



2008 GOVERNANCE OVERVIEW for ALBANIA*

Overall, the public administration is continuing to stabilise. However, there are some weaknesses that should be addressed. In general, further strengthening of public institutions is needed. There is lack of sound accountability mechanisms in public administration which causes bypassing established procedures. Currently, the Department of Public Administration is drafting a strategy on public administration reform.

Civil Service: The Civil Service Law is in place, but is not applied systematically. Currently, a strategy on public administration reform is being drafted. Turnover of staff due to political pressures has continued. Also, appointments of civil servants are along political party lines and in contradiction to the Civil Service Law.

Anti-corruption policy: Even though further efforts have been undertaken in the fight against corruption, corruption remains a particularly serious problem in Albania. The 2007-2013 National Strategy for Development and Integration contains anti-corruption elements, however it lacks a framework for implementation. An anti-corruption strategy for 2007-2013 was adopted in October 2008, but implementation needs to start and monitoring mechanisms remain to be assessed. The institutional set up and coordination in the fight against corruption remain weak. There is no effective institutional framework to coordinate, monitor and implement anti-corruption policies across public administration.

The Law on conflict of interest was adopted in 2007. The Law on financing of political parties remains to be adopted. Judicial accountability and transparency in funding of political parties remain to be improved.

Public procurement: There has been limited progress in this area. The Public Procurement Law needs revision. In general, there is no coherent, comprehensive strategy for further development of the procurement system. Further approximation to the *acquis* is required in all areas of public procurement, particularly for concessions and utilities.

The capacity of the Public Procurement Agency was strengthened by additional staff and it continues to organise training on public procurement. However, its role as central co-ordinating and advisory authority for legal and procedural reforms needs further strengthening. Electronic procurement was introduced at the end of 2007 and is now used by all ministries.

Public Internal Financial Control (PIFC): There has been modest progress in this area. A new draft Organic Budget Law was adopted by Parliament in June 2008. It introduces framework provisions on PIFC and its components: financial management control, internal audit and a central harmonisation function.

The Policy Paper on PIFC approved in June 2005 is the baseline document for both legal and institutional developments. It has not yet been updated.

As regards external audit, the operational independence of the Supreme Audit Institution has been enhanced, however is still not fully in line with the INTOSAI standards.