

# ANTI-CORRUPTION HELPDESK

PROVIDING ON-DEMAND RESEARCH TO HELP FIGHT CORRUPTION

## ALBANIA: OVERVIEW OF POLITICAL CORRUPTION

### QUERY

Please provide an overview of and background to recent measures taken to address political corruption in Albania. We are particularly interested in elections, political party financing, codes of conduct, asset declaration, immunity, conflict of interest and lobbying.

### CONTENT

1. Overview of political corruption in Albania
2. Elections
3. Party financing
4. Immunity
5. Code of conduct
6. Conflict of Interest
7. Asset declaration
8. References

////////////////////////////////////

### Author(s)

Matthew Jenkins, Transparency International,  
tihelpdesk@transparency.org

### Reviewer(s)

Maira Martini; Marie Chêne; Finn Heinrich, Transparency International;  
Inesa Hila, Transparency International Albania

### Date

Responded: 20 March 2014

### SUMMARY

Political corruption is a serious and ongoing problem in Albania. Pressed by the European Commission and GRECO's recommendations, the Albanian government has recently adopted a number of measures intended to reduce political corruption in the country. In 2012 it amended the Albanian Constitution to restrict the immunity of high-level public officials, politicians and judges. Other amendments considerably broadened the range of public officials subject to the asset disclosure law and imposed stricter sanctions for violations of the conflict of interest provisions. Legal changes in 2011 brought in new provisions regarding annual funding of political parties, while in 2013 further legislation was passed to improve transparency in party funding.

In spite of recent reforms, political corruption continues to be a barrier to Albania's candidature for EU membership. Despite anti-corruption support from donors, increased public awareness and government promises, the new government's record after its first six months in office has been mixed. It remains to be seen whether anti-corruption measures remain rhetoric, especially when addressing corruption within the ruling coalition's own ranks.

This answer considers challenges and progress in the areas of elections, party financing, immunity, codes of conduct, conflict of interest, asset declaration, transparent governance and the coordination of various anti-corruption agencies.

## 1. OVERVIEW OF POLITICAL CORRUPTION IN ALBANIA

### Extent of corruption

Despite the government's efforts, corruption remains a major challenge in Albania. The latest available data from the World Bank suggests that after a period of steady improvement in the control of corruption (peaking at a global percentile rank of 37.8 in 2009), the last four years have witnessed a gradual increase in perceived levels of corruption: by 2012 Albania's percentile rank had fallen back to 26.8 (World Bank 2013a: 7).

Albania is ranked as one of the most corrupt countries in Europe in Transparency International's 2013 Corruption Perceptions Index; with a score of 31 out of 100, it performs considerably worse than the regional average (Transparency International 2013a). In addition, Albania is the European country in which the highest proportion of companies anticipate having to give "gifts" to secure a public contract (Business Anti-Corruption Portal 2014).

Citizens are often confronted by bribery when accessing public services. According to Transparency International's 2013 Global Corruption Barometer, the services perceived to be most susceptible to bribes were judiciary (81%), health (80%), education (70%), police (58%) and civil services (52%) respectively. Worse still, despite recent progress on the legal front, only 10 per cent of respondents believe that corruption has decreased in the last two years and 96 per cent believed corruption in the public sector remains a problem (Transparency International 2013b).

### Political corruption in Albania

Political corruption – the use of discretionary power by government officials for illegitimate private gain – is one of the most serious challenges faced by Albania. Political corruption manifests itself in various forms such as illicit party financing, vote-buying, state capture, political patronage and lobbying, and consequently affects a wide range of sectors. Political corruption is a key governance challenge as it underpins other forms of corruption and hampers anti-corruption reforms.

Areas of particular concern in Albania include party financing, de facto impunity for high-level officials, undue influence of private business interests in political decision-making and the prejudiced application of the rule of law by an ineffective judiciary. Unrestricted lobbying is also a serious concern and, as of March 2014, there have been no moves to legislate, regulate or restrict political lobbying in Albania.

Albanian political parties are perceived as especially corrupt; according to the latest Global Corruption Barometer, 72 per cent of Albanians surveyed are convinced of their dishonesty (Transparency International 2013b). Recent scandals, such as the previous administration's use of public funds to enrich pro-government media, have justified this suspicion and revealed the nefarious links between politicians and powerful businesses which have been able to set the political agenda (Bertelsmann Foundation 2014).

To tackle some of these concerns, a number of measures have recently been taken relating to party financing, impunity, conflict of interest and asset declaration.

### Overview of anti-corruption reforms

Albania has been improving its legal framework in an attempt to curb political corruption. The country ratified both the Council of Europe Civil and Criminal Law Conventions on Corruption in 2001 and the United Nations Convention against Corruption in 2006, which form the framework for a coherent anti-corruption strategy (Republic of Albania Council of Ministers 2013: 18).

