
MJ	Ministry of Justice
MEI	Ministry of Energy and Industry
MF	Ministry of Finance
MIPA	Ministry for Innovation and Public Administration
MC	Ministry of Culture
MD	Ministry of Defence
MSWY	Ministry of Social Welfare and Youth

MIA	Ministry of Internal Affairs
MH	Ministry of Health
MSLI	Minister of State for Local Issues
MTI	Ministry of Transport and Infrastructure
MUD	Ministry of Urban Development
MFA	Ministry of Foreign Affairs
GPO	General Prosecution Office
NCR	National Centre for Registration
SIS	State Informative Service
SM	School of Magistrates
SSS	State Social Service
ISAC	Inter-sectoral Strategy against Corruption
ISPAR	Inter-sectoral Strategy for Public Administration Reform
POSC	Prosecution Office for Serious Crimes
ORIP	Office for the Registration of Immovable Property

Preface

Corruption is the main obstacle to sustainable political, economic and social development of a nation. In 2013, for the third year in a row, based on the corruption perception index, Albania was positioned last among other countries of the region, being thus marked as the most corrupt country in Europe. The public high and low perceived level of corruption over these 10 years corresponds respectively with the Government reforms or lack thereof. Therefore, the Government considers public perception of corruption not only as an indicator of the real situation, but also as an indicator of success or failure of the Government's policies and programs of fight against corruption.

With such a background of facts and political and social awareness, with a final objective of modernization of the governance, the Government commits itself to fight corruption without compromise and to show zero tolerance, giving public policy the priority it deserves.

The Government's priority in this area corresponds perfectly with the obligations imposed on Albania by the European Union for the opening of negotiations for EU accession. Fight against corruption is one of the five policies that our country is advised to pursue as a priority in the country's European integration process. Equally, prevention and punishment of corruption is an obligation stemming from Albania's accession to international instruments of the fight against corruption, such as the United Nation Convention against Corruption, Council of Europe Criminal Law Convention on Corruption, Council of Europe Civil Law Convention on Corruption, etc.

In responding to the country's real need for development, and meeting the legitimate expectations of the public and those of our international partners, the Government intends to take a frontal effort in the fight against corruption, which will consist of a triple approach, i.e. prevention, repressive and awareness-raising. The purpose of this document is to set the strategic objectives and the main policy directions that will lead the Government's action plan in the fight against corruption in the three coming years.

The established commitments and objectives of this document are in line with the obligations stemming from the Stabilization and Association Agreement and the CE recommendations for Albania's membership to the EU.

Methodology and Drafting Process

The methodology is based on the principle of coordination among institutions in order to achieve the objectives of NSDI, applying a systematic and integrated approach.

The drafting and development of the strategy and the attached action plan has gone through an all-inclusive consulting process with the participation of the main actors playing a key role in the fight against corruption, including public administration and independent institutions, international organizations and partners, civil society and the business community. The strategic document was drafted based on experiences from all national institutions that have played a role in the implementation of the Inter-sectoral Strategy on Prevention and Fight against Corruption and Transparent Governance 2008-2013 and the Action Plan attached to the Strategy. It was also based on the recommendations of the Project against Corruption in Albania implemented until 2012 with the assistance of the European Union and the Council of Europe. The strategy is based on available statistics, assessments of various projects, monitoring of the previous strategy, EU progress reports, and is in full compliance with the Government's objectives to achieve the necessary standards in the framework of Albania's integration to the EU. The recommendations of the European Union project on the Assessment of the Anti-Corruption Framework in Albania (ACFA) have been reflected both in the content of the Strategy and the formulation of specific measures of the Action Plan.

The evaluation process initiated in December 2013, to subsequently continue with consulting and drafting of the first draft strategy in March 2014, with the support of the OSCE Presence in Albania. With the assistance of OSCE and contribution from independent and central institutions, during March-August 2014, the first Action Plan attached to the Strategy was drafted. Measures suggested by institutions have been drafted based on the Government's priorities, budget allocated to each institution and suggestions from experts and institutions. Documents were submitted to DDPFA and following the respective comments, a second revised draft was prepared and submitted to the institutions for comments and amendments in December 2014.

Drafting of both policy documents was carried out in close cooperation with the coordinators' network and points of contacts of the National Coordinator against Corruption in independent central institutions and local level.

The Action Plan referring to the period 2015-2017 is attached to this strategy as Annex 1.

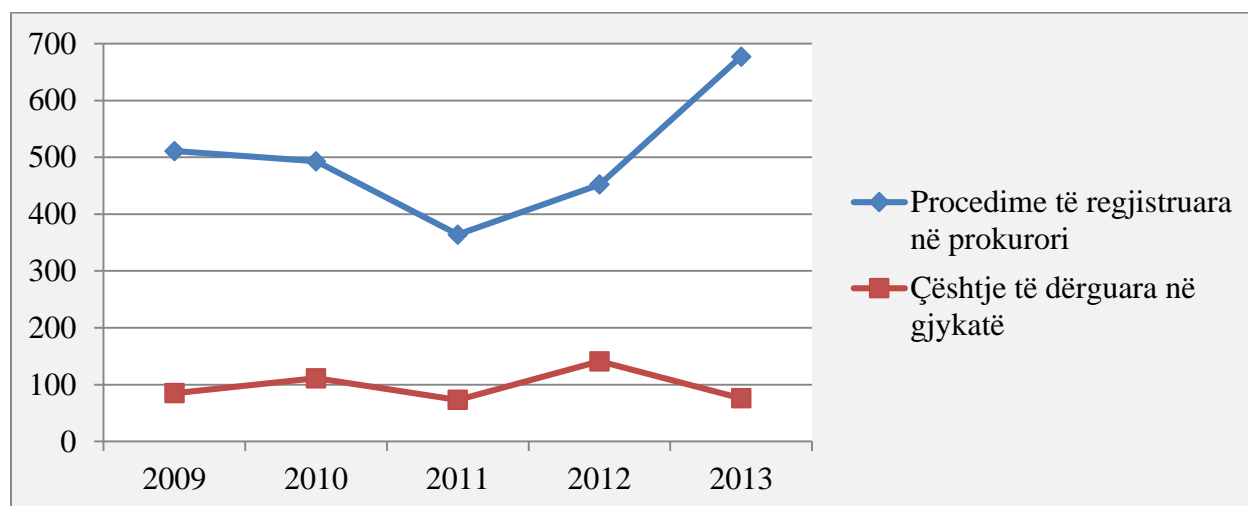
CHAPTER I – CURRENT CONDITIONS

General review

Corruption and fight against corruption continue to remain one of the key challenges and main inter-sectoral priorities for Albania. Reforms undertaken by the government during the period 2007-2010 aimed the modernization of the public administration and its performance, thus contributing to the **prevention of corruption** in high-level corruption areas with a significant impact on the economy of the country. Reforms undertaken by the government during the period 2007-2010 aimed the modernization of the public administration and its performance, thus

