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Project PACO Albania

## **STRENGTHENING THE ALBANIAN ANTI-CORRUPTION MONITORING GROUP**

Final project report

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The views expressed in this technical  
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# 1 INTRODUCTION

In April 2000, the Government of Albania presented a revised Anti-corruption Plan to the public containing a large number of measures.

At the same time – and following the suggestions of a Council of Europe team of experts and the Stability Pact Anti-corruption Initiative (SPAI) in March 2000 – an Anti-corruption Monitoring Group was established by the Government of Albania to follow the implementation of the plan.

The Albanian authorities subsequently requested the SPAI Managing Committee to suggest a prioritisation of the actions to be taken under the Anti-corruption Plan. In July 2000, the Council of Europe – on behalf of the SPAI Managing Committee – submitted a proposal to the Albanian Minister of State responsible for anti-corruption measures. According to this,

"the creation of a strong institutional mechanism ensuring the actual implementation of the anti-corruption strategy would appear to be of highest priority".

The Albanian authorities and the Council of Europe subsequently agreed to launch a technical assistance mission the objective of which was to support the Albanian authorities in the strengthening of the Anti-corruption Monitoring Group (ACMG).

The mission visited Albania from 5 to 15 September 2000 and – in close cooperation with the Albanian authorities – elaborated a set of recommendations which foresaw:

- a restructuring of the Anti-corruption Monitoring Group which should consist of a board and a permanent department with full-time personnel;
- enlarged functions of the ACMG (monitoring, advice and support, prevention and reporting);
- an important role of the ACMG in the improvement and prioritisation of the national anti-corruption plan; and
- relationships and interaction of the ACMG with other key institutions and civil society to ensure a broad involvement of institutions in the anti-corruption effort.

The recommendations of the mission were subsequently adopted by the Government of Albania (Decision by the Council of Ministers signed by the Prime-minister on 13 November 2000) which pledged to have this new Anti-corruption Monitoring Group in place by 1 January 2001.

The mission furthermore recommended that the establishment of the ACMG be supported through a technical cooperation project. In December 2001, the Council of Europe concluded an agreement with the Swedish International Development Cooperation Agency (SIDA) under which SIDA provided EURO 300,000 for the PACO Albania project aimed at the strengthening of the Anti-corruption Monitoring Group.

Initially, the project was to have a duration of 12 months (January to December 2001). Following the mid-term review in July 2001 and the project evaluation in February 2002, it was agreed to extend the project to 31 July 2002.

The present report summarises the activities carried out under this project from January 2001 to July 2002 and its achievements. The appendix contains a list of project reports which provide more detailed information.

## 2 PACO ALBANIA I—PROJECT DESCRIPTION

### 2.1 Project Design

On the basis of the commitment, which the Government of Albania undertook with the adoption of the anti-corruption plan and the establishment of the ACMG, the Council of Europe – with the financial support of SIDA – agreed to assist this new mechanism through a technical cooperation project, which was to address the following needs:

- Definition of tasks of the ACMG in detail and preparation of workplans
- Strategic planning, among other things, for improvements of the Anti-corruption Plan
- Training of staff of the ACMG and contact points of other institutions
- Preparation of reporting guidelines and training in reporting
- Design of surveys
- Drafting of regulations and improvement of legislation
- Review of training programmes of other institutions and programmes with a view to add on anti-corruption components
- Promotion of prevention measures.

Primary beneficiaries of the project were to be:

- Staff of the Anti-corruption Monitoring Group (staff of the Permanent Unit and the ACMG Board)
- Office of the Minister of State for Anti-Corruption
- Office of the Prosecutor General of Albania
- Other institutions involved in the matrix implementation
- Contact points in cooperating institutions.

Institutions involved in the Anti-corruption Plan and cooperating with the ACMG were expected to benefit indirectly through the enhanced capacity of the ACMG to provide support and advice as well as through the information exchange with respect to the report writing, and the workshop sessions on the improvement of the Anti-corruption Plan.

The project design follows a logic under which activities contribute to five outputs which in turn lead to the project objective. The achievement of this objective are expected to contribute to a longer term objective:

<b>Long-term objective:</b>	The project to assist Albania in the implementation of the Stability Pact Anti-corruption Initiative (SPAI) which will in turn contribute to the development of a community governed by the rule of law, increasing the possibilities of attracting foreign investments and getting closer to the negotiations on a stabilisation and association agreement with the European Commission.
<b>Project objective:</b>	The project is to contribute to the strengthening of the Anti-corruption Monitoring Group. By the end of the one-year phase, the "new" ACMG will be fully functional
<b>Output 1:</b>	The ACMG will be functional and have produced two regular reports, one annual activity report and at least three ad hoc reports for the Inter-ministerial Anti-corruption Commission and the Council of Ministers
<b>Activities:</b>	<ul style="list-style-type: none"> <li>- design and adoption of monitoring procedures and guidelines</li> <li>- training of staff of the ACMG in monitoring, reporting, and strategic planning</li> <li>- training of contact points of other institutions in reporting</li> </ul>
<b>Output 2:</b>	The Anti-corruption Plan will have been improved and be more clearly focused in priority areas. Improvements will have been adopted by the Inter-ministerial Anti-corruption Commission
<b>Activities:</b>	<ul style="list-style-type: none"> <li>- review of the Anti-corruption Plan and setting of priorities</li> <li>- drafting of proposals for improvement and focusing of the Plan.</li> </ul>
<b>Output 3:</b>	Training programmes of other institutions will have been reviewed and proposals to add on anti-corruption components developed
<b>Activities:</b>	<ul style="list-style-type: none"> <li>- organisation of workshops with other institutions to review training programmes</li> <li>- preparation of proposals to add on anti-corruption components to existing programmes</li> <li>- elaboration of proposals to include anti-corruption modules in the curriculum of the School of Magistrates and other training institutes.</li> </ul>
<b>Output 4:</b>	Proposals for prevention measures will have been developed in close cooperation with other institutions
<b>Activities:</b>	<ul style="list-style-type: none"> <li>- organisation of a series of workshops with non-governmental organisations as a forum for the planning of public awareness activities</li> <li>- review of reports submitted by the High State Control, the Ombudsman and other institutions to identify weakness and risks of corruption in structures and procedures of the public administration</li> <li>- elaboration of proposals to increase transparency in the public administration.</li> </ul>
<b>Output 5:</b>	Cooperation with the Stability Pact Anti-corruption Initiative (SPAI) ensured
<b>Activities:</b>	<ul style="list-style-type: none"> <li>- assistance to the SPAI senior representative in Albania in the drafting of SPAI progress and monitoring reports</li> <li>- support to liaison between the SPAI and institutions and partners in Albania.</li> </ul>

