

Standard Summary Project Fiche – IPA centralised programmes

Project against Corruption in Albania

1. Basic information

- 1.1 CRIS Number:** 2008/020-116
1.2 Title: Project against Corruption in Albania
1.3 Sector: 01.34
1.4 Location: Albania

Implementing arrangements:

1.5 Contracting Authority (EC):
Delegation of the European Commission to Albania

1.6 Implementing Agency:
Delegation of the European Commission to Albania on behalf of the Albanian Government

1.7 Beneficiary:

Council of Ministers of Albania:

- Department of Internal Administrative Control and Anti-corruption; and
- Ministry of Education and Science of Albania
- Ministry of Justice
- Ministry of Finance (Department for Money Laundry Prevention)

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Financing:

1.8 Overall cost: 2.13 million Euro

1.9 EU contribution: 2 million Euro

1.10 Contracting deadline:

Three years following the date of the conclusion of the Financing Agreement

1.11 Deadline for the execution of contracts:

Two years following the end date of contracting. These dates apply also to national co-financing.

1.12 Disbursement deadline:

One year following the end date for the execution of contracts.

2. Overall Objective and Project Purpose

2.1 Overall Objective:

To contribute to democracy and the rule of law through the prevention and control of corruption

2.2 Project purpose:

The purpose of this project is to support the Albanian government in strengthening its anti-corruption measures as set in its Anti-corruption Strategy (2007-2013) and assist in implementing the recommendations issued by the Group of States against Corruption (GRECO) and Select Expert Committee on Money-laundering and Terrorism Financing (MONEYVL) and European Partnership commitments. Through a pilot component, the project will assist the Albanian authorities to prevent and control corruption within the education system.

2.3 Link with AP/NPAA / EP/ SAA:

On 6 November 2007 the European Commission adopted its annual strategy document explaining its policy on EU enlargement¹. The report includes progress made over the last twelve months by Albania as a potential candidate country and identifies areas where further reforms are needed.

The European Commission notes that the government is taking a more strategic approach regarding the **fight against corruption** which is a key European Partnership priority. Legislation has been improved in the field of public procurement. Anti-corruption investigations led to the arrest of a number of high-level officials. However, corruption is widespread and remains a serious problem. Much work is still needed on all aspects of the issue, including judicial accountability and transparency of political party funding².

Also, some progress has been reported in the area of **education**. The budget for education, which was at a low level, has been significantly increased in the last year. The government has started implementing its national strategies. At the same time the anti-corruption strategy of Albania (2007-2013) contains a specific section addressing the issue of prevention and control of corruption as a measure for improving the overall quality of the education aiming in the reduction of drop out rates which in the final years have been high.

According to Article 4 of the Stabilisation and Association Agreement (SAA)³, Albania commits itself to continue and foster cooperation and good neighbourly relations with the

¹ ALBANIA 2007 PROGRESS REPORT, Brussels, 6.11.2007, SEC(2007) 1429.

² Brussels, 6.11.2007, COM(2007) 663 final, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL: Enlargement Strategy and Main Challenges 2007-2008

³ Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Albania, of the other part, Brussels , 22 May 2006.

other countries of the region including an appropriate level of mutual concessions concerning the movement of persons, goods, capital and services as well as the development of projects of common interest, notably those related to combating organised crime, corruption, money laundering, illegal migration and trafficking, etc. This commitment constitutes a key factor in the development of the relations and cooperation between the Parties and thus contributes to regional stability.

According to the SAA, Albania is committed to cooperate on fighting and preventing criminal and illegal activities, such as the prevention of the use of financial systems for laundering of proceeds from criminal activities in general and for the purpose of terrorist financing and fiscal fraud.

Accordingly, Albania's 2007 European Partnership **short term priorities** include:

In the field of corruption and economic crime:

- Implement the 2007-2013 anti-corruption strategy and the recommendations made in the 2005 evaluation report by the Council of Europe Group of States Against Corruption and investigate and prosecute cases of corruption in the police and the judiciary with due vigour.
- Harmonise the civil, commercial and administrative Codes with the Council of Europe Civil Law Convention on Corruption.
- Strengthen the institutional capacity to investigate and prosecute corruption.
- Implement legislation on preventing bribery with due regard for inter-institutional coordination.
- Strengthen mechanisms to enforce the Law on declaration of assets.
- Clarify rules related to the prevention of conflicts of interest in the exercise of public functions
- Clarify rules related to the public access to information in line with international standards
- Reduce the list of officials covered by immunity and grant immunity only where strictly appropriate
- Take the necessary measures to enforce anti-money laundering legislation better in terms of prevention, convictions, confiscations, seizures and freezing assets.
- Enhance the capacity of the financial intelligence unit, the prosecutor's offices and the police Economic Crimes Unit by ensuring appropriate financial and IT resources and improving working-level cooperation.
- Bring the Law on the prevention of money laundering into line with the *acquis* and with the Financial Action Task Force's and Council of Europe's Moneyval recommendations.
- Strengthen the capacity of the agency for the administration of seized and confiscated assets.
- Further improve cooperation with the authorities of other countries.
- Ensure proper enforcement of reporting obligations and examine transaction reporting thresholds.
- Take more effective measures to reduce use of cash in the economy.

In the field of education:

- Continue efforts to improve the governance of the education system, teacher training and education infrastructure.

The following issues have been identified as **medium term priorities**:

- Implement the European Conventions on Corruption in Criminal and Civil Matters ratified by Albania and the relevant UN conventions.
- Achieve significant results in the fight against corruption, at all levels and in all fields, by enforcing adequate legislation.

2.4 Link with MIPD

According to the MIPD⁴ the expected results until 2009 are:

- An advanced anti-corruption policy to be in place.
- The capabilities of the law enforcement agencies in the fight against money laundering, drugs organised crime, terrorism, corruption and trafficking be reinforced.

2.5 Link with National Development Plan

The Albanian Government's National Strategy of Development and Integration (NSDI) reflects the above-mentioned commitment as well as the Anti-corruption Strategy for 2007-2013) as an integral part of the NSDI.