Moreover, since the third round of GRECO recommendations in 2011 and assisted by the Council of Europe's Project against Corruption in Albania (PACA), a number of improvements have been made and the country can now be said to be legally compliant with its treaty obligations (Business Anti-Corruption Portal 2014).

Albania has amended its criminal code to increase criminal provisions for bribery in the public and (for the first time) private sector, changed the law *For Political Parties* to introduce greater transparency in party financing, implemented legal and constitutional

changes to limit the immunity of public officials, and strengthened the High Inspectorate of the Declaration and Audit of Assets (HIDAA) through improvements to the laws on conflict of interest and asset declaration (Mujaj 2013: 38). The European Commission's 2013 Progress Report stated that all previous recommendations on legislative measures to fight corruption had been "satisfactorily addressed" (European Commission 2013: 1).

Despite these legislative improvements, effective implementation of recent legislation intended to address the financing of political parties remains an obstacle to clean politics, as does the de facto impunity of high-level officials (Albanian Anti-Corruption Portal 2013a). Progress on the monitoring of anti-corruption reforms, impartial law enforcement and co-ordination between anti-corruption agencies also remains uncertain.

Albania has repeatedly been told by the European Commission, PACA and others that it needs to better coordinate its various anti-corruption agencies, law enforcement bodies and state prosecutors. Despite some initial steps,<sup>1</sup> the final PACA report in 2013 expressed concern about the lack of proper coordination mechanisms or clear division of jurisdictions and competencies between the various agencies (Council of Europe 2013a: 44).<sup>2</sup> The commission's 2013 Progress Report on Albania also suggested that the establishment of a central coordinating body may be advisable (European Commission 2013: 41).

A member of the Open Government Partnership (OGP) since 2011, Albania has officially committed to embedding increased transparency and citizen participation in diverse aspects of governance (Open Government Partnership 2014). The country implemented a number of transparency reforms, such as publishing minutes of parliamentary committees on the national assembly's website

<sup>1</sup> Such as the 2012 memoranda of understanding between various anti-corruption bodies and the compilation of a centralised database of suspected corrupt practices in public office (Republic of Albania Council of Ministers 2013: 18).

<sup>2</sup> The PACA report noted that coordination and supervision of anti-corruption policy was the sole responsibility of a single member of staff in the Technical Secretariat to the Inter-ministerial Working Group for Monitoring the Implementation of the Anti-Corruption Strategy (Council of Europe 2013a: 44).

(European Commission 2013: 5). However the gap between theory and practice remains large. Officially all daily budget expenses are supposed to have been published online since January 2012, but this seems irregular at best.<sup>3</sup> More worrying still, the new government has seemingly ended the practice of publishing government decisions and draft bills, which dates back to 2003 (Balkan Insight 2014a). Indeed, the progress of anti-corruption measures often seems to have more to do with political expediency than effective reform (Balkan Insight 2013a).

## 2. ELECTIONS

### Overview

Over the last twenty years Albanian elections have often been marred by serious procedural problems. Irregularities around voter registration used to be commonplace (Bertelsmann Foundation 2008). For instance, the 2007 electoral roll contained 3.3 million names even though the 2011 census only identified 2.8 million Albanian citizens (The Economist 2013). In the lead up to the 2007 local elections, the Organization for Security and Co-operation in Europe (OSCE) reported that it was frequently required to mediate between the government and the opposition to overcome the "highly charged and divisive" political environment (OSCE 2007: 4)

During the 2009 national elections, political parties were reported to be vote-rigging by interfering with the counting process, and the OSCE judged that the elections did not meet "Albania's potential to the highest standards of democratic elections" (Bertelsmann Foundation 2012 & OSCE 2009).

The introduction in 2011 of a unified electronic electoral register helped improve procedural issues and voter identification (Bertelsmann Foundation 2012). Nonetheless the 2011 local election results were tainted by violence and legal challenges by the opposition when their winning candidate in Tirana was deposed after the government insisted that miscast ballots should count (OSCE 2011: 1). The electoral code does not cover such cases, but the

<sup>3</sup> At the time of writing, the webpage hosting this information was not working (Albanian Ministry of Finance 2014).

Central Election Commission (CEC) found in favour of the government and the opposition lost their appeal to the Electoral College, the highest electoral court in Albania (The Economist 2011).

The lack of political independence of the CEC – the body tasked with overseeing the electoral process – has been criticised by the Bertelsmann Foundation (2014), which alleges that it is a “bipartisan body” subject to political will, whose decisions lack legal basis or consistency. This opinion is largely shared by Albanian citizens; only 9 per cent of those surveyed in 2013 had full trust in the CEC (Albanian Institute for International Studies 2013: 37).