## 2.2 Start-up of the Project

The project began with a start-up workshop held in Tirana from 29 to 30 January 2001. Fifteen representatives of different state institutions (including the members of the ACMG Board) and of research institutions and NGOs participated in this workshop. The workshop's purpose was two-fold:

- To ensure that all parties concerned have a clear understanding of the project and their respective roles and responsibilities; and
- To translate the project concept into a detailed work plan for the year 2001 as following.

The workplan prepared during the workshop covered a one-year period and was based on the assumption of a stable political and institutional situation and an early recruitment of the staff of the Anti-corruption Monitoring Group and its Permanent Unit.

However, while the Council of Europe recruited a project manager and while the financial resources were made available by SIDA in time, the recruitment of the staff of the ACMG Permanent Unit proved to be difficult and was delayed by several months. The Parliamentary elections in June 2001 caused further delays. At the mid-term review held in July 2001, it was therefore decided to extend the duration of the project to May 2002, to add activities with respect to training, and to adjust the project workplan accordingly. Following the project evaluation in February 2002, the project was further extended to July 2002.

## 2.3 Workplan<sup>1</sup> (Revised)

According to the project start up workshop, an activity workplan was drafted and finalised as a basis for project implementation. The workplan was later on revised and updated in order to reflect the extension of the project period.

Time	Place	Activity	Albanian Authorities	
			Input	Council of Europe
<b>February 2001</b>	Tirana	Institutionalisation of Contact Points by a decision of Minister of State	Minister of State	
<b>March mid</b>	Tirana	Organise a two-week mission on monitoring procedures & guidelines.		Experts on monitoring
<b>April early mid end</b>	Tirana Tirana Tirana	Amendments to the Legal Framework of ACMG Organizing SPAI Steering Group Meeting Elaborate more detailed plans with Prosecutor General Office and Ministry of Public Order. Draft Amendments of AC Matrix for MoPo and PG' Office	Coordination, Drafting Office of Minister of State Contact Points from MoPo and PG's Office	CoE Experts CoE SPAI Expert CoE experts
<b>May mid</b>	Tirana, Sxb.	Finalise the AC Matrix Amendments, to be presented to the ACMG Board for their approval.	Contact Points from MoPo and PG's Office	CoE Project Manager
<b>June early mid end</b>	Swed. Tirana Sxb	Organise a study visit for Prosecution and MoPo, and PU officials/staff to Economic Crimes Bureau in Sweden. Finalise the Draft of Manual of Operations and List of office equipment under the project grant. Preparation and Submission of Inception Report	Contact Points and PU Permanent Unit	CoE experts CoE Project Manager CoE Project

<sup>1</sup> Note that the shaded vertical area, represent activities which have been carried on and reported.

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				Manager, SIDA
<b>July</b>				
mid	Tirana	Preparation of mid Term review and ACMG Board mtg.		CoE Project Manager
mid	Tirana	Mid-Term Review of the Project	ACMG	CoE and SIDA evaluators
end	Tirana	Approval of ACMG Manual of Operations, and Amendments to the AC Matrix	ACMG and Permanent Unit	CoE Secretariat
<b>September</b>				
early	Tirana	Council of Europe to prepare a draft of action plan on anti-corruption specific training for prosecutors, judges and police and ACMG members. Such Training Action plan will be discussed and elaborated further through a (2 days) workshop organized by Council of Europe, and ACMG.	ACMG	CoE Experts and Project Manager
mid	CoE	Prepare a draft curriculum for the corruption specific training for the School of Magistrates	Magistrates School	CoE experts
end	Tirana	Council of Europe to provide expertise (one week) on the initiation of the process of studying the micro-system (first study undertaken by the ACMG/PU)	ACMG/PU and Contact Points from MOJ	CoE Project Manager
end	Tirana	Council of Europe, to discuss the first draft report and agree on priorities and improvements of AC Plan by taking into account other reports from international and non-governmental org.	ACMG	CoE Project Manager
<b>October</b>				
early	Tirana	Council of Europe to complete the process of providing office equipment for the office of Permanent Unit	PU Office	CoE Office in Tirana
mid	Tirana	Organise a 2 week working exercise session to review measures taken by different institutions against cases of corruption practices and prepare an ad hoc report reflecting data base violation of to increase transparency and implement regulations on public access to information.	PU Office	CoE Project Manger
mid	Tirana	Council of Europe to provide expertise (one week) on the continuation of studying the micro-system (first study undertaken by the ACMG/PU)	ACMG/PU and Contact Points from MOJ	CoE project Manager
<b>November</b>				
early	Tirana	Council of Europe to provide expertise on writing the Micro-System Report on the completion of their study.	ACMG/PU Contact Points from MOJ	CoE project Manager
early	Tirana	Council of Europe to set up a working group (3-4 members) to work on designing and implementing a survey in regard with the review of measures taken by different institutions against corruption offences/violations in order to prepare an <i>ad hoc</i> report.	Albanian Institutions (Permanent Unit and NGO representatives)	CoE Project Manager
mid	CoE	Council of Europe will develop training modules/tools/materials which will be used for certain specific trainings according to the training action plan.	School of Magistrates	CoE Experts
<b>December</b>				
early	Tirana	Council to Europe to Prepare Training Manual according to the Training Action Plan (TBC)		CoE Experts and CoE Project Manger
end	Tirana	ACMG to present and publish the first Ad hoc report on Measures Taken by different institutions.		
<b>January 2002</b>				
end		Council to Europe to Provide Training according to the Training Action Plan (TBC)	School of Magistrates	CoE Experts