contributing to the **prevention of corruption** in high-level corruption areas with a significant impact on the economy of the country. For example, the regulatory reforms in the auditing sector and establishing of the electronic procurement system in order to increase transparency in the public procurement sector improved the performance of these sectors as indicated by compound indicators of various international institutions.¹ Establishing the National Registration Centre Albania, Business Licensing Centre, as well as E-taxation and E-customs system has considerably facilitated the respective administrative procedures and has reduced personal contacts of service users/applicants with the administration, thus contributing to reduce the level of corruption in these sectors.

Number of cases sent to the court as compared to the total number of proceedings²



Concerning **corruption punishment**, achievements have been significant due to the reviewed legal framework. Constitutional amendments concerning the limitation of MPs and judges immunities have opened a way to strike corruption at high levels. These changes were accompanied by the implementation of GRECO³, second and third round recommendations for Albania concerning issues of immunity, money laundering and approval of the legislation on financing of political parties and electoral campaigns. However, despite the approval and implementation of the Strategy and Action Plan 2008-2013, the indicators of the last two (2) years, especially in relation to the perception of corruption, show a significant deterioration. In 2014, according to the Global Corruption Barometer, 66% of the interviewed group thought that corruption was increasing in the country⁴. According to the Barometer, the justice sector has the

¹ See *Control of Corruption Index*, World Bank <http://info.worldbank.org/governance/wgi/index.aspx#home>

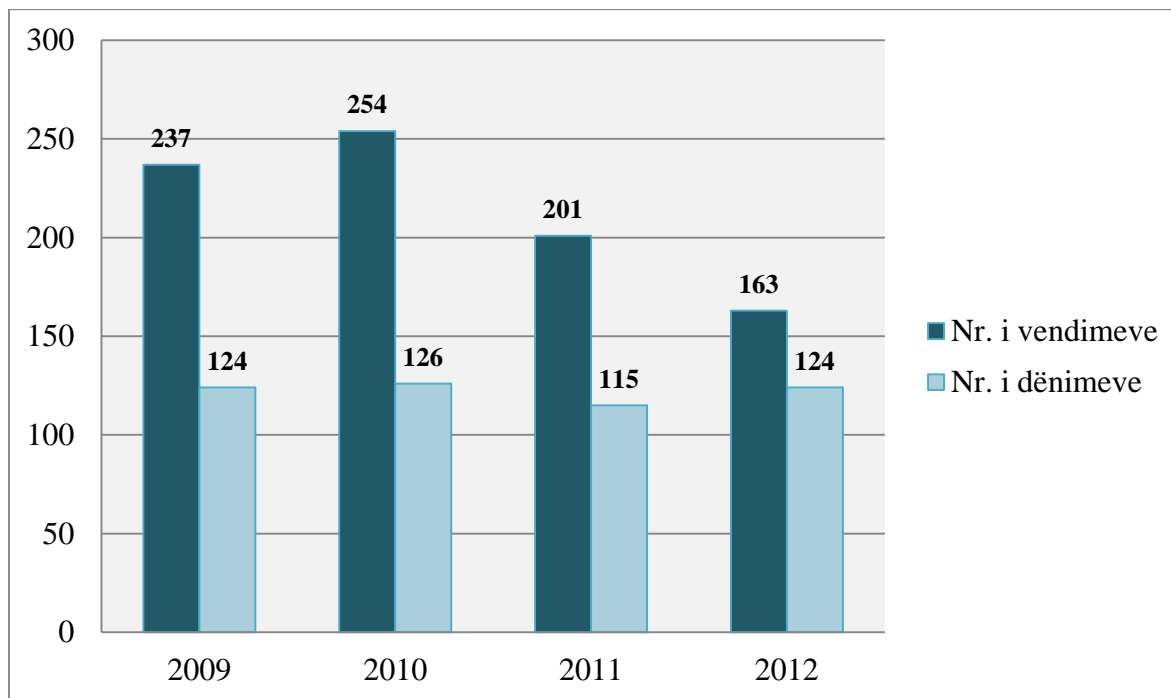
² Referred statistics are based on the consolidated statistics of the inter-institutional working groups and the Order of the Minister of Justice no. 8904/1, dated 12.12.2013 “On collection and processing of statistical data on criminal offences related to corruption and organized crime”.

³ GRECO – Group of States against Corruption.

⁴ Global Corruption Barometer 2013, Transparency International, <http://www.transparency.org/gcb2013/country/?country=albania>

highest level of corruption, with proceeding and punishment of corruption still remaining problematic. Although a number of initiatives have been taken during the last years to punish corruption, including the establishment of Joint Investigation Units, anti-corruption units in law enforcing institutions, etc., the cooperation among law enforcing agencies for a proactive investigation of corruption cases has failed to show significant results.

Number of decisions as compared to the number of convictions issued by judicial districts courts



Concerning **corruption awareness**, there is an increase of awareness about corruption-related issues which are being perceived as present in many governance areas.⁵ In sectors such as justice, health and political parties, corruption has achieved alarming levels, thus affecting the credibility to government's institutions.