Officially established by the constitution in 1998, the seven members of the CEC were initially appointed by the president (2), the high council of justice (3) and the national assembly (2). In 2008, the CEC fell under the new electoral code, which stipulated that all CEC members were from then on to be political appointees: four are nominated by the government and three by the opposition (Central Election Commission 2011). The political nature of this arrangement has predictably led to gridlock; two months before the 2013 elections the three opposition members of the CEC resigned following a dispute between the government and the opposition (Deutsche Welle 2013a)

Against this background, the OSCE was understandably pessimistic about the coming national elections in June 2013 (OSCE 2013: 10). Civil society organisations reported attempted vote-buying and illicit campaigning methods (Balkan Insight 2013b), and nearly half of all Albanians surveyed did not expect a fair election (Albanian Institute for International Studies 2013: 13).

### Recent reforms

In July 2012, following a consensus between the two major parties, a number of improvements were made to the electoral code (Freedom House 2013). This permitted minor parties to also appoint members of the CEC, integrated new election-monitoring technologies, introduced more severe sanctions for election-related violations and established greater independence for the electoral court (OSCE 2013: 4).

This reform helped ensure the success of the June

2013 elections: monitored by over 600 international observers, they were widely acclaimed as a success both inside and outside the country (Deutsche Welle 2013b). Also encouraging was the decision of the incumbent prime minister, Berisha, to step down without contesting the decision of the CEC.

Nonetheless, institutional weaknesses have yet to be satisfactorily addressed: as of March 2014, the remaining three members of the CEC have still not been appointed (Central Election Commission 2014).

## 3. PARTY FINANCING

### Overview

Political parties need funding both during and between election campaigns to fulfil their democratic duties, including communicating their policies to voters and competing with other parties in the public sphere. In a relatively poor country like Albania, the rising cost of funding political activities helps nurture relationships between some of those seeking public office and potentially dubious sources of finance (Bertelsmann Foundation 2014). If left unchecked, the practice of tacitly offering political favours like influence, contracts or even public office in return for money can undermine democratic processes.

The issue is important in Albania, as courts, audit agencies and regulatory bodies are often inexperienced or compromised by political interventions. This was underlined in 2011, when a video surfaced showing the Foreign Affairs Minister Meta asking a colleague to intervene in a power plant tender in favour of a particular businessman in return for a 7 per cent stake and a €700,000 (just over US\$900,000) bribe (Bertelsmann Foundation 2014). Meta further demanded that activists from his own party be appointed as midlevel officials, and claimed that he could influence an ongoing trial in the supreme court regarding a hydropower plant deal, as he had hired the chief justice’s daughter as a diplomat. Despite the incriminatory evidence, the high court found Meta innocent a mere six months after the incident (Balkan Insight 2013c).

### Legal framework

Currently, as stipulated by the law *For Political Parties*, foreign actors are banned from donating to

political parties, though this does not apply to trade unions or foreign political foundations (GRECO 2012: 9).

Donations from corporations to political parties or candidates are not prohibited, provided they have no government contracts or media interests. There is no limit on the amount a donor can contribute to a political party, though during any one election campaign there is a ceiling of 1 million ALL (US\$9,830).

Information on political party spending is supposed to be made public, however Albania remains one of the few countries in Europe that continues to allow anonymous donations. Contributions lower than 100,000 ALL (US\$980) do not have to be made through a designated bank account and the identity of the donor is not made public (GRECO 2012: 9).

Moreover, the law *For Political Parties* does not standardise procedure for defining or regulating in-kind donations, loans and guarantees to political parties (Transparency International Albania 2013: 6).

Political parties receive regular public funds and additional financing during election campaigns. The amount of public funding they receive depends largely on the number of seats they have in the assembly. Total spending during an electoral campaign is limited to ten times more than the amount an electoral subject has received in public funds.

The Constitution of Albania requires that “the financial resources of political parties, as well as their expenses, shall be made public in a timely manner.” Political parties and candidates are therefore required to submit yearly income tax declarations and report on their finances in relation to election campaigns. Failure to submit financial reports or to cooperate with oversight bodies incurs fines and can result in suspension of public funding for five years (International Institute for Democracy and Electoral Assistance 2013).

### Oversight body

The Supreme Audit Institution used to be responsible for monitoring political party funding and election financing, as well as ensuring disclosure and

compliance. However, in 2011 the constitutional court decided to assign the responsibility to the Central Election Commission, as the Supreme Audit Institution had failed to implement sufficient oversight measures. In the 2011 amendment to the law *For Political Parties*, the CEC was thus equipped with the legal competences to decide the format and timing of reporting, to establish the audit and monitoring procedures and to sanction parties for irregularities or refusals to declare the origin or amount of donations (Transparency International Albania 2013: 7-8).

### Implementation challenges

As successive GRECO, OSCE/ODIHR and European Commission reports have established over the last three years, party political financing regulations have been gradually tightened. This was corroborated by a recent report using Transparency International’s CRINIS research tool, which assesses levels of transparency and accountability in political party financing. The report found that Albania’s legal framework on political funding has significantly improved since 2011; 2012 was the first time that political parties were required to (and did) report to the state oversight agency on their annual funding.