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end <sup>2</sup>		Council of Europe will organize a 2 days workshop on prevention of corruption, and prevention measures that need to be taken by using as basis the outcome of the survey assessments, and risk analysis. (Participants will be from MoPo, Public procurement, NGO's Training Institutions, Office of Prosecutor General etc.)	Government and non government institutions	CoE Expert SPAI Expert
<b>February 02</b> end	Tirana	Project evaluation		SIDA and CoE Evaluators
<b>March 02</b> end	<b>Tirana</b> <b>Sxb.</b>	Council to Europe to Provide Training according to the Training Action Plan (TBC) Council of Europe to Provide Legislative Assessment on Draft Law for the Declaration of Assets and Conflict of Interests	<b>Office of Prosecutor General</b> <b>Office of Minister of State</b>	<b>CoE Experts</b> <b>CoE Experts</b>
April 02	Tirana	ACMG to develop ACMG web site as an information and resource base for cooperating institutions and civil society and an information leaflet on ACMG.	Permanent Unit Staff	CoE Project Manger
May 02	Tirana	Permanent Unit and CoE to complete an information pack on ACMG, and finalise the Inventory of Achievements from previous Anti Corruption Matrix.	ACMG/PU	CoE Project Manager
June mid	Durres	ACMG, PU and CoE organize the Second National Conference on Anti Corruption, in order to adopt the Comprehensive National Action Plan on Anti Corruption	ACMG, PU, other institutions	CoE Expert CoE Project m Manager
July 2002	Tirana	Publication of the adopted National Action Plan on Anti Corruption (Spring 2002-December 2003)	PU Office	CoE Office in Tirana CoE Project Manager
<b>31 July 2002: End of Project PACO-Albania I</b>				

## 3 PROJECT IMPLEMENTATION

### 3.1 Output 1: Monitoring Procedures and Guidelines

Between the end of February and April 2001, the Council of Europe team undertook several missions to Tirana in order to provide the necessary technical assistance for the activities, focussing mainly on the following areas:

- workshops to draft the Guidelines and Operations Manual for the ACMG
- training of the personnel of the Permanent Unit hired initially
- review of the existing Matrix (the anti-corruption plan) for each institution.

At the same time, Contact Points were established and appointed in different institutions, and information exchange with different institutions started.

Various formats were used for these missions<sup>3</sup> which included the participation of ACMG Board, ACMG Permanent Unit, Contact Points from several government and independent

<sup>2</sup> See, Heading 3.4, Output 4.

<sup>3</sup> See, list of available documents: Mission Reports under PACO-Albania Project.



institutions (i.e. Office of Prosecutor General, office of Ombudsman), and representatives from civil society.

During this period, the activities lead to the following results and progress on the following areas:

### **3.1.1 DRAFT OF OPERATIONAL RULES**

Discussion and brainstorming sessions in groups were held in order to elaborate guidelines and operational rules of the ACMG and its Permanent Unit. In July 2001, the Permanent Unit managed to publish and widely distribute the Manual of Operations which is the basis of the daily work for ACMG and its Permanent Unit.

### **3.1.2 TRAINING**

Practical activities to train the existing and newly recruited Permanent Unit staff (initial and on the job training) were held on a continuing basis. The training of the Permanent Unit staff included in parallel the training of the Contact Points of those institutions with which the ACMG is in regular contact.

### **3.1.3 REVIEW OF LEGAL BASIS OF THE ACMG**

The review of the existing legal basis on which the ACMG was established was one of the immediate concerns of the newly established Permanent Unit. Certain issues raised at the beginning of project implementation lead to a second Order on amending the functioning of the ACMG – issued by the Prime Minister in early April 2001 – by amending three articles of the previous Order<sup>4</sup>. These amendments derived mainly from the recommendations issued by the Council of Europe team in coordination with the local team of experts during the two week workshop sessions in March 2001.

### **3.1.4 ESTABLISHMENT AND TRAINING OF THE CONTACT POINTS:**

Technical assistance and advise was provided to the ACMG and Permanent Unit in order to facilitate the establishment its Institutional Contact Points. The tasks and the way of interaction between the Contact Points and the Permanent Unit are foreseen by the Manual of Operation<sup>5</sup>.

### **3.1.5 PROVISION OF OFFICE EQUIPMENT**

The project included the provision of equipment in the amount of 25,000 € for the office of the Permanent Unit. The equipment was installed in autumn 2001. The Permanent Unit now has two fully equipped offices.<sup>6</sup>

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<sup>4</sup> See, list of available documents: Order of Prime Minister No. 238, dated 13.11.2000, as amended by Order No. 39, dated 11.04.2001.

<sup>5</sup> See, list of available documents: ACMG Manual of Operations, July 2001.

<sup>6</sup> See, list of available documents: Office Equipment Inventory.

## 3.2 Output 2: Improved Anti-corruption Plan (Matrix)<sup>7</sup>

The process of strengthening the ACMG is necessarily related to the national Anti-corruption plan. Initially the Anti-corruption plan had the format of a matrix, reflecting the actions that need to be taken, and/or are already taken by the respective institutions or other agencies. The first such document had been prepared with World Bank assistance in July 1998, and focused primarily on the prevention of corruption through public administration reform. As the original plan lacked implementation, it was reviewed with inputs from the World Bank, OSCE Presence in Albania, Council of Europe, and the European Commission in late 1999. Additional changes were made in early 2000 to take into account the requirements of the Stability Pact Anti-corruption Initiative to which the Albanian authorities had committed itself to in February 2000. In April 2000, a revised Anti-corruption plan was adopted by the Government.

The anti-corruption plan is considered a living document requiring continuous improving and updating. In April 2001, additional amendments were included in the Anti-corruption plan, which had the following structure:

1. Institutional Reform
  - Civil Service Reform
  - High State Control
2. Strengthening of legislation and consolidation of the rule of law
  - Strengthening of Legislation
  - Judicial reform
  - Police reform
3. Public Finance Management
  - Budget
  - Taxation
  - Customs
  - Public Procurement
4. Promotion of Transparency and integrity in business transactions
5. Public Information

### 3.2.1 REVISION OF MATRIX SECTIONS (LAW ENFORCEMENT AND PROSECUTION OFFICE)

Elaboration and revision of the existing Matrix for two key institutions, namely, the Office of the Prosecutor General and the Ministry of Public Order was supported during the month of April 2001 through a one-week session under the guidance of the Council of Europe experts and with the participation of Albanian experts and contact points. This revision was then used as a sample for the revision of other sections of the matrix, a task which was later on carried out by the office of Permanent Unit and the respective contact point.