2.6. Link with the Anti-corruption National Strategy⁵

The government of Albania expresses its commitment in a proactive approach in the implementation of the anti-corruption strategy as part of the National Strategy for Development and Integration (NSDI). Through this, the implementation of the Anti-corruption National Strategy is aimed at the progressive and sustainable reduction of corruption, boosting of the institutions' integrity and promotion of governance and transparently.

The priorities of the strategy focus on the following fields:

Prevention, transparency, all-inclusion and education

1. Strengthening of the political system and of the operation of public ethics
2. Update and consolidation of procedures
3. Sector reforms (audit, business climate, civil service, public service, education, health, finance, justice, local government, etc.).
4. Consolidation of transparency and integrity in the public administration
5. Approximation of legislation in the fight against corruption
6. Persistent information and education campaigns

⁴ COMMISSION DECISION C(2007)2245 of 31/05/2007 on a Multi-annual Indicative Planning Document (MIPD) 2007-2009 for Albania.

⁵ Cross-cut Strategy for Prevention, Fight on Corruption and Transparent Governance, (2007 – 2013)- DRAFT of October 2007.

Corruption Investigation and Criminalisation

1. Ensuring efficiency of prosecution and adjudication
2. Increase of integrity and resistance on corruption in the system of justice
3. Strengthening of administrative tools in the fight against corruption
4. Public participation in denouncing corruption

Consolidation of Cooperation and Domestic and International Coordination

1. Consolidation of mechanisms in the cooperation between the law-enforcement agencies
2. Consolidation of sustainable mechanisms for the exchange of information on periodical basis
3. Efficient implementation of regional and international anti-corruption tools

In addition, the National Anti-corruption Strategy pays special attention to the education system sectoral reforms with the following priority areas:

- Regulation of human resources management;
- Consolidation of the financial system in education and increase of procurement capacities;
- Prevention of the conflict of interests and the definition of the standards of ethics in education;
- Examination of the possibility of establishing the Order of Teacher ;
- Guaranteeing of the registration of private teaching activities through the self-declaration of public officials;
- Boost of inspecting the quality of services provided by the public and private higher education operators;
- Establishment of the indexing and categorization system of the higher and secondary education institutions according to their quality and features and values they provide;
- Guaranteeing of the transparency in the delivery of schooling subventions and education budget at all levels;
- Consolidation and applicability of state mature experience in the exams and admission of students at the higher education and advancement of access in education institutions (admission to universities);
- Introduction in the school curricula of information dealing in issues of corruption, operation ethics of the public officials behaviours and attitude of public and non-public institutions, education and participation of citizens in the fight against corruption;
- Extended inclusion of the community of pupils and students, as well as of the citizens' community in the transparent policy-making for education.

3. Description of project

3.1 Background and justification

In recent years, the government of Albania undertook a number of important steps in the fight against corruption. The country ratified the Council of Europe's Criminal and Civil Law Conventions against Corruption; joined the Council's Group of States against Corruption (GRECO) and the United Nations Convention against Corruption (UNCAC).

The Government has been also implementing the UN Convention against Trans-national Organised Crime with regard to its provisions on the corruption and has been taking some steps to raise awareness on international standards and tools to fight and prevent corruption. Majority of the criminal code and criminal procedure code provisions are in line with the both Council of Europe Conventions and other relevant international standards with regard to the criminalisation of corruption and economic crime related offences.

Several institutional structures to investigate, prosecute and also administratively audit corruption related offences or/and violations of administrative ethics codes have been established. Recently, through reorganisation, police structures dealing with economic crime and financial crime have been upgraded to deal better with corruption cases. Some investigations have finally been initiated and criminal charges related to corruption brought against high level officials. In addition, the High Inspectorate for Declaration and Audit of Assets (HIDDA) as a new institution has made progress, but still its capacities need to be strengthened in terms of enforcement of obligations to declare assets as well as in terms of violations in accordance to its organic law.

However, it is noticed that further measures to strengthen the judiciary against corruption are required, including clearer disciplinary procedures against corrupt judges and prosecutors. On the executive side, the capacities of the Department of Internal Administrative Control and Anti-corruption under the auspices of the Prime Minister's office need to be further strengthened and its legal framework, accountability and powers need to be improved.

Provisions on the parliament members' immunities need also to be revised and aligned with international standards as they are vague and leave gaps. New provisions need to be introduced to allow for the enforcement of the constitutional obligation of political parties to make public their sources of financing. In addition, specific provisions related to financing of political parties and electoral campaigns are a set of legislation that require a thorough review and improvement and be fully in line with the international standards. There is significant need to improve further the existing system and specifically with regard to the judicial accountability and transparency of the political party financing.

Several international studies note in this context, that reform efforts are only successful when they incorporate horizontally elements from other sensitive and important public sector services: i.e., education and health. The effectiveness of anti-corruption efforts highly depends on civic virtue, the eagerness of the public to co-operate with law enforcement institutions and, quite as important, heightened public expectations of the quality of public services. The willingness of people to report corruption and their support for a transparent society would not be possible without the education schemes reaching into the schools, colleges and universities and among the peers themselves.

Setting the climate for change and generating respect for a transparent and just society is an important and integral part of best practice in preventing corruption. Education is one of the most active social sectors in Albania, where concrete system reforming steps can prove and influence anti-corruption prevention. Therefore, reforms in the education system in Albania have been identified as necessary at the moment in order to capture and focus precisely on "culture of corruption" and have as main aim the fostering of a "culture of democracy" among the beneficiaries of the education system. Taking into

account the situation in Albania, it would be appropriate that a project component, carried out at the same time in the framework of the component on strengthening the anti-corruption measures in line with Council of Europe's monitoring mechanisms on corruption and money laundering: GRECO and Moneyval recommendations, could address issues related to the system level in order to improve transparency, accountability and social participation in the management of the education sector.

The corruption reduction and the increase of governance effectiveness reforms require the participation of civil society and other non-public stakeholders. The government has allocated from its modest resources a specific budget to support the civil society initiatives, but more resources would promote a larger commitment of civil society to monitor the implementation of Anticorruption Strategy and other interventions and supervise the institutions working. The civil society involvement at all anticorruption initiatives it is vital component.