International partners' reports underline the main problems in this area that extend beyond the perception of corruption and analyse the concrete issues of the situation. In 2014, the Parliamentary Assembly of the Council of Europe cited in its reports the lack of punishment for corruption cases. On the other hand, the 2014 Progress Report has underlined that Albania should intensify its anti-corruption efforts, strengthen the cooperation among law enforcing agencies and eliminate obstacles to proactive investigations. In addition, investigations of unjustified assets and corruption

⁵ Global Corruption Barometer 2013, Transparency International, <http://www.transparency.org/gcb2013/country/?country=albania>

should be efficient, including the efficient use of financial investigation. This will lead in time in building a track record of criminal prosecutions and final court decisions in corruption cases.

According to the report two areas where efforts should focus in the fight against corruption are taxation and customs services, increasing proactive investigations and improving the inner audit and risk evaluation. In the framework of public fund management, there is a need to increase the transparency of public procurement procedures, including small value purchases, in order to reduce the risk for corruption and improve competition.⁶

In addition, *Indicative Strategy Paper 2014-2020*⁷ recommends that Albania should have a holistic approach in order to create a powerful institutional framework to prevent corruption, improving cooperation among agencies and strengthening the inner control mechanisms, verification of the declaration of assets and monitoring of political parties funding. The institutional organization should significantly strengthen, both as regards the staff and the safeguarding of full independence of law implementation and judicial organs involved in the investigation of corruption cases.

Challenges

Challenges identified in this document are based on EU evaluation reports and evaluations of international organizations. Priorities have also been identified based in documents of technical assistance offered by ACFA Project.⁸

General challenges related to the comprehensive anticorruption framework are as follows:

- Strengthen the integrity of the public administration
- Reform the justice system and independence of the judiciary
- Increase the quality of the legislation
- Stability of the public administration
- Support the independence and/or functional autonomy of key institutions (law enforcing and independent institutions)
- Lack of trust or inter-institutional cooperation

Considering that the justice reform and the public administration reform are specifically addressed in the respective strategic documents of the Government⁹, in order to avoid repetitions and overlaps, the NSAC addresses the above-mentioned challenges only in the framework of its specific objectives.

In the framework of prevention, the following challenges are evidenced:

1. Transparency of state activity

Increased transparency of state activities enables a more complete control from the public. Latest legal amendments related to the right to information, through the approval of law no. 119/2014 “On the right to information”, improve citizens and subjects’ opportunities to monitor the state

⁶ 2014 EU Progress Report

⁷ *IPA II- Indicative strategy paper for Albania (2014-2020)* approved on 18/08/2014

⁸ *ACFA-Anti Corruption Framework Assessment project*, 2014 funded by the European Union

⁹ SNRAP Project and draft strategy of the justice system (still under process when NSAC was approved).

activities. However, more work is needed for the full implementation of the law, including through establishing of structures or appointment of responsible persons in institutions to ensure the implementation of the law and approval of by-legal laws for the full implementation of the law.

As concerns the transparency for the use of budgetary funds, the Council of Ministers has approved a decision, with its legal amendments of March 2014, on the electronic tendering procedures for concessions and public-private partnerships, as well as provisions clarifying the guidelines for small value procurement procedures, that ensure better access of citizens to the use of budgetary funds. However, amendments to the Law on Concessions and Public-Private Partnerships require an increased transparency concerning concessions as high corruption risk areas, as well as the set up of integrated systems on budgeting, financial management and procurement.

The procurement monitoring process should continue, while there is a need for increased control of potential violations during the procurement processes, including cases of the conflicts of interests.

2. Prevention of the conflicts of interest and the declaration of assets in the framework of strengthened integrity of the public officials

In May 2014 amendments were approved in laws related to the declaration assets and the conflict of interest, increasing the number and frequency of audits from the High Inspectorate for the Declaration and Audit of Assets and Conflict of Interest (HIDAACI), making obligatory the declaration of cash money over a specific value and requiring bank depositing of such amounts. Submission of false information has become a criminal offence, while new legislation on protection of whistleblowers in cases of corruption and the establishment of the respective structures for the implementation of this law is expected.

HIDAACI work is based on the cooperation among responsible authorities and their key role, therefore, cooperation between HIDAACI and other institutions remains a challenge. Increased technical capacities of the HIDAACI, access to government database on the exchange of necessary information for the administrative investigations and the increased capacities of the responsible authorities still remain challenges. Furthermore, publication of the declarations of assets (following GRECO and international organizations' recommendations) as well as the auditing of assets of the high officials remains a priority.

3. Auditing of the political parties' financing

Despite the above-mentioned progress on the auditing of political parties' financing through the improvement of the legal and institutional framework, there are still gaps and issues in the legal provisions and Electoral Code evidenced by ACFA Project. The main issue remains the set up of the respective structures for auditing the political parties' financing, establishing clear deadlines of reporting, the obligation to register financial reports of the electoral campaigns, the publication of financial reports, the limitation of auditing and reporting requests depending on the relevance of the parties, and the simplification of financial reporting and auditing requirements, in order for financial auditors and CEC auditors to be responsible only for the auditing of key information.

4. Planning, coordination and monitoring of measures against corruption

The institution of the National Coordinator against Corruption was established in the framework of coordination, as an institution leading the government's efforts for the implementation of measures related to the Priority no. 3. NCAC has played a key role in establishing the network of points of contacts within various institutions and has coordinated important policies, such as undertaking steps to provide access for the Prosecution Office to databases of other institutions. But a successful coordination, monitoring and implementation of measures against corruption requires increased human resources and capacities.

In the framework of punishment the following challenges are evidenced:

Concerning the legal framework against corruption, amendments to the Code of Criminal Procedure during 2014 transferred the jurisdiction on cases related to passive and active corruption of judges, prosecutors, justice officials, high state officials and local elected to the Prosecution Office of Serious Crimes and Court of Serious Crimes. The Anti-Mafia Law was also amended in 2014, expanding the sequestering and confiscation of illegal assets deriving from corruption to all criminal offences under the competencies of the Court of Serious Crimes. The law on State Police was amended in September 2014 to sanction the establishment of a National Bureau of Investigation in charge of investigations related to corruption cases.

