



ANTI-CORRUPTION PLEDGES MONITOR

Albania

An ambitious set of commitments

At the London Conference 2018, Albania took on an ambitious set of commitments to prevent and tackle corruption, such as more effective public-private partnerships, more transparent public procurement (including the introduction of e-procurement procedures and implementation of the Open Contracting Data Standard), signing up to the Common Reporting Standard initiative, joining the Addis Tax Initiative and participating in the IMF Fiscal Transparency Evaluation process. The country also pledged to do more to protect whistle-blowers, create more transparency on beneficial ownership and to join the Extractive Industries Transparency Initiative. Undertakings to drive out the culture of corruption focused on taking steps to ensure that the media are able to report on corruption issues in an objective and independent manner, strengthening the integrity of public officials and institutions (through strengthening safeguards, tightening rules on conflicts of interest and publicly disclosing the contents of asset declarations of members of parliament), increasing training on ethics and integrity, and anti-corruption education. Albania also committed to full implementation of all recommendations by the Council of Europe's Group of States against Corruption. Although more limited, the commitments for punishing corrupt officials aim to ensure that anti-corruption bodies are independent and adequately resourced, and to strengthen asset-recovery legislation.

Significant steps forward

A number of significant steps have been taken to implement the anti-corruption commitments, mainly by adopting legislation acts and cooperation agreements. A memorandum of understanding was signed between the Public Procurement Commission and the Open Contracting Partnership on 5 October 2020 to facilitate the implementation of the principles of open contracting, specifically to promote the use of the Open Contracting Data Standard. On 29 July 2020, the Albanian parliament passed a law for establishing a registry for beneficial owners, which partially aligns the Albanian legislation with the EU requirements on the prevention of the use of the financial system for money laundering or terrorist financing. The registry should be functional in electronic form by 31 January 2021. In June 2019, Parliament adopted a new law on the administration of confiscated assets, which provides for the Agency for the Administration of Seized and Confiscated Assets to operate under the Ministry of Interior. In January 2020, the law 'On automatic exchange of information on financial accounts' was adopted, which, according to the 2020 EU Progress Report for Albania, aims at conforming to international reporting standards and provides for partial alignment with the relevant 2014 EU directive.¹ There have also been consultations with the IMF on reforming the tax system, and the country signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.

Steps have been taken to introduce codes of ethics with regard to conflicts of interest within the line ministries, with the Ministry of Infrastructure and Energy being the first to adopt a code aimed at detecting and preventing conflict of interest. Moreover, a code of conduct for parliamentarians has been adopted, along with guidelines for its implementation. Ethical and professional evaluation of prosecutors and judges has been ongoing, but with around 500 (of 800) officials still to undergo vetting before the current deadline (2020). The Special Prosecution Office is now fully operational, with 13 of 15 special prosecutors appointed.² Anti-corruption education efforts, such as training for judges and prosecutors, continue.

Further progress needed

Justice system reform to fight corruption has been affected by institutional deadlocks, substantial delays in appointments and other obstacles caused by the lack of available resources.³ Challenges include the new or reformed institutions being expected to deliver results shortly after inception, meeting high public expectations, daily challenges with recruitment, office infrastructure and finance, and issues with over-regulation, transparency and communication. However, progress is starting to be seen, for example with the appointment of a head of the National Bureau of Investigation in July 2020 and three new judges to the Supreme Court. After four years of inactivity, the court is starting to work again, dealing with a backlog of 34 300 cases.⁴ The main challenge will be to establish a solid track record with regard to investigations, prosecutions and convictions in the fight against corruption and organized crime.

According to the 2020 EU Progress Report for Albania, the country 'has some level of preparation, including in the areas of public procurement'.⁵ The report further notes that 'the impact of anti-corruption measures in particularly vulnerable areas (customs, tax administration, education, health, public procurement, PPP contracts etc.) remains limited'. High-risk areas relate mainly to procurement, revenue administration and management of natural resources, with a more definitive anti-corruption strategy from government, and more investment in information and communication technologies and transparency being needed. There are concerns about freedom of the media, including a number of registered incidents about threats to journalists.

Despite being hailed as one of the main anti-corruption laws, the 'Whistleblowing and the Protection of Whistleblowers' law has yet to produce the expected results four years after its adoption. Limited knowledge about the provisions of this law, mistrust of public institutions and fear of reprisal have stymied the implementation of this law.

In its EU accession path, Albania is adopting an advanced anti-corruption legislation framework, but both political will for its effective implementation and societal engagement to fight corruption remain low.