In sum, Albania continues to address corruption as a key priority in its European Partnership. A recent Anti-corruption Strategy (2007-2013) has been launched for discussion and addresses most of the above issues. The strategy itself has been discussed in public fora settings and with key institutions as well as international donor community, thus reinforcing the government's transparent and participatory approach on the corruption issues. This draft strategy shows that the approach is changing from short-term solutions to more longer-term and sustainable reform proposals.

After a significant number of steps undertaken by the Government of Albania especially with regard to the harmonisation of the main legal framework and the setting up of the institutional structure, it is now important that the on-going legislative and institutional reforms be effectively and efficiently enforced and implemented in practice. This objective should guide further the implementation of the new Anti-corruption Strategy (2007-2013).

The implementation of the project will be monitored by a steering committee with representatives from the Council of Ministers, DIACA, Ministry of Justice and Ministry of Education.

Thus, the proposed technical assistance project will support these reform efforts. In view of this the proposed project will be composed of two components (purposes):

- 1) strengthening the anti-corruption strategic framework; and
- 2) contributing to the prevention of corruption in the education system.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

The immediate impact of the proposed project is to strengthen the capacities of the Albanian government in its public sector to implement its Anti-corruption Strategy and European Partnership commitments (short and medium term) in line with the Council of Europe's GRECO and Moneyval recommendations and high priorities as set up by the European Partnership 2007 where appropriate and needed. Through its second component, the project will aim the increase in awareness about corruption of the young generation in Albania, the changing of perceptions and attitudes towards corruption and

the passing on of new skills and abilities for Albanian teachers and parents to counter corruption at school level.

3.3 Results and measurable indicators**Component 1:** Enhancing the implementation of anti-corruption policies and strategies (Anti-corruption Strategy and Action Plan 2007-2013) in line with GRECO and Moneyval recommendations and European Partnership commitments

Expected results:

- (1) Tools and mechanisms available to ensure the implementation of the anti-corruption strategy and Action Plan in line with GRECO recommendations and good practices
- (2) Proposals available for more efficient anti-corruption legislation in line with international standards
- (3) Proposals available for more consistent legislation regarding the search, seizure and confiscation of proceeds from crime and money laundering and the financing of terrorism
- (4) Guidelines developed and applied for more effective identification/detection, reporting and investigation of criminal proceeds and money laundering in relation to corruption offences
- (5) Participation of civil society in promoting and monitoring the implementation of anticorruption initiatives

Measurable indicators

- Decreasing perception of corruption in the public;
- Increased reporting, investigation, prosecution and adjudication of corruption and related money laundering offences;
- Increased seizure and confiscation of corruption proceeds;
- At least 75% of measures under the anti-corruption strategy and action plan are implemented within the timeframe foreseen

Component 2: Contribute to the prevention of corruption in the education sector by improving transparency, accountability and social participation in the education system

Expected results:

- (1) Risk analyses carried out and awareness raised with regard to opportunities of corruption in the education system
- (2) Mechanisms available to increase integrity and regulate conflicts of interest with regard to the administration of staff in the education system
- (3) Development of anti-corruption education modules for primary and secondary schools

Measurable indicators

- Tools available for preventing corruption in the education sector;
- Increased reporting and complaints on corruption in the education sector;
- Risks of corruption in the education sector reduced by the end of the project.
- Code of conduct for teaching staff

3.4 Activities

Overall objective	To contribute to democracy and the rule of law through the prevention and control of corruption
Purpose 1	To enhance the implementation of anti-corruption policies and strategies (Anti-corruption Strategy and Action Plan 2007-2013) in line with GRECO and MONEYVAL recommendations and European Partnership commitments
Result 1.1	Tools and mechanisms available to ensure the implementation of the anti-corruption strategy and action plan line with GRECO recommendations and good practices
Activities	Risk assessment and analyses for public administration institutions in order to identify areas prone to corruption and to provide a methodology for the Department of Internal Administrative Control and Anti-corruption (DIACA)
	Support the monitoring of the (draft) Anti-corruption Strategy and its Action Plan (2007-2013) through bench-marking and reporting tools
	Provide DIACA with training and good practices to strengthen its capacity to propose anti-corruption reforms and provide policy advice
	Strengthen the capacity of DIACA to network with State institutions for the purpose of exchanging information and provide training on internal auditing requirements, rules and guidelines
	Assist key institutions in the creation of capacities for the implementing of relevant measures against corruption within the new Anti-corruption Strategy and Action Plan
Result 1.2	Proposals available for more efficient anti-corruption legislation in line with international standards
Activities	Harmonise the Civil, Commercial and Administrative Codes in line with the Council of Europe Civil Law Convention against Corruption and the United Nations Convention against Corruption
	Review/improve legislative provisions concerning the lifting of immunities and privileges of elected persons in cases of corruption allegations
	Review legal regulations concerning the transparency and accountability with regard to the financing of political parties and electoral campaigns in line with Council of Europe recommendations
	Review/improve legal provisions with regard to the enforcement of obligations to declare assets as well as sanctions in accordance with the organic law and other relevant legal provisions
	Elaboration of a 'compliance matrix' for domestic legislation against relevant international legal instruments