### 3.2.2 TRAINING ON MATRIX REVISION PROCESS

In connection with the revision of the two sections of the Matrix (Prosecutor's General Office, and Ministry of Public Order), the staff of the Permanent Unit along with the Contact Points underwent a one-week practical training on how to review the matrix, what should be the priorities for specific institutions, and how to determine actions (and their indicators) to control or prevent corruption. Furthermore, participants agreed on specific practical rules of

<sup>7</sup> See, list of available documents: Matrix on Anti Corruption (Version of 2001).

institutional monitoring and exchange of information when reporting on achievements against indicators.

### **3.2.3 SECOND NATIONAL CONFERENCE ON THE ANTI-CORRUPTION PLAN (2002-2003)<sup>8</sup>**

From March through June 2002, the office of Permanent Unit, with the assistance of the PACO project and in cooperation with all institutional Contact Points re-drafted and revised the National Anti-corruption plan (the Matrix). In order to take stock of the achievements under the Plan and identify shortcomings so far, the ACMG Board and its Permanent Unit with the assistance of the Council of Europe organised the Second National Anti-Corruption Conference<sup>9</sup>.

The Conference was held on 10 and 11 June 2002 and attended by sixty participants. The main aim of the Conference was

- To review the results achieved so far in the implementation of the anti-corruption plan
- To finalise the new version of the plan in the form of the "Action Plan for the Prevention and Fight Against Corruption 2002-2003".

Participants attending the Conference represented the institutions responsible and accountable for the implementation of the new Plan. Representatives of Civil Society and Ngo's participated actively in order to ensure further communication and cooperation with the ACMG and other governmental and independent institutions in preventing and combating corruption and monitoring anti corruption measures.

The Conference concluded with the adoption of the Action Plan for Prevention and Fight Against Corruption 2002-2003. The new Plan is more than a matrix and includes also a policy statement, statement of the political commitment, legal basis on the implementation of the strategy, and guidelines and approaches of the national strategy with respect to the updated priorities.

The matrix which forms part of this plan reflects updated tasks for each institution as well as indicators to measure success in the respective areas. Furthermore, the Plan contains an inventory of achievements and issues of concern. In addition, the Permanent Unit prepared a list of immediate tasks and steps that need to be taken in order to fully support the initiation of the new Plan.

### **3.2.4 PUBLICATION OF ACTION PLAN FOR THE PREVENTION AND FIGHT AGAINST CORRUPTION 2002-2003**

It is foreseen that the Action Plan for the Prevention and Fight Against Corruption 2002-2003 will be published in booklet format (in July/August 2002) in order to ensure a wide institutional distribution, to other local administration agencies.

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<sup>8</sup> See, list of available documents: Activity report on Second National Conference on Anti Corruption, Durres, June 2002

<sup>9</sup> The First National Conference on Anti Corruption was organized in 1998 to decide on immediate priorities that the Albanian government needed to set up to fight corruption.

### 3.3 Output 3: Training on Anti Corruption Specific Issues

A concept for a training action plan was elaborated and shared with other institutions involved in the implementation of the Matrix and other assistance providers in early summer 2001. Agreement was reached that activities should focus on:

- conducting training on anti-corruption specific issues at the school of Magistrates (through the initial education stage);
- conducting training for judges and prosecutors (through the continuing legal education stage); and
- producing a training manual.

The outcomes of the anti-corruption training plan are as follows:

#### 3.3.1 TRAINING FOR STUDENTS AT THE SCHOOL OF MAGISTRATES (INITIAL LEGAL EDUCATION STAGE)

The first training sessions were held at the School of Magistrates from 21 – 23 January 2002 and consisted of initial training for students enrolled at the School. 25 students of the second year at the School of Magistrates attended a two-day training course on issues related to investigation of corruption and other criminal procedures. The training was provided by three experts (two international and one local expert).

#### 3.3.2 TRAINING FOR JUDGES AND PROSECUTORS AT THE OFFICE OF PROSECUTOR GENERAL (CONTINUING LEGAL EDUCATION STAGE)

The second training session in the form of a two-day training course was given from 18 to 20 February 2002 for 40 Judges and Prosecutors at the facilities of the Office of Prosecutor General under the training programmes of the School of Magistrates.

This training provided more thorough information on the specific issues related to the investigation of corruption cases, and mainly used a case study approach. The training was provided by a Council of Europe expert who was previously involved in the initial training course.

#### 3.3.3 ANTI CORRUPTION TRAINING COURSE IN THE SCHOOL PROGRAMME

Following these training courses, the School of Magistrates included training courses on anti-corruption specific issues into the School Curricula and has agreed to continue efforts in providing this kind of training in the following terms within the school programme. It should be noted that this kind of training had not been provided for previously.

#### 3.3.4 MANUAL OF TRAINING ON ANTI CORRUPTION SPECIFIC ISSUES

A training manual on “Anti-Corruption Specific Issues”<sup>10</sup> for the judiciary has been finalised, and is available at the School of Magistrates which intends to publish it on its web site. The authors of the seventy pages manual are two experts of the Council of Europe who have been cooperating closely with Albanian experts. The manual was drafted between January and April 2002 that is at the same time when the first courses were delivered. It provides specific

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<sup>10</sup> See, list of available documents: “Training Manual on Anti Corruption Specific Issues”-Nicola Lettieri and Antonio Serafini

information as to how corruption cases are procedurally handled according to the Albanian legislation and international standards. The manual will now also serve future training courses.