Following these changes and issues previously identified, the investigation and proceeding of corruption related cases still remains a challenge. Some of the issues evidenced by ACFA Project and PAMECA Mission are: clarification of the jurisdictions and immunities of the high officials (following the legal amendments), explain and ensure the appropriate central coordination of investigations on corruption-related cases, ensure coordination between POSC and National Bureau of Investigation. Necessary legal amendments should be established in order to increase the efficiency of investigation procedures and punishment of corruption crimes. The support of the Prosecution Office and JIUs through the appropriate sources and capacities remains a key challenge. The role of the School of Magistrates and Police Education Centre in this process is vital.

In the framework of awareness the following challenges are evidenced:

Taking into account the large number of actors in this area, the government should undertake all the necessary measures to initiate awareness campaigns on the relevance of the fight against corruption and the role of citizens. This effort should be coordinated and the Government's activities should reflect the relevance of this priority.

CHAPTER 2 – VISION, POLICIES AND POLICY OBJECTIVES

Vision

Transparent and high-integrity Albanian institutions that enjoy citizens trust and ensure a qualitative and incorruptible service.

The new strategy reflects the main directions of the government program in the fight against corruption and strategic documents for the future, as reflected below. The anti-corruption chapter and sections related to the fight against corruption in the government program have the following objectives:

- Significant intensification of the fight against corruption;
- Detailed examination of the existing legislation and proposal of legal initiatives to avoid as much as possible chances to engage in corruption practices in the public and private sectors;
- Undertaking legal initiatives and supporting the implementation of measures that encourage people to report corruption cases;
- Committed implementation of the legislation and undertaking of new initiatives concerning the publication of official documents and transparency of administrative procedures;
- Increasing the accountability of public officials while performing their duties;
- Avoiding all political influences that have so far served to exchange favours and influences between the executive and the judicial;
- Greater and relevant involvement of the civil society, private sector and academia in drafting, implementing and monitoring legal initiatives, strategies and programs against corruption.

Concerning the **prevention of corruption**, the objective of these policies is the eradication of corruption from the public administration and all other government sectors, mainly institutions offering public services to citizens.

Following the above-mentioned challenges, the key aim is to strengthen transparency through the implementation of the respective legislation in all areas of state activity, increase transparency on monitoring and financing of political parties and strengthen the integrity and transparency of public officials.

Concerning the **punishment of corruption**, the law enforcing institutions, especially independent institutions which play a key role in this process, should monitor the implementation of the law and the principle of rule of law to ensure the transparency and integrity of government bodies.

The above-mentioned challenges aim to increase the capacities and cooperation related to investigation of corruption cases, as well as to introduce measures for more efficient and effective investigations. Necessary legal amendments should also be introduced in order to improve investigations and increase the number of proactive investigations and investigations that use special techniques. Exchange of information should improve and law enforcing organs should have sufficient and quick access to information.

Concerning **awareness against corruption**, the general public should participate in the fight against corruption, reporting corruption cases and participating actively in initiatives that aim to prevent corruption cases.

For the long-term period, petty corruption should cease to be present as one of the most important issues related to service delivery and public perception, while corruption from public officials and high-level officials should be punished according to the respective legal provisions, clearly indicating that legal punishment is equally applied for all.

CHAPTER 3 – POLICY OBJECTIVES AND MAJOR AIMS

The major aims of this strategy are the prevention, punishment and raising awareness against corruption. These are long-term objectives and extend in time during the implementation period of the strategy and the attached action plan.

A. PREVENTIVE APPROACH

The objectives in the framework of the preventive approach shall include:

Objective A 1 - Increased transparency in state activity and improved access to information for the citizens

Public participation in the complex process of governance is both indispensable and a guarantee for maintaining the governance integrity. Transparency of the state activity, on the other hand and access of private persons (citizens and businesses) to the Government information is a key condition for their participation in public life and protection of their private interests.

The monitoring process of the implementation of the law on access to official documents has evidenced serious legal and administrative issues that affect the unhindered access of citizens to government's information. Sectoral approaches of all the institutions that will implement this strategy will pay special attention to the objective of transparency. They will break down at sector level this key principle of democratic governance by means of the following measures:

1. Implementation of the Open Government principles through the set up and the efficient use of the government portal “Open Data”, and increased number of services delivered electronically;
2. Strengthened and constant use of the electronic means that enable the transparency of the public administration, justice system, integrated management of territorial information, etc;
3. Full implementation of the Law on the Right to Information and law “On Notification and Public Consultation” to ensure the transparency of information;
4. Equipping traffic police staff and those of the general patrols with observation cameras for better transparency of their actions;
5. Publication of the results of inspections, controls and/or risk analysis of institutions;
6. Transparent recruitment processes and management of human resources in the education and civil service sectors;
7. Institutionalization of communication and consultations with the business community and groups of interest for drafting and adopting the legislation in the respective areas, distributing information to advisors and facilitating business procedures.

Objective A 2 – Increasing transparency in planning, elaboration, management and control of budget funds

Good governance is enabled through collection of taxpayers’ contribution and good use of the budgetary funds. Mismanagement of the state budget is typically caused by various corruptive factors affecting the public institutions that manage such budget. Therefore, the objective is to:

1. Assess the performance of public procurements in the areas of high corruption risk and take measures to expel commercial entities according to the legislation in force;
2. Publication of key financial information on defence, concessions, procurements and income of state capital companies;
3. Transparent and efficient public procurements through performance assessment and measurement based on concrete and objective indicators;
4. Increased capacities of the auditing structures related to corruption and prevention of corruption.