ALBANIA AT A GLANCE

	INDICATORS	ACHIEVEMENTS	CHALLENGES
Public-private partnerships (PPPs)	<ul style="list-style-type: none"> Information sharing between public and private partners to prevent and disrupt money laundering linked to corruption. Information sharing between PPPs to enhance responses to international money laundering. Engagement with the Egmont Group of Financial Intelligence Units. 	<ul style="list-style-type: none"> Memorandum of understanding between Public Procurement Commission and the Open Contracting Partnership. New digital complaint-management system. Collaboration with the UNDP Regional Hub in Istanbul and the Open Contracting Partnership. Regular engagement of the General Directorate for the Prevention of Money Laundering with the Egmont Group. 	<ul style="list-style-type: none"> Political will and additional institutional capacity in fiscal risk assessment of PPPs. Proper public consultation with relevant target groups in adopting new legislation.
Public procurement and open contracting	<ul style="list-style-type: none"> Independence of public procurement procedures. Full implementation of the principles of the Open Contracting Data Standard. Use of e-procurement systems. Joining the Open Budgeting Partnership. 	<ul style="list-style-type: none"> Albania's score in the 2019 Open Budget Index: 55; up 5 points from 2017. Approval of the National Strategy on Public Procurement and its action plan for 2020–2023. Approval of the Electronic Register for Concessions and Public-Private Partnership. Approval of the law 'On procurements in the field of defence and security'. Adequate legislative oversight during the budget cycle. 	<ul style="list-style-type: none"> Ensuring effective implementation of public consultation legislation. Improving budget transparency and comprehensiveness of the 'Citizens Budget' and mid-year review. Engaging with the public during budget formulation and monitoring budget implementation.
Tax	<ul style="list-style-type: none"> Joining the Common Reporting Standard initiative. Joining the Addis Tax Initiative. Participating in the IMF Fiscal Transparency Evaluation process. 	<ul style="list-style-type: none"> Progress towards the implementation of the Common Reporting Standard. Adopting Law 4/2020: 'On automatic exchange of information on financial accounts'. Passing Law 93/2020: 'On the ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting' (Addis Tax Initiative). 	<ul style="list-style-type: none"> Lack of technical capacity to facilitate efficient exchange of information. No integration with EU systems of the electronic tax-administration system.
Whistle-blowing	<ul style="list-style-type: none"> Encourage reporting of corruption. Protection of whistle-blowers. 	<ul style="list-style-type: none"> New law constituting the comprehensive effort to provide protection to whistle-blowers in the private and public sectors introduced in 2016. Engaging civil society in awareness campaigns. Delivering training in collaboration with the Albanian School of Public Administration. 	<ul style="list-style-type: none"> Lack of general trust in the reporting mechanism. Lack of information on what legal protection is provided. Adopting changes to the law to address poor results.
Beneficial ownership	<ul style="list-style-type: none"> Establishment of a central register of beneficial ownership information. Effective access to law enforcement agencies with regard to beneficial ownership information. Implementation of the FATF recommendation on transparency and beneficial ownership of legal persons. Implementation of the Beneficial Ownership Data Standard. 	<ul style="list-style-type: none"> New law for the establishment of a registry for beneficial owners passed, in compliance with EU requirements. Collaboration between the Ministry of Economy and Finance and the National Agency for Information Society to make a register available to public administration in 2021. 	<ul style="list-style-type: none"> Fully complying with Directive 2015/849/EU1 on money laundering by October 2021. Adopting and implementing the law on Central Register of bank accounts. Full implementation of the laws resulting from the governmental action plan to address the relevant recommendations by the Financial Action Task Force.

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Extractive Industries Transparency Initiative	<ul style="list-style-type: none"> ■ Creating a unified license register or cadastre system. ■ Creating a system for allocating a share of royalties to local government units. 	<ul style="list-style-type: none"> ■ EITI Albania's launch of the 'Study of transparency about the usage of rent income and donations of extractive industry companies in local government (CSR)'. 	<ul style="list-style-type: none"> ■ No tangible progress towards setting up an online mining cadastre system. ■ Municipalities not fully benefiting from the mining royalty (5%) to be transferred to local government units.
Enforcement capabilities	<ul style="list-style-type: none"> ■ Ensuring that all anti-corruption bodies are fully independent and adequately resourced. 	<ul style="list-style-type: none"> ■ Memorandum of understanding between the HCJ and USAID for creating a body to reduce backlog in the supreme court. ■ Progress towards regulating conflicts of interest in the judicial system. 	<ul style="list-style-type: none"> ■ Difficulties reported by several new or reformed institutions in the justice system during the inception phase, related mainly to recruitment, office infrastructure or finance, over-regulation, transparency and communication. ■ Filling vacancies in the justice system with professional and vetted new appointments to address shortages in human resources. ■ An excessive number of anti-corruption offices and bodies, both new and existing. ■ Poor efficiency of audits, internal inspections and systematic use of risk analysis. ■ Limited follow-up mechanisms for penal offences.
Asset recovery	<ul style="list-style-type: none"> ■ Strengthening asset recovery legislation, including confiscation power not related to convictions. ■ Cooperation with international partners. 	<ul style="list-style-type: none"> ■ New law on the administration of confiscated assets allows for the establishment of an asset recovery office and provides for the Agency for the Administration of Seized and Confiscated Assets to operate under the Ministry of Interior. ■ Memorandum of understanding signed between the prosecuting authority, the Ministry of Economy and Finance, and the Ministry of Interior to increase the effectiveness of investigations in the fight against money laundering and terrorism financing.⁶ ■ Assets to the value of €100 million originating from criminal activity sequestered in 2019. ■ Joint training initiatives and continued cooperation with international institutions such as EUROPOL, CEPOL, INTERPOL, CARIN, BAMIN, UNDC, OSCE. 	<ul style="list-style-type: none"> ■ Strengthening the overall capacity of the Albanian law enforcement agencies, especially with regard to financial investigations, seizure and return of property acquired through criminal activities. ■ Addressing the gap between high-and low-value sequestered assets. ■ Information exchange with international partners (INTERPOL, EUROPOL, Carin, etc.) on the target number of cases for 2020 (1293 compared with 1232 in 2019; increase of 5%).
Media	<ul style="list-style-type: none"> ■ Adoption of measures to enable the media to report on corruption. 	<ul style="list-style-type: none"> ■ No significant achievements in supporting an enabling environment for the media to report on corruption. 	<ul style="list-style-type: none"> ■ Alerting the media and relevant civil society stakeholders to governmental anti-corruption policies. ■ Amending the media law in line with the recommendations of the Venice Commission.