### **3.4 Output 4: Measures for Prevention and Public Awareness**

Specific activities under this output have been delayed and postponed several times. The reasons include that in parallel to the PACO project, a USAID-funded project provides extensive assistance to the Albanian Coalition against Corruption which is aimed at strengthening the capacities of civil society and their cooperation with the Government. The PACO Albania project in turn supported the Government in their interaction with civil society. This is reflected among other things in the strengthening of the civil society component of the new Action Plan for Prevention and Fight Against Corruption 2002-2003. The proposed follow up to the PACO Albania project (that is, PACO Albania 2) should thus include further measures to institutionalise cooperation with civil society.

### **3.5 Output 5: Enhanced Cooperation with the SPAI**

#### **3.5.1 SPAI STEERING GROUP MEETING**

From 17 to 20 April 2001, Albania was the host of the Second SPAI regional Steering Group Meeting. Prior to this meeting a SPAI mission team met the Albanian SPAI Senior Representative, the Council of Europe, other government officials, civil society, OSCE/Friends of Albania, and other institutions to review and discuss the SPAI assessment report and its findings with regard to Albania. The Project Manager, the Office of the Minister of State, and the ACMG cooperated closely in the preparation of this meeting. The Permanent Unit was in charge to review and discuss further the draft assessment report for Albania with the Council of Europe. At the end of the meeting, the majority of the countries adopted the report and the country-specific recommendations.<sup>11</sup>

With respect to the Albania chapter, the final report called for continuation of governmental efforts to combat corruption. It was noted that Albania had signed and ratified many international and European treaties which enhance the domestic legislation against corruption and organised crime, but also that more work needed to be done in terms of drafting and implementing certain legislation and implementation acts.

Another SPAI Steering Group meeting was held from 29 March to 2 May 2002 in Washington D.C. The Albanian delegation, including the Minister of State, participated fully at this meeting, and contributed with the required reports.

#### **3.5.2 SPAI REGIONAL CONFERENCE ON CIVIL SOCIETY (SPAI PILLAR V)**

The Albanian delegation composed of civil society representatives and representatives from the Albanian government and the ACMG Board, participated actively in the SPAI Regional Civil Society Conference (held in Croatia, Cavtat, September 2001). The Conference focused on the role of the Civil Society and its contribution to anti-corruption measures. At the final session of the meeting, the Albanian delegation presented an action plan on priorities that they will work at together with the Civil Society in order to ensure and increase the public participation in anti-corruption activities. The action plan<sup>12</sup> covers the areas on which the ACMG and the Albanian

<sup>11</sup> See, list of available documents: SPAI Steering Group Report on "Anti-corruption measures in South-eastern Europe – country reviews and priorities", Council of Europe publication, September 2001, Strasbourg.

<sup>12</sup> See, list of available documents: Albania Chapter--Action Plan of Civil Society for Reform and Priorities, September 2001, Cavtat, Croatia.

Coalition against Corruption will focus their reforms and their cooperation during the implementation of the Action Plan for the Prevention and Fight Against Corruption 2002-2003.

## 4 PROJECT IMPACT

The experts of the evaluation mission of February 2002 noted that substantial progress has been made since their previous visit in March 2001: In particular the Permanent Unit has developed a dynamism and confidence that augurs well for the sustainability of Albania's anti-corruption efforts. Relations between the Permanent Unit and the Board, the contact points and the non-governmental organisations appear to be good. Public awareness of the work of the ACMG is growing, but more especially awareness of its work is growing within the administration, no doubt helped by the increased level of disciplinary action evident in several institutions. A good start has been made to the ongoing work of reviewing laws, systems and procedures

### 4.1 Improved National Anti-Corruption Action Plan<sup>13</sup>

Following the revision of two specific sections of the Matrix in April 2001 by two key institutions, namely the Office of the Prosecutor General and the Ministry of Public Order, both institutions have now established specialised units and have committed to undertake new approaches on monitoring and preventing corruption.

Based on the information received from contact points of different institutions between July and December 2001, the Permanent Unit carried out the following tasks:

- Re-drafting the improved of the National Action Plan on Anti Corruption;
- Final improvement of Matrix which will cover the period of Spring 2002-December 2003 (to be included in the Action Plan);
- Drafting the of the inventory of achievements attained during the implementation of Revised Matrix of 2000 (to be included in the Action Plan); and
- Setting up clear priorities for the government in order to ensure a better monitoring of the action plan (to be included in the Action Plan).

As mentioned above, the new Action Plan for the Prevention and Fight Against Corruption 2002-2003 was finalised and adopted at the National Anti-corruption Conference on 10/11 June 2002 and subsequently endorsed by the Council of Ministers through its Decision.