	Follow up to recommendations resulting from the 3rd round of GRECO evaluations
Result 1.3	Proposals available for more consistent legislation regarding the search, seizure and confiscation of proceeds from crime and money laundering and the financing of terrorism
Activities	Elaborate rules and regulations on the administration and use of criminal assets seized or confiscated
	Review the consistency of legislation related to money laundering and the financing of terrorism
	Develop draft legislation to fill legislative gaps in line with Moneyval recommendations
Result 1.4	Guidelines developed and applied for more effective identification/detection, reporting and investigation of criminal proceeds and money laundering in relation to corruption offences
Activities	Develop guidelines for the financial investigation of corruption offenders' assets and provide training
	Develop guidelines (including typologies of operations) on the detection of corruption for persons and institutions with a duty to report suspicious transactions in the area of money laundering, and provide training
	Develop guidelines for private accountants and auditors on how to identify signs of corruption and its proceeds and to report their findings, and provide training
	Provide training and share good practices with regard to PEPs (Politically Exposed Persons) when conducting financial and economic crime investigations
	Elaboration of guidelines with regard to international cooperation on criminal matters when involving cross border confiscation of crime proceeds that have derived from money laundering and corruption offences
Result 1.5	Participation of civil society organizations for consulting, promoting and monitoring the implementation of anticorruption initiatives, conducting independent periodic and thematic surveys is increased
Activities	<ul style="list-style-type: none"> • Provide recommendations and lobbying aimed at supporting legal and institutional anticorruption initiatives through technical advice
	<ul style="list-style-type: none"> • Conducting in cooperation with local partners of independent surveys on sensitive areas (health and education service, police forces and tax administration, etc)
	<ul style="list-style-type: none"> • Support civil society initiatives to monitor the implementation of Anticorruption Strategy
	<ul style="list-style-type: none"> • Promote public debate for anticorruption reforms through fora, seminars, round-table discussions, etc
Purpose 2	Contribute to the prevention of corruption in the education sector by improving transparency, accountability and social participation in the education system
Result 2.1	Risk analyses carried out and awareness raised with regard to opportunities of corruption in the education system
Activities	<ul style="list-style-type: none"> • Mapping of opportunities for corruption (internally and externally): a) absence of norms and regulations; opacity of procedures; powers; status of professional norms; management and incentive systems; b)

	political will; ethical values in overall; external audit; right to information and decentralisation
	<ul style="list-style-type: none"> • “Red flagging” to assess situation and occurrences that indicate susceptibility to corruption in the following areas: finance; information systems; text books; human resources management; other resource management; and licensing of private education and monitoring.
	<ul style="list-style-type: none"> • Publication and dissemination to public and raising of awareness on the results of analyses and assessment report
	<ul style="list-style-type: none"> • Peer discussion on solutions and identification of recommended actions for improvement
	<ul style="list-style-type: none"> • Follow up risk assessment report towards the end of the project to determine progress made
Result 2.2	Mechanisms available to increase integrity and regulate conflicts of interest with regard to the administration of staff in the education system
Activities	<ul style="list-style-type: none"> • Assessment of the functioning and shortcomings regarding disciplinary measures and the regulation of ethics within the education system
	<ul style="list-style-type: none"> • Identification of policy options for introducing criteria and standardised procedures for the recruitment, appointments and promotion of human resources
	<ul style="list-style-type: none"> • Designing and drafting of the code of conduct in the education sector
	<ul style="list-style-type: none"> • Elaboration of preventive anti-corruption legislation/secondary legislation and guidelines for controlling and regulating private tutoring
Result 2.3	Development of anti-corruption education modules for primary and secondary schools
Activities	<ul style="list-style-type: none"> • Developing a framework of anti-corruption terms and concepts
	<ul style="list-style-type: none"> • Developing modules of anti-corruption education for primary and secondary schools study programmes
	<ul style="list-style-type: none"> • Testing the module of anti-corruption education in pilot schools

The above activities are proposed to be carried out through the following tools:

Expert advice – provided by the two LT-Advisers (one on corruption in general, one on corruption in the education sector) within their competences/experience or, as necessary, by ST-Advisers selected according to their specific field of competence, through direct interaction with individual officials or groups of officials on the issues specified in the Workplan and wherever necessary.

Expert opinions – will be provided in writing, as necessary, to comment on the pieces of legislation or their drafts or other documents, by independent experts from the Council of Europe Member States via the CoE Secretariat.

Study visits EU Member States - provide first-hand experience to complement the theory and help individuals to examine possible changes to their own procedures and approaches, and also initiate the basis for launching cooperation and networking with EU Member States.

Roundtables and seminars - allowing stakeholders/professional groups and individuals to look at ways in which their own policies can be reformed. They will also be used to contribute specialist knowledge to a broader debate on a given issue.

Workshops - allow a particular task to be undertaken involving multiple co-operating parties. Experts put their knowledge at the disposal of practitioners and officials. Workshops can also be used to provide specific advanced training.

Training courses – allow participants to acquire new knowledge and/or professional skills through interaction with a qualified trainer. Elements of self-education can be included.

Research/Assessment/Risk Analysis/ – a way to get a comprehensive overview of a given issue to serve a basis for further analysis.

Surveys – a way to get periodic comprehensive overview of nature/ dynamics/ characteristics of corruption in given area to serve as basis for developing analyses and identifying appropriate respond action.

Translations - make important texts and information accessible in local languages and can be used as a tool in training activities and seminars.

Publication and dissemination of texts and/or audiovisual CD-ROMs - ensure that certain expertise or knowledge is made available to the widest possible audience.

3.5 Conditionality and sequencing

Since 1998, the EU and the donor community has invested a considerable amount funds in the area of public sector reforms whilst contributing to the fight and prevention of corruption and improvement of the education in Albania. Although progress can and has been noted in these important areas of public sector reform, sustainability of return on investment needs to be assured and confirmed.

In a highly politicised culture such as Albania, it should be noted that EU funded technical assistance and support in the framework of the implementation and fulfilment of set up short and medium term key priorities under the European Partnership commitments can be expected to be linked accordingly on the basis of the following conditions:

- Clear political will to carry out committed and underline reforms as such;
- Retention of staff in overall public sector administration in order to ensure institutional memory and sustainable capacity building throughout the process of reforms and development;
- tangible reform results;
- measurable indicators of success and of impact created through projects as such;
- cooperation and coordination in a horizontal way with all relevant institutions by also avoiding duplication of efforts;
- mainstreaming anti-corruption means by incorporating it-explicitly or implicitly-in all sectors and at all intervention levels in order to secure sustainability impact and continuity of it;
- full implementation of the relevant treaty law/international instruments⁶ commitments in accordance with the recommendations and evaluations procedures;

⁶ Council of Europe Criminal Law Convention against Corruption (STE 173);

Progress of reforms to be initiated, or that have been initiated, could also be measured not only through the EC monitoring and progress reporting tools but also, through the subject matter Council of Europe monitoring mechanisms such as GRECO and Moneyval.