Objective A 3 – Strengthening the electronic infrastructure of public institutions

Improving the official websites of public institutions, making them interactive, filing complaints electronically, and increasing the number of services provided electronically, etc., would naturally impact the fight against corruption. Pursuant to this objective, the sectoral approaches of the institutions that will implement the Strategy promise developments and solutions of the obvious anti-corruption potential:

1. Implementation of the Program "Innovation against corruption" aiming the modernization of public services through facilitated and integrated procedures and unified service delivery to a single centre; Digitalization of the available information in sectors with high-level of corruption risk and high influence on the perception of corruption, including here:
 - a. Health sector on tracking medicaments;
 - b. Justice pertaining to random selection of delegation;
 - c. Establishing a geo-portal of information and access to maps related to real estate properties and their values;

2. Digitalization of the labour inspection system.

Objective A 4 – Improving the handling of denunciations against corruption

Cooperation among internal officials (*whistleblowers*) of public and/or private institutions, law enforcement agencies and the public is of a vital importance for the successful investigation of corruption related offences. Albania lacks the adequate legal framework to benefit from this cooperation form.

In the framework of improved mechanisms for the protection of whistleblowers, as a mean to protect high integrity officials and monitor state activity, the following is expected:

1. Set up of the legal framework and subordinate legal acts on the rights of whistleblowers;
2. Set up and strengthening of the responsible structures within and outside the institutions to handle corruption cases.

In the framework of improved mechanisms to handle public denunciations and cooperation to increase trust to the state structures:

1. Establish a unique approach to handle cases of corruption reported from the general public;
2. Increase trust to the public administration through transparency in handling denunciations and the publication of related data;
3. Electronic delivery of complaints and ensure tracking of administrative examination of citizens' complaints.

Objective A 5 – Strengthen the regime of disclosure and control of public officials' wealth and cases of conflict of interest

The rigorous application of the asset declaration and audit regime, as well as measures to prevent and find out cases of conflict of interests are important tools to limit corruption. The monitoring of law implementation and different analyses that were made to the current law on the declaration of assets indicated serious problems of legal and administrative nature, which affect the effectiveness of the public officials' assets audit regime. The following activities are considered extremely important:

1. Harmonized legal amendments related to declaration and audit of the assets of public officials, aiming to improve the process of assets' declaration and audit;
2. Implementation of GRECO/ Council of Europe's recommendations on declaration and audit of assets and conflict of interests;
3. Ensure online declaration of assets for all declaring subjects and publication of the declarations of private interests without request;
4. Harmonized legal amendments on the prevention and handling of the conflicts of interests; set up and functioning of the electronic register of conflicts of interests;

5. Approved subordinate legal acts detailing the requirements of the law on the prevention of the conflict of interest in relevant and complex sectors, such as concessions and public-private partnerships;
6. Increased capacities of the public administration structures / responsible authorities to detect, handle and resolve conflicts of interests.

Objective A 6 - Strengthening the controlling regime for political parties' financing

The integrity of the political parties is an essential precondition for the integrity of governance and the prevention of corruption. The integrity of political parties is threatened mostly by illicit funding. Therefore, it is of vital importance for the the success of the fight against corruption in Albania to strengthen the regime of controls over the financing of political parties. This objective is in full compliance with the scope of activity of the Central Election Committee as an independent institution:

1. Propose and draft amendments to the Electoral Code related to the use of public sources and funds during electoral campaigns;
2. Adopt laws and/or bylaws to enable the simplification of auditing procedures for the political parties' financing;
3. Measures to establish and increase the capacities of CEC respective structures in monitoring and auditing reports;
4. Awareness raising campaigns on vote purchasing and avoidance of corruptive affairs for political reasons during electoral campaigns.

Objective A 7 – Improving the efficiency of internal audit and inspection and systematic use of risk analyses

Internal auditing and administrative inspection has often indicated issues of structural, procedural and ethical nature, which if not eliminated, may create the appropriate terrain for corruption. Risk analyses are a novelty for the Albanian public administration, provided through recent legislative amendments. Knowing the potential of such approach in the fight against corruption, the government decided to make the use of systematic risk analyses a main objective of the 2015–2017 Anti-Corruption Strategy. The strategy is focused on the following:

1. Revise the legal framework on public financing for an effective functioning;
2. Increase and strengthen the capacities of the internal auditing structures and improve the quality of audit in order to prevent corruption cases;
3. Reform the justice system inspection focusing on courts and prosecution offices;
4. Electronic inspections and coordination through the Central Inspectorate to prevent corruption of inspections;
5. Strengthen the monitoring and auditing process related to the execution of public procurement contracts.

Objective A 8 - Systematic use of the mechanism for identifying areas of corruption

Often, the seed of corruption is planted from the drafting stage of laws and subordinate legal acts. The envisagement of complex procedures to receive a service, the envisagement of overlapping responsibilities and roles, the envisagement of long and unreasonable deadlines etc., are some of the examples of how laws and subordinate legal acts may become the cause for flourishing of corruption in different governance sectors. In such circumstances, so to fight corruption, it is very important for all public institutions that draft laws and subordinate legal acts to adopt and use a corruption proofing of legislation methodology.

Just as the risk analyses, the evaluation of corruption proofing of legislation is a novelty for the Albanian public administration. Knowing the potential of such method in the fight against corruption, the government has decided to make its systematic use a key objective of the 2015 – 2017 anti-Corruption Strategy:

1. Including the Corruption Proofing Manual drafted by PACA in the revised manual on the draft legislation;
2. Increasing the capacities of the respective structures to evaluate areas of corruption.

Objective A 9 – Strengthening the integrity of public officials

Honesty and integrity of individuals hired in the public sector is a precondition to prevent corruption. Under such circumstances, it is vital for some sectors of governance which have an inclination to corruption (such as, police, procurement, taxation, judicial, etc), to adopt and implement methodologies to preliminarily test the integrity of candidates for these positions and the constant integrity of their officials. The long-term activities are as follows:

1. Recruitment of high integrity individuals in the public administration;
2. Strengthened integrity of the officials of the law enforcing agencies and reduction of corruption;
3. Increased institutional capacities to implement integrity testing systems.