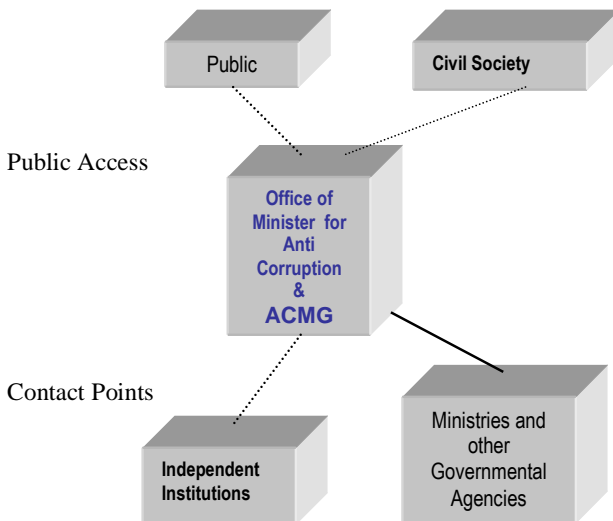
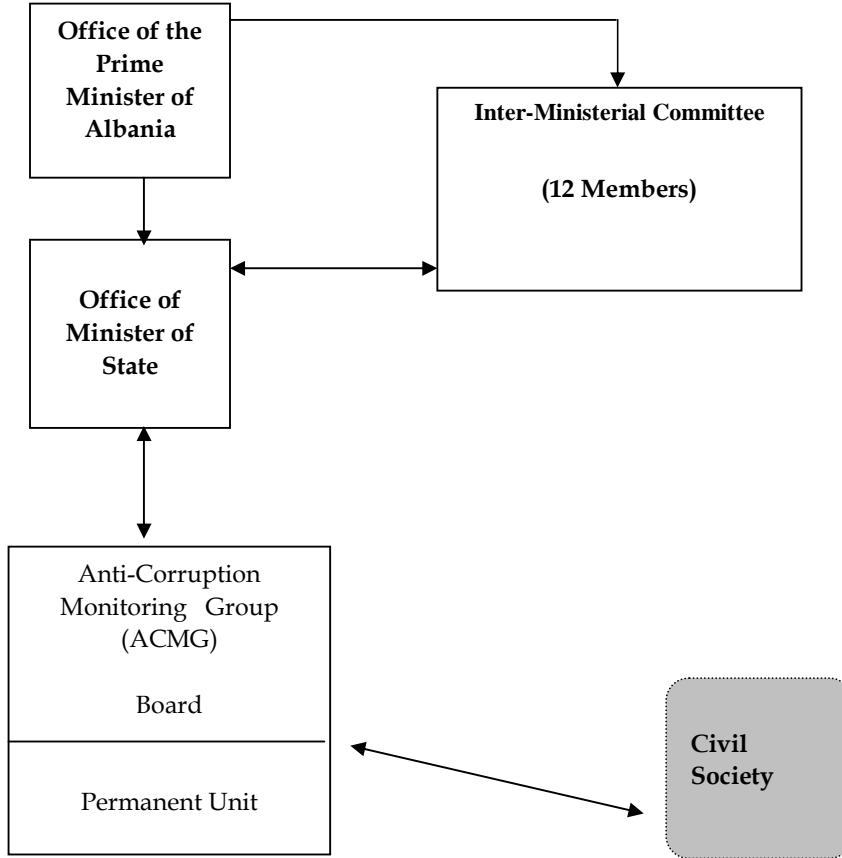
This process constitutes an advanced step and progress with regard to Albania's commitment to prevent and combat corruption.

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<sup>13</sup> See, list of available documents: National Action Plan on Anti Corruption (Spring 2002-Spring 2003)

## 4.2 Structure of Anti-Corruption Monitoring Group (ACMG)

The Anti-corruption Monitoring Group has become more visible since February 2001 when its new structure started to take effect, including the establishment of the Permanent Unit and the Board in its new composition.



The improved legal framework and the Manual of Operations have contributed to the shaping of the ACMG.

The Contact Points are now the focal persons in charge of exchange of information and have become the main facilitators assisting the Permanent Unit in its tasks. The Contact Points are from the following institutions:

- Ministry of Education
- Ministry of Public Order
- Ministry of Justice
- Ministry of Finance (Tax and customs)
- Dept. of Public Procurement
- Dept. of Public Administration
- Ministry of Health
- Ministry of Trade and Economic Cooperation
- Ministry of Transport and Communication
- Ombudsman's Office
- High State Control (State Audit)
- High Council of Justice.

### **4.3 Functioning of the ACMG**

The project has helped the ACMG become more operational by strengthening the functioning of the Board, by establishing the Permanent Unit, and by creating the Contact Points.

#### **4.3.1 ACMG BOARD**

The ACMG consist of a Monitoring Board and of the Permanent Unit. The Board is under the authority of the Minister of State to the Prime Minister's office. The Board through the Minister of State reports to the Inter-ministerial Anti-corruption Committee.

The Board meets at least ones per two months and/or on *ad hoc* basis. It has 11 full members, and other invited representatives from independent institutions and civil society. The Members of the Monitoring Board are the representatives of the following institutions: The Director of the General Directorate of the Codification at the Ministry of Justice; Director of the Directorate of the Court Decision Execution at the Ministry of Justice; the Director of the Approximation of the Albanian Legislation with the European Union Legislation; the Director of the Legal Directorate at the Ministry of Finance; the Representative from the Ministry of Public Order; the Representative from the Public Administration Department; the Representative from the Department of Information at the Council of Ministers; the Representative from the Public Procurement Agency; the Director of the Legal Directorate at the Ministry of Health; the Representative from the Ministry of Local Government; and the Representative from the Ministry of Public Affairs. Other representatives from the independent institutions such as Office of the High State Auditing, Office of the Prosecutor General, High Council of Justice, and Ombudsman are offices which are invited to participate as members of the Monitoring Board.

The Board elects its chairman from its members, and (if determined so) is open to representatives from civil society and other international institutions. According to the changes made by the amended Prime Minister Order, it is provided that the Board Meetings shall meet in closed sessions only in special cases.

As noted by the observers to a Board meeting held in connection with the Mid-term Review (July 2001 and February 2002), the quality of the work of the Board had improved considerably when compared to the year 2000 and 2001.



#### 4.3.2 PERMANENT UNIT (ACMG/PU)

The Permanent Unit is the office (to be composed of 6 specialists) which has been gathering and evaluating the information from several government agencies with regard to the implementation of the anti-corruption strategy (Matrix). The Permanent Unit was established and started to function by the end of March 2001. The recruitment of its personnel has been delayed due to the shortage of interested candidates.

At present, the Permanent Unit has five out of six staff members foreseen (specialists from economics, law, statistics, media and public order background). The recruitment of the specialist with a prosecutorial background remains an issue, however, since salary levels of prosecutors are higher than those of other civil servants.

The reports and the information received by Contact Points or experts from other institutions are being translated into reports and recommendations by the Permanent Unit according to the guidelines provided in the Manual of Operations. The Permanent Unit's office has been in continuing cooperation with Institutional Contact Points designated as such by each government agency and independent institution. The reports are reviewed and advocated by each specific party during the Board Meetings.

Duties and day-to-day operations, including the relationship (and reporting standards) with other agencies, or bodies such as the ACMG Board, Contact Points, civil society and governmental or independent agencies are also set forth in the ACMG Manual of Operations.