It is important that before the start of the project, the Anti-corruption Strategy and its Action Plan (2007-2013) are formally adopted by the Government.

3.6 Linked activities

Ministry of Finance/ Ministry of Interior	Tackling Money Laundering and Financial Crime	CARDS 2004	Ongoing
Ministry of Justice	EURALIUS II	CARDS 2006	Ongoing
Ministry of Interior	Strengthening the Capacity of the Albanian State Police in covert evidence gathering and the use of technical aides to investigation	CARDS 2004	Ongoing
Ministry of Justice	Support to the High Council of Justice and its Inspectorate	CARDS 2004	Ongoing
Ministry of Finance General Directorate of Tax	Reduce corruption levels in Albania	US Millennium Challenge Account	ongoing
Prosecutor General	Support to Inspections of Prosecutors	CARDS 2005	starting 2008
Prosecutorial Services	Regional Project on Prosecutors' Network	CARDS 2006	starting 2008
Ministry of Education and Science	Education Reform Project	World Bank Credit 3343-ALB of World Bank	Ongoing

3.7 Lessons learned

Experience has shown that the effectiveness of the fight and prevention of corruption has a bearing on foreign direct investment and economic development in Albania; economic crime, need for effective implementation of legislation and corruption in the education system (*inter alia* other systems) have been among the most important concerns that need

to be addressed properly in order to ensure tangible results and change of public perception.

Therefore, efficient coordination and cooperation, as well as political commitment of all relevant stakeholders should be ensured from the beginning of the project design and throughout its implementation in order to provide basis for the sustainable action.

Experience has shown that if there is a lack of mechanisms and scarce implementation results, then there is clear obstacle for achieving sustainability of reforms and their desired outcomes.

It is therefore of utmost importance to get approval of all relevant documents by relevant institutions those independent ones as well as those within the public administration and line Ministries.

Experience gained during the implementation of the previous funded EC projects have proven that the establishment of a Project Steering Committee and of a centralised and well coordinated project management unit within the premises of the main project stakeholder institution(s), can contribute to decision making process and accelerate passing of different decisions and policy related reforms at all government levels. Members of the Steering Committee should be senior level government representatives from the leading stakeholder institutions and those other direct and indirect beneficiary structures.

Given that Albania has ratified relevant Council of Europe anti-corruption and anti-money laundering standards and is participating in the GRECO and Moneyval evaluation mechanisms, the Council of Europe is well placed to implement this project under a direct grant agreement. The Council of Europe would also be able to co-fund this project. The Memorandum of Understanding between the Council of Europe and the European Union of 2007 – which among things calls for strong cooperation between the two organisations in justice and home affairs matters and the implementation of joint programmes - provides added justification for the implementation of this project by the Council of Europe.

4. Indicative Budget (amounts in €)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION (Council of Europe)	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EU (x)	Regional/ Local EU (y)	IFEUR (z)	EUR (d)	% (2)
Activity 1 provision of TA			2.130.000	2.000.000	93.8%						130.000	6.2%
Contract 1	X	-		2.000.000		-					130.000	
TOTAL IB				2.000.000	93.8%						130.000	6.2%
TOTAL INV												
TOTAL PROJECT			2.130.000	2.000.000	93.8%						130.000	6.2%

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

- (1) In the Activity row use "X" to identify whether IB or INV
- (2) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule (periods broken down per quarter)

The implementation of the project will be done via a direct grant to the Council of Europe in view of both its technical competence and the specific characteristics of the project, in accordance with Article 168(1)(f) of the Implementing Rules to the Financial Regulation.

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	1 st Q. 2009	2 nd Q. 2009	1 st Q. 2012

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity and Gender Issues

While an objective assessment of the personnel's qualifications and experience is central to the performance of the public administration reforms, equal opportunities and gender issues will be highly taken into consideration throughout the entire project implementation. The Project activities will cover major some areas of public sector, thus indirectly will deal with relevant groups and with no discrimination at all. It will pay a special attention in addressing gender equality. Especially through its purpose 2 the Project will contribute to equal access and participation as well as gender equality in the education system as one of the most relevant public sectors.

6.2 Environment

NA

6.3 Minorities

During the implementation of the project respect for minority rights within public administration directly involved, will be guaranteed.

ANNEXES

- 1- Log frame in Standard Format
- 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3- Description of Institutional Framework (to be developed)
- 4 - Reference to laws, regulations and strategic documents:

Reference list of relevant laws and regulations

Reference to AP /NPAA / EP / SAA

Reference to MIPD

Reference to National Development Plan

Reference to national / sectoral investment plans

- 5- Details per EU funded contract (*) where applicable:

For *TA contracts*: account of tasks expected from the contractor

For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts

For *grants schemes*: account of components of the schemes

For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (**)

For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (**); account of services to be carried out for the *service part* of the contract

(*) non standard aspects (in case of derogation to PRAG) also to be specified

(**) section on investment criteria (applicable to all infrastructure contracts and constructing works):

- Rate of return
- Co financing
- compliance with state aids provisions
- Ownership of assets (current and after project completion)

Annex I: Logical Framework

<i>Logic</i>	<i>Description</i>	<i>Objectively verifiable indicators</i>	<i>Sources of verification</i>	<i>Assumptions</i>
Overall objective	To contribute to democracy and the rule of law through the prevention and control of corruption			
Purpose 1	To enhance the implementation of anti-corruption policies and strategies (Anti-corruption Strategy and Action Plan 2007-2013) in line with GRECO and MONEYVAL recommendations and European Partnership commitments	<p>Decreasing perception of corruption in the public</p> <p>Increased reporting, investigation, prosecution and adjudication of corruption and related money laundering offences</p> <p>Increased seizure and confiscation of corruption proceeds</p> <p>At least 75% of measures under the anti-corruption strategy and action plan are implemented within the timeframe foreseen</p>	<p>Anti-corruption surveys</p> <p>Criminal justice statistics</p> <p>EC progress reports</p> <p>GRECO and MONEYVAL reports of the Council of Europe</p>	The anti-corruption strategy and action plan is the key anti-corruption policy document of the Government
Result 1.1	Tools and mechanisms available to ensure the implementation of the anti-corruption strategy and action plan line with GRECO recommendations and good practices	<p>Risk assessments completed for at least 5 institutions by month 28</p> <p>Annual progress report on the anti-corruption strategy available</p>	<p>Project reports</p> <p>GRECO evaluation reports</p>	The anti-corruption strategy and action plan is the key anti-corruption policy document of the Government