Objective A 10 - Systematic analysis of inclinations to corruption and improvement of statistics on the activity of law enforcing agencies in the fight against corruption

Corruption as a phenomenon tends to be dynamic, in the sense that it once appears in a certain sector and then in another, depending on circumstances such as the *lack of transparency, lack of a mechanism to hear the voice of interested entities, lack of clear complaint administrative procedures etc.* In such circumstances, the responsibility towards corruption must also be dynamic. Such dynamism is ensured through the systematic analysis of inclinations to corruption, analysis of Government's consolidated statistics and other law enforcing organs' statistics on corruption. Statistics consolidation has been a priority for Albania and highly recommended by the EU during the last 10 years. It is vital for the statistical data to be coordinated among all law enforcing agencies and to clearly evidence facts such as: the number of investigations, the number of judgements, the number and size of punishments, the sources of criminal reports, the areas of reported and punished cases, etc. The specific objectives focus on the following:

1. Increased capacities of various units in the framework of the fight against corruption in Albania;
2. Set up a consolidated track record system for the registration of investigations related to organized crime, financial crime and corruption;
3. Set up systems that enable analysing of statistics of the law enforcing organs, including Case Management systems;
4. Increased capacity of the staff of the law enforcing organs on statistical reporting and analysis of statistical data related to corruption cases;
5. Interconnection of various electronic systems for an accurate communication of statistics.

Objective A. 11 – Adoption of policies against corruption at local government level

It is essential for the local government institutions to be involved in the government’s anti-corruption program, approving the above-mentioned objectives and policies and adopting them to the specifics of the local government:

1. Establishing a *one stop shop* at local level to offer services and/or facilitate the procedures to receive services;
2. Establish updated websites and publication of budgetary data and expenses for each municipality;
3. Offer better practices to new local government units related to finance management and reporting;
4. Establish a monitoring and periodical evaluation mechanism for the services delivered and the economic support at the local level.

B. REPRESSIVE APPROACH

Objectives in the framework of the punitive approach will include:

Objective B 1 - Improved efficiency and effectiveness of criminal investigations against corruption

The criminal investigation of economic and financial crime must be quick (*evidence that confirm these kinds of crime are inclined to disappear*) and able to verify 2 things in detail: a) culpability and b) illegal enrichment of the suspects.

For this purpose, law enforcement agencies must be able to use the special investigation methods (*interceptions, surveillance, etc*), to carry out comprehensive financial investigations and to benefit from the cooperation of several public and private institutions. Therefore, the suggested activities in this framework are as follows:

1. Increased number of operations using special investigation techniques and proactive techniques and increased capacity of the respective structures of the law enforcing organs;
2. Increase operations in the corruption area;
3. Better use and management of the information related to the investigation of corruption cases;

4. Strengthen capacities through joint trainings with law enforcing agencies involved in the fight against corruption;
5. Ensure permanence of JPOs and officials of law enforcing organs.

Objective B 2 – Improving cooperation among law enforcement agencies in the criminal prosecution and punishment of corruption

While the investigation and punishment of a common crime includes the trio police, prosecutor's office, and judiciary, the successful investigation of economic crime includes a wider range of stakeholders, such as HIDAACI, SSA, GDPML, and private entities such as banks, construction companies, immovable property agencies, travel agencies, etc. The fruitful cooperation between investigation bodies and these entities is a precondition to succeed in the criminal fight against corruption. This includes:

1. Clarification of the cooperation framework among various law enforcing structures (administrative, criminal) to increase the efficiency of the investigation and punishment of corruption;
2. Enable permanent electronic access of law enforcing organs to government databases and/or further extension of access to enable more efficient and rapid exchange of information during investigations;
3. Analysing corruption tendencies;
4. Exchange of information among law enforcing bodies on corruption complaints, including exchange of information on areas of key importance such as justice, health, immovable property, etc., for a better management of information on corruption investigation.

Objective B 3 – Improving the legal framework for the prosecution of economic and financial crimes

The legal framework on the criminal prosecution of corruption cases must continuously react to corruption inclinations and problems identified from the investigation and punishment of corruption related crimes.

1. In the framework of the justice reform there is a need to analyse and revise the following legal framework in order to harmonize the investigation process and criminal prosecution:
 - a. Code of Criminal Procedure;
 - b. Law on Prevention and Strike of Organized Crime and Trafficking through Preventive Measures against Assets;
 - c. Law on interception of electronic communications (and electronic communications, if deemed necessary);
 - d. Law on Public Cooperation against Corruption.
2. Amendments shall aim to improve the conditions for investigation, including as follows:
 - i. deadlines of preliminary investigations;
 - ii. use of interceptions;
 - iii. use of evidences in corruption cases.

Objective B 4 – Improving international legal and police cooperation in the fight against economic and financial crime

The incomes from economic and financial crime are often deposited or invested outside the country. In such circumstances, it is very important for law enforcement bodies to cooperate with their counterparts from other countries, especially when it comes to financial investigations.

Under such objective sectoral approaches emphasize the need for specific trainings and strengthened relations with counterpart authorities in foreign countries.

C. AWARENESS APPROACH

Objectives in the framework of awareness approach will include:

Objective C 1 – Raising awareness and educating the public on the consequences of corruption

The cooperation of the general public in the fight against corruption is indispensable. In order to ensure such cooperation, the responsible institutions must increase public awareness on the negative consequences of corruption on the life of each individual in the society.

1. Awareness raising tools are included in the curricula of continued education;
2. Conducting national awareness raising campaigns against corruption;
3. Conducting a campaign on whistleblowers denunciation;
4. Training public officials on the implementation of the law on whistleblowers in cases of corruption;
5. Conducting awareness raising campaigns on the use of various systems to avoid corruption.

Objective C 2 – Encouraging the general public to actively use the complaints mechanisms to report and prevent corruption

Encouraging the public to use the mechanisms and systems of complaints is one of the most efficient instruments in the fight against corruption. Building trust on the real functioning of these mechanisms shall influence to increase the number of complaints and reports, thus positively affecting the efficiency of the fight against corruption.

1. Introduce electronic means to report corruption cases;
2. Online publication of all subordinate legal acts providing procedures to handle complaints and their deadlines;
3. Public reporting on handled corruption cases.