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Institutional integrity	<ul style="list-style-type: none"> ■ Introduction of rules for members of parliament. ■ Improvement of the legal framework and organizational mechanisms for detecting and preventing conflicts of interest. ■ Public disclosure of the contents of asset declarations. ■ Review of the effective implementation of the system of periodic evaluation of judges' performance. ■ Training for judges and prosecutors on code of ethics. ■ Implementation of digitalised inspection procedures with built-in GPS, standardized checklists. ■ Establishment of institutional partnerships. ■ Promotion of stronger capabilities in the defence and security sectors vulnerable to corruption. 	<ul style="list-style-type: none"> ■ Adoption of the code of conduct for parliamentarians. ■ Amendments to the Rules of Procedure of the Assembly, which clarify and strengthen the enforcement and sanction mechanisms in case of violations of the code of conduct. ■ New system put in place for providing counselling to parliamentarians in respect of ethical issues, either through the Speaker or the chairs of the parliamentary committees and groups. ■ Addressing integrity compliance aspects in the current national anti-corruption strategic framework as well as in the framework of the GRECO 5th evaluation. ■ Completion of a pilot project on integrity compliance by the Ministry of Energy and Infrastructure. ■ Inspection activities in relation to the introduced anti-COVID-19 measures in businesses (in health, food and service sectors and cross-border points). ■ Clear procedure for selecting the General Inspector. ■ Continued efforts to create a system for electronic submission of asset/private interests declarations. ■ Adoption of the code of ethics regulating the detection and prevention of conflicts of interest and updated rules of procedure by the Ministry of Energy and Infrastructure. 	<ul style="list-style-type: none"> ■ Human resources in HJC fulfilled at the level of 20% because of inadequate infrastructure. ■ Delays in budget operations at the HJC. ■ No disciplinary steps taken against inspectors issuing rescinded administrative decisions. ■ Need for more training for judges and prosecutors on code of ethics.
Anti-corruption education	<ul style="list-style-type: none"> ■ Implementation of anti-corruption education and outreach programmes, which include engaging organizations in the public and private sectors. ■ Strengthening the capacity of anti-corruption bodies, judges and prosecutors to undertake corruption investigations. 	<ul style="list-style-type: none"> ■ Of the 24 activities identified by the anti-corruption strategy of the Ministry of Justice, 7 were fully implemented and 14 partially implemented. ■ Albanian School of Public Administration designed as the central institution for organizing training courses for increasing the capacity of Albanian institutions. ■ 850 public employees trained in 2019. ■ 121 training sessions for judges and prosecutors expected to take place between October 2020 and July 2021. 	<ul style="list-style-type: none"> ■ Of the 24 activities identified by the anti-corruption strategy of the Ministry of Justice, 17 still need to be implemented in full. ■ Lack of in-depth qualitative assessment and analysis of the achievement of objectives and policy goals relating to prevention, punishment and awareness.
International system	<ul style="list-style-type: none"> ■ Support of international bodies, including the UN, European Commission, G20, FATF, World Bank, EBRD, IMF and OECD. ■ Full implementation of all GRECO's recommendations in a timely manner. 	<ul style="list-style-type: none"> ■ Positive collaboration approach with all the international organizations and guarantee of structured follow-up and public management responses. ■ Transparent process for appointment of High Court justices and timeous comment received from the judiciary. ■ Objective and transparent criteria for evaluating a judge's ethical conduct, with due regard to the principle of judicial independence. 	<ul style="list-style-type: none"> ■ No development policy framework for cooperation or aid, or an agency for development cooperation with non-EU countries. ■ Periodic evaluation of magistrates not conducted in a timely manner. ■ Appointment of High Court judges should be in accordance with the existing constitutional and legislative framework.