#### 4.3.3 MANUAL OF OPERATIONS

The Manual of Operations is the compilation of the set of rules, which according to the Prime Minister Orders guide the daily operations and activities of the Permanent Unit and the ACMG Board. The Manual of Operations was drafted with the assistance and guidance of the two Council of Europe Experts and approved by the ACMG Board in July 2001. The Manual contains the following structure:

##### **Organizations and Administrative Structure**

- Anti-Corruption monitoring Group
- ACMG Monitoring Board
- ACMG Permanent Unit
- Contact Points

##### **Assigned Tasks and Related Procedures**

- Initiation of Tasks and Monitoring
- Time Table
- Overall Monitoring of Anti-Corruption Plan (Macro-Systems)
- Specific Studies (Micro-Systems)

##### **Annexes**

- Code of Ethics for ACMG
- Questionnaires and Report Structuring
- Stationery

Copies of the Manual of Operations have been published and distributed to several institutions since July 2001. Meanwhile the Permanent Unit continues to provide copies (in Albanian and English) of the Manual through the Contact Points to other institutions outside of Tirana.

#### 4.3.4 REPORTING<sup>14</sup>

Since reporting is one of the main tasks and duties of the Permanent Unit, and in line with the Manual of Operations which contains guidelines for reporting, the Permanent Unit has been working on three kinds of report since the inception of the project:

**Macro-System Reports** – These are narrative reports prepared every 4 –5 months on the implementation of the national strategy by each institution. On the basis of these reports, and other *ad hoc* information, the Permanent Unit updates the Matrix. All information has been exchanged with the coordination of Contact Points and their reporting to the Permanent Unit. Since month of July 2001 there has been two Macro System Reports prepared and submitted by the office of Permanent Unit.

**Micro-System Reports**--These are narrative reports, prepared at least once or twice per year, where the Permanent Unit in coordination with the respective Contact Points conducts a study of a specific system/mechanism. After the assessment and the study, the Permanent Unit's findings and recommendations are reported to the ACMG and to the authorities in charge of the institution where the mechanism exists or is in place. A series of recommendations for improvement of the existing system are endorsed by the Board, along with other issues as reported in the nature of the Study. Once the commitment for implementing and applying the recommendations (prepared initially by the Permanent Unit and Contact Points) are made by the respective institution, the Permanent Unit will review the system by looking at possible improvement as a Follow Up Study within a period of 4 to 5 months after the first one has taken place.

**Ad Hoc Reports** – These are narrative or matrix reports. They are basically prepared on the request of the ACMG Board, or other institutions as well as on the initiative of the Permanent Unit itself. Usually, the *ad hoc* reports tend to give data and information on changes appearing in existing control systems.

##### 4.3.4.1 First Micro-System Report

The recent Micro-System study and the first one for the Permanent Unit was the “Mechanisms of Licensing and Controlling the Notaries Profession as a free legal profession” within the Ministry of Justice<sup>15</sup>. The presentation of this report was made open to public and media, and its recommendations and findings were published by different newspapers. The Permanent Unit is now in charge to organise the second phase of the follow up to the Micro-System study. The follow up phase will determine the implementation of the recommendations issued by the ACMG Board to the Ministry of Justice and Ministry of Finance. It should be noted that the Permanent Unit and the Albanian Coalition for Anti-Corruption marked one of their first successful joint monitoring projects by co-preparing and co-studying certain aspects of the micro-system itself.

##### 4.3.4.2 Second Micro-System Report

Following the approval of the ACMG Board in November 2001, the Permanent Unit is organising the work for its second Micro-System Study which will focus on the “Licensing System and controlling structures (internal and external) at the office of the local government.”

<sup>14</sup> See, list of available documents: Reports of ACMG Board and Permanent Unit.

<sup>15</sup> See, list of available documents: Micro-System Study on “Notaries”, November 2001, Tirana, Albania.

#### 4.3.4.3 First Ad Hoc Report

The first Ad Hoc Report was presented to the ACMG in December 2001. The Ad Hoc report was on the “Measures/Actions on Anti-Corruption Disciplinary or other Measures against Corruptive Practices”. The publication of the report had a tremendous impact in the Albanian media, and the Minister of State for Anti-Corruption gave a press Conference on the practical impact of the report.

#### 4.3.4.4 Second Ad Hoc Report

The second Ad Hoc report is currently under preparation. The Permanent Unit will report on the “Impact of Anti-Corruption measures on the Judiciary and Prosecution Services System”. This report is expected to present the number of cases that have been reported to the Office of the Prosecutor General according to the information initiated by the results of the First Ad hoc report indicated findings.

### 4.4 Legislation Assessment<sup>16</sup>

By the end of year 2001 the Government of Albania prepared the draft law “On the Declaration and Audit of Property and Financial Obligations of Elected Persons and Certain Public Officials.” The need of setting up the system and mechanisms of declaration of assets of high officials has been a part of one of the tasks highlighted in the previous Matrix. The draft law would establish an asset declaration system whereby certain citizens who hold positions as elected representatives or public officials would be required to declare annually to an independent state authority the assets and liabilities they hold and to provide explanations to that authority as to how they came by them.

Considering the impact and the importance of such legislation, the Council of Europe was asked to provide an assessment of the draft law in line with the Council of Europe standards set by its instruments and mechanisms. Following the expertise opinion and the assessment of the legislation provided--the government of Albania and specifically the Minister of State for Anti Corruption and the Minister of Finance considered in essence the suggested provisional changes and finally submitted the draft law for its approval to the Council of Ministers of Albania. The government approved draft law, is now pending for its enforcement by parliament, following the parliamentary law commission review.

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<sup>16</sup> See, list of available documents: Expert Opinion of draft law “On the Declaration and Audit of Property and Financial Obligations of Elected Persons and Certain Public Officials” – Mr. Bertrand de Speville (United Kingdom), and Mr. Jean Pierre Bueb (France).

## 5 CONCERNS AND OPPORTUNITIES

### 5.1 Issues of Concern

The main problem encountered were delays in the early stages of the project for reasons outside of the control of the project:

- Recruitment of the staff of the Permanent Unit was slow. The staffing was only more or less completed in July 2001 (instead of January/February as foreseen initially)
- The extended election process from June to August 2001 further slowed down activities.

In addition, the resignation of the Prime Minister (in February 2002) and the delay in the appointment of a new government slowed down once more the functioning of the public administration.