The most serious challenge remains implementation; in particular there is a need to do more in the areas of public disclosure and sanctioning. Despite legal obligations stipulated by the Constitution of Albania, political parties rarely disclose financial information themselves. The general public has little or no access to information about a party’s financial activities or sources of annual funding, and even mid-ranking party officials are not informed about their party’s annual finances (Transparency International Albania 2013: 5).

Sanctions and preventive measures proscribed by the law *For Political Parties* are also insufficient. Legally, these measures do not extend beyond monetary fines and in practice they have failed to address irregularities in party financing. As of March 2014, no political party has ever had public subsidies suspended for breaking the laws on party financing. Furthermore, in practice, even when legally required to do so – in cases of donations over 100,000 ALL (US\$980) – financial transactions are often not conducted via official bank transactions (Transparency International Albania 2013: 20).

Another problem during election years is that annual funding and election campaign monies are intentionally intermingled to avoid regulations on donation limits. Transparency International Albania recently recommended that the CEC should conduct audits by certified accountants to ensure these two pools are kept separate (Transparency International 2013b).

While better legislation is now on the books, it rests with the CEC to ensure that these measures are enforced. As discussed above, the potentially partisan nature of the CEC further complicates the task of demonstrating the necessary impartiality when investigating party financing.

#### 4. IMMUNITY

##### Overview

While immunities are important to protect members of parliament or other government officials from politically motivated prosecutions, this privilege is also vulnerable to misuse by high-level officials seeking to avoid legitimate investigations.

In Albania, the head of state and members of parliament (MPs) enjoy broad constitutional immunities as public officials. The president may only be dismissed for serious violations of the constitution or commission of serious crime. MPs are granted immunity from criminal prosecution without the authorisation of the assembly, which also must grant consent when an MP is to be arrested. To remove the president's immunity a super majority (two-thirds) is required from the national assembly, as is the assent of the constitutional court. An MP's immunity can be revoked by a secret vote in the national assembly in coordination with action by the general prosecutor. Legally, there is no specification of the limited duration of immunity, but in practice it lasts for the duration of the office (World Bank 2013b).

##### Reforms

Constitutional amendments adopted in 2012 by the national assembly lifted immunity from criminal prosecution for legislators, judges and high-level government officials (including ministers) in

corruption cases (Albanian Anti-Corruption Portal 2013b). This restriction of immunities means that investigations and criminal prosecutions against these individuals relating to corruption no longer require the consent of the national assembly as was previously the case (OSCE 2012).

Following this change to the constitution, the EU Progress Report on Albania in 2013 noted that the criminal procedure code requires amendment to clarify the relevant investigative procedures, as arrest of judges and house searches remain prohibited (European Commission 2013: 39-40).

At the end of 2013, the new government's anti-corruption package transferred corruption-related investigations into public officials over to the Prosecutor's Office for Serious Crimes, under the jurisdiction of the general prosecutor. Any subsequent prosecutions are referred to the Court of Serious Crimes in Tirana (Balkan Insight 2013a).

##### Implementation challenges

The Organization for Security and Co-operation in Europe pointed out that this latest reform transfers competences to a court and prosecutor's office which lack the necessary specialist knowledge, manpower and financial resources to effectively investigate corruption cases. The US Embassy in Tirana also argued that the amendments had been made without either public discussion or consultation with the prosecutor's office or the high council of justice (Balkan Insight 2013a). As this reform was hurriedly rushed through parliament as the subject of Albanian candidacy for the EU came up in Brussels, this move perhaps had more to do with wanting to be seen as tackling corruption than actually introducing effective reforms (Balkan Insight 2013a).

Nonetheless, during his July 2013 visit to Albania, the Council of Europe's Commissioner for Human Rights Nils Muižnieks reported that he had been informed by various stakeholders that limiting broad immunity had already yielded some positive results, such as the citation of the new legislation in disciplinary proceedings against judges (Council of Europe 2013b: 5). Moreover, by the end of the year there were some signs that previously "untouchable" officials were being subjected to the new rule of law. For instance, the mayor of Vlorë, a personal friend of the newly elected Prime Minister Rama, was charged

in October 2013 with the falsification of documents and issuing of construction permits in return for kick-backs (Balkan Inside 2014).

Unfortunately, the postponement of the trial in February 2014 when four co-defendants failed to appear before the court revealed that there is a need for procedural improvement to tackle ongoing de facto immunity (Balkan Inside 2014). Other investigations are plagued by political interference, such as when the Prosecutor General Ina Rama, who was pursuing a number of high-level corruption cases, was suddenly dismissed in December 2012 amid accusations of political bias by the then prime minister Berisha (Freedom House 2013).

There are also recent grounds for concern that the general prosecutor himself may not be invulnerable to political pressure in his new task of investigating public officials who no longer enjoy immunity. In what appeared to be a personal feud, in December 2013 the new Defence Minister Mimi Kodheli called on the general prosecutor to investigate former defence minister Arben Imami for embezzlement of state funds (Balkan Insight 2013d). While the allegations may or may not be true, the general lack of faith in the independence of law enforcement and the judiciary from political interference demonstrated by the case remains a concern.