		<p>Number of bodies and persons trained through at least 5 training courses by month 30</p> <p>Number and quality of actions carried out by institutions under the anti-corruption strategy</p>		
Activities	<p>Risk assessment and analyses for public administration institutions in order to identify areas prone to corruption and to provide a methodology for the Department of Internal Administrative Control and Anti-corruption (DIACA)</p> <p>Support the monitoring of the (draft) Anti-corruption Strategy and its Action Plan (2007-2013) through bench-marking and reporting tools</p> <p>Provide DIACA with training and good practices to strengthen its capacity to propose anti-corruption reforms and provide policy advice</p> <p>Strengthen the capacity of DIACA to network with State institutions for the purpose of exchanging information and provide training on internal auditing requirements, rules and guidelines</p> <p>Assist key institutions in the creation of capacities for the implementing of relevant measures against corruption within the new Anti-corruption Strategy and Action Plan</p>	<p>Means:</p> <p>Long-term adviser 1</p> <p>20 consultant work days</p> <p>5 international travels</p> <p>20 days per diems</p> <p>Interpretation & translation</p> <p>Long-term adviser 1</p> <p>Interpretation & translation</p> <p>Long-term adviser 1</p> <p>3 training events</p> <p>Interpretation & translation</p> <p>Long-term adviser 1</p> <p>3 training events</p> <p>Interpretation & translation</p> <p>Long-term adviser 1</p> <p>10 consultant work days</p> <p>3 international travels</p> <p>10 days per diems</p> <p>2 training events</p>		

		Interpretation & translation		
Result 1.2	Proposals available for more efficient anti-corruption legislation in line with international standards	Number and quality of legislative proposals available (time lines and specifics to be negotiated during project inception phase) Compliance matrix for legislation available by month 6		Legislative proposals are adopted by Government and Parliament
Activities	<p>Harmonise the Civil, Commercial and Administrative Codes in line with the Council of Europe Civil Law Convention against Corruption and the United Nations Convention against Corruption</p> <p>Review/improve legislative provisions concerning the lifting of immunities and privileges of elected persons in cases of corruption allegations</p> <p>Review legal regulations concerning the transparency and accountability with regard to the financing of political parties and electoral campaigns in line with Council of Europe recommendations</p>	<p>Means:</p> <p>Long-term adviser 1 12 consultant work days 3 legal opinions 4 international travels 12 days per diems 2 legal workshops Interpretation & translation</p> <p>Long-term adviser 1 8 consultant work days 1 legal opinion 2 international travels 8 days per diems 2 legal workshops Interpretation & translation</p> <p>Long-term adviser 1 8 consultant work days 2 legal opinions 3 international travels</p>		

	<p>Review/improve legal provisions with regard to the enforcement of obligations to declare assets as well as sanctions in accordance with the organic law and other relevant legal provisions</p> <p>Elaboration of a ‘compliance matrix’ for domestic legislation against relevant international legal instruments</p> <p>Follow up to recommendations resulting from the 3rd round of GRECO evaluations</p>	<p>8 days per diems 2 legal workshops Interpretation & translation Long-term adviser 1 8 consultant work days 2 legal opinions 2 international travels 8 days per diems 1 legal workshop Interpretation & translation Long-term adviser 1</p> <p>Long-term adviser 1 10 consultant work days 2 legal opinions 3 international travels 15 days per diems 3 workshops Interpretation and translation</p>		
Result 1.3	Proposals available for more consistent legislation regarding the search, seizure and confiscation of proceeds from crime and money laundering and the financing of terrorism	<p>Proposal for rules and regulation on criminal assets available by month 12</p> <p>Study on the consistency of AML/CFT legislation available by month 15</p> <p>Number and quality of</p>		<p>Legislative proposals and regulations are adopted by Government and Parliament or the respective body</p>

		legislative proposals available		
Activities	<p>Elaborate rules and regulations on the administration and use of criminal assets seized or confiscated</p> <p>Review the consistency of legislation related to money laundering and the financing of terrorism</p> <p>Develop draft legislation to fill legislative gaps in line with Moneyval recommendations</p>	<p>Means:</p> <p>Long-term adviser 1 10 consultant work days 2 legal opinions 3 international travels 10 days per diems 2 legal workshops Interpretation & translation</p> <p>Long-term adviser 1 10 consultant work days 2 legal opinions 4 international travels 15 days per diems 2 legal workshops Interpretation & translation</p> <p>Long-term adviser 1 8 consultant work days 2 legal opinions 3 international travels 8 days per diems 2 workshops Interpretation & translation</p>		
Result 1.4	Guidelines developed and applied for more effective identification/detection, reporting and investigation of criminal proceeds and money laundering in relation to corruption offences	By month 10, four sets of guidelines available At least 8 training courses carried out by		The guidelines are applied in practice

		month 32		
Activities	<p>Develop guidelines for the financial investigation of corruption offenders' assets and provide training</p> <p>Develop guidelines (including typologies of operations) on the detection of corruption for persons and institutions with a duty to report suspicious transactions in the area of money laundering, and provide training</p> <p>Develop guidelines for private accountants and auditors on how to identify signs of corruption and its proceeds and to report their findings, and provide training</p> <p>Provide training and share good practices with regard to PEPs (Politically Exposed Persons) when conducting financial and economic crime investigations</p>	<p>Means:</p> <p>Long-term adviser 1 15 consultant work days 6 international travels 15 days per diems 2 training events 1 study visit Interpretation & translation</p> <p>Long-term adviser 1 20 consultant work days 4 international travels 20 days per diems 2 training events Interpretation & translation</p> <p>Long-term adviser 1 20 consultant work days 4 international travels 20 days per diems 2 training events Interpretation & translation</p> <p>Long-term adviser 1 10 consultant work days 2 international travels 10 days per diems 2 training events</p>		