### 5.2 Opportunities

#### 5.2.1 POLITICAL COMMITMENT

It should be underlined that the project enjoyed the support and commitment of the Office of the Minister of State, the members of the ACMG and in particular of the staff of the Permanent Unit. This support and commitment has allowed the project to implement the activities and achieve the results described in this report. Also, the cooperation of the civil society with the ACMG, and the transparency shown during the implementation of activities must be mentioned as a significative example for an open dialogue between the government and the civil society.

#### 5.2.2 COOPERATION WITH OTHER INSTITUTIONS AND NGO'S

The project has been used from the time of its conception to ensure cooperation with other international and bi-lateral organisations and assistance providers. Throughout its implementation, they have been contacted and informed about the PACO Albania project and encouraged to cooperate with the Anti-corruption Monitoring Group.

Regular contacts, briefing and debriefings, exchange of experience and have involved the following organisations:

- Albanian Coalition for Anti Corruption;
- Office of the Citizens Advocacy;
- OSCE/Policy Making Sector;
- Management Systems International/USAID;
- World Bank; and
- Constitutional European Law Centre (Anti Corruption Project)

## 6 CONCLUSIONS

The PACO Albania project “Strengthening the Anti-Corruption Monitoring Group” has been reviewed in July 2001 and evaluated in February 2002. Following these reviews, the project has been extended to July 2002. This extension has allowed the project to recover the delays which occurred in the early stages of project implementation

The project was designed to provide material and technical support to the ACMG as the crucial mechanism to ensure the implementation of the national anti-corruption strategy. With regard to the delivery of outputs, the following conclusions can be drawn:

- the ACMG is functional and has produced a number of reports;
- the anti-corruption plan (in the form of the matrix) has been revised;
- specialised units fighting corruption and economic crime have been established in key institutions;
- contact points have been established at different institutions;
- Albania has cooperated intensively with the SPAI;
- the ACMG focused mainly on the prevention of corruption through systemic change (eliminating the opportunities for corruption in the systems of administration) and less on responsive law enforcement and public education; and
- there is continued need to review training programmes.

The project evaluators have noted the progress made in the strengthening of the ACMG through the project. However, they also state that the ACMG is only at the beginning of its work and that continued international support is required:

"In conclusion, it is vitally important that the promising start in effectively tackling corruption in Albania should continue to be supported by external assistance. There is still a great deal to be imparted in this difficult art before it can be said that a sustained implementation is firmly rooted."<sup>17</sup> The evaluators made a number of recommendations as to the way ahead.

On the basis of these proposals, a follow up project PACO-Albania 2<sup>18</sup> has been developed for the period August 2002 to December 2003.

This project would provide a major contribution to ensuring the implementation of the Albanian Government’s new Action Plan for the Prevention and Fight Against Corruption 2002-2003 adopted in June 2002.

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<sup>17</sup> See, list of available documents: Evaluation Report—February 2002 by Ms. Annette von Sydow (Sweden) and Mr. Bertrand de Speville (United Kingdom).

<sup>18</sup> See, list of available documents: PACO Albania 2 –Proposed Follow Up Project for 2002-2003.

## 7 APPENDIX:

### 7.1 List of Reports and Documents

- PACO technical assistance mission to Albania (5 – 15 September 2000): Recommendations prepared by the mission (PACO TP 8).
- Albania PACO I: Mission Reports
- Order of Prime Minister No. 238, dated 13.11.2000, as amended by Order No. 39, dated 11.04.2001
- ACMG Manual of Operations, July 2001
- Office Equipment Inventory List, August 2001
- National Anti Corruption Plan (Matrix 2001 Version)
- Action Plan for the Prevention and Fight Against Corruption 2002-2003 (June 2002)
- Activity Report on the Second National Conference on Anti corruption, 10 and 11 June 2002, Durres
- SPAI Steering Group Report on “Anti-corruption measures in South-eastern Europe – country reviews and priorities”, Council of Europe publication, September 2001, Strasbourg
- Action Plan of Civil Society for Reform and Priorities, September 2001, Cavtat, Croatia
- Training Manual on Anti Corruption Specific Issues, Mr. Nicola Lettieri (Italy) and Mr. Antonio Serafini (Italy), March 2002
- Activitiy (Macro) Reports of the office of ACMG Permanent Unit
- Micro System Study Report on the Notary System of Albania, November 2001, Tirana, Albania
- Expert Oppnion on draft law “On the Deceleration and Audit of Property and Financial Obligations of Elected Persons and Certain Public Officials”, Mr. Bertrand de Speville (United Kingdom), and Mr. Jean Pierre Bueb (France), April 2002
- Project Evaluation Report, Ms. Annete Von Sydow (Sweden) and Mr. Bertrnad de Speville (United Kingdom), February 2002
- PACO Albania 2 – a proposed follow up project (2002-2003).

## 7.2 Draft Financial Report

### Project PACO Albania: Budget status as at 24 June 2002 (EURO)

Budgetline	Description	Project Budget	Disbursement	Commitments	Total
100	Personnel – Long-term adviser	90 000,00	107 861,17	36 056,05	<b>143 917,22</b>
150	Personnel – Short-term experts	45 000,00	43 005,79	1 500,00	<b>44 505,79</b>
200	In-country training	20 000,00	17 422,00	4 711,97	<b>22 133,97</b>
250	International training	40 000,00	17 884,11	0,00	<b>17 884,11</b>
300	Sub-contracts	45 000,00	18 289,57	0,00	<b>18 289,57</b>
400	Equipment	25 000,00	25 000,00	0,00	<b>25 000,00</b>
500	Other cost	20 000,00	15 324,00	2 618,53	<b>17 942,53</b>
900	Monitoring and evaluation	15 000,00	7 174,47	1 266,12	<b>8 440,59</b>
	<b>Total</b>	<b>300 000,00</b>	<b>251 961,11</b>	<b>46 152,67</b>	<b>298 113,78</b>

Note:

1. The main deviation from the initial project budget is the increase in the cost for the long-term adviser. This position had been budgeted initially for a duration of 12 months. However, as the project was extended to 17 months, this position also had to be extended. The “commitments” under this budget line are to be carried over to the proposed PACO Albania 2 project.
2. A final and formal financial statement will have to await the closure of the accounts for this project.