## 5. CODES OF CONDUCT FOR POLITICIANS

### Overview

While an ethics code for civil servants has existed since 2004 and state agencies may establish their own codes of ethics, there is no comprehensive written code of conduct for members of parliament (World Bank 2013b). Conflict of interest and asset declaration are regulated by dedicated legislation. The head of the national assembly is permitted to take disciplinary measures against MPs if they violate these regulations.

### Reforms

On coming to power in September 2013, Prime Minister Rama's first move was to issue an ethics code for ministers in his new government forbidding nepotism, political favouritism, conflicts of interest

and actions "not motivated by any public interest" (Albanian Prime Minister's Office 2013). This was the first time that a code of conduct had been formally set out in writing for cabinet members (Foreign Policy 2013).

Although a largely encouraging step forwards, several civil society activists have criticised some of the code's provisions limiting ministers' and public officials' freedom to speak to the media without prior approval from the prime minister's communications office (Balkan Insight 2014a).

Rama's government has also delayed legislative amendments to the law *On Civil Servants*, which were supposed to take effect in October 2013 (Balkan Insight 2013e). As the law will introduce new, binding regulations on transparent recruitment and promotion processes, the opposition allege the decision to delay the bill was motivated by a desire to allow the government more time to staff civil service positions with party supporters before the new measures take effect (Xinhuanet News 2013).

## 6. CONFLICT OF INTEREST

### Overview and legal framework

The need to regulate conflict of interest is crucial in minimising the risks of corruption and state capture. This is particularly the case in Albania, where the separation of powers is fragile, political interference in the civil service is commonplace and an elite has blurred the boundary between the private and public spheres by prioritising political and individual goals over institutional procedures (Bertelsmann Foundation 2014).

The 1998 constitution was the first document to contain provisions on conflict of interest restrictions, but it was not until the law *On the Prevention of Conflicts of Interest* was passed in 2005 that it became a legal requirement for MPs, ministers and civil servants to disclose their interests to an oversight body (World Bank 2013b). This law was amended in 2012 to ensure that state agencies must now inform the competent oversight body (the HIDAA – see *Oversight below*) on the measures they are taking to tackle conflict of interest issues, which is an

important step to ensure the transparency and effectiveness of audits (Council of Europe 2012: 4).

Under current legislation, the president, the prime minister, ministers, MPs and their spouses and children are all obliged to submit conflict of interest declarations. Public officials are not permitted to accept money or services for performing their service duties (HIDAA 2003).

The president may not hold another public position, be a party member, carry out other private activities or own shares or capital in a commercial company. Ministers and MPs are prohibited from engaging in other employment (including NGOs and labour unions), being a board member of a profit-making company or owning shares or capital in a commercial company. MPs are obligated to declare all private interests, and ministers are additionally required to declare the source of all income they receive. While in public office, private interests and negotiations relating to possible employment have to be declared (World Bank 2013b).

All public officials are required to file a declaration of their private interests within thirty days of taking office, and also make annual declarations. After leaving office, a final declaration of interests is required within fifteen days.

In order to close the revolving door, there is also a two-year “cooling off” period for public officials, in which they are not permitted to represent any person or organisation in a conflict of interest or commercial relationship with the Albanian public administration (World Bank 2013b).

Spouses, parents and adult children are considered to be related to the official under the law *On the Prevention of Conflicts of Interest* and are therefore restricted in the same manner as the official. That means that spouses and children are required to declare their private interests and sources of income. Furthermore, they may not be personally engaged in entrepreneurial activities in general, nor own shares of any kind if they are associated with the official (World Bank 2013b).

The violation of conflict of interest provisions entails fines and administration sanctions, but there are no penal sanctions. The 2012 amendments to the law

*On the Prevention of Conflicts of Interest* did, however, set stricter sanctions for violating the law; if caught accepting a gift offering unfair advantage, a public official can now be fined up to 100,000 ALL (US\$980) (Council of Europe 2012: 4).

There are clear penalties laid down in law for non-compliance with the procedures of declaring one's interests. Failure to declare interests in time can lead to a fine between 20,000 ALL (US\$195) and 30,000 ALL (US\$295). Non-submission of an interest declaration can result in a fine of between 100,000 ALL (US\$980) and 10 million ALL (US\$98,000), and once all other administrative remedies have been exhausted the official can be dismissed and imprisoned for up to six months. Submitting a false declaration is a criminal offence punishable by up to three years' imprisonment (World Bank 2013b).

Declarations of interest are kept on the public record for 10 years and are officially made available to the public. However, there are no legal specifications regarding how this is to be done or how much a member of the public can be charged for accessing this information.

## Oversight

As stipulated by the law *On the Prevention of Conflicts of Interest*, the independent High Inspectorate of the Declaration and Audit of Assets (HIDAA) was created in 2003 as the central body responsible for enforcing compliance with the conflict of interest law. It falls under the responsibility of the inspector general to verify the submission and accuracy of conflict of interest declarations, as well as to conduct audits of suspicious declarations (HIDAA 2011).