	<p>Elaboration of guidelines with regard to international cooperation on criminal matters when involving cross border confiscation of crime proceeds that have derived from money laundering and corruption offences</p>	<p>Interpretation & translation Long-term adviser 1 8 consultant work days 1 international travel 8 days per diems Interpretation & translation</p>		
<p>Result 1.5</p>	<p>Participation of civil society organizations for consulting, promoting and monitoring the implementation of anticorruption initiatives, conducting independent periodic and thematic surveys is increased</p>	<p>Local expertise produces recommendations and consultation for at least 3 legal initiatives by month 18th Conduct periodic surveys on at least 3 areas starting within the first year Establish a civil society monitoring instrument (report) within the first 6 months public debate activities (fora, seminars, workshops and TV debates). A calendar of events developed within the first 6 months term</p>		<p>The case management system, the guidelines and the training are applied by the respective institutions</p>
<p>Activities</p>	<p>Mobilise the local expertise in consulting, preparing recommendations and lobbying for supporting legal and institutional anticorruption initiatives</p>	<p>Means: Pool of experts 40 consultant work days 10 public debates</p>		

Conducting in cooperation with local partners of independent surveys on sensitive areas (health and education service, police forces and tax administration, etc)

Support civil society organization initiatives to monitor the implementation of Anticorruption Strategy

promote public debate for anticorruption reforms through fora, seminars, round-table discussions, etc

events
Interpretation &
translation
Local organization
identified
15 consultant work
days
3 international travels
15 days per diems
Interpretation&
translation
Group of NGO-s
identified
15 consultant work
days developing
monitoring
methodology
2 international travels
10 days per diems
Periodical (6m) Reports
produced
Interpretation &
translation
calendar of public
debate events
10 consultant work
days participating in the
debates
2 international travels
10 days per diems
10 events by 18th
month
Interpretation&

Purpose 2	Contribute to the prevention of corruption in the education sector by improving transparency, accountability and social participation in the education system	<p>translation</p> <p>Tools available for preventing corruption in the education sector</p> <p>Increased reporting and complaints on corruption in the education sector</p> <p>Risks of corruption in the education sector reduced by the end of the project</p>		The tools introduced are applied in practice
Result 2.1	Risk analyses carried out and awareness raised with regard to opportunities of corruption in the education system	<p>Results of risk analyses available by month 12</p> <p>Publication and dissemination of results by month 22</p> <p>Recommendations for improvement available by month 28</p> <p>Follow up report on risks available by month 35</p>		The results of the risk analyses are accepted and the methodology is applied in the future
Activities	Mapping of opportunities for corruption (internally and externally): a) absence of norms and regulations; opacity of procedures; powers; status of professional norms; management and incentive systems; b) political will; ethical values in overall; external audit; right to information and decentralisation	<p>Means:</p> <p>Long-term adviser 2</p> <p>12 consultant work days</p> <p>2 international travel</p> <p>12 days per diems</p> <p>Interpretation & translation</p>		

	<p>“Red flagging” to assess situation and occurrences that indicate susceptibility to corruption in the following areas: finance; information systems; text books; human resources management; other resource management; and licensing of private education and monitoring.</p> <p>Publication and dissemination to public and raising of awareness on the results of analyses and assessment report</p> <p>Peer discussion on solutions and identification of recommended actions for improvement</p> <p>Follow up risk assessment report towards the end of the project to determine progress made</p>	<p>Long-term adviser 2 10 consultant work days 2 international travel 10 days per diems Interpretation & translation</p> <p>Long-term adviser 2 5 consultant work days 2 international travel 5 days per diems 2 workshops Publications Interpretation & translation</p> <p>Long-term adviser 2 2 workshops Interpretation & translation</p> <p>Long-term adviser 2 10 consultant work days 2 international travel 10 days per diems Interpretation & translation</p>		
Result 2.2	<p>Mechanisms available to increase integrity and regulate conflicts of interest with regard to the administration of staff in the education system</p>	<p>Assessment report on disciplinary measures and ethics by month 10 Code of conduct available by month 20 Policy options for human resources</p>		<p>The measures and policy options are will be followed up to. Legislative proposals will be adopted by</p>

		management by month 20 Draft legislation and guidelines for quality control and regulating private tutoring available by month 24		Government and Parliament
Activities	<p>Assessment of the functioning and shortcomings regarding disciplinary measures and the regulation of ethics within the education system</p> <p>Identification of policy options for introducing criteria and standardised procedures for the recruitment, appointments and promotion of human resources</p> <p>Designing and drafting of the Code of conduct in the education sector</p> <p>Elaboration of preventive anti-corruption legislation/secondary legislation and guidelines for controlling and regulating private tutoring</p>	<p>Means:</p> <p>Long-term adviser 2 8 consultant work days 2 international travel 8 days per diems Interpretation & translation</p> <p>Long-term adviser 2 8 consultant work days 2 international travel 8 days per diems 2 workshops Interpretation & translation 1 study visit</p> <p>Long-term adviser 2 10 consultant work days 2 international travel 10 days per diems 2 workshops Interpretation & translation</p> <p>Long-term adviser 2 10 consultant work days</p>		

		3 legal opinions 2 international travel 10 days per diems 2 workshops Interpretation & translation	
Result 2.3	Development of anti-corruption education modules for primary and secondary schools	Anti-corruption training modules available by month 15 Modules tested in at least 4 schools by month 30	The modules will be incorporate in school curricula
Activities	<p>Developing a framework of anti-corruption terms and concepts</p> <p>Developing modules of anti-corruption education for primary and secondary schools study programmes</p> <p>Testing the module of anti-corruption education in pilot schools</p>	<p>Long-term adviser 2 10 consultant work days Translation</p> <p>Long-term adviser 2 20 consultant work days Translation 2 international travels 10 days per diems Publications</p> <p>Long-term adviser 2 15 consultant work days Translation 4 international travels 15 days per diems Interpretation & translation</p>	

ANNEX II: Amounts (in €) Contracted and disbursed by quarter for the project (EC Contribution)