Objective C 3 – Encouraging cooperation with the civil society

During the recent years, the civil society in Albania has developed a high level of expertise regarding techniques and methods of drafting and monitoring anti-corruption measures. Therefore, it is very important to include the civil society stakeholders in the drafting process, as well as to allow it to monitor the application of the government's anticorruption measures. Partnership with the civil society and the business community will be raised at the required level and will be further strengthened not only through their involvement in opinion taking but also at decision making level. This partnership will be enhanced by means of consultative meetings.

1. Reviewed legal framework on general public cooperation in reporting corruption cases;
2. Strengthened cooperation between independent institutions and the media;
3. Improved consulting during drafting and assessment of policies against corruption.

CHAPTER 4 – FINANCIAL SOURCES

This chapter gives a general description of the allocation of financial sources for financing the products of the three-year Action Plan 2015-2017 for the implementation of the Strategy. The costs for the implementation of the concrete measures have been submitted by each responsible ministry or institution.

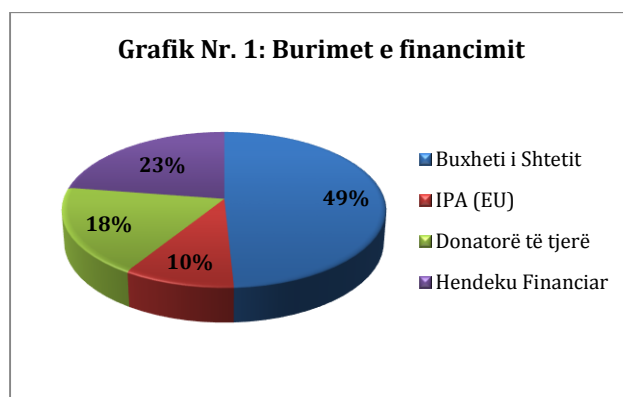
The costing process is based on consultations with the national documents, including the Medium-Term Budgetary Program 2015-2017, as well as consultations with involved institutions. This process aims to evidence the financial overlaps in the strategic documents. The analytic costing of each measure is attached to the Action Plan.

The general calculated cost for the implementation of the Strategy and Action Plan is 1,730,727,309.60 Lekë or 12,362,337.93 Euro.

The preventive approach is expected to have the biggest weight in financial terms in the implementation of the plan, with 57%. The repressive and awareness approaches occupy respectively 32% and 11% of the total budget of the Action Plan.

Strategy Approaches	Total potential cost	Financial sources			
		State Budget	IPA (EU)	Other donors	Financial gap
A. PREVENTIVE APPROACH	986,706,634.60	372,174,714.60	170,240,000.00	268,619,000.00	175,672,920.00
B. REPRESSIVE APPROACH	548,090,432.00	477,791,000.00	-	-	70,299,432.00
C. AWARENESS APPROACH	195,930,243.00	1,080,000.00	-	48,970,243.00	145,880,000.00
TOTAL	1,730,727,309.60	851,045,714.60	170,240,000.00	317,589,243.00	391,852,352.00
Equivalent in EUR	12,362,337.93	6,078,897.96	1,216,000.00	2,268,494.59	2,798,945.37

Financing of the Action Plan of the Strategy will be covered from two main sources, the State Budget and the financial support of the donors' community. The State Budget is expected to finance the implementation of the Action Plan to the amount of 49% of the required funds. The other part is expected to be financed by the European Union and other donors (World Bank, UNDP, OSCE, USAID, OPDAT, etc.). At the drafting moment of the Action Plan the financial gap was estimated to be 23% of the total.



The biggest specific weight is occupied by necessary expenses for the implementation of the measures in the framework of Objective B. 1 "Improved efficiency and effectiveness of criminal investigations against corruption cases" with 30%, Objective A. 1 "Increased transparency of the state activity and improved access to information for the citizens" with 16% and Objective A. 3 "Strengthening the electronic infrastructure of public institutions" with 14%.

Objectives	Total potential cost	In % (Objective / Total)
A. 1 Increased transparency of the state activity and improved access to information for the citizens	270,969,657.60	16%
A. 2 Increasing transparency in planning, elaboration, management and control of budget funds	5,300,000.00	0%
A. 3 Strengthening the electronic infrastructure of public institution	238,036,667.00	14%
A. 4 Improving the handling of denunciations against corruption	151,800,000.00	9%
A. 5 Strengthen the regime of disclosure and control of public officials' wealth and cases of conflict of interest	109,717,390.00	6%
A. 6 - Strengthening the controlling regime for political parties' financing	2,275,000.00	0%
A. 7 Improving the efficiency of internal audit and inspection and systematic use of risk analyses	33,174,320.00	2%

A. 8 Systematic use of the mechanism for identifying areas of corruption	739,680.00	0%
A. 9 Strengthening the integrity of public officials	10,080,000.00	1%
A. 10 Systematic analysis of inclinations to corruption and improvement of statistics on the activity of law enforcing agencies in the fight against corruption	164,613,920.00	10%
A. 11 Adoption of policies against corruption at local government level	-	0%
B. 1 Improved efficiency and effectiveness of criminal investigations against corruption	524,024,432.00	30%
B. 2 Improving cooperation among law enforcement agencies in the criminal prosecution and punishment of corruption	13,874,000.00	1%
B. 3. Improving the legal framework for the prosecution of economic and financial crimes	6,216,000.00	0%
B. 4. Improving international legal and police cooperation in the fight against economic and financial crime	3,976,000.00	0%
C. 1 Raising Awareness and educating the public on the consequences of corruption	154,280,000.00	9%
C. 2 Encouraging the public to actively use complaints mechanisms to report and prevent corruption	40,040,000.00	2%
C. 3. Encouraging cooperation with the civil society	1,610,243.00	0%
TOTAL	1,730,727,309.60	100%

The Action Plan of the Strategy will be revised on yearly basis in order to adapt to the progress of the implementation measures and update according to the cycle of annual budgetary program and other priorities of each sector. For the Action Plan measures which are yet not financially covered, the responsible institutions shall plan the budgetary needs through their respective budgetary programs as part of the planning process of the Medium-term Budgetary Program and the annual budget. In addition, the Council of Ministers in cooperation with the donors' community shall identify financial support options for the measures which currently are not financially covered.