## Implementation challenges

In spite of stricter rules, public officials are still permitted to accept gifts of symbolic value, and there has been no move as yet to legally define clear thresholds in relation to the value of symbolic gifts (Business Anti-Corruption Portal 2014). Furthermore, the Council of Europe's PACA evaluation found that legal definitions around conflict of interest are still too extensive, comprising issues such as punctuality, dedication and honesty. Contrary to international good practice, the *Conflict of Interest* law continues

to regulate elected officials and civil servants in the same way. PACA recommended that the emphasis for elected officials should focus on the disclosure of interests and not wide-ranging prohibitions (Council of Europe 2012: 4).

In practice, high-ranking politicians seem to have little problem circumnavigating the legal provisions regulating conflict of interest, at least while they are in office. Details recently came to light that the previous administration had spent several million euros on adverts, which were created and aired by advertising and broadcasting companies owned by political supporters. *Balkan Insight* magazine alleged this formed part of a “broad scheme to enrich pro-government media” (Balkan Insight 2014b). The Task Force against Economic Crime and Corruption is currently investigating this spending and the general prosecutor has announced an inquiry into the actions of former defence minister Arben Imami (Balkan Insight 2013d).

## 7. ASSET DECLARATION

### Overview

As with conflict of interest restrictions, legislation requiring public officials to declare their assets to an independent oversight body is indispensable in the fight against political corruption. Where political corruption is widespread, as in Albania, asset disclosure enables the state audit body to check for any irregularities in the finances of public officials, and helps to detect possible instances of illicit enrichment.

### Legal framework

The *Asset Disclosure* law from 2003 requires public officials to declare their assets and submit them to the HIDAA. The president, prime minister, cabinet members and MPs are all required to submit asset declarations covering both themselves and their spouses and children. Spouses and children are required to submit a separate asset declaration for individually-owned property (World Bank 2013b).

The *Asset Disclosure* law from 2003 and the law *On the Prevention of Conflicts of Interest* from 2005 explicitly define assets, liabilities and income. Public

officials and their families are obliged to declare real estate, movable assets, cash in Albanian and foreign currencies, as well as loans, debts and earned and unearned income (World Bank 2013b).

Clear deadlines are laid down in law for the submission of asset declarations. Officials must submit an asset declaration form within 30 days of taking office and 15 days of leaving it, as well as annually. Late filing of asset declaration forms is penalised by a fine of 20,000 ALL (US\$195) to 30,000 ALL (US\$295), while non-filing and submitting a falsified declaration are criminal offences, liable to a six-month or two-year sentence respectively. There are no reverse penalties for public challenges to the accuracy of declarations.

Amendments were made to the *Asset Disclosure* law in 2012 to considerably broaden the range of officials obliged to disclose their assets by including high-level judges, the general prosecutor, the ombudsman, the Governor of the Bank of Albania, members of the CEC, tax and customs officers, mid-level civil servants and even the inspector general (who oversees the HIDAA). The nature of assets covered was also extended to include *inter alia* gifts exceeding a value of 10,000 ALL (US\$98), commitments to profit-seeking activities and all expenses above 500,000 ALL (US\$4,900) (Council of Europe 2012: 5).

Asset declarations by public officials are publicly available upon request under the 1999 law *On the Right to Information*, and requested information about assets must be released within 40 days. However, this requirement was somewhat undermined by a constitutional ruling in 2004, which decreed that making data on income or wealth public requires the consent of the individual concerned (World Bank 2013b).

### Oversight

The High Inspectorate of the Declaration and Audit of Assets (HIDAA) is the relevant oversight body responsible for enforcing asset disclosure requirements and confirming submissions. It is also assigned legal responsibility and authority for verifying the accuracy of submitted declarations. The 2003 *Asset Disclosure* law lays out the explicit criteria against which accuracy is to be verified.

To streamline the asset declaration procedure, the HIDAA signed memoranda of understanding between December 2011 and May 2012 with three key agencies that hold information on the assets of public officials: the Immoveable Property Registration Office, the Agency for the Legalisation, Urbanisation and Integration of Information Zones and Buildings, and the General Department for Transport Services (Council of Europe 2013a: 33). The European Commission's 2013 Progress Report nonetheless noted that HIDAA still lacked the necessary auditing capacity to satisfactorily investigate cases of suspicious asset declarations (European Commission 2013: 41).

### Implementation challenges

In the 2012 evaluation PACA warned that the measures to drastically increase the number of public officials required to declare their assets would overstrain the institutional capacity of the HIDAA. The fact that the body is now also legally obliged to conduct full audits covering a wider range of assets more frequently adds to this burden (Council of Europe 2012: 5). Full audits are highly work-intensive and time-consuming exercises, necessitating a comparison of the asset information of each public official with a number of other sources of information including private financial institutions.