Contract to be signed in 2009

	2nd quarter 2009	3 rd quarter 2009	4th quarter 2009	1st quarter 2010	2nd quarter 2010	3 rd quarter 2010	4th quarter 2010	1st quarter 2011	2nd quarter 2011	3rd quarter 2011	4th quarter 2011	1st quarter 2012
Contracted												
Contract	600,000				700,000				500,000			200,000
Cumulated	600,000	600,000	600,000	600,000	300,000	300,000	1 300,000	1 300,000	1 800,000	1 800,000	1 800,000	2 000,000
Disbursed												
	100,000	150,000	150,000	150,000	150,000	150,000	150,000	200,000	200,000	200,000	200,000	200,000
Cumulated	100,000	250,000	400,000	550,000	700,000	850,000	1,000,000	1,200,000	1,400,000	1,600,000	1,800,000	2,000,000

It is foreseen that in addition to the EC contribution an amount of 230,000 Euro as a contribution from the Council of Europe will be provided in addition to the EC funds.

ANNEX III

Description of Institutional Framework

The Council of Ministers' Department of Internal Administrative Control and Anti-corruption (DIAC) functions in line with decision No. 94, dated 15.02.2006 of the Council of Ministers "On the approval of regulation on functions and procedures of internal administrative control and anti-corruption of the Council of Ministers". This department is the relevant structure responsible for administrative internal control and anti-corruption control in the institutions of the executive branch like ministries and other central institutions subordinated by the prime minister and ministers, prefecture administrations and in government-owned enterprises.

The Department's mission is to carry out inspections of administrative procedures with regard to the application of legitimacy, to verify denouncements to abusive, corruptive and arbitrary practices, to identify the public administration employees, who by action or failure to act have committed violations of the legal and sub-legal acts in force and to recommend measures against them, to prepare recommendations about all cases inspected/audited, as well as to raise public and institutional awareness in the fight against corruption.

In its activity, the department focuses on violations, abuses and corruptive practices of the public officials.

According to the Prime minister Order no 195, dated 14.08.2006, "On the establishment of the working group on drafting and monitoring the implementation the National Strategy on Fighting Corruption and Good Governance", an inter ministerial working group has been established. This working group shall be responsible for the implementation of the strategy on anticorruption. This group will include a deputy minister from each line ministry, the director of DIACA, the adviser to the Prime minister on anticorruption issues and the Director of the Department of Strategy and Donor Coordination.

ANNEX IV

Reference to laws, regulations and strategic documents

Laws

- Council of Europe Criminal Law Convention against Corruption (STE 173);
- Additional Protocol of the Council of Europe Criminal Law Convention against Corruption (STE 191);
- Council of Europe Civil Law Convention against Corruption (STE 174);
- United Nations Convention against Corruption
- Law No. 9049, dated 10 April 2003 on "Declaration and Audit of Assets, Financial Obligations of Elected Persons and Certain Public Officials";

- Law No. 9367, dated 7 April 2005 on “Prevention of Conflict of Interest in the Exercise of Public Functions, amended by Law No. 9475, dated 9 February 2006 on Some Amendment and Additions to Law No. 9367, dated 7 April 2005 on Prevention of Conflict of Interest in the Exercise of Public Functions”;
- Law No. 8485, dated 12 May 1999 on “Administrative Procedures Code of Republic of Albania”;
- Law No 8270, dated 23.12.1997, on State Supreme Audit, amended by Law No. 8599, dated 01.06.2000;
- Law No. 7895, dated 27 January 1995 on “Criminal Code of the Republic of Albania” as amended; and
- Law No. 7905 dated 21 March 1995 on “Criminal Procedure Code of Republic of Albania” as amended.
- Law on No. 8387, dated 30.07.1998 “For the Pre-university Education System”, No. 7952, dated 21.06.1995, as amended by Law
- Law No. 9131, dated 08.09.2003 on the Rules of Ethics in the Public Administration
- Law No. 9508, date 03.04.2006, on the “Cooperation of the Public in the Fight against Corruption”

Regulations

- Decision of the Council of Ministers on the Approval of the “Regulation on Functions and procedures for the Department of the Administrative Internal Audit and Anti-corruption at the Council of Ministers”, DCM No. 94, dated 15.02.2006
- Regulation on Functions and procedures for the Department of the Administrative Internal Audit and Anti-corruption at the Council of Ministers
- Decision of the Council of Ministers on the criteria and procedures for giving permits for the functioning of the non-public education institutions and alternative education non-public institutions of teaching religion or foreign languages, DCM No. 248, dated 28.05.1999.
- Decision of the Council of Ministers, on “The Creation of the Anti-corruption Task Force”, No. 794 date 19.12.2005
- Prime Minister Order on “Measures to Implement Recommendations of the High State Control, Internal Audit, and the Department of the Internal Administrative Control and Anti-corruption in the Council of Ministers and the Institutions under the Authority of the Prime Minister or the Ministries”, No. 70 date 18.04. 2006;
- Prime Minister Order on “Promoting Awareness to the Public in Order to Participate in the Fight against Corruption”, No. 201 date 16.12.2005;
- Prime Minister Order, on “The approval of the Structure and Organigram of the Prime Minister’s Office”, No. 188 date 30.11.2005.
- Ordinance on the Criteria and Procedures for the granting of the Permit for the functioning of the private educations institutions and private alternative education Institutions at the pre-university level, Ordinance No.26, dated 07.09.2007.
- Prime minister Order no 195, dated 14.08.2006, “On the establishment of the working group on drafting and monitoring the implementation the National Strategy on Fighting Corruption and Good Governance”
- CoMD no 342, dated 12.03.2008, “On the National Strategy for Development and Integration”

Strategic Documents

- Inter-sectroial Strategy of the Prevention and the fight against corruption for a transparent governance (2007-2013), Draft of October 2007

- Integrated Plan of the Ministry of Education and Science of Albania, 2007
- National Education Strategy 2004-2015
- Education Reform Project Credit 3343-ALB of World Bank: Education for All, 2005
- Manual on suggested “Guideline and Procedure Rules on the operations of the Department for Internal Administrative Control and Anti-Corruption (DIAC)” , Technical Paper, Council of Europe, May 2006