CHAPTER 5 – ACCOUNTABILITY, MONITORING AND EVALUATING ANALYSES

Implementing institutions

The Strategy shall be implemented through the coordinated efforts of the Minister of State for Local Issues and NCAC and his reports to the government.

In this role, following the approval of the 2015-2017 anti-Corruption Strategy, NCAC shall establish a monitoring and implementing mechanism for the anti-corruption strategy. The objective of the coordination and monitoring mechanism is to coordinate the work for the implementation of the strategy, through further development and approval of the action plan,

monitoring of the implementation of the action plan and public reporting on the implementation progress. The mechanism shall be supported by a technical Secretariat, while NCAC, in his role as the head of this mechanism, shall seek contribution from all the institutions involved with the strategy.

In support of the monitoring process, NCAC shall have the responsibility to use all the potential platforms of communication and include all independent institutions and civil society in the implementation and monitoring process of the strategy.

General indicators and objectives of the Strategy

Description of indicators	Baseline/ Main points	Target for 2017	Target for 2020
Index of corruption perception	According to index measuring (0-100, where 0 corresponds to a high level of corruption and 100 corresponds to a low level of corruption) Albania's index is 33	37.5 (Increase of 1.5-2.5 points per year)	40.5 (Increase of 1.5-2.5 points per year)
Corruption Control, World Bank	Compound indicator measuring the corruption status and indicating the percentage of countries with a lower performance Albania is ranked better than 25.84% of other assessed countries	Albania performs better than 34% of other countries assessed in relation to corruption	Albania performs better than 40% of other countries assessed in relation to corruption
Study on the performance of Entrepreneurship and Investment environment, World Bank	2005 and 2008 studies, indicate corruption as a main obstacle for the business (ranked second in relevance)	Corruption is not one of the 3 most important obstacles for the business	Corruption is not one of the 4 most important obstacles for the business

Nations in Transit Report	The assessment of the corruption situation in Albania is 5.25 (where 1=very well, 7= very bad) The average assessment is 3.43 for the EU countries and 4.79 for the Balkans	Assessment for Albania is 4.5	Assessment for Albania is 4.2
GRECO recommendations on prevention of corruption and the conflict of interest among judges, prosecutors and MPs	10 recommendations given to Albania in the 4 th round of assessments in 2014	All the recommendations of the 4 th round have been fully implemented	All the recommendations of the 5 th round have been fully implemented

Specific indicators

Taking into account the inter-sectoral nature of this document, it was decided that the specific indicators of this area should focus on the following:

- Achieving the specific indicators established for each measure according to the Action Plan attached to this Strategy;
- The number of investigations and proactive operations, as well the number of special technique investigations;
- The number of criminal denunciations for corruption offences according to the methodology of consolidated statistics;
- The number of issued punishments for corruption offences.

Periodical reports, reporting methodology and public reports

The objectives of the coordinating and monitoring mechanism are to identify the achieved progress in the implementation of the strategy, to identify and amend issues related to the implementation of the strategy, as well as to increase awareness on the need to implement the respective measures.

Every 3 (three) and 6 (six) months, NCAC shall organize coordinating meetings for an extensive analysis of the problems. In addition, a meeting shall be organized every year in December on the International Day against Corruption. Every three months, the Technical Secretariat shall draft brief monitoring reports, which will be further evaluated by the monitoring mechanism. The

reports shall be published to enable access and information to interested parties, while every 6 (six) months, meetings shall be organized to discuss the monitoring reports prepared by the Technical Secretariat and published for consultation, which shall subsequently be submitted for approval to the monitoring mechanism. The Action Plan will be amended and updated every year by the coordinating mechanism, aiming to achieve the objectives of the strategy.

The Technical Secretariat, with the support of the institutions represented in the monitoring mechanism, as well as with the contribution of independent institutions and parties with which NCAC has established cooperation platforms, shall conduct the following activities related to the monitoring and implementation of the strategy:

- a. Collect monitoring draft reports from institutions;
- b. Examine draft activity reports submitted by institutions concerning the implementation of the strategy and recommend, according to circumstances, their adoption, amendment or testing;
- c. Draft an integrated plan following the updating of the Action Plan;
- d. Communicate to the institutions the decisions and guidelines of the monitoring mechanism;
- e. Draft an integrated implementation report;
- f. Communicate to the general public the decisions taken and documents approved.

As per the qualitative aspect of the monitoring process, the Technical Secretariat or the coordinating mechanism may suggest the use of the following methods for the monitoring and evaluation of the implementation of the strategy:

- a. An update on the achievement or failure of anti-corruption measures according to the Action Plan (Annex 1) and self-evaluations of the institutions;
- b. Thematic evaluations, according to the guidelines of the evaluation mechanism, on the efficiency of the undertaken measures;
- c. Use of statistical and qualitative analyses of comparative data in addition to data from the reports of institutions;
- d. Use of other reports from the United Nations, GRECO, OECD, etc, in relation to the evaluation of the situation in the fight against corruption;
- e. Communication with the third parties and the civil society on the evaluation of the implemented measures;
- f. Documenting the achievements and the best practices;
- g. Use of other evaluation methods, including surveys, assessments of the situation, questionnaires, etc.

Modalities and reporting ways, such as the application forms, the electronic information systems/programs, etc., shall be offered by the Technical Secretariat and approved by the coordinating mechanism in its first meeting. Updated modalities and reporting ways may be revised and adopted by the coordinating mechanism.

The monitoring reports shall be published on a yearly basis, always evidencing the achievements and shortcomings of the implementation, as well as the recommendations of the coordinating mechanism for the respective institutions. At the end of the strategy deadline, an evaluation report

shall be drafted, related both to the implementation of the strategy during the entire period and the impact of the strategy to achieve the objectives and the vision of the strategy. This report may be drafted with the assistance of third parties, according to the decision of the coordinating mechanism, but always in compliance with Order no. 139 of the Prime Minister “On the Implementation of the Monitoring Process of Sectoral and Inter-sectoral Strategies”. The Report shall examine the level of achievement of the indicators, year after year.

ANNEX 1