The assessment recommended that the HIDAA should instead identify and target fewer, more risky categories of officials. Otherwise, it has warned, the HIDAA risks losing sight of its primary objective: to curb high-level political corruption (Council of Europe 2012: 6).

## 8. REFERENCES

- Albanian Anti-Corruption Portal. 2013a. *Albania tops corruption list in Balkans*. <http://www.anticorruption-albania.org/home/news-from-albania/152-albania-tops-corruption-list-in-balkans>
- Albanian Anti-Corruption Portal. 2013b. *Albania fulfils all the requirements of the third round of GRECO*. <http://www.anticorruption-albania.org/home/news-from-albania/149-albania-fulfills-all-the-requirements-of-the-third-round-of-greco>
- Albanian Institute for International Studies and FES. 2013. *The state of Albanian Democracy at the eve of 2013 General elections*. <http://library.fes.de/pdf-files/bueros/albanien/10055.pdf>
- Albanian Prime Minister's Office. 2013. *Ethics Code for Ministers* (in Albanian). <http://kryeministria.al/al/newsroom/lajme/kodi-etik-ministor>
- Albanian Ministry of Finance. 2014. Error message on page where daily budget expenses are supposed to be published. [http://www.minfin.gov.al/minfin/Pagesa\\_te\\_kryera\\_nga\\_Drejtoria\\_e\\_Pergjithshme\\_e\\_Thesarit\\_1890\\_1.php](http://www.minfin.gov.al/minfin/Pagesa_te_kryera_nga_Drejtoria_e_Pergjithshme_e_Thesarit_1890_1.php)
- Balkan Inside. 2014. *Albania, Trial against Vlora Mayor postponed*. <http://www.balkaninside.com/albania-trial-against-vlora-mayor-postponed/>
- Balkan Insight. 2014a. *Albania leaders backtrack on transparency pledges*. <http://www.balkaninsight.com/en/article/albania-leaders-backtrack-on-transparency-pledges>
- Balkan Insight. 2014b. *Albania's former Chief enriched media ally*. <http://www.balkaninsight.com/en/article/albania-s-former-chief-enriched-media-ally>
- Balkan Insight. 2013a. *Albania pushes on with anti-corruption package*. <http://www.balkaninsight.com/en/article/albania-pushes-anti-corruption-reform>
- Balkan Insight. 2013b. *Vote-buying 'rampant' ahead of Albania poll*. <http://www.balkaninsight.com/en/article/vote-buying-rampant-in-albania-poll>
- Balkan Insight. 2013c. *Albania Ex-Deputy PM to face corruption trial*. <http://www.balkaninsight.com/en/article/albania-ex-deputy-pm-to-face-corruption-trial>
- Balkan Insight. 2013d. *Albania charges Former Defence Minister*. <http://www.balkaninsight.com/en/article/albania-ex-defense-minister-accused-of-corruption>
- Balkan Insight. 2013e. *Albania opposition slates civil service reform delay*. <http://www.balkaninsight.com/en/article/civil-service-row-threatens-albania-consensus>
- Bertelsmann Foundation. 2014. *Bertelsmann Transformation Index – Albania country report 2014*. <http://www.bti-project.org/reports/country-reports/ecse/alb/2014/index.nc>
- Bertelsmann Foundation. 2012. *Bertelsmann Transformation Index – Albania country report 2012*. <http://www.bti-project.org/reports/country-reports/ecse/alb/2012/index.nc>
- Bertelsmann Foundation. 2008. *Bertelsmann Transformation Index – Albania country report 2008*. <http://www.bti-project.org/reports/country-reports/ecse/alb/2008/index.nc>
- Business Anti-Corruption Portal. 2014. *Albania Country Profile*. <http://www.business-anti-corruption.com/country->

profiles/europe-central-asia/albania/show-all.aspx

Central Election Commission. 2014. *Members*.  
[http://www.cec.org.al/index.php?option=com\\_content&view=article&id=47&Itemid=7&lang=en](http://www.cec.org.al/index.php?option=com_content&view=article&id=47&Itemid=7&lang=en)

Central Election Commission. 2011. *CEC Background*.  
[http://www.cec.org.al/index.php?option=com\\_content&view=article&id=46&Itemid=245&lang=en](http://www.cec.org.al/index.php?option=com_content&view=article&id=46&Itemid=245&lang=en)

Council of Europe. 2013a. *Project against Corruption in Albania: Final Narrative Report*.  
<http://www.coe.int/t/dghl/cooperation/economiccrime/corruption/projects/Albania/Final%20Report/PACA%20Final%20Report.pdf>

Council of Europe. 2013b. *Commissioner for Human Rights: Concluding Observations on Albania*.  
<http://www.refworld.org/publisher,COECHR,,,53046b8a4,0.html>

Council of Europe. 2012. *Project Against Corruption in Albania: Comments on Draft Amendments to the Conflict of Interest and Asset Declarations Laws Passed by the Council Ministers in July 2012*.  
<http://www.coe.int/t/dghl/cooperation/economiccrime/corruption/projects/albania/technical%20papers/TP%202012/1917%20TP%209%20Col%20amendments%20August%202012%20%282%29.pdf>

Deutsche Welle. 2013. *Both sides claim election win as polls close in Albania*.  
<http://www.dw.de/both-sides-claim-election-win-as-polls-close-in-albania/a-16901224>

The Economist. 2013. *Edi's turn: An old political rival becomes the new prime minister*.  
<http://www.economist.com/news/europe/21580177-old-political-rival-becomes-new-prime-minister-edis-turn>

The Economist. 2011. *Albania's disputed election: Why everyone is sick of Albania*.  
<http://www.economist.com/blogs/easternapproaches/2011/06/albanias-disputed-election>

European Commission. 2013. *Albania 2013 Progress Report*.  
[http://ec.europa.eu/enlargement/pdf/key\\_documents/2013/package/al\\_rapport\\_2013.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/al_rapport_2013.pdf)

Foreign Policy. 2013. *The Baller: Can Edi Rama take his country from basketcase to breakout start?*  
[http://www.foreignpolicy.com/articles/2013/09/20/the\\_baller\\_edi\\_rama\\_albania](http://www.foreignpolicy.com/articles/2013/09/20/the_baller_edi_rama_albania)

Freedom House. 2013. *Nations in Transit: Albania*.  
<http://www.freedomhouse.org/report/nations-transit/2013/albania#.UwIwCD8WZ1>

GRECO. 2012. *Fighting Corruption: Political Funding, Thematic Review of GRECO's Third Evaluation Round*.  
[http://www.coe.int/t/dghl/monitoring/greco/general/DOUBLET\\_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/general/DOUBLET_EN.pdf)

The High Inspectorate of Declaration and Audit of Assets.

2011. *Our Mission*. <http://www.hidaa.gov.al/root/misioni-nye/?lang=en>

The High Inspectorate of Declaration and Audit of Assets. 2003. *Law 9131: On The Rules of Ethics in the Public Administration*.  
[http://www.hidaa.gov.al/english/laws/l\\_9131.htm](http://www.hidaa.gov.al/english/laws/l_9131.htm)

International Institute for Democracy and Electoral Assistance. 2013. *Political Finance Data on Albania*.  
<http://www.idea.int/political-finance/country.cfm?id=7>

Mujaj, Eureka, "Changes in the Penal Code of the Republic of Albania Concerning Corruption", *European Scientific Journal*, Vol. 9, No. 17, 2013.

Open Government Partnership. 2014. *Albania: Country Profile*. <http://www.opengovpartnership.org/country/albania>

OSCE. 2013. *Republic of Albania Parliamentary Elections 23 June (2013): OSCE/ODIHR needs assessment mission report 11-14 March (2013)*.  
<http://www.osce.org/odihr/elections/100502>

OSCE. 2012. *Head of OSCE Presence welcomes restriction of MPs' and judges' immunities in Albania*.  
<http://www.osce.org/albania/93820>

OSCE. 2011. *International Election Observation: Republic of Albania Local Government Elections, 8 May 2011*.  
<http://www.osce.org/odihr/77446>

OSCE. 2009. *Albania, Parliamentary Elections, 28 June 2009: Final Report*.  
<http://www.osce.org/odihr/elections/66008>

OSCE. 2007. *Republic of Albania, Local Elections 18 February 2007: Election Observation Mission Report*.  
<http://www.osce.org/odihr/elections/albania/25470>

Republic of Albania Council of Ministers. 2013. *National Strategy for Development and Integration: Progress Report 2012*.  
[http://dsdc.gov.al/dsdc/pub/nsdi\\_2012\\_progress\\_report\\_eng\\_final\\_1621\\_1.pdf](http://dsdc.gov.al/dsdc/pub/nsdi_2012_progress_report_eng_final_1621_1.pdf)

Transparency International Albania. 2013. *Buying Influence: Money and Political Parties in Albania*.  
[http://www.transparency.org/files/content/feature/2013\\_CRI\\_NIS\\_Albania\\_EN.pdf](http://www.transparency.org/files/content/feature/2013_CRI_NIS_Albania_EN.pdf)

Transparency International. 2013a. *Corruption Perceptions Index: Albania*. <http://www.transparency.org/country#ALB>

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

World Bank. 2013a. *Worldwide Governance Indicators: Country Data Report for Albania, 1996-2012*.  
<http://info.worldbank.org/governance/wgi/pdf/c6.pdf>

World Bank. 2013b. *Public Accountability Mechanisms: Albania*. <https://www.agidata.org/pam/Profile.aspx?c=2>

Xinhuanet News. 2013. *Albania's Assembly passes normative act on civil service law.*

[http://news.xinhuanet.com/english/world/2013-10/18/c\\_132807931.htm](http://news.xinhuanet.com/english/world/2013-10/18/c_132807931.htm)